



REORGANIZING HIGHER

W h a t H i s t o r y T e l l s

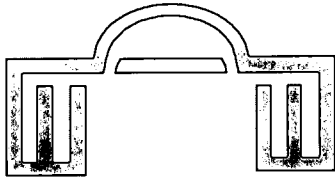
EDUCATION IN

U s A b o u t O u r F u t u r e

NORTH CAROLINA



A REPORT BY THE NORTH CAROLINA CENTER FOR PUBLIC POLICY RESEARCH



North Carolina Center for Public Policy Research

Board of Directors

Chair

Ned Cline

Vice Chair

Loleta Wood Foster

Secretary

Elaine F. Marshall

Treasurer

Peter Keber

John Alexander

David E. Benevides

Rann Carpenter

Sue W. Cole

Keith Crisco

Margaret B. Dardess

Philip R. Dixon

Virginia A. Foxx

Thomas J. Harrelson

Donald Harrow

Fletcher L. Hartsell, Jr.

David Jones

Betsy Y. Justus

Phil Kirk

Georgia Jacquez Lewis

Angie McMillan

Garrie Moore

Tom Morrow

Joyce Peters

Katherine Skinner

Craig Souza

Russ Stephenson

Bertram E. Walls

Cameron P. West

D. Jordan Whichard, III

The North Carolina Center for Public Policy Research is an independent, nonprofit organization dedicated to the goals of a better-informed public and more effective, accountable, and responsive government. The Center identifies public policy issues facing North Carolina and enriches the dialogue among citizens, the media, and policymakers. Based on its research, the Center makes recommendations for improving the way government serves the people of this state. In all its efforts, the Center values reliable and objective research as a basis for analyzing public policy, independence from partisan bias and political ideology, the richness of the state's diverse population, and a belief in the importance of citizen involvement in public life.

The Center was formed in 1977 by a diverse group of private citizens "for the purpose of gathering, analyzing, and disseminating information concerning North Carolina's institutions of government." It is a nonpartisan organization guided by a self-elected Board of Directors and has individual and corporate members across the state.

Center projects include the issuance of special reports on major policy questions; the publication of a magazine called *North Carolina Insight*; joint productions of public affairs radio programs with WUNC-FM and public radio stations in North Carolina; a newsletter called *From the Center Out*; a monthly radio program on WPTF-AM; public affairs programs on Time Warner Cable TV affiliates; and the regular participation of members of the staff and of the Board in public affairs programs around the state. The Center's research combines the thoroughness of scholarly research with the readability of good journalism. Each Center publication represents an effort to amplify conflicting ideas on the subject under study and to reach conclusions based on sound rationalization of these competing ideas.

Executive Director

Ran Coble

Center Staff

Mike McLaughlin

Danita Morgan

Nancy Rose

Laurita Ray

Carolyn Waller

Published by the North Carolina Center for Public Policy Research, Inc. (a nonprofit, tax-exempt organization), P.O. Box 430, 5 West Hargett Street, Suite 701, Raleigh, NC, 27602. Telephone (919) 832-2839. Annual membership rates: Individual, \$36; Organizational, \$50; Supporting, \$100; Full-Service, \$250; Supporting Corporate, \$500; Patron, \$1000; Benefactor, \$2000. The Center is supported in part by a grant from the Z. Smith Reynolds Foundation in Winston-Salem, North Carolina. Additional funding comes from 13 other private foundations, 190 corporate contributors, and more than 900 individual and organizational members.



REORGANIZING HIGHER

W h a t H i s t o r y T e l l s

EDUCATION IN

U s A b o u t O u r F u t u r e

NORTH CAROLINA

By Barbara Solow

This study was supported by a grant from the W.K. Kellogg Foundation of Battle Creek, Michigan.
The North Carolina Center for Public Policy Research extends its sincere thanks for the
Foundation's generous support of this project.



A REPORT BY THE NORTH CAROLINA CENTER FOR PUBLIC POLICY RESEARCH

Reorganizing Higher Education in North Carolina: What History Tells Us About Our Future.

© Copyright 1999 by the North Carolina Center for Public Policy Research, Inc., Post Office Box 430, 5 West Hargett Street, Suite 701, Raleigh, North Carolina, 27602, (919) 832-2839, fax (919) 832-2847, website www.ncinsider.com/nccppr.

All rights reserved. No part of this book may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without express written permission from the North Carolina Center for Public Policy Research. Inquiries should be addressed to Executive Director, N.C. Center for Public Policy Research, Post Office Box 430, Raleigh, NC, 27602.

Cover design by WHITE AND SATTERFIELD, Raleigh, North Carolina

Formatting by ALPHAGRAPHS, Raleigh, North Carolina

Printing by THEO DAVIS SONS, Zebulon, North Carolina

All photographs by Karen Tam, Raleigh, North Carolina, with the following exceptions: photograph of Molly Corbett Broad, page i, provided courtesy of University of North Carolina General Administration; photograph of Charles Kuralt and William Friday, page 7, provided courtesy of North Carolina Collection, University of North Carolina Library at Chapel Hill; photograph of Robert W. Scott, page 35, provided courtesy of North Carolina Collection, University of North Carolina Library at Chapel Hill; photograph of Leo Jenkins, page 37, by Marianne Baines, provided courtesy of East Carolina University News Bureau; photograph of Henry Frye, page 38, provided courtesy of Justice Frye; photograph of East Carolina University School of Medicine, page 51, provided courtesy of East Carolina University News Bureau; photograph of Julius Chambers, page 60, provided courtesy of Chancellor Chambers; photograph of Benjamin Ruffin, provided courtesy of UNC General Administration; photograph of C.D. Spangler, page 62, provided courtesy of North Carolina Collection, University of North Carolina Library at Chapel Hill.

TABLE OF CONTENTS

Executive Summary	i
Introduction	1
1. A Varied Educational Landscape	5
Building on the Historic Base of the University	5
The Distribution of Resources for Higher Education	7
Rising Enrollments and Ambitions	8
Toppling the Educational Pyramid	10
2. A Gathering Of Forces For Change	13
Relationships With the Legislature and the Public.....	13
Taking a Statewide View of Higher Education	15
The Governor Steps In	16
3. The 1971 Governor's Study Committee On the Structure and Organization of Higher Education	19
The Governor's Push for Change	19
The Study Committee Deliberates	20
A Divided Report	22
4. The Arguments For and Against Changing the System of Governance	27
Achieving a Fair and Rational Distribution of Resources.....	28
Preserving and Enhancing Academic Excellence	30
Balancing Power Between a Central Governing Board and Local Campuses	32
Limiting Legislative Interference in Higher Education Policy	32
5. The October 1971 Special Session of the Legislature on Higher Education	35
A New Proposal for Higher Education Governance.....	35
Taking Positions on the Restructuring Legislation	36
The Remaining Areas of Disagreement.....	38
The October 1971 Special Session	40
A Dramatic Finish.....	41
The Final Restructuring Bill	42

6.	A Rational System of Higher Education Governance	47
	The Importance of Continuity.....	47
	Facing Challenges from the Start	48
	Keys to Success in the Early Stages of a New System	52
7.	The North Carolina Model: Unresolved Issues	55
	Distributing Resources Fairly Among the 16 Campuses	56
	The Roles of the State's Historically Black Universities.....	58
	Maintaining Academic Excellence	60
	Preserving a Proper Balance of Power Between the Board of Governors and Campus Boards of Trustees	61
	Avoiding Harmful Legislative Interference in Higher Education.....	62
	Conclusion: Dangers and Opportunities	65
	Bibliography	69
	Review Memo	73

LIST OF TABLES

TABLE 1	The Historic Growth of the University of North Carolina	6
TABLE 2	The Constituent Institutions of the University of North Carolina, 1998	9
TABLE 3	Major Arguments For and Against Restructuring of Higher Education in North Carolina, 1971	29
TABLE 4	A Chronology of Key Events of the Special Legislative Session on Higher Education Governance, October 26-30, 1971	43
TABLE 5	Key Supporters and Opponents of Restructuring of Higher Education in North Carolina, 1971	44
TABLE 6	A Comparison of the Powers of the 100-Member Consolidated University Board of Trustees, the UNC Board of Governors, and Local Campus Boards of Trustees	49
TABLE 7	North Carolina General Fund Appropriations for Public Higher Education	52
TABLE 8	State Funds for Higher Education Operating Expenses, 1997-98, Ranked by State	53
TABLE 9	Issues Facing North Carolina's Higher Education System, Past and Present	57

EXECUTIVE SUMMARY

Reorganizing Higher Education in North Carolina: What History Tells Us About Our Future

In 1971, a heated legislative battle led to the creation of North Carolina's 16-campus public university system. The drive to restructure higher education was proposed by then-Governor Robert Scott and key leaders of the State Board of Higher Education. It was opposed by leaders and supporters of the University of North Carolina, which had grown from a single campus in Chapel Hill to six institutions across the state. Many of the issues discussed during that time still resonate in public debate over higher education today.

Much of the legislative debate focused on the size, composition, and powers of a proposed governing board for all of public higher education in North Carolina. Supporters of restructuring argued that such a board was needed to develop a statewide plan for higher education, to end harmful competition among campuses, to deal with inequities in funding among the campuses, and to eliminate duplication in higher education programs. Opponents argued that restructuring would reverse the success achieved by the University of North Carolina (particularly at UNC-Chapel Hill) and would not improve the allocation of resources and programs among the state's public colleges and universities. Other concerns included whether the state's regional universities — including the state's

historically black colleges — would gain or lose under a revamped system; whether a new system would prevent each campus from running to the legislature independently for funds; and whether election of the Board of Governors by the legislature was the best way to achieve a representative, independent board.

In the end, the 16-campus system established by a special October session of the 1971 General Assembly was built on the administrative foundations of the University of North Carolina. The new 32-member Board of Governors was comprised of equal numbers of representatives of the old UNC system and of the state's public regional universities. William Friday, long-time president of UNC, was chosen to lead the expanded university system. A unique feature of the governance system created by the 1971 legislative action was the retention of local boards of trustees for each of the 16 individual schools. Those boards derive their power from the central Board of Governors, whose members are elected by the General Assembly.

Since it was founded more than two decades ago, North Carolina's 16-campus system has won national praise for its administrative and academic success. The state's dual-board structure has been hailed as a model for education governance, and

UNC's programs continue to rank high in national comparisons of colleges and universities. Some of the key challenges facing educators and political leaders in the 1971 debate, however, continue to be public issues today. Chief among these challenges are how to distribute state resources fairly among a large, diverse group of educational institutions; how best to protect the university system from potentially harmful political interference; what role the historically black universities should play in the state university system; and what the balance of power should be between the central Board of Governors and the local boards of trustees.

These issues are echoed in recent controversies over UNC-Chapel Hill business school efforts to bypass the Board of Governors in approaching the General Assembly for a tuition increase; calls to

change the allocation of power between the Board of Governors and local campuses in setting tuition policies; and calls by legislators and others for a new study of funding inequity for the historically black campuses and for the campuses with rapid increases in enrollment. North Carolina's history in having the first public university to open its doors and citizens' support for the independence and health of its public university are strengths the system can build on in adapting to changes in higher education and politics.

At a time when there are fewer eyewitnesses to the dramatic and difficult birth of North Carolina's public university system, reviewing its history can help educators, policymakers, and citizens better understand its present and prepare for the future.



INTRODUCTION

On April 29, 1998, in a ceremony filled with academic pomp and Southern courtliness, Molly Corbett Broad was inaugurated as the 15th president of the University of North Carolina and the third President of the 16-campus system. Broad is the first woman and the first non-North Carolinian chosen to lead the state's prestigious public university system — two facts that were frequently underscored by media commentators and participants in the celebration.

In her address to the assembled crowd, Broad spoke of the importance of preserving the University's historic mission, while at the same time adapting to an environment of global economic change and "constrained" local resources. "We must redesign ourselves in a way that is faithful to our principles," she said. "The question is, how do we translate the strength and foresight embodied in our University to meet the challenges of the future?"

More than two decades earlier, academic and political leaders in North Carolina were asking similar questions about redesigning the state's system of higher education, which at the time was comprised of independent regional universities and the six-campus University of North Carolina. In 1971, a heated legislative battle led to the creation

of the University Board of Governors and the 16-campus system the board oversees.

While the governing board design is acclaimed as a model by national educational leaders, in North Carolina its history is little known and little discussed outside of the university community.



"We must redesign ourselves in a way that is faithful to our principles."

— MOLLY CORBETT BROAD
UNC President, 1998-present

As time goes on, there are fewer witnesses to the dramatic, difficult birth of a system that now serves more than 155,000 students on campuses stretching from the mountains to the coast.

Some who were present for the political fight of 28 years ago liken the experience to a civil war. By all accounts, the effort to bring North Carolina's public colleges and universities under one administrative roof was controversial, complex, and full of surprises. Leading the drive was a governor whose campaign platform had not focused on higher education and who was approaching "lame duck" status at the end of his term. His most powerful opponents were influential leaders of the state's historic flagship university; his most loyal supporters were administrators of a higher education planning agency that lacked enforcement power.

The legislative process saw academic leaders playing politics and lawmakers taking on the role of educators. The political debate over restructuring occurred in the larger societal context of rapidly expanding demand for higher education and growing concern over unequal access to educational resources. But in contrast to the bitterness that dogged the legislative debate over restructuring, the implementation of the new 16-campus system took place in an atmosphere of calm and cooperation. Felix Joyner, who at the time was the University's vice president for finance, echoes the sentiments of many when he says, "It was an irrational fight that led to a rational system."

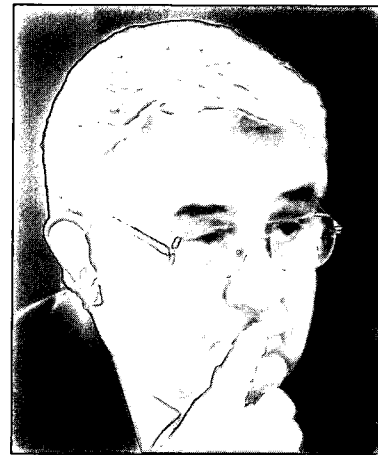
In the years since 1971, North Carolina's public university system has won widespread praise for academic and administrative success. The accomplishments of the 16-campus University have led to a powerful form of hindsight among participants in the dispute over restructuring. Most of those who staunchly opposed that change now count themselves among the system's most loyal defenders.

That doesn't mean that the recent history of higher education in North Carolina is a clear picture. Participants in the restructuring debate still disagree over how that history ought to be written, including where the impetus for change came from; what the views were of many key partici-

pants; how large the opposition was to creating a multi-campus system; and what type of political influence was used to bring about change.

More importantly, many of the issues that were being confronted by political and academic leaders in the 1970s still resonate today.

Chief among them are how to distribute state resources fairly among a large, diverse group of institutions; how best to protect the university system from potentially harmful political interference; what role the



— WILLIAM C. FRIDAY
UNC President, 1956-1986

state's five historically black universities should play in the system; how to maintain academic excellence in an uncertain economy; and how to balance power and flexibility between the central Board of Governors and the individual campus boards of trustees.

Numerous interviews with university leaders, current and former state legislators, scholars, and historians make clear that by 1971, many people felt that North Carolina's higher education infrastructure had reached a point where it was no longer workable — either

from an academic or a political standpoint. Many believed that a system in which a growing number of public universities were each approaching the legislature separately for funding was leading to administrative chaos, needless duplication of academic programs, and a waste of tax dollars. But while the need for change may have been certain, the form it took was not. As a product of legislation, North Carolina's current university system reflects the aspirations, accomplishments, fears, and failings of the many people involved in the restructuring debate. As a product of history, the university system also reflects the times in which it was created.

"Underpinning everything about this place is a massive affection for the University. It was the University that was provided for in the [state] Constitution. It was the one sustainable force."

— WILLIAM C. FRIDAY
UNC President, 1956-1986

Aims McGuinness Jr., a senior associate at the National Council for Higher Education Management Systems, has been studying the evolution of education governance systems across the United States since 1975. He believes that looking at educational change from a purely tactical viewpoint misses the mark. "One could write this as a sort of war story about how all these people and places were fighting with each other," McGuinness says. "The real issue is, in some respects, not higher education at all, but the broader shifts in political and economic power within a state."

In that vein, North Carolina educational leaders point to a unique connection between the leadership of the Tar Heel state and its public university system. In her inaugural address, President Molly Corbett Broad spoke of how a "bedrock belief in the transforming power of education, in many ways, continues to define North Carolina." William C. Friday, who served as president of the University of North Carolina from 1956 to 1986, says in reflecting on the 1971 restructuring debate, "Underpinning everything about this place is a massive affection for the University. It was the University that was provided for in the [state] Constitution. It was the one sustainable force."

This report will describe the history of the

1971 restructuring of the University of North Carolina, including the various forces that led to change, the arguments made for and against restructuring, and some of the strategies used to bring about a new system of university governance. Second, the report will show how the 1971 reshaping of higher education in North Carolina mirrors broader public policy trends at work in the state. And lastly, the report will identify what this portion of the history of higher education in North Carolina can tell us about future issues in the field.

Underlying all of the sections will be a focus on the lessons that can be learned from reviewing this particular chapter in our state's history. Official documents, interviews with participants, and media and scholarly accounts of the events of 1971 will help answer some key questions, including: Where did the idea for change in North Carolina's educational system come from? What is significant about the way in which it was altered? What problems have been left unresolved by restructuring in the 1970s?

FOOTNOTES

¹ Interview with Felix Joyner, April, 1998. Hereafter, all direct quotes that appear without footnotes are from interviews conducted by the author in April and May, 1998.



CHAPTER 1

A Varied Educational Landscape

“... what's past is prologue, what to come in yours and my discharge.”

— WILLIAM SHAKESPEARE

The Tempest

In the decades before 1971, the majority of North Carolina's public colleges and universities operated as separate and competing organizations. The state's higher educational system was an intricate patchwork of institutions serving diverse regions, populations, and needs. And the agency that had been created to manage the growth of higher education — the North Carolina Board of Higher Education — lacked authority to carry out its mission.

By the late 1960s, North Carolina had more community colleges, colleges, and universities — a total of 96 public and private institutions — than any Southern state except Texas, which had 124.¹ Each campus had a distinct history and a different level of political backing, and each public institution vied for a share of the state budget.

Building on the Historic Base of the University

The Consolidated University of North Carolina — which in 1971 was comprised of six campuses with headquarters in Chapel Hill — was seen as having the most political clout. It operated under a single, 100-person Board of Trustees elected by the

legislature and chaired by the governor. That board was made up of some of the state's most powerful business and community leaders. Phil Godwin, who was Speaker of the state House of Representatives (D-Gates) in 1971, says, “In my opinion, they not only ran the [Consolidated] university, they ran state government.”

The six-campus Consolidated University was built on the foundation of the University of North Carolina, which opened its doors in Chapel Hill in 1795 as the nation's first state-supported university. Another key piece of the university's heritage is a provision in the state Constitution that originally read, “The General Assembly shall provide that the benefits of The University of North Carolina, as far as practicable, be extended to the youth of the State free of expense for tuition.”²

For almost 140 years, the University comprised a single campus at Chapel Hill. Then in 1931, the General Assembly approved a consolidation of three campuses — the University of North Carolina at Chapel Hill, the North Carolina College of Agriculture and Engineering (now North Carolina State University at Raleigh) and the North Carolina College for Women (now the University of North Carolina at Greensboro).³ State appropriations for all public universities had been sharply

TABLE 1

THE HISTORIC GROWTH OF THE UNIVERSITY OF NORTH CAROLINA

- 1789** - The University of North Carolina is founded with one campus at Chapel Hill.
- 1795** - The University of North Carolina opens its doors to students.
- 1931** - North Carolina College for Women in Greensboro and North Carolina College of Agriculture and Mechanic Arts in Raleigh — also publicly-funded universities — join UNC as the University of North Carolina at Greensboro and North Carolina State University at Raleigh, respectively. The term “Consolidated University” comes into use to describe the three-campus federation.
- 1965** - Charlotte College, a state-funded college, joins UNC as the University of North Carolina at Charlotte, bringing the total number of campuses to four.
- 1969** - Asheville-Biltmore College and Wilmington College — both state-funded — join UNC as the University of North Carolina at Asheville and the University of North Carolina at Wilmington, bringing the total number of campuses to six.
- 1972** - Ten state-supported institutions join UNC, bringing the total number of UNC campuses to 16. The 10 institutions, with their original names in parentheses, are Appalachian State University (Watauga Academy), East Carolina University (East Carolina Teachers College), Elizabeth City State University (State Colored Normal School), Fayetteville State University (Howard School), North Carolina Agricultural and Technical University (Agricultural and Mechanical College for Negroes), North Carolina Central University (North Carolina College for Negroes), North Carolina School of the Arts, Pembroke State University (Croatan Normal School), Western Carolina University (Western Carolina Teachers College), and Winston-Salem State University (Slater Industrial Academy).

cut in 1931 and 1933 due to the Great Depression. Tar Heel political leaders hoped that by forming a three-campus institution comprising the state’s leading public universities, they would save money by streamlining operations and eliminating duplication of costly professional and graduate programs.

The University of North Carolina expanded again in 1965 by taking in Charlotte College, which became The University of North Carolina at Charlotte. In 1969, Asheville-Biltmore College and Wilmington College joined the Consolidated University as the University of North Carolina at Asheville and the University of North Carolina at Wilmington, respectively (see Tables 1 and 2 showing UNC’s historic growth).

But unlike consolidation in the 1930s, the reasons for this second wave of growth had political and geographic rather than economic roots.⁴ “We thought we’d get killed politically if we didn’t have anything east of Raleigh or west of Greensboro,” says former U.S. Congressman for the Fourth District Ike Andrews, who was a member of the state House (D-Chatham) and a Consolidated University trustee in 1971. “Geography had a lot to do with it.” John Sanders, former director of UNC’s Institute of Government and current member of the Board of Governors, also notes that Gov. Dan Moore, in his successful campaign for governor in 1964, had promised Charlotte residents that their rapidly-growing city would be chosen as a site for another Consolidated University campus.

This rapid expansion of the Consolidated University was not a fully welcome development — even to some of its own leaders. President William Friday was among those who believed that while the decision to make the Charlotte campus a university within the consolidated system was a sound academic move, Asheville and Wilmington were taken in too soon. “I tried to advocate that they should be colleges and grow slowly,” he recalls. “But the trustees would have none of that.”

The extension of the Consolidated University to the eastern and western ends of the state was viewed with suspicion by leaders of some rapidly-growing regional schools, such as East Carolina College in Greenville, who saw the move as an effort to shore up the University’s influence in the face of growing competition from their institutions. East Carolina had experienced a dramatic upsurge in enrollment and was seeking legislative support for new graduate programs in business and nursing. As William Link wrote in his biography of William

Friday, East Carolina administrators “regarded the sudden elevation of Charlotte, only recently a junior college, as the ‘essence of condescension.’”⁵ Lindsay Warren Jr., who was a state senator (D-Wayne) from 1963 to 1969, describes the Consolidated University’s expansion to Charlotte as “the straw that broke the camel’s back” in higher education because it sparked a push by schools such as East Carolina for full university status.

“The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.”

— N.C. CONSTITUTION ARTICLE IX, SECTION 9, 1999

The Distribution of Resources for Higher Education

By 1970, half of the state’s public university students were enrolled at the six campuses of the Consolidated University.⁶ The rest were served by a growing network of former teachers’ colleges, former community colleges, and historically black institutions — all of which were seeking funds from the legislature. North Carolina’s General Assembly historically had made sizable investments in higher education — and the 1960s and early 1970s were no exception. Between 1960 and 1970, spending on higher education in the Tar Heel state climbed from \$28.4 million to \$175.9 million — an increase of 519 percent.⁷ When adjusted for inflation, the increase is still a hefty 75 percent — from \$28.4 million to \$114 million.⁸

Although much of that jump could be attributed to rapidly rising enrollments, Tar Heel lawmakers also approved more dollars per student and devoted a higher portion of tax revenues to higher education than those in many other Southern states.

For example, in 1969-70, North Carolina spent \$1,806 for each full-time college student. That is significantly higher than the national average of \$1,245 per student and the average of \$1,239 spent



CHARLES KURALT AND WILLIAM FRIDAY

by 15 other Southern states in the same period.⁹ And, even though personal income in North Carolina lagged behind many states in the 1960s and early 1970s, the level of state higher education spending as a percentage of that income was higher. Specifically, state spending on higher education was \$11.69 for every \$1,000 of personal income in North Carolina in 1969, as compared to \$8.25 spent nationally and \$8.90 spent by 15 other Southern states that same year.¹⁰

While appropriations for higher education had been comparatively generous in North Carolina, funding inequities existed — even among members of the Consolidated University. Studies by the North Carolina Board of Higher Education revealed wide disparities in library resources, faculty salaries, and physical plants among the state’s public universities. Further, the board found North

“I speak for all of us who could not afford to go to Duke, and who would not have, even if we could have.”

— CHARLES KURALT

Carolina’s five historically black colleges were particularly underfunded in comparison to the state’s historically white colleges.¹¹

For example, in 1967, professors at six four-year, predominantly white institutions in North Carolina were paid close to \$12,000 annually,

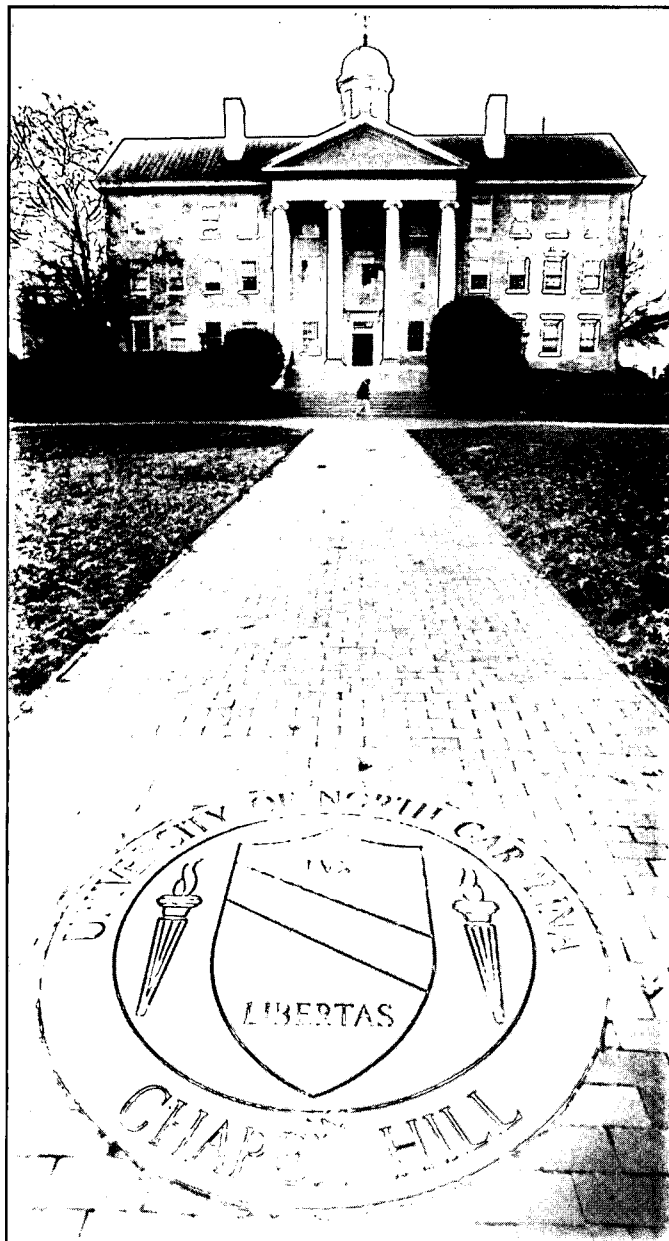
while their counterparts at five predominantly black institutions were paid slightly less than \$11,000, the state board found.¹² The Board of Higher Education's analysis of library expenditures in 1967 found that among public senior colleges and universities in North Carolina, Winston-Salem State College — a historically black school — was at the lowest end of the spending scale, receiving only \$62 per student, while Asheville-Biltmore College — a historically white school — was at the highest end, with \$267 per student.¹³ Part of the disparity in the latter case could be due to the fact that Asheville-Biltmore had just become a senior college and needed an upgrade of library resources.

Acting on its findings regarding financial resources for the state's public universities, the Board of Higher Education convinced the 1967 General Assembly to set aside \$1 million in "catch-up funds" for historically black schools to be distributed at the discretion of the state board. In a report the following year on "Planning for Higher Education in North Carolina," the Board of Higher Education underscored a need for "continuous, major financial support"¹⁴ for the state's historically black colleges if they were to continue to serve students — an issue that would continue to be part of the debate over public higher education in the 1970s and beyond.

Rising Enrollments and Ambitions

By the late 1960s, serving students was becoming more of a challenge for all of the nation's higher educational institutions, as greater numbers of the "Baby Boom" generation reached college age. Between 1969 and 1975, national college enrollments rose from 7.9 million to 9.9 million students — a jump of 20 percent. In North Carolina, college enrollments almost tripled in the years between 1951 and 1969.¹⁵ During the 1960s and early 1970s, enrollments in the nation's public institutions grew faster than enrollments in private institutions, rising from 59 percent of the national total in 1960 to 74 percent in 1975. Those trends were mirrored in North Carolina, where enrollments in public universities grew from 56 percent of the total in 1960 to 75 percent in 1975.¹⁶

The state's growth in higher education showed itself not just in larger numbers of students, but also in the rising ambitions of institutions outside of the Consolidated University. The state's five



UNC-Chapel Hill

historically black colleges, which were founded as teacher training schools in the late 19th and early 20th centuries, were rethinking their role in light of changes brought about by the Civil Rights Movement. Until the federal courts intervened in the 1950s, African Americans had been barred from attending all historically white public colleges and universities in North Carolina. During the first half of the 20th century, the state's historically black schools were the only public institutions meeting the demand for a college education among North Carolina's black citizens. "The state had created them [the historically black colleges] for one reason, but they had developed into something else," says Charles Lyons, retired president¹⁷ of Fayetteville State University — founded in 1867 as

TABLE 2
THE CONSTITUENT INSTITUTIONS OF
THE UNIVERSITY OF NORTH CAROLINA, 1998

INSTITUTION <i>(original name and date of founding)</i>	Date Joined UNC	Fall 1972 Enrollment†	Fall 1997 Enrollment†	FY 1997-98 Budget‡
OLD CONSOLIDATED UNIVERSITY:				
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL <i>(University of North Carolina, 1789)</i>	1789	19,224	23,668	251.4* <u>162.2*</u> 413.6
NORTH CAROLINA STATE UNIVERSITY AT RALEIGH <i>(North Carolina College of Agricultural and Mechanic Arts, 1887)</i>	1931	13,809	27,529	303.9
UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE <i>(Charlotte Center of UNC, later known as Charlotte College, 1946)</i>	1965	5,159	16,370	109.1
UNIVERSITY OF NORTH CAROLINA AT GREENSBORO <i>(State Normal and Industrial School, later known as North Carolina College for Women, 1891)</i>	1931	7,428	12,308	101.3
UNIVERSITY OF NORTH CAROLINA AT WILMINGTON <i>(Wilmington College, 1947)</i>	1969	2,233	9,176	66.8
UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE <i>(Buncombe County Junior College, 1927)</i>	1969	968	3,179	26.0
ENROLLMENT SUBTOTAL CONSOLIDATED UNIVERSITY:		48,821		
EAST CAROLINA UNIVERSITY <i>(East Carolina Teachers Training School, 1907)</i>	1972	10,858	17,846	132.6* <u>45.6*</u> 178.2
APPALACHIAN STATE UNIVERSITY <i>(Watauga Academy, 1899)</i>	1972	7,353	12,108	93.4
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY <i>(Agricultural and Mechanical College for Negroes, 1891)</i>	1972	4,510	7,468	68.6
WESTERN CAROLINA UNIVERSITY <i>(Cullowhee State Normal and Industrial School, 1905)</i>	1972	5,972	6,531	58.5
NORTH CAROLINA CENTRAL UNIVERSITY <i>(National Religious Training School and Chautauqua, later known as North Carolina College for Negroes, 1909)</i>	1972	3,760	5,664	46.3
FAYETTEVILLE STATE UNIVERSITY <i>(Howard School, 1867, later known as State Colored Normal School)</i>	1972	1,643	3,916	31.3
WINSTON-SALEM STATE UNIVERSITY <i>(Slater Industrial Academy, 1892, later known as Winston-Salem State Teachers College)</i>	1972	1,720	2,970	25.9
UNIVERSITY OF NORTH CAROLINA AT PEMBROKE <i>(Croatan Normal School, 1887)</i>	1972	1,970	3,304	24.0
ELIZABETH CITY STATE UNIVERSITY <i>(State Colored Normal School, 1891)</i>	1972	1,109	1,962	21.6
NORTH CAROLINA SCHOOL OF THE ARTS <i>(1963)</i>	1972	351	771	19.0
1997 ENROLLMENT TOTAL FOR UNC SYSTEM			154,770	

Source: UNC - General Administration

† Figures are for head count enrollment

‡ Current Operations Budget in millions of dollars. Does not include Health Affairs at East Carolina University and UNC-Chapel Hill.

* Academic Affairs Budget for East Carolina University and UNC-Chapel Hill.

* Health Affairs Budget for East Carolina University and UNC-Chapel Hill.

North Carolina's first publicly-funded institution for African Americans. In the late 1960s, "we were concerned about respect for those institutions and a recognition of them as viable."

Other institutions were looking beyond their original missions as land grant universities,¹⁸ teacher training schools, and junior colleges, and were envisioning a broader educational role for themselves. East Carolina College had the most

U.S. Senator Robert Morgan (D-Harnett) was chairman of East Carolina's board of trustees at the time. He recalls being warned by leaders of North Carolina College in Durham (now North Carolina Central University) — another historically black school which had declined to be included in the regional university bill — that just such a move was afoot. "They said that representatives from Guilford [County] had requested that black institu-



North Carolina Agricultural and Technical University

visible expansion campaign, due mostly to its bold and politically savvy leader, Leo Jenkins, who served as president from 1960 to 1978. In the late 1960s, Jenkins launched a drive to establish a two-year medical program in Greenville and full university status for East Carolina.

A bill that would have given East Carolina university status and making it the first and only member of a new class of state institutions — regional universities — was defeated in the state Senate in 1967 after bitter debate. But later that same year, East Carolina was granted university status in a bill that also extended university status to Western Carolina Teachers College in Cullowhee, Appalachian State Teachers College in Boone, and North Carolina Agricultural and Technical State College (A&T) in Greensboro. The inclusion of A&T — a historically black school — in the mix was viewed by some as a cynical effort to defeat the measure. Former North Carolina Attorney General and later

tions be added as part of the university bill as a way of killing it," Morgan says. "The comment was made, 'Morgan will not accept black institutions.' But their little thing boomeranged against them," and the bill was passed. Former state Senator Lindsay Warren (D-Wayne) says most legislators saw the 1967 measure as a "salve to East Carolina's wounds" and not as a commitment to create new doctoral-level institutions across the state. "Most people saw it as [granting] a name change only," Warren recalls. "They didn't really think of those schools as universities."

Toppling the Educational Pyramid

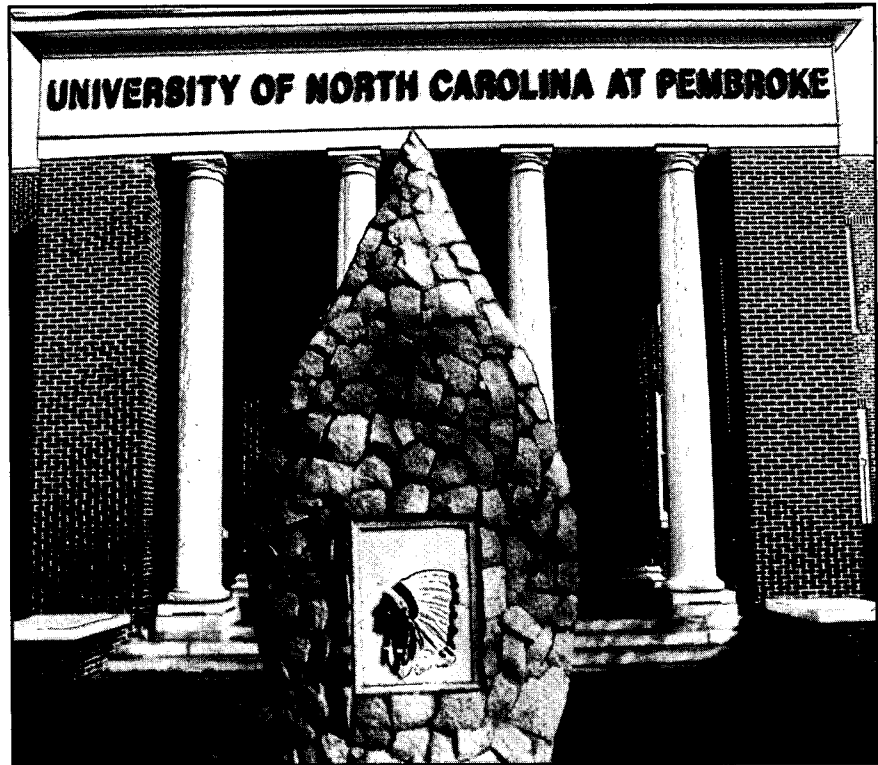
The combination of burgeoning enrollments and growing demands for a wider range of educational programs across the state was starting to upset the pyramid structure that had developed to

bring order to North Carolina's far-flung network of public colleges and universities. At the apex of the pyramid in the early 1960s was the six-campus Consolidated University, followed by regional universities, general purpose senior colleges, and community colleges, with the state's public high schools at the base.¹⁹

This structure had been codified by the legislature in 1963, when it acted on recommendations of a blue-ribbon panel called the Carlyle Commission, named for its chairman, attorney Irving Carlyle of Winston-Salem. In addition to founding the state Community College System, the 1963 session of the General Assembly approved a mechanism suggested by the commission for gradual expansion of the University of North Carolina, and made clear that the then three-campus system was the only one authorized to award doctoral degrees.²⁰

Only six years later, lawmakers took a step which toppled the established educational pyramid. In 1969, against the advice of the Board of Higher Education, the legislature granted regional universities the right — with theoretical oversight by the Board of Higher Education — to offer doctoral degrees beginning in 1972.²¹ That meant an end to the Consolidated University's position at the top of the pyramid as the sole provider of programs beyond the master's degree. At the same time, legislators granted university status to five historically black schools and one school — Pembroke State College — that had been established for the education of Native Americans. That brought the total number of regional universities to nine. The North Carolina School of the Arts, established in 1963, was in a category by itself, offering high-school programs for performing artists as well as a college curriculum.

Former state Senator Warren believes the 1967 and 1969 legislative moves came about because lawmakers could no longer handle the competing demands of so many educational institutions. "Because of the pressure being brought to bear, a lot of politicians got nervous, and they came in with these bills to establish these regional universities," he says. "I voted against every one of them.



UNC - Pembroke

I thought it was the wrong way at the wrong time to approach the restructuring of higher education."

When Robert W. Scott took office as governor in 1969, it was clear that the state's patchwork of higher education had begun to stretch and fray around the edges. The programmatic distinctions between the Consolidated University and the new regional universities had been erased by the 1969 legislative action. But the political and academic hierarchies established in an earlier era were still firmly in place.

FOOTNOTES

¹ Southern Regional Education Board, *Fact Book on Higher Education in the South 1970*, Atlanta, GA, 1970, pp. 2-16.

² *The North Carolina State Constitution*, Article IX, Section 9, 1868. This provision now reads, "The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense." [Italicized portion denotes changes from 1868 constitution. The words "for tuition" at the end were deleted.]

³ Chapter 202 of the 1931 N.C. Session Laws.

⁴ John Sanders, "The University of North Carolina: The Legislative Evolution of Public Higher Education," *Popular Government*, Vol. 59, No. 2, Fall 1993, pp. 22-23.

⁵ William A. Link, *William Friday: Power, Purpose and American Higher Education*, The University of North Carolina Press, Chapel Hill, NC, 1995, p. 169.

FOOTNOTES (cont.)

- ⁶ North Carolina Board of Higher Education, *Planning for Higher Education in North Carolina*, Raleigh, NC, 1968, p. 25.
- ⁷ Southern Regional Education Board, note 1 above, p. 52.
- ⁸ Calculations were made using the Higher Education Price Index, which measures the price level of goods and services colleges and universities purchase for their current education operations. Under the HEPI, fiscal year 1983=100. From Research Associates of Washington's *Inflation Measures for Schools Colleges and Libraries: 1997 Update*, Arlington, VA: Research Associates of Washington, 1997, pp. 1-4.
- ⁹ Southern Regional Education Board, note 1 above, p. 58.
- ¹⁰ *Ibid.*, p. 60.
- ¹¹ Board of Higher Education, note 6 above, pp. 166, 194, and 207-209.
- ¹² *Ibid.*, p. 210.
- ¹³ *Ibid.*, p. 166.
- ¹⁴ *Ibid.*, p. 208.
- ¹⁵ Southern Regional Education Board, note 1 above, pp. 30-32.
- ¹⁶ *Ibid.*, pp. 30-32.
- ¹⁷ Before the 1971 restructuring of higher education, top administrative leaders of North Carolina's public universities were called president or chancellor. After 1971, the legal title was changed to chancellor.
- ¹⁸ Land grant universities were those created with federal grants of public land for state colleges under the Morrill Acts of 1862 and 1890. The acts gave each loyal state 30,000 acres per senator and representative to endow at least one agricultural college. North Carolina created two land grant colleges in 1887 and 1891 — North Carolina College of Agricultural and Mechanical Arts, now North Carolina State University at Raleigh, and the Agricultural and Mechanical College for Negroes, now North Carolina Agricultural and Technical State University in Greensboro.
- ¹⁹ Board of Higher Education, note 6 above, p. 21.
- ²⁰ The legislature also approved a uniform title for members of the Consolidated University, which would be called "The University of North Carolina at" place name. The scheme had to be amended due to vocal opposition from alumni of North Carolina State College (now North Carolina State University at Raleigh), who objected to having "the University of North Carolina" as part of their school's name. Another name change fight erupted in 1991 when proposals to drop "at Chapel Hill" from UNC-Chapel Hill's name were rejected by the Board of Governors.
- ²¹ Chapter 532 of the 1969 N.C. Session Laws.



CHAPTER 2

A Gathering Of Forces For Change

“Every year I was in the legislature, there was some serious debate about structural change in [higher] education. It was in a consistent state of boiling.”

— JAMES E. HOLSHOUSER, JR.
N.C. Governor, 1973-1977

Restructuring of higher education was not a concept unique to North Carolina in the late 1960s. Between 1950 and 1970, 47 states established coordinating or governing boards in response to unprecedented growth of their colleges and universities.¹ The period was marked by change and upheaval in fields ranging from health care to state government. In education, federal legislation also played a role in encouraging a greater focus on planning among leaders of colleges and universities. For example, the Higher Education Facilities Act of 1963 offered federal aid for construction of educational facilities and required the creation of state commissions to handle planning.² “State eligibility for that federal aid required extensive facilities planning,” notes Aims McGuinness of the National Center for Higher Education Management Systems. “Therefore, the state’s interest in gaining some rational control of expansion coincided with the federal requirements for state planning through state facilities commissions.”

The issue of how best to manage higher education was being debated in forums ranging from the prestigious Carnegie Commission on the Future of Higher Education to individual college boards of trustees. James E. Holshouser Jr. — who was a Republican member of the North Carolina House

in 1971 (R-Watauga) and Governor from 1973 to 1977 — says the topic also was being talked about by Tar Heel politicians. “Every year I was in the legislature, there was some serious debate about structural change in [higher] education. It was in a consistent state of boiling.”

Relationships With the Legislature and the Public

The fragmented nature of North Carolina’s higher educational system was making rational planning more difficult. Institutions were adding programs and making budget requests without regard to what their fellow colleges and universities might be doing. The result, says former state Senator Kenneth Royall Jr., who was a state House member (D-Durham) and head of the powerful House Appropriations Committee in 1971, “was really mind-boggling. Listening to all 16 institutions and their requests — well, you wanted to be fair. But money was limited. What it came down to back then was who had the best lobbyist.”

On that score, the regional universities and historically black schools felt hard-pressed to compete with the Consolidated University, whose

unofficial flagship campus at Chapel Hill had traditionally graduated many of the state's lawmakers. "The feeling on the part of the regional schools was that we were at a great disadvantage," says Wallace Hyde, a former Western Carolina College trustee, Democratic Party fundraiser, and a member of a 1971 blue-ribbon committee on restructuring. "We obviously envied the schools [such as UNC-Chapel Hill] that had more strength. It wasn't prejudice but jealousy. We felt we needed to be in a better posture." Former state Senator Ruffin Bailey (D-Wake), now a legislative lobbyist, recalls that "Half of the Senate and House were allied with Chapel Hill. It had always prospered because of that."

On the other hand, Chapel Hill supporters were concerned about a waning of their university's political influence. Author and retired *Greensboro Daily News* editor William Snider notes in his history of UNC-Chapel Hill that as more of the state's ruling elite began to attend other campuses, "these new allegiances were naturally reflected in

the General Assembly, where prior to World War II, many members had been alumni or had links with Chapel Hill." Before restructuring in 1971, state legislators were allowed to sit on the boards of trustees of public universities, giving the schools a built-in advantage when it came to lobbying.

Chapel Hill supporters had other reasons to worry about how their school was being perceived by the public and state lawmakers. In the 1960s, the campus became a lightning rod for a conservative backlash against civil rights protests and student unrest. During the decade of the 1960s and early 1970s, the specter of student demonstrations around issues such as the Vietnam War, civil rights, free speech, and academic freedom hovered over college campuses nationwide. In North Carolina, campuses in Durham, Chapel Hill, and Greensboro were particularly active. African-American students from North Carolina A&T in Greensboro had staged the country's first sit-in at a segregated lunch counter at a downtown Woolworth's in 1960. In 1968 and 1969, students at A&T, Chapel Hill, and Duke University in Durham occupied administration buildings and held strikes to demand

improved conditions for African-American students and college employees.

Friday biographer William Link writes about what he calls a "widening gulf between the world of the university and the world of the average North Carolinian" that existed at this time.⁴ The public's reaction to civil rights protests, and its frustration with what was perceived as the involvement of liberal universities in the demonstrations, struck a chord with conservative lawmakers. In 1960, future U.S. Republican Senator Jesse Helms began a decade-long series of televised editorials that aired on WRAL-TV in Raleigh — many of them directed against "left-wingers" at UNC-Chapel Hill. In 1963, state legislators responded to civil rights protests in Raleigh by publicly complaining that Chapel Hill faculty members had provoked the marches, even though faculty from North Carolina State University were most heavily involved.

These tensions culminated in the 1963 passage of a bill that became known as the Speaker Ban

Law. The law denied speaking rights on North Carolina's publicly-supported college campuses to members of the Communist Party, anyone "known to advocate the overthrow of the Constitution of the United States or the state of North Carolina" or anyone who "has pleaded the Fifth Amendment of the Constitution of the United States in refusing to answer any questions with respect to Communist or subversive connections."⁵ Although it applied to all of the state's publicly-funded institutions, the bill generated the most reaction from students, faculty, and administrators at Chapel Hill. The ripple effect of the bill included a ruling by an accreditation team of the Southern Association of Colleges and Schools — the leading accrediting body of southern colleges and universities — that the Speaker Ban Law interfered with the authority of Consolidated University administrators. University leaders interpreted this decision as a "looming threat of the loss of accreditation."⁶

The Speaker Ban Law was amended by the North Carolina legislature in 1965 to give state university trustees the power to approve campus speakers. Three years later, it was overturned in

"The feeling on the part of the regional schools was that we were at a great disadvantage . . . We obviously envied the schools [such as UNC-Chapel Hill] that had more strength. It wasn't prejudice but jealousy. We felt we needed to be in a better posture."

— WALLACE HYDE

Dickson v. Sitterson, a case brought by student leaders and banned speakers challenging the constitutionality of the law.⁷ However, the drawn-out controversy only served to strengthen a public perception of the Chapel Hill campus as a bastion of liberalism. And, it created friction between legislators and university leaders that would resurface during the debate over restructuring of higher education.

The ideological breach between legislators and university leaders was not limited to conservative lawmakers. In 1969, support by students at UNC-Chapel Hill of a strike by mostly black campus dining hall workers evoked starkly different responses from academic leaders and the politically moderate governor. While President Friday and other administrators called for restraint, Governor Scott sent in units of the state highway patrol to restore order and publicly criticized Consolidated University leaders for their slowness to act.⁸

Perhaps because of this greater tumult, talk of changing the state's higher educational system remained muted in Chapel Hill during the 1960s. But by the middle of Scott's term in late 1970, the issue had begun to surface among Consolidated University leaders. The late John Caldwell, who was chancellor of North Carolina State University at the time, said in a 1972 interview that he had discussed the need for a broad restructuring of higher education with President Friday and other top administrators at least two years before the governor launched his efforts to change the way higher education was managed.⁹ As Friday recalls, "It was the pressure of the inevitable. You just couldn't go on with things the way they were."

Taking a Statewide View of Higher Education

The competition and the "logrolling"¹⁰ in higher education were becoming tiresome even to those legislators most closely aligned with particular schools. The late Horton Rountree, who was a prominent member of the state House (D-Pitt) at the time, said in a 1972 interview that his well-

"Since we can no longer assume any single historical event, no matter how recent, to be common knowledge, I must treat events dating back only a few years as if they were a thousand years old."

— MILAN KUNDERA

The Book of Laughter and Forgetting

known support of East Carolina University had become "an albatross around my neck. People would say, 'Here comes Mr. ECU. What's his program?' You couldn't look at an overview of all higher education in the state."¹¹

The North Carolina Board of Higher Education was the agency charged with taking a statewide view of higher education. Legally,

it was responsible for planning and promoting a "sound, vigorous, progressive, and coordinated system of higher education in North Carolina."¹² Under the leadership of then-Director Howard R. Boozer, the state board developed a long-range plan for all of higher education — the first comprehensive report on the subject by a state agency. In "Planning for Higher Education in North Carolina," published in 1968 — three years before restructuring became a legislative issue — the state board outlined a solution to the disorder and competition its leaders believed held sway over North Carolina's public institutions. Specifically, the board called for the creation of "a single agency to plan and coordinate higher education, with authority to review budgets and to prepare a single budget request. . . . Whatever time is required should be spent in this effort. And ample provision should be made for full public discussion prior to the submission of recommendations to the legislature."¹³

But the board's ability to bring about this change was limited. Since its founding in 1955, the Board of Higher Education had seen its role steadily eroded by the legislature. Three years after it was created on the recommendation of yet another blue-ribbon committee — this one chaired by Consolidated University Trustee Victor Bryant — the board's powers were reduced from approving requests for new educational programs to advising the General Assembly on such requests. In 1965, the board narrowly escaped being abolished. Instead, the legislature revamped the agency so that most of its existing members were replaced by ones more closely allied with the governor's office.¹⁴

In addition to lukewarm support from the legislature, the Board of Higher Education frequently found itself clashing with the schools it was supposed to be overseeing — especially when

it came to rejecting their requests for new programs. "I remember going to the Board to ask for [approval for] a nursing school at East Carolina," recalls former state Attorney General Robert Morgan, who was an East Carolina trustee in 1971. "I remember them asking, 'Don't we have a nursing school at Chapel Hill?' And that was that. So we had to go to the legislature."

John Kennedy, who was Assistant Director of Higher Education in 1971,⁵ insists that the state board's decision-making process centered around educational, not political concerns. "The Board of Higher Education, all the way down through its history, has been dominated by staff who were really concerned about education. The nursing school question [for East Carolina] was the kind of thing the board carefully weighed and talked about. It was never as simple as just saying that there was another school in Chapel Hill."



— CAMERON WEST
Former Director of Higher Education

When Cameron West became Director of Higher Education in 1969, the state board still had statutory responsibility for coordinating higher education. But in practice, its recommendations were seldom heeded. Instead, it was forced to try and manage, in the words of its former Chairman Watts Hill Jr, by "influencing public opinion." West was committed to changing that situation and to addressing the problems that the board had identified in its studies of higher education. "When I came on, I asked the board if they wanted

to pursue the issues they'd outlined in their [1968 planning] report, and they did," he says. "I told them, 'I plan to push your recommendations.' And over the next three years, that's what I did."

West and other Board of Higher Education staff members set about improving relationships between the board and the regional schools, as well as with state lawmakers. They soon realized they had a sympathetic ear in Governor Scott, a Democratic reformer who came from a well-known dairy farming family in Haw River. A graduate of North Carolina State College, Scott was a member of a Tar Heel political dynasty. His father, W. Kerr Scott, was elected governor in 1948 and became famous for his progressive "Go Forward" program of road construction, school improvements, and rural electrification.⁶ Kerr Scott's brother, Ralph, was a leading Democratic state senator from Alamance County.

The Governor Steps In

As Governor, Bob Scott's involvement in higher education included his chairmanship of the Southern Regional Education Board — a forum created in 1948 by southern legislators to help states improve the quality of education, student opportunity, and student achievement. The regional board is comprised of the governor of each of 17 member states and four other individuals from the state, including at least one legislator and one educator appointed by the governor. In addition, by statute, Scott also was chairman of the University of North Carolina Board of Trustees — a post that had been held ceremonially by Tar Heel governors since the 1800s.

Although the governor had not made higher education a focus of his administration, Board of Higher Education leaders hoped his involvement in state and regional boards would make him an informed advocate for changing the way higher education was governed. In addition, Scott had been an advocate for improving long-term planning in the state — a fact they hoped would make him sympathetic to the need for better planning in higher education. Under Scott's leadership, the legislature approved the State Government Reorganization Act, which consolidated more than 300 state agencies into 19 departments.⁷

At West's suggestion and with Scott's backing, the 1969 General Assembly reconstituted the Board of Higher Education once more, making the



"I was riding in the state limousine by myself and apparently this was on my mind. . . I thought, well, look, both Friday and West are saying there's got to be a better way [to govern higher education]. While we have these two people thinking this way, we'd better move on it."

— ROBERT SCOTT
N.C. Governor, 1969-1973

governor and six key legislative committee leaders (the four chairs of the House and Senate Appropriations and Finance Committees, and the two co-chairs of the Higher Education Committees) ex-officio members. Newspaper editorials criticized the move as a "power grab." Many Consolidated University leaders agreed, seeing the expanded legislative membership on the board as a harmful politicizing of educational decision-making.

Kennedy, the former Assistant Director of Higher Education, says that adding legislators to the board was the only way the agency could be sure its recommendations would be acted upon. For his part, Scott says he had no specific plan in mind when he took on the chairmanship of the Board of Higher Education in addition to chairing the Consolidated University's Board of Trustees. But the added exposure these dual chairmanships gave him helped to bring the need for change sharply into focus. "My experience put me at the center of all higher education," he recalls. "I realized more than ever what a mess it was. That move enabled me to become more involved."

In the fall of 1970, Scott made up his mind that he was going to lead an effort to restructure the

state's higher educational system. It was a choice that took many observers by surprise because the governor had neither campaigned on a platform of improving higher education in 1968 nor made higher education a major focus of his administration's activity in his first two years as governor. Scott says he felt a sense of urgency because he believed that major players in Raleigh and Chapel Hill supported the idea of change. "I was riding in the state limousine by myself and apparently this was on my mind," he says. "I thought, well, look, both Friday and West are saying there's got to be a better way [to govern higher education]. While we have these two people thinking this way, we'd better move on it."

Although the governor was correct in assessing West's position, he misjudged the nature of Friday's opinions. As a member of the national Carnegie Commission, the 1966-67 President's Task Force on Education, and the Association of American Universities, Friday was well-informed about how other states were reorganizing their higher educational systems. But he had not taken a public stand in favor of any particular model for North Carolina. Much has been written about the differences in the way Friday and Scott communicated their ideas. While Scott was bold and direct with his proposals, Friday was more inclined — and more accustomed — to making broad statements that would result in consensus.¹⁸ In a 1972 interview, Friday said that he erred in allowing Scott to believe that he shared the governor's sense of urgency about reorganizing higher education. "A mistake was made in communications with Scott," Friday said. "He assumed things."¹⁹

FOOTNOTES

- ¹ Education Commission of the States, *1997 State Postsecondary Education Structures Handbook*, Denver, CO: Education Commission of the States, 1997, p. 20.
- ² U.S. Public Law 88-204, December 16, 1963, Title 20 & 701 *et seq.*
- ³ William D. Snider, *Light on the Hill: A History of the University of North Carolina at Chapel Hill*, The University of North Carolina Press, Chapel Hill, NC, 1992, p. 287.
- ⁴ William A. Link, *William Friday: Power, Purpose and American Higher Education*, The University of North Carolina Press, Chapel Hill, NC, 1995, pp. 109-112.
- ⁵ Chapter 1207 (HB 1395) of the 1963 N.C. Session Laws.

FOOTNOTES (cont.)

- ⁶ Link, note 4 above, p. 122.
- ⁷ Dickson v. Sitterson, 280 F. Supp. 486 (M.D.N.C. 1968).
- ⁸ Snider, note 3 above, pp. 274-282.
- ⁹ Richie Leonard, Interview with John Caldwell, April 21, 1972, Institute of Government Records, University Archives, UNC-Chapel Hill.
- ¹⁰ Defined as "an agreement between two or more members...who have nothing in common except the need for support...The agreement states, in effect, "You support me on bill X and I'll support you on another bill of your choice," in Benjamin Ginsberg's *We the People: An Introduction to American Politics*, New York: W.W. Norton & Company, 1997.
- ¹¹ Richie Leonard, Interview with Horton Rountree, April 18, 1972.
- ¹² N.C.G.S. 116-158.
- ¹³ North Carolina Board of Higher Education, *Planning for Higher Education in North Carolina*, Raleigh, NC, 1968, p. 360.
- ¹⁴ Arnold K. King, *The Multi-Campus University of North Carolina Comes of Age, 1956-1986*, The University of North Carolina Press, Chapel Hill, NC, 1987, p. 98.
- ¹⁵ The top administrators of the North Carolina Board of Higher Education had the titles "Director of Higher Education" and "Associate Director of Higher Education" for the state.
- ¹⁶ Paul Luebke, *Tar Heel Politics*, The University of North Carolina Press, Chapel Hill, NC, 1990, p. 15.
- ¹⁷ Chapter 865 of the 1971 N.C. Session Laws (HB 863), Sections 1-11.
- ¹⁸ Link, note 4 above, pp. 172-173.
- ¹⁹ Richie Leonard, Interview with William Friday, May 2, 1972.



CHAPTER 3

The 1971 Governor's Study Committee On the Structure and Organization of Higher Education

"I am talking about starting all over. Scrambling a new batch of eggs."

— ROBERT SCOTT

N.C. Governor, 1969-1973

On December 13, 1970, Scott invited a select group of university trustees and members of the Board of Higher Education to the governor's mansion to talk about the challenges facing higher education. At that meeting, to which no university administrators were invited, Scott outlined several potential courses of action. Among the options he mentioned were: doing nothing, having the University of North Carolina system absorb all of the other institutions, strengthening the existing Board of Higher Education, or creating "a new structure from the best of the Consolidated University and the Board of Higher Education. . . I am talking about starting all over. Scrambling a new batch of eggs."

The Governor's Push for Change

More specifically, the governor described a possible statewide regents system that would put control over higher education in the hands of a single coordinating board comprised of university trustees, legislators, and members of the Board of Higher Education. Scott pointed out that under terms of the regional university bill passed in 1967,² lawmakers soon would be reevaluating the

position of the regional schools to see which should be given the right to grant doctoral degrees. By implication, the rest of the state's higher educational system would be under scrutiny as well, he said. Following up on a suggestion that Consolidated University President Friday had made to him, Scott urged the trustees to take the lead in reorganizing education. He spoke of plans to form a study committee of 14 university trustees and five members of the Board of Higher Education that would make recommendations to the legislature. "The solution to this problem must come from our own ranks," Scott said.

The response to the governor's push for change was generally positive. The Board of Higher Education passed a resolution renewing its recommendation for a single coordinating agency for higher education. A December 30, 1970 headline in *The News and Observer* of Raleigh, "University Unit Backs Scott Move," topped a story about a 15-member subcommittee of the Consolidated University board endorsing the governor's restructuring efforts.

But by the time Scott had organized his study committee in late December of 1970 under the chairmanship of former state Senator Lindsay Warren, cracks had begun to appear in that support. At a January 7, 1971 meeting of East Carolina Uni-

versity's Board of Trustees, Irving Carlyle — who had chaired the Carlyle Commission, an important study committee formed almost a decade earlier — called proposals for a centralized board of regents “a step backward for North Carolina” because “if everything is set for the state's schools by a single board, then achievement of excellence in North Carolina will fade away.”³ At the meeting, East Carolina trustees adopted a statement urging that “serious consideration be given to evaluating the merits of the present system, with the thought of strengthening the present coordinating Board of Higher Education” and retaining the autonomy of local institutional boards of trustees.⁴

Consolidated University leaders also were wary of changing the status quo. “I felt very strongly that the regency system was not desirable,” recalls William Dees, a long-time University trustee, former Board of Higher Education chairman, and future UNC Board of Governors chairman. “We had six schools together under one budget [in the Consolidated University system] and that, we thought, was progress.”

Underlying the resistance to change was distrust on the part of some state higher education leaders of any restructuring proposal emanating from Raleigh. “The Board of Higher Education was a non-campus organization, and it was resented by the universities because of that. It was seen as a downtown Raleigh organization — like a highway commission,” says former state legislator and Consolidated University trustee Ike Andrews. The 1971 restructuring drive, “was not an educationally motivated enterprise,” says John Sanders, director emeritus of UNC's Institute of Government. “There was no real support from the educational institutions” for the governor's proposals.

Others trace the lack of unity on the issue of changing the higher educational system to the make-up of the study committee itself. The Warren Committee was comprised of one trustee from each of the nine regional universities, five trustees from the Consolidated University, and five representatives of the Board of Higher Education. Each institution selected its own representatives to the board, and each was worried about how its programs would fare under any proposal for a new higher education governance system.

Leaders of the state's historically black colleges, for example, were concerned that the campaign to reorganize higher education was a smokescreen for closing down their institutions. Heads of some of the other regional universities

worried that a new system would curb their independence — or in the case of East Carolina, their growing political clout. And in Chapel Hill, there were many who believed Scott's efforts had provided openings for those with ill intentions toward the state's unofficial flagship school. “The compelling characteristic of restructuring was that a lot of people had it in for the university” at Chapel Hill, says retired UNC Vice President for Finance Felix Joyner. “It was not based on the proposition of, ‘Let's improve education or make it more efficient.’ It was just raw anti-intellectualism. . . . And Scott, aided by the Board of Higher Education, very carefully put all of those people together.”

Scott insists that he never would have gone ahead with the campaign for restructuring if he thought President Friday — the Consolidated University's top official — was opposed to the idea. “This did not have to be done when I started out,” he says. “It truly came out of the chaos [in higher education] at the time.” Kennedy, then assistant director of Higher Education, says he and other members of the Board of Higher Education were motivated by concern about the future of the prestigious Chapel Hill campus. “We thought it was the most fragile part of the system,” he says. “We felt we were going to lose Chapel Hill if we didn't have a change in the structure” of higher education.

The Study Committee Deliberates

When he agreed to chair the Governor's Study Committee on the Structure and Organization of Higher Education, Lindsay Warren was aware of the divisions that existed both outside of the committee and within its ranks. “A more daunting assignment I never have had,” he says. “Many of the members held very strong views — adamant views that didn't show much flexibility.” Warren hoped the committee could develop a plan that legislators would accept. But despite his efforts to reach consensus, the study group produced a divided report that reflected existing rifts in the state's higher education community.

During their closed-door sessions, Warren Committee members explored a range of options for managing North Carolina's higher educational system. Among them were forming a single, state-level coordinating board, grouping institutions under two or more governing boards depending on each school's function, and continuing the existing combination of institutional boards and a multi-



"A more daunting assignment I never have had."
 — LINDSAY WARREN
*Former Chair of the Governor's Study Committee on
 the Structure and Organization of Higher Education*

campus board.⁵ When it became clear that the committee was split between those who favored fundamental change and those who wanted to strengthen elements of the existing system, Warren turned to Higher Education Director Cameron West and Consolidated University President William Friday for help. Specifically, he asked for a compromise proposal that would focus on bolstering the regulatory powers of the Board of Higher Education.

West says he agreed to work on such a proposal with the understanding that his first preference was for revamping the entire higher educational system. "I personally felt that unless you had a strong governing board, nothing much was going to happen in [higher] education." Friday, who knew from experience that university leaders were not always happy with the decisions of the Board of Higher Education, also was lukewarm about the form of compromise suggested by Warren. In a 1972 interview, Friday said he agreed to meet with

West mainly to "make peace with Lindsay Warren."⁶

The plan the two men talked about involved strengthening the ability of the Board of Higher Education to plan and promote "a coordinated system of higher education in the state."⁷ Proposed changes in the statute included giving the state board the power to recommend that institutional boards of trustees discontinue degree programs not consistent with the board's long-range plan for higher education; inserting language that would prevent institutions from requesting funds for degree programs without first gaining the approval of the state board; and outlining principles the board should follow in approving new degree programs — namely, that there should be "a careful limitation" on any new doctoral, master's or professional degree program offered by public universities.⁸

In the end, the so-called Friday-West compromise was not part of the Warren Committee's final report, although it was the basis for two key votes that members took toward the end of their four months of deliberations. On April 3, 1971, Warren Committee members voted 13-6 to back the Friday-West proposal, which retained the existing structure for higher education and gave the Board of Higher Education more regulatory power. But just a few weeks later, on April 23, the committee approved a plan by a vote of 13-8 which

would eliminate the existing University of North Carolina system in favor of a statewide coordinating board of regents. Four of the five committee members who had voted against structural change on April 3 voted for the regents plan on April 23 while one abstained.⁹

"I personally felt that unless you had a strong governing board, nothing much was going to happen in [higher] education."

— CAMERON WEST

What happened in the interval between the two votes is still something of a mystery. Warren and some committee members say the first vote was a straw poll, reflecting sentiments that shifted over time. Others say there was a concerted campaign to overturn the first decision in favor of the regents plan. Sammie Chess, a Warren Committee member who is now an administrative law judge in High Point, was one of those who voted for both the Friday-West document and the proposal for a board of regents. "Most of the people I came in with came in with open minds. We had no idea of what was

"One of the reasons why history repeats itself is because every generation refuses to read the minutes of the last meeting."

— ANONYMOUS

best," says Chess, who was a trustee at Winston-Salem State University at the time. "We sat pretty much as a jury, hearing the evidence, then starting to formulate ideas." The late Paul Lucas of Charlotte, a committee member representing the Board of Higher Education, said in a 1972 interview that he changed his vote to support a board of regents not as a result of persuasion, but because of "the intransigence of the [Consolidated] university group. In their unwillingness to concede to a planning board [such as the board of regents] . . . I had to vote against my friends."¹⁰ By contrast, committee member Wallace Hyde — then a trustee of Western Carolina University who made the motion to reconsider the April 3 vote — describes the effort to change the minds of those who'd supported the initial Friday-West plan as "a lot of behind the scenes, hard-nosed politics."

Regardless of what brought the second vote about, some committee members believe it was more representative of the majority viewpoint — a viewpoint that had been lost in confusion over the Friday-West compromise. "Lindsay put that [compromise] plan up on the board. . . This is what caused the people who were on the fence to say,



— WATTS HILL, JR.

*Former Chairman of the now-defunct
Board of Higher Education*

"What the hell?! If these two people have agreed, let's wrap this up and go home," says committee member Watts Hill Jr., who was chairman of the Board of Higher Education and an architect of the regents plan approved by the second committee vote.¹¹

In a confidential memorandum sent to eight committee members on April 6, 1971, Hill talks about plans to draft a minority report favoring changing the system. The memo outlines arguments for reconsideration of the April 3 vote, stating, "We have not carried out our charge from the governor to develop what is best." Hill says further that the earlier vote "was a straw vote, not final," and "the circumstances did not permit a balanced consideration of alternatives...If there is reconsideration, a minority report hopefully will not be needed. This is why I have not drafted one."¹²

A Divided Report

When the Warren Committee announced its findings on May 8, 1971, the majority report favored creating a coordinating board to be called the Board of Regents of the University of North Carolina. The proposed 100-member board would control budgets, programs, and planning for the state's 16 higher educational institutions. The new system would replace both the Consolidated University and the Board of Higher Education but would retain separate boards of trustees for individual schools.¹³ The majority report was backed by all five Board of Higher Education representatives on the committee, seven of the nine regional university trustees, and one trustee of the Consolidated University — Walter L. Smith of Charlotte, who represented North Carolina State University. Committee member George Wood — a state Senator (D-Camden) who represented the Consolidated University — did not sign either committee report.

A minority report presented by Consolidated University Trustee Victor Bryant was incorporated as part of the study group's overall findings. It rejected the regency plan as "destructive" and "unnecessary" and instead proposed enhancing the powers of the Board of Higher Education. Eight of the 22 committee members had voted against the regents plan, and of those, six had signed the minority report.¹⁴

Reactions to the Warren Committee's findings were swift and polarizing. Even before the report was officially unveiled, President Friday told

reporters that he could not support any proposals which would “deconsolidate” the University of North Carolina.¹⁵ The following week, on May 15, the executive committee of Consolidated University trustees met without Scott (the governor was attending a meeting of the Southern Regional Education Board) and pledged to fight the board of regents system.¹⁶ That decision by the executive committee was later endorsed by a resolution of the full 100-member Board of Trustees, which opposed the Warren Committee’s majority report “because that plan would not only destroy the Consolidated University but also would subject all of higher education in North Carolina to a new and untried structural arrangement with unknown consequences.”¹⁷

“We are going to restructure this system... and I intend to cash in all the green stamps I have if that’s what it takes.”

— ROBERT SCOTT
N.C. Governor, 1969-1973

Governor Scott appeared stunned by the criticisms. On May 22, in comments made to members of the Associated Press News Council, Scott expressed his sense of betrayal over the growing opposition to the study committee’s findings. The governor said the state’s top educational leaders — whom he identified as Consolidated University President Friday, Board of Higher Education Director West, and East Carolina President Jenkins — were behaving “like kids” in their reactions to the Warren report.¹⁸ Two days later, a statement Scott made during an informal lull before a meeting of Consolidated University trustees helped to galvanize his opponents. “I sat there on the edge of the table with my legs swinging out, and I said, ‘We are going to restructure this system. . . and I intend to cash in all the green stamps I have if that’s what it takes,’” Scott recalls. “Man, you could have cut the air with a knife.”

The governor’s statement was widely interpreted as a threat to retaliate with budget cuts if the Consolidated University leadership continued to oppose structural change. A headline in *The News and Observer* of Raleigh the next day declared, “Governor Said Holding Budget Ax Over UNC”

and Chapel Hill supporters were soon making much of the publicized warning. Consolidated University Trustee Victor Bryant reportedly had replied to Scott, “Governor, you use your green stamps, and we will use ours, and we’ll see who wins.”¹⁹ The late Albert Coates, professor emeritus at the UNC-Chapel Hill Law School and founder of the Institute of Government, wrote a paper that was in essence a call to arms for University supporters. Coates wrote that decisions about changing higher education, “ought not to be reached in an atmosphere and environment of threats and resentments, and charges and countercharges, and criminations and recriminations, with green stamps and payoffs filtering through a knock-down, drag-out fight.”²⁰

Scott’s language was equally strong in support of the regents plan. When the governor presented the majority report of the Warren Committee to the General Assembly on May 25, he urged lawmakers to change the state’s “dangerously erratic course in public higher education” by adopting the recommendation for a regents system. He chastised the plan’s critics as operating in a “fog of sentiment” and dealing in “romanticism, in things past that some wish to preserve.”²¹

“Governor, you use your green stamps, and we will use ours, and we’ll see who wins.”

— VICTOR BRYANT
Former Consolidated University Trustee

While Scott’s speech was well received by legislators, it did nothing to curb the growing antagonism of Consolidated University trustees, particularly its powerful executive committee. By early June, University leaders had rented a suite of hotel rooms in Raleigh to serve as a legislative command post, hired lobbyist Ralph Strayhorn of Durham, and empowered a trustee-led group called Friends of Education to fight any attempts to eliminate the existing University structure.

It was at this point that President Friday says he “dropped out” of the debate over restructuring. “I knew my board had made up its mind about what it wanted to do. Things got acrimonious,” he says. “I tried to stay away from it.” Even so, because Friday continued to attend legislative hear-

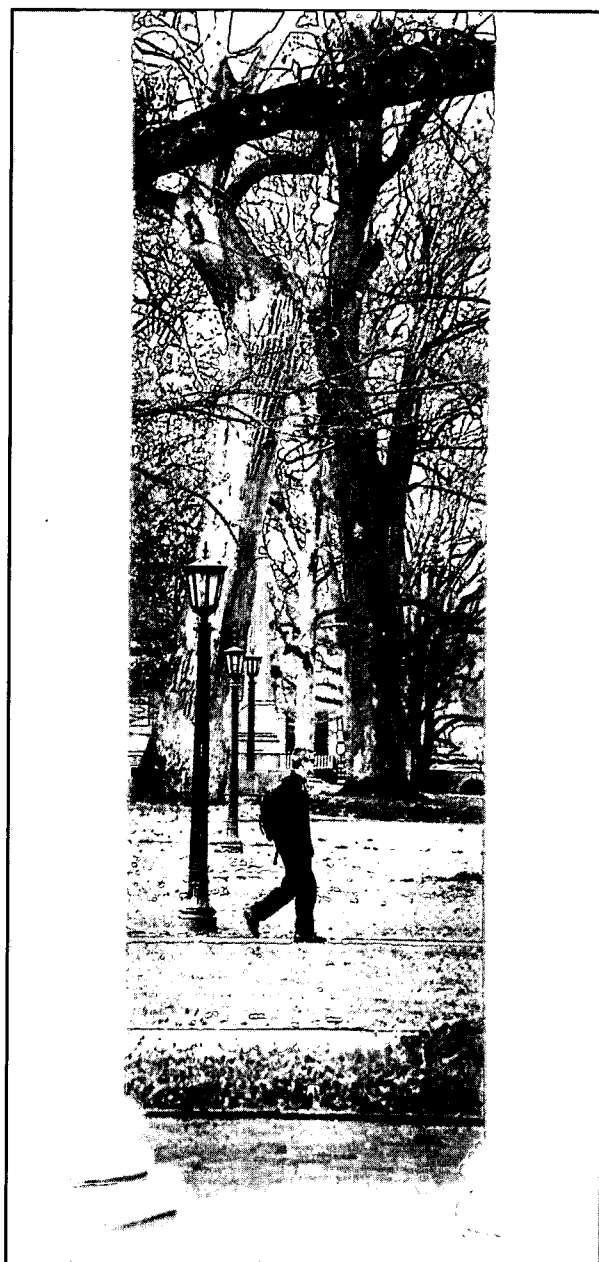
ings, trustee meetings, and strategy sessions on the issue — and because the media consistently identified him as heading up the opposition to Scott's proposals — no real distance was achieved. Others, such as former Board of Higher Education administrator John Kennedy, insist that Friday never really backed away from the fight over restructuring. "It just wasn't in his character to give up," Kennedy says. "He simply went underground and fought on."

Many participants in the 1971 restructuring debate trace the hardening of battle lines directly to the Warren Committee majority report. Then-North Carolina State University Chancellor John Caldwell said in a 1972 interview that it was "a first class mistake" for Scott to champion that report, because it put the Consolidated University in such a defensive posture.²² Felix Joyner, UNC's former vice president for finance, agrees. "The university's position became, 'Don't do anything to the university.' If someone had framed the initial thing another way," the discussion might have been more productive, he says. On the other hand, Phil Godwin, who was then Speaker of the House (D-Gates), says that because of their unwillingness to compromise, "University leaders were their own worst enemies. . . . When you get a sense like that in a legislative body, it turns the hound dogs loose."

"University leaders were their own worst enemies. . . . When you get a sense like that in a legislative body, it turns the hound dogs loose."

— PHIL GODWIN
Former Speaker of the House
NC House of Representatives

In hindsight, Scott says he probably should have been more diplomatic in the early stages of the restructuring debate and spent more time "in shuttle diplomacy, trying to get the two sides to compromise." As the 1971 regular legislative session was winding down, two camps had emerged, representing, as Warren puts it, "those who advocated no structural change and those who advocated a single agency" to govern higher education. The controversy soon would be carried over into a special October session of the legislature, where the final showdown over higher education would take place.



FOOTNOTES

- ¹ Transcript of Scott's remarks, Dec. 14, 1970, Institute of Government Records, University Archives, UNC-Chapel Hill, p. 4.
- ² Chapter 1038 of the 1967 N.C. Session Laws.
- ³ Gene Marlowe, "East Carolina University Board Favors Local Trustee Units," *The News and Observer*, Raleigh, NC, January 8, 1971, p. 1.
- ⁴ *Ibid.*
- ⁵ *Report of the Governor's Study Committee on the Structure and Organization of Higher Education*, 1971, Raleigh, NC, pp. 19-21.
- ⁶ Richie Leonard, Interview with William Friday, May 2, 1972.
- ⁷ *Proposed Amendment of Article 16 of the General Statutes*, (Draft, April 2, 1971), University Archives, UNC-Chapel Hill, p. 4.
- ⁸ *Ibid.*, pp. 5-6.

FOOTNOTES (cont.)

- ⁹ Report of the Governor's Study Committee, note 5 above, p. 38.
- ¹⁰ Richie Leonard, Interview with Paul Lucas, March 29, 1972.
- ¹¹ Richie Leonard, Interview with Watts Hill Jr., March 13, 1972.
- ¹² Confidential memorandum from Watts Hill Jr. to Doris Horton, Zeb Lowry, Buck Harris, Jay Huskins, Wallace Hyde, Maceo Sloan, Bill Rankin, and Reg McCoy (April 6, 1971), University Archives, UNC-Chapel Hill.
- ¹³ Report of the Governor's Study Committee, note 5 above, p. 25.
- ¹⁴ *Ibid.*, pp. 37-38.
- ¹⁵ Gene Marlowe, "Committee Backs Regents Plan," *The News and Observer*, Raleigh, NC, May 9, 1971, p. 1.
- ¹⁶ Gene Marlowe, "UNC Unit Pledges Fight on Regents," *The News and Observer*, Raleigh, NC, May 15, 1971, p. 1.
- ¹⁷ Resolution of the Board of Trustees of the University of North Carolina, May 28, 1971, Institute of Government Records, University Archives, UNC-Chapel Hill.
- ¹⁸ News Dispatches, "Educators Like Kids," *The News and Observer*, Raleigh, NC, May 23, 1971, p. 1.
- ¹⁹ William D. Snider, *Light on the Hill: A History of the University of North Carolina at Chapel Hill*, The University of North Carolina Press, Chapel Hill, NC, 1992, p. 290.
- ²⁰ Albert Coates, *The 24th of May, 1971--A Day To Be Remembered: A Report to the UNC Class of 1918*, unpublished, Institute of Government Records, University Archives, UNC-Chapel Hill, pp. 1-12.
- ²¹ *Papers of Robert W. Scott, Messages to General Assembly*, May 25, 1971, North Carolina Division of Archives and History, pp. 93 and 94.
- ²² Richie Leonard, Interview with John Caldwell, April 21, 1972, Institute of Government Records, University Archives, UNC-Chapel Hill.



CHAPTER 4

The Arguments For and Against Changing the System of Governance

"Life is lived forward, but understood backward."

— SØREN KIERKEGAARD

As in many states, the debate over restructuring of higher education in North Carolina took place in the legislative arena. Former Governor Scott recalls that at a certain point, the educational merits of change were no longer being discussed, and instead the issue became "a pure power play — who was going to win?" In addition, the focus of controversy shifted over time from whether a new system was desirable to what specific form a revamped educational structure should take — causing a similar shift in the content of arguments on both sides.

*The issue became "a pure power play —
who was going to win?"*

— ROBERT SCOTT
N.C. Governor, 1969-1973

Before examining the legislative fight, it is useful to step back and explore some of the policy issues contained in those arguments because educational and political leaders still grapple with many of the same concerns today. Research and interviews with key participants in the restructur-

ing debate reveal four main policy aims underlying the 1971 dispute: (1) achieving a fair and rational distribution of state resources in higher education; (2) preserving and enhancing academic excellence, especially at UNC-Chapel Hill; (3) balancing power between a central governing board and local campuses; and (4) limiting legislative interference in higher education policy. Most of the arguments made for and against changing the system were based on one or more of these goals. (See Table 3, a summary of major arguments for and against restructuring.) And many of the arguments centered around one or more of the following concerns:

- Whether the new consolidated system would prevent each campus from running to the legislature independently for funds, with the one with the most political clout winning;
- Whether academic programs at the state's prestigious research universities at Chapel Hill and Raleigh would be "leveled down" within a consolidated system;
- Whether the historically black institutions and other regional universities would gain or lose under the new system;

- Whether a central governing board could do a better job of allocating resources and programs among the 16 campuses;
- Whether the allocation of power between the Board of Governors and local campus boards of trustees was a correct balancing of power; and
- Whether election of the Board of Governors by the legislature was the best way to achieve a representative, knowledgeable, and independent board.

Achieving a Fair and Rational Distribution of Resources

Proponents of restructuring focused most heavily on how a unified system could bring about rational planning and greater equity in higher education. Many legislators were convinced that only by eliminating the ability of each educational institution to lobby separately for funds could the state avoid wasting tax dollars on overlapping or unnecessary programs. "One of the things that focused

had produced no graduates, while at the doctoral level, nearly one third of programs had produced no graduates.¹ "The emphasis under the present system is on what each institution considers to be its needs, which are not necessarily synonymous with statewide goals, needs, and priorities," the report stated. "Institutions have generally not developed costs for their various operations and usually are unable to state what a specific degree program costs. Without such information, it is impossible to determine the full extent of efficient use of resources."²

The duplication of academic programs among North Carolina's universities was linked to the reasons the institutions had been created. In a state as large and diverse as North Carolina, many schools had been established to serve particular regions or populations that would be less likely to attend universities located far from home. In the case of the state's five historically black colleges, program duplication was a direct legacy of segregation, when African Americans were barred from attending colleges with whites. The restructuring debate in 1971 did not directly address these root causes. Instead, the focus was on what legislators and educators believed was unnecessary duplication of university programs, particularly at the graduate

"The emphasis under the present system is on what each institution considers to be its needs, which are not necessarily synonymous with statewide goals, needs, and priorities."

— Report of the Governor's Study Committee on the Structure and Organization of Higher Education

this issue sharply was the fight over a new medical school" for East Carolina University, says L. P. McLendon, Jr., who was a state senator (D-Guilford) in 1971. "It pointed up the fact that the state was about to engage in a tremendous expenditure of money when they already had a program" in Chapel Hill.

Bolstering these opinions was the Warren Committee's majority report, which had identified duplication of academic programs as a major problem facing North Carolina. The report noted that during the 1969-70 academic year, 44 percent of masters programs offered by Tar Heel universities

and professional levels where costs were higher than at the undergraduate level.

An example of how the existing system worked was given in the minority report of the Warren Committee, which asserted that the Consolidated University had shown ample "self-discipline" when it came to the creation of new academic programs among its six campuses. "That self-discipline is effectively maintained through the Consolidated University's Graduate Executive Council. This university-wide body maintains close surveillance over every new graduate program proposed by the institutions within the Uni-

TABLE 3

MAJOR ARGUMENTS FOR AND AGAINST RESTRUCTURING OF HIGHER EDUCATION IN NORTH CAROLINA, 1971

ARGUMENTS FOR RESTRUCTURING:	ARGUMENTS AGAINST RESTRUCTURING:
<p>1. A consolidated system would prevent each campus from running to the legislature independently for funds.</p>	<p>1. Restructuring of higher education was unnecessary, since there were already mechanisms in place -- namely, the Consolidated University Board of Trustees and the North Carolina Board of Higher Education -- to manage the growth in higher education.</p>
<p>2. A consolidated system would prevent unnecessary duplication of academic programs and the resulting waste of taxpayer dollars.</p>	<p>2. A centralized Board of Governors would not be able to do as good a job of allocating resources and programs as the Consolidated University system.</p>
<p>3. Restructuring would benefit regional universities and historically black institutions that had not received an equitable share of resources in the past.</p>	<p>3. A consolidated system that would replace the existing University of North Carolina would amount to an untried experiment and a rejection of years of tradition, academic excellence, and administrative talent.</p>
<p>4. The allocation of power between the Board of Governors and the local campus boards of trustees would preserve the individual identities of each campus and give them control over such activities as fundraising and honorary degrees.</p>	<p>4. The allocation of power between the Board of Governors and the local campus boards of trustees would result in managerial chaos.</p>
<p>5. A consolidated system would protect UNC's historic flagship campuses in Chapel Hill and Raleigh as competition for funding among all higher educational institutions increased.</p>	<p>5. A consolidated system would bring academic standards down to the lowest common denominator among the 16 campuses and would harm the flagship status of UNC-Chapel Hill and North Carolina State University.</p>
<p>6. A centralized Board of Governors would help keep politics out of higher education by giving decision-making power to a board of experts, the Board of Governors.</p>	<p>6. A centralized Board of Governors elected by the legislature represented a dangerous concentration of power and the potential for increased legislative control over higher education.</p>

versity. Before any such program can be offered by one or more of these institutions, this Council must be satisfied not only that there is a justifiable need for the new program but also that it will meet the University's high standards of academic excellence."³ But supporters of a change in university governance wanted such a system of planning and oversight over all state schools, not just the Consolidated University.

The question of whether resources were being distributed fairly was a key part of the debate over changing higher education. Supporters of restructuring linked funding disparities between various North Carolina schools to the lack of unified budgeting and program planning in the existing system. In its 1968 planning report, for example, the Board of Higher Education had declared that a single-agency approach to governing higher education "tends to promote equity within the system" by providing adequate and reliable information on program costs and needs to the General Assembly.

It was an argument that resonated with leaders of North Carolina's regional universities, who felt their schools lacked the political clout needed to secure sufficient resources. Leaders of historically black colleges, in particular, made the point that their institutions did not start on a level playing field as far as resources and respect were concerned. "Some institutions were getting seconds and thirds, while others were still standing in line to get firsts," recalls Sammie Chess, who was then a trustee of Winston-Salem State University. "Folks were concerned that the system ought not to be tampered with without good cause. I think we proved we had good cause."

While they did not deny that funding was uneven among various institutions, opponents of change argued that a single board approach would dismantle the only part of the state's educational system that was distributing resources rationally — namely, the Consolidated University. "The University's position, simplified, was: What you're talking about makes some sense, but we already have this system in place," says former legislator and Consolidated University trustee Ike Andrews. In lengthy appearances before the Warren Committee and subsequent legislative hearings, Consoli-

dated University President Friday took a similar tack, describing the planning and programmatic achievements of the University's six campuses. He stressed that under the coordinating board proposed by the Warren Committee majority, those advances would have been impossible because the board lacked the power to regulate a diverse network of institutions. Only a governing board — such as the one that ran the Consolidated University — could do the job, Friday said.⁴

Former state Board of Higher Education administrator John Kennedy vividly recalls Friday's testimony before the Warren Committee. He says that when Friday was asked why, if a governing board system had worked so well for the Consolidated University it should not be extended to the rest of the state's higher educational institutions, Friday replied that the proposed board of regents did not have enough centralized power to handle the task. "I thought that was the turning point," Kennedy says. "I thought he'd put his finger on the great weakness of the Warren Committee's recommendations."

"Some institutions were getting seconds and thirds, while others were still standing in line to get firsts."

— SAMMIE CHESS
Former Trustee of Winston -
Salem State University

Preserving and Enhancing Academic Excellence

The issue of academic excellence was one frequently cited by opponents of restructuring. Their arguments had a dual thrust: (1) that eliminating the Consolidated University's administrative structure would squander years of tradition and effort that had produced high-quality academic programs; and (2) that creating a system in which all campuses were treated equally would bring standards down to the lowest common denominator.

Attorney Irving Carlyle, in one of his last acts before his death in June 1971, wrote an impassioned speech incorporating both of these points. The former state senator (D-Forsyth) had been invited to appear before a joint legislative committee on restructuring and was working on his address when he suffered a fatal heart attack. Carlyle's wife released his speech to the newspapers, which published excerpts on June 10. Carlyle wrote, "A board of regents to control all of the

state's institutions of higher learning will substitute equality for excellence, will level all institutions down and push none up." The system "will replace individuality and academic independence in our university with dull uniformity and will dispel quality education in our institutions in exchange for mediocrity."⁵

Such concerns about preventing "academic leveling" carried weight in North Carolina because no one wished to jeopardize the national prominence attained by programs at UNC-Chapel Hill. In 1969, for example, the American Council on Education ranked UNC-Chapel Hill's graduate classics program fifth in the country in the quality of its faculty; its political science program ranked 10th overall; and its biological sciences program 13th.⁶ "Nobody had as much to lose

as Chapel Hill," recalls Raymond Dawson, former vice president for planning for UNC.

In addition, the presence of high-quality programs at UNC-Chapel Hill, at North Carolina State University, and at private institutions such as Duke University, was seen as a major attraction for new industries locating in Research Triangle Park. The park, established in 1959, was viewed as a powerful economic engine for the state, and lawmakers were well aware of the need to keep a steady supply of educated workers available to research-based industries there.

Supporters of changing higher education tried to dispel fears about "academic leveling" by arguing that a centralized regents system would actually help raise standards by promoting greater efficiency. Former state legislator

"A board of regents to control all of the state's institutions of higher learning will substitute equality for excellence, will level all institutions down and push none up."

— IRVING CARLYLE
Former State Senator



View of UNC-Chapel Hill campus from Old Well.

"We realized their [California's] university system was far better. . . And we knew North Carolina would never be there [academically] until we got everything under one umbrella."

— PERRY MARTIN

Former member, N.C. House of Representatives

Perry Martin (D-Northampton), who was chair of the House Education Committee in 1971, remembers politicians talking about the academic standing achieved by California's acclaimed public higher educational system. "We realized their university system was far better," Martin says. "And we knew North Carolina would never be there [academically] until we got everything under one umbrella."

In his May 25, 1971 speech urging the General Assembly to adopt the Warren Committee majority report, Governor Scott argued that a unified structure for managing higher education would protect prestigious research universities in Chapel Hill and Raleigh as competition for funding became more intense and schools outside of the Consolidated University continued to grow. "I know of no one in this General Assembly — or any thoughtful person for that matter — who wants to harm the [Consolidated] University. Rather, we all wish to see it rise even higher in national ranking, prestige, and influence," Scott said. "To its loyal supporters, let me say the best way — the only way — to accomplish this is to have one board coordinating all of higher education. . . Otherwise, the General Assembly will resolve the problem in the political arena, and the University will be the loser in the long run."⁷

Balancing Power Between a Central Governing Board and Local Campuses

The policy goal of balancing power between a central governing board and local campuses was used to bolster arguments on both sides of the restructuring debate. While proponents of change believed that institutional autonomy would be enhanced under the board of regents system, opponents questioned whether such a coordinating board could achieve stability in higher education.

Many regional university leaders and supporters of historically black institutions, for example, saw the retention of local boards in the regents plan as a positive sign — a way of preventing their schools from being swallowed up in a large and impersonal statewide board. Local boards of trustees would help each school preserve its unique character and identity, and would reassure alumni and other supporters that statewide needs would not get in the way of improving programs at individual campuses.

On the other hand, leaders of the Consolidated University, which had operated without separate campus boards, saw the presence of local boards of trustees as a sign that the proposed regents system would be unable to prevent end-runs by individual schools to the legislature. Further, opponents of restructuring believed that allowing the Consolidated University to be dismantled would mean ceding control over educational matters to politicians and state bureaucrats. "The [Consolidated University] trustees felt they were being deprived of what they considered to be their right, duty, and freedom to carry on the work of the university," University Trustee Victor Bryant said in a 1972 interview.⁸

How best to divide control between a central board and local campus boards of trustees was debated right up to the final approval of a higher education restructuring bill in October 1971. During the course of the legislative struggle, regional university supporters tried unsuccessfully to have specific powers for individual boards of trustees spelled out in proposed legislation. Instead, those powers were to be delegated by a central Board of Governors. Governor Scott shifted his position from support for a coordinating board that would essentially manage the activities of individual boards of trustees to a governing board that would retain control over such vital areas as university budgets, academic programs, and hiring. And Consolidated University supporters — after fighting attempts to change the existing governance system for higher education — threw their weight behind a governing board with significant representation drawn from the former 100-person University Board of Trustees.

Limiting Legislative Interference in Higher Education Policy

To opponents of structural change in higher education, freedom from bureaucratic or legislative

interference in academic affairs was the only way to run a successful university system. For that reason, they preferred strengthening existing regulatory agencies to creating a new entity in state government. This idea was reflected in language used in the Warren Committee minority report, which compared the proposed coordinating board of regents to the existing Consolidated University system. "The operation of a coordinating board is an exercise in control and containment through the use of power," the minority report stated. "The operation of a multi-campus university is an exercise in creativity and accomplishment through cooperative effort and institutional leadership."⁹

Consolidated University supporters warned that not only would a board of regents curb institutional freedom, but also that a central board appointed by the legislature and chaired by the governor would be a dangerous concentration of power. Former Superior Court Judge William Johnson, then a Consolidated University trustee, told a legislative hearing committee that such a concentration would be "unlike anything we have seen in this state since the days of [Colonial era Royal Governor William] Tryon."¹⁰

Even those who took a less dramatic view of the possibilities worried that the regents system would politicize educational decision-making. "I thought the [Consolidated] University had met all its challenges, and I didn't think it should be merged with a bunch of Raleigh political folks" at the state Board of Higher Education, says former legislator Ike Andrews. John Sanders, former director of the Institute of Government who later became vice president for planning for UNC, notes that Consolidated University leaders also were worried that if the governor could get a restructuring plan approved by the legislature, he would likely have a substantial say over who would lead the new system. In that case, Consolidated University leaders who had opposed the changes — including President Friday — might be replaced by others more in tune with the governor's views.

Supporters of change countered that the only way to take politics out of higher education was to

allow a statewide coordinating board with expertise in the field to handle higher education affairs. "It was extremely difficult for a lay group like the General Assembly to really fathom the problems" in higher education, says former state senator L.P. McLendon Jr. "What this [proposed] new system did was take a lot of the practical determination of expenditures of funds out of the hands of

lay people and place it in the hands of more knowledgeable experts."

John Kennedy, former associate director of Higher Education for North Carolina, says fears about how a statewide governing system would bureaucratize educational decision-making were based on a false impression of how the existing state Board of Higher Education worked. "The whole history of the board was that it performed

like a planning department of a university — not like a typical bureaucracy," he says. "This [restructuring debate] was the first time I've known a state agency offering to go out of business."

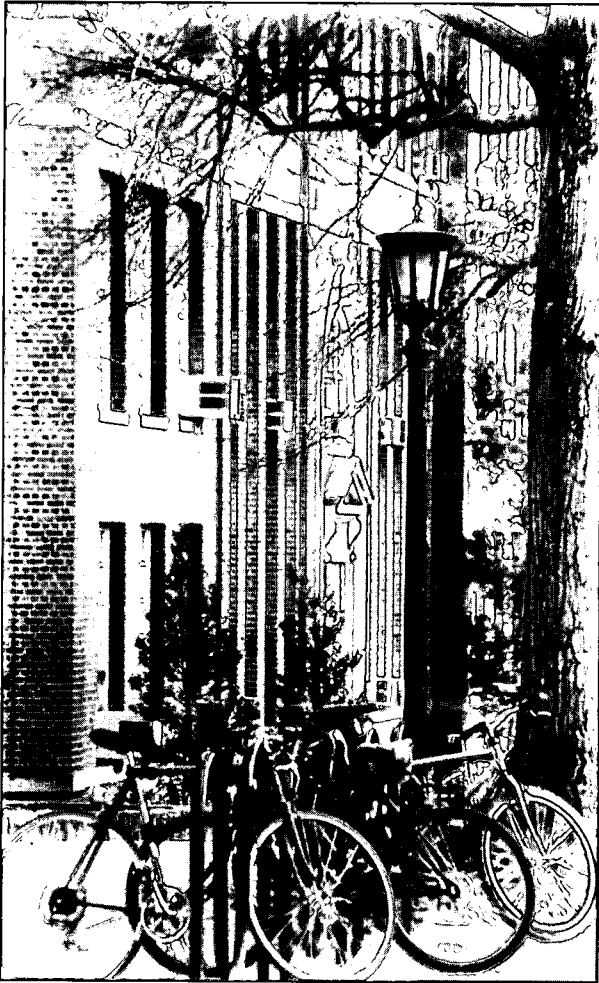
It also may seem surprising that a higher education restructuring drive supported by politicians would have promoted a plan for the General Assembly to give up some of its power to a board. But many observers point out that legislators at the time had experienced the negative side of dabbling in educational decision-making and wanted to end the competitive lobbying by individual schools. As Roy Parker Jr., who was chief capital correspondent for *The News and Observer* in 1971, wrote in a column published shortly after the restructuring legislation was passed, "In the last analysis, what the 1971 General Assembly decided was that it had dabbled too deeply into higher education and needed to insulate the system against excesses of the assembly itself."¹¹

One other powerful argument made by opponents of restructuring that had little to do with specific policy issues was the idea that change itself was a threat to the state's higher educational system. Even many of those who were critical of the way higher education was being governed in North Carolina were reluctant to tamper with the existing system in favor of an untried model. A statement by former Consolidated University trustee William

"In the last analysis, what the 1971 General Assembly decided was that it had dabbled too deeply into higher education and needed to insulate the system against excesses of the assembly itself."

— ROY PARKER, JR.

Former Chief Capital Correspondent
for *The News and Observer*



Dees at a trustee meeting on May 28, 1971, typifies this sentiment. "Once dismantled, this [Consolidated University] system will not be retrievable," Dees said. "I am not willing to experiment with our successful system."

Nevertheless, by the time Governor Scott announced in late June 1971 that he would reconvene the legislature in the fall to deal solely with the issue of higher education, many observers

believed that the major policy question — whether the state's higher educational system should be altered — had already been decided. With the spotlight turned on the problems in higher education, momentum had naturally gathered in favor of some form of change. The focus of the restructuring battle then moved to the specifics of what a new governing system would look like and who would lead that system.

FOOTNOTES

¹ *Report of the Governor's Study Committee on the Structure and Organization of Higher Education*, 1971, Raleigh, NC, pp. 15-17.

² *Ibid.*

³ *Ibid.*, p. 44.

⁴ Gene Marlowe, "Regents Plan Said End to Excellence," *The News and Observer*, Raleigh, NC, June 16, 1971, p. 1.

⁵ Associated Press, *The News and Observer*, Raleigh, NC, June 10, 1971, p. 16.

⁶ Kenneth D. Roose and Charles J. Andersen, *A Rating of Graduate Programs*, Washington, D.C.: American Council on Education, 1970, pp. 39 and 64.

⁷ Papers of Robert W. Scott, *Message to the General Assembly*, May 25, 1971, North Carolina Division of Archives and History, pp. 98-99.

⁸ Richie Leonard, Interview with Victor Bryant, May 1, 1972.

⁹ Report of Governor's Study Committee, note 1 above, p. 45.

¹⁰ Gene Marlowe, "Regents Plan Said To End Excellence," *The News and Observer*, Raleigh, NC, June 16, 1971, p. 1. Royal Governor William Tryon ruled North Carolina when it was a British colony from the colonial capital of New Bern.

¹¹ Roy Parker Jr., "Bigness Was Subject of Restructuring Debate," *The News and Observer*, Raleigh, NC, October 31, 1971, p. V1.

CHAPTER 5

The October 1971 Special Session of the Legislature on Higher Education

"[I]t does not require an expert to discern the inherent wastefulness, both in energy and resources of the present trend . . . Our institutions are supported out of one treasury: I can see no valid reason . . . why they should not be under one executive management and control."

— O. MAX GARDNER
N.C. Governor, 1929-1933

Scott's decision to call a "special" session of the legislature came in the face of a serious effort to postpone consideration of higher education restructuring until the 1973 legislative session — when Scott would no longer be governor.¹ A bill in the 1971 regular session of the General Assembly introduced by state Senator John Burney (D-New Hanover) and signed by 28 others, proposed creation of a legislative study commission to draft an alternative to the board of regents bill promoted by Scott. Even some key backers of Scott's proposal — namely, Lieutenant Governor Pat Taylor and House Speaker Phil Godwin (D-Gates) — were arguing that lawmakers needed more time to consider the restructuring issue. And, there were other higher education bills pending, not all of them favorable to the governor's plans.

A New Proposal for Higher Education Governance

On June 21, 1971, Scott hosted a late-night meeting to try and stave off efforts to postpone action on higher education until 1973. Among those in attendance at the executive mansion were



Our task is really an extension of his [former Governor O. Max Gardner's] effort . . . Consolidation was a good concept then. It is a good concept now."

— ROBERT W. SCOTT
N.C. Governor, 1969-1973

Lt. Gov. Taylor, legislators Godwin, Martin, and state Senator Russell Kirby (D-Wilson), as well as Higher Education Director Cameron West, former state Senator Lindsay Warren, and Consolidated University President William Friday. Some of those present recall that the thrust of the meeting was an effort to get Friday to drop his opposition to an overall coordinating board for education — to no avail. But the meeting did produce a breakthrough of sorts. Realizing that an agreement on a restructuring plan could not be reached in the regular session, Scott decided to call lawmakers back to Raleigh in October 1971 to deal exclusively with the question of higher education. At a June 22 press conference, the governor, flanked by Taylor and Godwin, also made clear that he intended to push for a stronger central board than the one proposed by the Warren Committee majority. Scott's new preference was for a 25-member board that would have governing power — not merely coordinating power — over public higher education. The proposed board would be composed of legislators — two from each Congressional district — and would be chaired by the governor.²

"It put the governor on Friday's side [in favoring a governing as opposed to a coordinating board] and also meant that when the legislators came back, they would not be able to trade on anything" [because only higher education would be on the table].

— JOHN KENNEDY

Former Associate Director of Higher Education

Scott says the new proposal was closer to what he'd wanted all along for higher education. "I remember thinking when it came out that the Warren [majority] report just wasn't going to do it," he says. "I thought it was a massaging, a tinkering" with the status quo. Others credit a meeting between Scott and Harold F. "Cotton" Robinson — then-provost of Purdue University and a former administrator at North Carolina State — with changing the governor's mind on the need for a stronger central board. The meeting with Robinson was arranged by future North Carolina Governor Jim Holshouser, who was a member of the state

House in 1971 (R-Watauga). Holshouser had been impressed by Robinson's opinions that only a powerful central board could govern higher education adequately, and Holshouser had asked Robinson to meet with North Carolina legislators and Governor Scott.

John Kennedy, who was associate director of Higher Education in 1971, describes Scott's call for a special session as "a stroke of genius. . . It put the governor on Friday's side [in favoring a governing as opposed to a coordinating board] and also meant that when the legislators came back, they would not be able to trade on anything" [because only higher education would be on the table].

Taking Positions on the Restructuring Legislation

In the lull between the regular and special legislative sessions, a broad consensus in favor of the governing board model began to evolve among state lawmakers. This process was aided by a series of legislative hearings in September sponsored by joint meetings of the House and Senate Committees on Higher Education, chaired by Senator Russell Kirby and Representative Perry Martin, respectively. At the hearings, highly-regarded North Carolinians — among them former governor and then-Duke University President Terry Sanford, retired UNC-Chapel Hill Chancellor William Aycock, and former state Senator Lindsay Warren — expressed support for a central governing board. "Their testimony helped turn the tide," says Martin. "The impetus from people such as that picked us up. The newspapers had been indifferent until then. But as the hearings went on, we got the upper hand."

On the Consolidated University side, while hard-liners were still insisting on a no-compromise, no-change stance, many trustees were beginning to accept the idea of a unified governing system for higher education. Lindsay Warren says it was President Friday who helped bring this about. "I think Bill saw, more than anyone, the need for something of this kind. I think he was pulled by some of his hard-line trustees against any change. He finally persuaded them." Friday biographer William Link also credits Friday with a "behind-the-scenes lobbying campaign" to convince Consolidated University trustees to support change.³

Friday maintains that at this point he was not involved in the political struggle over restructuring

— an idea that is still not accepted by many participants in the 1971 debate. In any case, some UNC leaders say trustees did not need a lobbying campaign to persuade them to back the idea of a centralized board. “My hunch is that a majority of trustees were probably in favor of change and just wanted to lay low,” says C. Clifford Cameron, a former Consolidated University trustee who served on the university Board of Governors from 1991 to 1999 — two of those years as chairman — and was reelected in 1999 to serve another term. “They didn’t want to fight the leadership” of the executive committee of the 100-member Consolidated University board.

From the time the Warren Committee released its report, most regional university leaders — including the influential Leo Jenkins of East Carolina — had been publicly reticent about their preferences for changing the state’s educational system. Reginald McCoy, who was a member of the Warren Committee and a trustee of East Carolina, says Jenkins, “was never bitterly opposed to restructuring,” but simply felt that East Carolina could do better for itself as an independent university. Thad Beyle, a professor of political science at UNC-Chapel Hill, recalls that “a lot of people thought Bob Scott had struck an alliance with the East Carolina people” because of the governor’s public statements supporting expansion of that school’s medical program. “So they [East Carolina University leaders] were sort of holding their fire on this one.”

For their part, leaders of the state’s historically black institutions were worried about whether their schools could survive a change in higher education. Charles Lyons, then-president of Fayetteville State University, remembers that black students opposed to restructuring staged protests in Raleigh the day before the General Assembly reconvened in October. “They wanted to be sure that the talk going around about closing those institutions would be quelled,” he says. “It was a good thing because what it said to the public was, ‘there are some other issues that need to be addressed.’ The students heightened the visibility of the concerns.” Consolidated University leaders insist that there was never any talk of closing historically black colleges.

Many historically black schools also were concerned about protecting their independence, says Lyons, who appeared before the joint legislative committee in September 1971. “Some of us were inclined towards a less unitary system. We were leaning toward a coordinating board that would



— LEO JENKINS
*Former President of East Carolina College
(Now East Carolina University)*

leave the institutions autonomous.” Current state Supreme Court Justice Henry Frye was one of only two African-American members of the North Carolina House of Representatives (D-Guilford) in 1971 (with none in the Senate). He worried that “with the formation of a strong group at the top [of the university system], they would start doing what some of the school boards had done” when local public school systems were desegregated — demoting black principals to assistant principals in the newly desegregated systems.

Frye also wanted to see “some assurance of minority representation” on any new governing board for education. He recalls that one of the arguments in opposition to a required number of minorities on the new board was that “if you built in a requirement [for minority representation], you’d also be building in a limitation. I would rather have left the language out, but knowing the history [of a lack of minorities on state university boards], it was necessary.”

Partisan rallies and peace meetings continued in the weeks leading up to the October 1971 special session of the legislature. Senator John Burney gathered a select group of lawmakers in Wrightsville Beach for what he described as “a



"[I]f you built in a requirement [for minority representation], you'd also be building in a limitation. I would rather have left the language out, but knowing the history [of a lack of minorities on state university boards], it was necessary."

— HENRY FRYE

*Former N.C. Representative and now
N.C. Supreme Court Justice*

school for us senators" on the restructuring issue.⁴ Lt. Gov. Pat Taylor addressed a meeting of the Consolidated University board's executive committee and urged them to become involved in "shaping instead of just opposing" restructuring legislation. Scott called on Friday and West once more to find a compromise that would be acceptable to all sides — an attempt that failed to produce results.

The Remaining Areas of Disagreement

By the time the General Assembly reconvened on October 26, the University's strategy had shifted from attempts to defeat various restructuring bills to amending them in ways that would preserve the Consolidated University as the core of any new system. Specifically, University leaders were

backing a scheme to bring the state's higher educational institutions into the Consolidated University in stages. The plan would continue the 100-member Board of Trustees — effectively making it the overarching governing board for a new 16-campus statewide system.⁵

Most legislators, on the other hand, supported a bill for a much smaller governing board that was developed by the Joint Higher Education Subcommittee — a legislative group of House and Senate members that was responsible for reporting a university restructuring bill to the October session of the General Assembly. That subcommittee bill was approved October 14, 1971 by a vote of 10-6. The measure proposed to establish an interim Board of Governors of 32 members: 15 elected by and from the Consolidated University board of trustees; 15 from the boards of trustees of the regional universities; two from the Board of Higher Education; and with the governor as chairman. The interim group would serve as a planning committee from January through June 1972 to prepare for the transition to a new university system. On July 1, 1972, it would assume full authority as the Board of Governors for one year. After July 1973, it would be superseded by a permanent Board of Governors composed of 24 members elected by the General Assembly and eight appointed by the governor. Of the 24 members to be elected by the General Assembly, a minimum of three were to be women, three were to be members of a minority race, and three were to be members of the minority political party. The committee bill also guaranteed a minimum of one seat each on the board to women, racial minorities, and members of the state's "minority party" for the eight slots to be filled by the governor. In 1971, Republicans were the minority party in the General Assembly (18 percent of the 170 legislators) comprising seven of North Carolina's 50 state senators and 24 of the state's 120 representatives.⁶

Media coverage of the special session made much of the fact that the joint subcommittee bill would not have passed without the support of two Republican members, state Senator Phil Kirk (R-Rowan) and Representative James E. Holshouser Jr. (R-Watauga). Had they voted no, the subcommittee tally would have ended in a tie. Higher Education Committee chairmen Russell Kirby and Perry Martin — who were supporters of Governor Scott's restructuring proposals — then would have cast tie-breaking votes for a bill favoring the regional universities.⁷ But Holshouser — who one



"I was convinced early on of the need for a governing board because a coordinating board would not take all the competition out" of higher education.

— **JAMES E. HOLSHOUSER**
N.C. Governor, 1973-1977
Former N.C. Representative

year later became North Carolina's first Republican governor elected this century — downplays the significance of the guarantee of minority party representation as key to the Republican votes. "I was convinced early on of the need for a governing board because a coordinating board would not take all the competition out" of higher education, he says. Former state House member Henry Frye remembers "some long and serious debate" over how to keep the number of women and minority representatives on the board from being minimized by, for example, having a black woman chosen for a seat. In the end, the bill mandated separate numbers of seats for women, racial minorities, and the minority political party.

The major areas of disagreement among law-

makers attending the special session revolved around the size and composition of the proposed governing board and how best to effect the transition to a new educational governance system. Some participants in the 1971 restructuring fight view this portion of the debate as little more than haggling over details. "It was a lot of sound and fury," says Cameron West, the former state Higher Education director. "The truth of the matter was that the thing was pretty well in place by then." In a 1972 interview, the late state Senator and Consolidated University trustee George Wood said the special session debate "was very juvenile. As it turned out, the [Consolidated] UNC trustees were primarily interested in keeping their headquarters at Chapel Hill and keeping their administrative heads."⁸

Former Institute of Government Director John Sanders — who advised Consolidated University leaders during the legislative debate and helped revise versions of the restructuring bill — disagrees, insisting that much larger issues were at stake in the special session. Because the original committee bill would have put the Consolidated University in a minority voting position on a new governing board, Sanders says, the result would have been a "radical reallocation of responsibility for higher education. You would have wound up with a very different group in charge of higher education" in North Carolina — namely, representatives of regional universities, including the historically black schools, and the Board of Higher Education. Sanders adds that many University leaders and legislators also were concerned about the "stop and start" nature of the Planning Committee, which would be replaced by the permanent Board of Governors. They wanted to find a solution that would allow more continuity of leadership of the new system.

In their push for numerical parity on the governing board, Consolidated University supporters managed to shift the impact of educational change. While the governing structure of the state's higher educational system was altered, its traditional

In 1916, Henry Ford said to a Chicago Tribune reporter: "History is more or less bunk." Later however, he had the following emblazoned over the entrance of the Ford Museum in Dearborn, Michigan: The farther you look back, the farther you can see ahead."

administrative structure was preserved. But that outcome was far from clear when the legislature reconvened on October 26, 1971 for four days of historic debate.

The October 1971 Special Session

In an address to the General Assembly on the first day of the October 1971 special session, Governor Scott both attacked the idea of retaining the Consolidated University's 100-member board and supported the notion that the Consolidated University should be the nucleus of a new governance system for higher education. Scott first invoked the sentiments of former North Carolina Governor O. Max Gardner — who served from 1929 to 1933 — when Gardner addressed the 1931 legislature advocating the first consolidation of the UNC system. Gardner said, “[I]t does not require an expert to discern the inherent wastefulness, both in energy and resources of the present trend. . . Our institutions are supported out of one treasury: I can see no valid reason. . . why they should not be under one executive management and control.” Then Scott added, “Our task is really an extension of his effort. . . Consolidation was a good concept then. It is a good concept now.”⁹

Also on the first day of the special session, Representative Jack Stevens (D-Buncombe) proposed an amendment to the joint subcommittee's bill. The amendment would have increased the statewide governing board to 100 members and kept the Consolidated University board intact. The amendment was defeated in the House Higher Education Committee by a vote of 13-8, along with a proposal backed by the regional universities to give specific powers to the local trustee boards, which lost on a voice vote. Regional university supporters were worried that if explicit authority for the institutional boards was not written into the statute, those boards would be too weak. But their arguments were overridden by lawmakers who felt that all powers should be invested in the central board. In the Senate Higher Education Committee, the joint subcommittee's bill calling for a 33-member governing board was approved without debate — a fact observers took as a sign that the real showdown over higher education was likely to occur in the House.¹⁰

On October 27, the House of Representatives tentatively approved, by a vote of 74-39, a committee substitute bill calling for a 32-member gov-

“At times, aides to the governor and university officials stood back-to-back in the corridors, importuning senators.”

— ROY PARKER, JR. & GENE MARLOWE
The News and Observer

erning board for higher education. In the Senate, a Consolidated University-sponsored amendment for a 100-member board was rejected by 27-21.¹¹ Lobbying on the amendment was intense, newspapers reported. “At times, aides to the governor and university officials stood back-to-back in the corridors, importuning senators.”¹² Then-state Senator Gordon Allen (D-Person), who returned to the state House in 1997 after a stint lobbying for the N.C. League of Savings and Loan Institutions, presented the University amendment and recalls the furious atmosphere on the floor. “We'd have people for five minutes, and the governor would have them for five minutes,” he says.¹³ Although Allen had previously supported Scott's proposals, he had been persuaded that “the University's position was the proper position.”

After the 100-member board amendment was defeated, Allen began working with Consolidated University supporters and some other lawmakers on a proposal aimed at easing the transition to a new system by making the initial board a permanent body. The process of developing that plan led to some of the more confusing moments of the special session. Under the University-backed compromise, 16 board members would be elected from the Consolidated University board and 16 from the boards of the regional schools to a planning committee which would become the permanent Board of Governors on July 1, 1972. The four largest

“We'd have people for five minutes, and the governor would have them for five minutes.”

— GORDON P. ALLEN
Former N.C. Senator and current N.C. Representative

regional schools (Western Carolina, Appalachian State, A&T, and N.C. Central) would have two representatives each; East Carolina would have three; the four smaller regionals (Pembroke, Winston-Salem State, Elizabeth City State, and Fayetteville State) and the N.C. School of the Arts would have one each. No seats were to be given to the Board of Higher Education.¹⁴

Before this compromise amendment was introduced in the Senate, Allen asked that it be changed so that it matched the original joint committee bill's governing board make-up of 15 seats for the Consolidated University, 15 for the regional schools, and two for the Board of Higher Education. He also wanted to see whether further compromise was possible between the University forces and legislative leaders, and asked President Friday to come to a meeting in Raleigh to discuss the matter. In addition, Allen met with Horton Rountree, the Representative from Pitt County, and at Rountree's request reworded the bill again so that the seat on the new Board of Governors that had been assigned to the School of the Arts would be given to East Carolina — bringing the total number of seats for the Greenville-based university to three.¹⁵

The meeting with Friday took place on October 28. Senators Kirby and McLendon, as well as Cameron West and John Sanders also were present. Reluctantly, Friday was persuaded to support the 15-15-2 plan as a means of ending the legislative wrangling. But as the meeting was breaking up, participants learned that the House had passed an amended plan to give 16 seats each to the Consolidated University and the regional schools by a vote of 63-50. This version of the restructuring bill, which was introduced by Representative McNeill Smith (D-Guilford), eliminated the governor's power to appoint board members and instead, mandated that all members be chosen by the legislature — one-half by the Senate and one-half by the House.

University partisans tried to get Allen to introduce a parallel amendment in the Senate, but Allen was committed to the plan he had hammered out earlier with Rountree.¹⁶ Since that plan had been endorsed by Friday, Consolidated University supporters felt obliged to back it, even though it was viewed — because of the added seats for the Board of Higher Education and East Carolina — as less favorable to their side. "We made an error in judgment on this," Ralph Strayhorn, a university lobbyist, said in a 1972 interview. "It developed we had more strength in the House than we'd thought, and

we probably should have concentrated more there."¹⁷ By the end of the day, the 50-member Senate had passed a variation on the 15-15-2 plan (15 seats to the Consolidated University, 15 to the regional schools, and two to the Board of Higher Education) by a vote of 28-15. A later amendment giving the School of the Arts a temporary seat on the new governing board — bringing the total number of seats to 33 — passed by a vote of 43-3.¹⁸

A Dramatic Finish

The third day of the special session was the most startling. The House received the higher education bill for concurrence in the Senate's amendments from the previous day. The Senate then recalled that amended House bill and rescinded the votes by which the bill had passed. A new bill — which gave 15 seats on the new Board of Governors to the Consolidated University, 15 to the regional schools, two to the Board of Higher Education, and a temporary seat to the School of the Arts — was then offered and passed on the third reading in the Senate by a vote of 39-7.

When the bill came back to the House, Representative Ike Andrews — who had been quiet up to that point in the debate — rose to oppose the measure. Andrews represented Chatham and Orange Counties, and UNC-Chapel Hill was in his district. In a speech that is remembered by legislative colleagues to this day, he said, "You're creating a system of higher education in which the University of North Carolina will have a minority voice...I dare anyone to tell me why in terms of history, in terms of accomplishment, in terms of excellence, this should happen."¹⁹ The 120-member House barely concurred in the new Senate bill by a vote of 55 to 51. Encouraged by the closeness of that vote, Andrews led a determined fight from the floor for reconsideration and succeeded in finding enough support to deadlock the House in a 53-53 tie. Speaker Godwin broke the tie with a "no" vote and the House adjourned for the night.²⁰

At that point, Consolidated University leaders felt they'd lost the fight. Both the Senate and House had passed a bill creating a governing board on which the University could be outvoted by a coalition of regional schools and the Board of Higher Education, and the bill now was on its way to the enrolling office — the final step before signing by legislative leaders and enactment. "It was gone," says former UNC Vice President Felix

Joyner. But Andrews did not give up. That night, he continued to muster support for a hoped-for recall vote the next day. "I didn't get to bed one minute," Andrews says. "I dragged one of those little couches in front of Phil Godwin's door" and waited for the bill to come back from the enrolling office.

Andrews was encouraged by a phone conversation he remembers having that night with Leo Jenkins, the East Carolina University president. He says Jenkins promised that 23 legislators would back a recall vote if Andrews would assure him that East Carolina will receive the same consideration as Greensboro and Chapel Hill in a new administrative system.

While he did not take Jenkins up on the offer, knowing the support was there helped Andrews in his drive to recall the bill. When Gov. Scott found out about Andrews' efforts, he pulled out all the stops to keep the restructuring bill on track — including using the state highway patrol to "haul in" legislators who had left Raleigh, thinking the battle was over. When Andrews called Scott and tried to persuade him that more compromise was possible, he remembers the governor saying, "Ike, I've just decided to let the horses run."

Why did Scott fight so hard on the vote to shape the composition of the new Board of Governors when it appeared he had won the overall battle to change the state's higher educational system? "It was power," Scott says, and "the fear that opponents would have killed the whole bill if they'd have opened it up for debate again."

The next morning, October 30, the motion to recall the university restructuring measure from the enrolling office passed the House by a one-vote margin of 55-54, and was followed immediately by a motion to reconsider, which was adopted by a vote of 58-52. Ultimately, the House passed a motion not to concur with the Senate amendment by a voice vote. But by then, the animus had gone out of the legislative fight. A joint conference committee convened and set about drafting a new version of the bill. It quickly returned with a measure calling for a governing board made up of 16 representatives each from the boards of the Consolidated University and the regional universities, and two temporary, non-voting seats for the Board of High-

er Education. The breakdown of seats for the regionals gave three to East Carolina, two each to four other universities authorized to grant master's degrees (Appalachian State, A&T, N.C. Central, and Western Carolina), and one each to five universities granting only the bachelor's degree (Elizabeth City State, Fayetteville State, the N.C. School of the Arts, Pembroke State, and Winston-Salem State).

The bill also created an interim Planning Committee, whose members would become the first permanent Board of Governors on July 1, 1972. As their terms expired in 1973, 1975, 1977 and 1979, successors would be chosen by the General Assembly — half by the Senate and half

by the House. The Board of Higher Education was abolished and its staff merged with that of the University.²¹ The final restructuring bill passed by 107-3 in the House and by 40-0 in the Senate.²² (See Table 4 for a chronology of the special session votes).

The Final Restructuring Bill

The final bill was very different from what either the governor or Consolidated University leaders had wanted when the debate over changing higher education began. Scott's original hopes were for a central, coordinating board that would completely replace the existing University administrative and governance structure. President Friday had hoped to retain the status quo, or failing that, to effect a gradual expansion of the University. Because the final bill required compromises on both sides, it was not viewed as a complete victory by either proponents or opponents of change. "I don't think I understood quite the magnitude of it," Scott recalls. "I felt good about winning the political battle. But I realized only time would tell how successful the system would be." Friday remembers feeling "a sadness, as if something had been lost. I felt I'd failed in some way. I'd carried the University for all this time. . . I'd had all these wonderful years with these people on the board." (See Table 5 for a list of key supporters and opponents of restructuring).

Although Consolidated University trustees had

"I felt good about winning the political battle.

*But I realized only time would tell how successful
the system would be."*

— ROBERT W. SCOTT
N.C. Governor, 1969-1973

TABLE 4

A CHRONOLOGY OF KEY EVENTS OF THE SPECIAL LEGISLATIVE SESSION ON HIGHER EDUCATION GOVERNANCE, OCTOBER 26-30, 1971

- October 1:** Joint House and Senate Committees on Higher Education conclude hearings and appoint a subcommittee to write a restructuring bill.
- October 8:** The subcommittee writes a bill calling for a 33-member central governing board comprised of 15 representatives from the board of UNC, 15 from the regional university boards, two members of the state Board of Higher Education, and one from the board of the North Carolina School of the Arts. The bill sets up an interim planning committee that would eventually become the permanent governing board chosen by the legislature. The bill also guarantees seats on the board to women, racial minorities, and members of the General Assembly's minority political party.
- October 15:** The joint legislative committee approves a restructuring bill by a vote of 19-13.
- October 26:** Legislative session reconvenes. Governor Bob Scott addresses legislators and calls for support of the subcommittee bill. Amendments to increase the governing board to 100, keep the Consolidated University board intact, and spell out powers for the local boards of trustees are defeated in the House Higher Education Committee. The subcommittee bill is approved without debate in the Senate Higher Education Committee.
- October 27:** The House approves by 74-39 a committee substitute bill calling for a 32-member governing board, with 15 seats each to UNC and the regional schools and two to the Board of Higher Education. The Senate rejects a UNC-backed amendment for a 100-member board by 21-27.
- October 28:** The House amends the committee substitute bill, providing for a 32-member board, with 16 seats to UNC, 16 to the regional schools, and no seats for the state Board of Higher Education, by 63-50. The Senate approves an amendment for a 32-member board with 15 seats to UNC, 15 to the regional schools, none for the N.C. School of the Arts, and two seats for the Board of Higher Education by a vote of 28-15. Later, the Senate amends the plan by a vote of 43-3 to add a temporary seat for the N.C. School of the Arts, bringing the total number of seats to 33.
- October 29:** The Senate recalls the amended House bill and approves a new version of the 33-member governing board by a vote of 39-7. This version gives 15 seats to UNC, 16 to the regional schools, and two to the Board of Higher Education, and prevents state legislators from serving on the board. The House concurs in the new Senate bill by a vote of 55 to 51. Rep. Ike Andrews (D-Chatham) leads a floor fight for reconsideration of that vote and loses when Speaker Phil Godwin (D-Gates) breaks a 53-53 tie with a "no" vote. That night, furious lobbying occurs for a recall vote the next day.
- October 30:** The House votes to recall the university restructuring bill from the enrolling office by 55-54. A joint conference committee is convened to draft a new version of the bill. The result is a bill creating a 32-member governing board, with 16 seats each to UNC and the regional universities and two temporary, non-voting seats for the Board of Higher Education. The bill creates an interim planning committee whose members will become the permanent Board of Governors. As their terms expire, their successors are to be chosen by the General Assembly -- half by the Senate and half by the House. The measure abolishes the Board of Higher Education and merges its staff with the Consolidated University. The final restructuring bill passes by 107-3 in the House: (Voting in the affirmative: Representatives Andrews, Arnold, Auman, Baker, Barbee, Barker, Beam, Beard, Beatty, Blake, Bright, Brown, Bryan, Bumgardner, Campbell, Chase, Clark, Cobb, Collins, Culpepper, Davis, DeBruhl, Eagles, Everett, Falls, Farmer of Forsyth, Farmer of Wake, Fenner, Foley, Frye, Fulton, Gardner, Gentry, Green, Hardison, Harkins, Harrelson, Harris, Haynes, Hege, Hicks, High, Hightower, Holshouser, Hunter, Huskins, Ingram, James, Jernigan of Cumberland, Jernigan of Hertford, Johnson of Cabarrus, Johnson of Johnston, Johnson of Robeson, Johnson of Wake, Josey, Kemp, Lawing, Leatherman, Lilley, Long, Love, Marion, Martin, Mason, Mauney, McDaniel, McFadyen, McMichael, Messer, Miller, Mitchell, Mohn, Nash, Odom, Paschall, Patton, Payne, Penton, Phillips, Quinn, Ramsey of Madison, Ramsey of Person, Raynor, Rhyne, Roberson, Rogers, Rountree, Royall, Short, Smith of Guilford, Smith of Orange, Snyder, Speed, Speros, Stevens, Stewart, Tart, Taylor, Twiggs, Venters, Vogler, Warlick, Watkins, Webster, Whichard, Wynne, and Godwin. Voting in the negative: Representatives Bundy, Hunt, and McKnight). The measure passes 40-0 in the Senate: (Voting in the affirmative: Allen, Allsbrook, Bagnal, Bailey, Baugh, Bowles, Church, Coggins, Combs, Crawford, Currie, Deane, Flaherty, Folger, Futrell, Garrison, Gudger, Harris, Henley, Horton, Jones, Joyner, Killian, Kirby, Kirk, Knox, McGeachy, McLendon, Milgrom, Mills, Moore, Norton, Rauch, Reed, Stanton, Strickland, Taylor, Warren, White, and Wood.)

TABLE 5

KEY SUPPORTERS AND OPPONENTS OF RESTRUCTURING OF HIGHER EDUCATION IN NORTH CAROLINA, 1971

KEY SUPPORTERS OF RESTRUCTURING

Governor Bob Scott
 Lt. Governor H. Pat Taylor
 House Speaker Phil Godwin (D-Gates)
 House Higher Education Committee Chairman Perry Martin (D-Northampton)
 Representative Henry Frye (D-Guilford)
 Representative James E. Holshouser Jr. (R-Watauga)
 Representative J.P. Huskins (D-Iredell)
 Representative Liston Ramsey (D-Madison)
 Representative Horton Rountree (D-Pitt)
 Senate Higher Education Committee Chairman Russell Kirby (D-Wilson)
 Senator L.P. McLendon Jr. (D-Guilford)
 Senator Ralph Scott (D-Alamance)
 North Carolina Board of Higher Education Director Cameron West
 North Carolina Board of Higher Education Chairman Watts Hill Jr.
 Governor's Study Committee Chairman Lindsay Warren Jr.
 North Carolina State University Chancellor John Caldwell
 East Carolina University Trustee and former state Senator Robert Morgan
 Elizabeth City State University Trustee and Warren Committee Member Maceo Sloan
 Fayetteville State University Trustee and Warren Committee Member E.B. Turner
 Warren Committee Member Paul Lucas
 Consolidated University Trustee and Warren Committee Member Walter Smith
 Consolidated University Trustee, Warren Committee member and state Senator George Wood (D-Camden.)(Both sides counted him as a supporter at various times. Wood did not sign either report of Warren Committee, then voted for Burney Bill, then against Allen amendments to restructuring bill).
 Western Carolina University Trustee and Warren Committee Member Wallace Hyde
 Winston-Salem State University Trustee and Warren Committee Member Sammie Chess

KEY OPPONENTS OF RESTRUCTURING*

University of North Carolina President William Friday
 UNC Vice President Nelson Ferebee Taylor
 East Carolina University President Leo Jenkins (did not take a public position but was widely thought to be opposed to restructuring that would bring ECU into a consolidated statewide system)
 UNC Institute of Government Director John Sanders
 Senator Zebulon Alley (D-Haywood)
 Senator Gordon Allen (D-Person) (Went from supporting Governor Scott's plan to introducing University-sponsored amendments).
 Senator Ruffin Bailey (D-Wake)
 Senator John Burney (D-New Hanover)
 Senator Hamilton Horton (R-Forsyth)
 Representative Ike Andrews (D-Chatham)
 Representative McNeill Smith (D-Guilford)
 Representative Jack Stevens (D-Buncombe)
 Consolidated University Trustee and Warren Committee member Mebane Burgwyn
 Consolidated University Trustee and Warren Committee member Victor Bryant
 Consolidated University Trustee and Warren Committee member Archie Davis
 Consolidated University Trustee William Dees
 Consolidated University Trustee and Friends of Education Chairman Jake Froelich
 Consolidated University Trustee William Johnson
 Consolidated University Trustee Robert Jordan III
 Consolidated University Trustee Virginia Lathrop
 Consolidated University Trustee Watts Hill Sr.
 Consolidated University Trustee Elise Wilson
 Consolidated University Trustee, Warren Committee member, and state Senator Tom White (D-Lenoir)
 Consolidated University Trustee, Warren Committee member, and state Senator George Wood (D-Camden.)(Both sides counted him as a supporter at various times. Wood did not sign either report of Warren Committee, then voted for Burney Bill, then against Allen amendments to restructuring bill).

** Note: Some of these viewed themselves not so much as foes of restructuring as protectors of UNC-Chapel Hill.*

been concerned about who would be chosen to lead the new 16-campus system, key academic and political leaders say that by the end of the “special” session, there was no doubt it would be William Friday. Newspaper articles reporting the end of the legislative fight declared that the vast majority of North Carolina lawmakers saw Friday as “either the logical, inevitable, or absolutely necessary choice,” for University president.²³ Governor Scott and some other participants in the restructuring debate say there was a tacit agreement with Friday that Cameron West would be offered the post of senior vice president of the newly reorganized university system. Instead, West was assigned the post of vice president for planning — a position he soon left for a job as executive director of the Illinois system of public higher education.

Despite his ambivalence at the time, Friday vowed to make the multi-campus university a success. And on March 17, 1972, at a meeting of the Planning Committee that became the Board of Governors, he was officially chosen to lead North Carolina’s public university system. “Friday fought this thing as hard as he knew how,” reflects Scott, who had presented his former opponent’s nomination to the board. “But when it was done and over, he took the lead and he made it work. I doubt that anyone else could have made it work except for him. He had the respect, integrity, prestige and knowledge essential for that enormous task.”

FOOTNOTES

- ¹ North Carolina governors were not allowed to succeed themselves until after passage of a constitutional amendment in a statewide referendum in November 1977. The “special” session of October 1971 was officially an adjourned session of the legislature but was popularly known as a special session.
- ² Gene Marlowe, “Regents Fight Showdown Delayed Until This Fall,” *The News and Observer*, Raleigh, NC, June 23, 1971, p. 1.
- ³ William A. Link, *William Friday: Power, Purpose and American Higher Education*, The University of North Carolina Press, Chapel Hill, NC, 1995, p. 179.

- ⁴ Gene Marlowe, “Restructuring Foes Offer Compromise,” *The News and Observer*, Raleigh, NC, September 19, 1971, p. 1.
- ⁵ Gene Marlowe, “Fridays Backs Central Board,” *The News and Observer*, Raleigh, NC, October 8, 1971, p. 1.
- ⁶ Arnold K. King, *The Multi-Campus University of North Carolina*, The University of North Carolina Press, Chapel Hill, NC, 1987, p. 125; Interview with John Sanders, April 20, 1998. The Consolidated University had had a minimum of 10 women on its 100-person board guaranteed by statute since 1931.
- ⁷ *Ibid.*
- ⁸ Richie Leonard, Interview with George Wood, spring, 1972.
- ⁹ *Papers of Robert W. Scott, Messages to General Assembly*, May 25, 1971, North Carolina Division of Archives and History, pp. 117-119.
- ¹⁰ King, note 6 above, p. 127.
- ¹¹ *North Carolina House Journal*, 1971, pp. 1571 and 1572 and *North Carolina Senate Journal*, 1971, p. 973.
- ¹² Roy Parker Jr. and Gene Marlowe, “Final House Vote Set Today,” *The News and Observer*, Raleigh, NC, October 28, 1971, p. 1.
- ¹³ Richie Leonard, Interview with Gordon Allen, April 24, 1972.
- ¹⁴ Richie Leonard, *The Reorganization of Public Senior Higher Education in North Carolina*, unpublished, 1973, Institute of Government Records, University Archives, UNC-Chapel Hill, p. 36.
- ¹⁵ King, note 6 above, pp. 129-130.
- ¹⁶ *Ibid.*
- ¹⁷ Richie Leonard, Interview with Ralph Strayhorn, March 14, 1972.
- ¹⁸ *North Carolina Senate Journal*, note 11 above, p. 979.
- ¹⁹ Gene Marlowe, “Assembly Passes Governing Board Bill,” *The News and Observer*, Raleigh, NC, October 30, 1971, p. 1.
- ²⁰ *North Carolina House Journal*, note 11 above, p. 1587.
- ²¹ Chapter 1244 (HB 1456) of the 1971 N.C. Session Laws, enacted October 1971 and now codified as N.C.G.S. 116-5.
- ²² *North Carolina House Journal*, 1971, p. 1597, and *North Carolina Senate Journal*, 1971, p. 997.
- ²³ “Friday Said Most Likely for Higher Education Post,” *The News and Observer*, Raleigh, NC, October 31, 1971, p. 6.

CHAPTER 6

A Rational System of Higher Education Governance

"Our only real crystal ball is a rearview mirror."

— JAMES H. BILLINGTON
U.S. Librarian of Congress

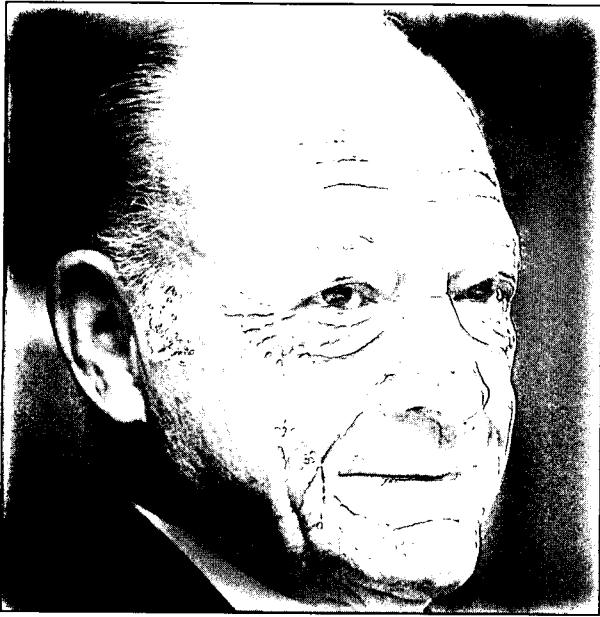
A sampling of newspaper editorials from around the state shows the mixture of skepticism and hope that greeted final passage of the higher education restructuring bill. Media reaction ranged from somber ("There's Really No Other Choice," *The Asheville Citizen*; November 3, 1971; "Restructuring Left Scars," *The Charlotte Observer*, November 3, 1971), to upbeat ("Going in the Same Direction," *The Daily Reflector* of Greenville, November 2, 1971), to cautiously optimistic ("May the Achievement Match the Hope," *The Durham Herald Sun*, November 2, 1971).

In the months that followed the special session, participants on all sides of the issue committed themselves to carrying out the terms of the new legislation successfully. "I share completely your feeling that all of us must now give our best efforts to make the new arrangement work in the best possible manner so that our state and its people will derive the greatest possible benefit," Consolidated University Trustee William Johnson wrote in a letter to William Friday.¹ After the furor of the legislative fight, "there was a great deal of settling down," recalls D. W. Colvard, who was chancellor of UNC-Charlotte at the time.

The Importance of Continuity

Legally, the newly reorganized University of North Carolina was a continuation of the Consolidated University system. There had been no break in the internal continuity of the state University, although its outward administrative structure had changed.² The boards of the 16 campuses now derived all of their power from the central Board of Governors. Beginning in 1973, each institution would have its own 13-member board of trustees, consisting of eight members chosen by the Board of Governors and four by the governor of the state, with an added ex-officio seat for the student body president. In the case of the School of the Arts, ex-officio seats were given to the conductor of the North Carolina Symphony and the state Secretary of Cultural Resources. The chancellor of each UNC member school would be chosen by the Board of Governors, upon nomination by the institutional board of trustees and the University president.³

Among the many tasks assigned to the initial Planning Committee were overseeing the merger of the staffs of the Board of Higher Education and the new UNC-General Administration, electing a university president, creating a combined budget



"One of the things we had to overcome right away was the idea that people were there to represent somebody [an individual school]. . . Within a year, we had everyone representing the state of North Carolina."

— WILLIAM DEES

*Former Chairman of the Planning Committee and
Chairman of the UNC Board of Governors, 1973-1976*

for the 16-campus system, and bringing 10 formerly independent institutions under the UNC umbrella. William Dees, the former Consolidated University trustee who was elected chairman of the Planning Committee for its single year of operation, says the Board of Governors also had responsibility for creating a multi-campus identity among state university leaders. "One of the things we had to overcome right away was the idea that people were there to represent somebody [an individual school]," he says. "Within a year, we had everyone representing the state of North Carolina."

At its first meeting in July 1972, the Board of Governors adopted *The Code* — a document drafted by the Planning Committee which carefully delineated the roles and responsibilities given to the Board of Governors, the local boards of trustees, the University president, and the 16 chancellors. John Sanders points out that since half of the members of the new Board of Governors had served on the Consolidated University board, "they knew the difference between governing a multi-campus university and governing a single institution. They knew which powers to keep for their own exercise and which they could and should delegate to the [local] boards of trustees and chancellors."⁴

While they were not spelled out in the restructuring act, the powers given to the local boards were extensive. They included authority over admissions criteria (though enrollment levels were to be set by the Board of Governors), student aid programs, the physical development of each campus, endowments, the awarding of honorary degrees, student services, parking, and intercollegiate athletics. John Kennedy, the former state Associate Director of Higher Education who became secretary of the UNC system, remembers a trip that Planning Committee members made to California to meet with leaders of that state's multi-campus system before beginning their work in North Carolina. When California University President Clark Kerr — considered one of the giants in American higher education — was asked to recommend which powers should go to central boards and which to local boards, "his list was the same as ours, which was very reassuring," Kennedy says. (See Table 6, a comparison of powers of the old Consolidated University Board of Trustees, the new Board of Governors, and local boards of trustees).

Not everyone was convinced that the reorganized UNC system was operating in true multi-campus fashion. John Caldwell, the late N.C. State University chancellor, said in a 1972 interview that it was a mistake to locate the headquarters of the new university administration in Chapel Hill and to name the system, "The University of North Carolina" — which had become associated with the Chapel Hill campus. "The persistent identification with Chapel Hill kept trustees from feeling the system was just as interested in one campus as another," he said.⁵

But others point to decisions made by the early Board of Governors as proof that its members were able to take an objective, statewide view of education. "You didn't see the votes coming in as 16-16 time after time," says Felix Joyner, former UNC vice president for finance — referring to the number of seats on the Board of Governors given to the regional schools and to the old Consolidated University. "If what you'd hoped for was stability, you got it because of who won" control over implementation of the new system.

Facing Challenges from the Start

Joyner and former UNC Vice President for Academic Affairs Raymond Dawson — who were

TABLE 6

A COMPARISON OF THE POWERS OF THE 100-MEMBER CONSOLIDATED UNIVERSITY BOARD OF TRUSTEES, THE UNC BOARD OF GOVERNORS, AND LOCAL CAMPUS BOARDS OF TRUSTEES

CONSOLIDATED UNIVERSITY BOARD OF TRUSTEES (PRE-1972):

Membership: 100 members chosen by the legislature. No limit on terms served and no prohibition against legislators serving on the board. At least 10 members must be women (this requirement was in operation for 40 years prior to 1972). Executive committee elected by members of the board.

Powers and Duties: Powers derived from the state legislature of 1789, which gave trustees authority to receive money and property for the university's use, to hold property in trust for the university, to select and purchase a site and erect buildings for the university, to appoint the president of the university and faculty and to "make all such laws and regulations for the government of the university and preservation of order and good morals therein, as are usually made in such seminaries, and as to them may appear necessary, provided the same are not contrary to the unalienable liberty of a citizen or the laws of the state." Powers remained virtually unchanged, except for a period between 1868 and 1873, when the university was placed under the control of the state Board of Education. The legislature regained control over the university in 1873. In practice, trustees were responsible for developing budgets for the six campuses of the Consolidated University for submission to the General Assembly; making policy for all six campuses; and selecting college presidents. The board did not have the authority to set tuition and compensation for administrators and faculty or to approve new degree programs, although it did have the power to "define, distribute and redistribute the functions of the several campuses of the university."

BOARD OF GOVERNORS (EFFECTIVE 1972):

Membership: 32 members chosen by the legislature. Limited to 4-year terms. No legislator or state officer or employee may serve. At least four members must be women, four must be of minority race, and four must be of the minority political party.

Powers and duties: Must plan and develop a coordinated system of public higher education for the state and prepare a long-range plan for that system. Govern the 16 institutions and be responsible for the management and governance of their affairs. Set enrollment levels, tuition, and fees for each institution. Must approve any new higher educational institution above the community college level. Fix compensation levels for administrators and tenured faculty. Must prepare a single budget for all public senior higher education for presentation to the General Assembly that includes funds for continuing operations, salary increases, and funds without reference to particular institutions that are prioritized and will be allocated in a lump sum. Must collect and disseminate data on the university system. Must advise the Governor, the General Assembly, and other agencies on higher education generally. Elect UNC system president, his or her staff, and chancellors of the 16 campuses and tenured faculty.

BOARDS OF TRUSTEES OF UNC MEMBER INSTITUTIONS (POST-1972)

Membership: Eight members elected by the Board of Governors and four appointed by the Governor, plus the student body president.

Powers and Duties: All powers are derived from the Board of Governors except those prescribed in the statute. General duty to promote the sound development of the institution and to advise the Board of Governors and chancellor on institutional matters. Must recommend to the system president at least two persons for the post of chancellor. Delegated powers include adopting personnel policies; awarding degrees and honorary degrees; preparing master plan for physical development of the institution; handling admissions policies and resolving individual admissions questions; administering endowments and scholarships; determining the type and level of student services; regulating student conduct and organized student activities; supervising intercollegiate athletics; and maintaining campus security.

Sources: Chapter 20 of N.C. Pub. Laws 1789, Chapter 202 of N.C. Pub. Laws 1931; Chapter 1244 of the 1971 N.C. Session Laws.

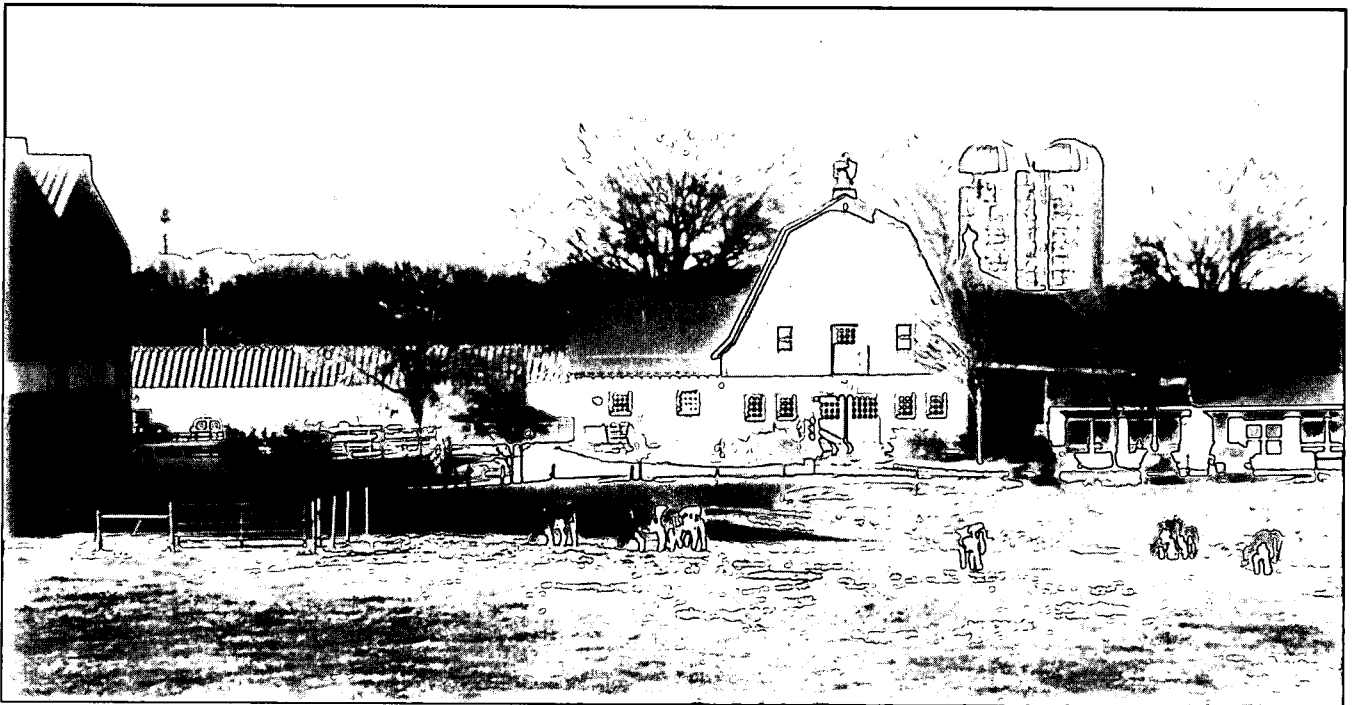
there at the start of the 16-campus university — say administrative stability was crucial to UNC's ability to weather the controversies the new system faced in its first five years. Chief among them was fallout from a civil rights lawsuit known as *Adams v. Richardson*, which was to preoccupy University leaders for more than a decade. In 1973, the federal district court in the D.C. Circuit ordered the U.S. Secretary of Health, Education, and Welfare to enforce more stringent desegregation requirements at public universities in 10 Southern states, including North Carolina.⁶ As a result, UNC was ordered to submit a desegregation plan to the U.S. Department of Health, Education and Welfare (now the U.S. Dept. of Health and Human Services and the U.S. Dept. of Education) by June 1973. Meanwhile, representatives of the nation's traditionally black colleges appealed the decision, fearing that their institutions would be closed under a strict interpretation against separate but equal facilities.

UNC's efforts to produce a workable plan that would be approved by federal authorities were complicated by a 1974 decision by the Board of Governors to locate a new veterinary school at N.C. State University in Raleigh, rather than at North Carolina Agricultural and Technical State University in Greensboro — a historically black school.⁷ After the Board of Governors made its decision, the federal Office of Civil Rights pronounced UNC's desegregation plan unacceptable

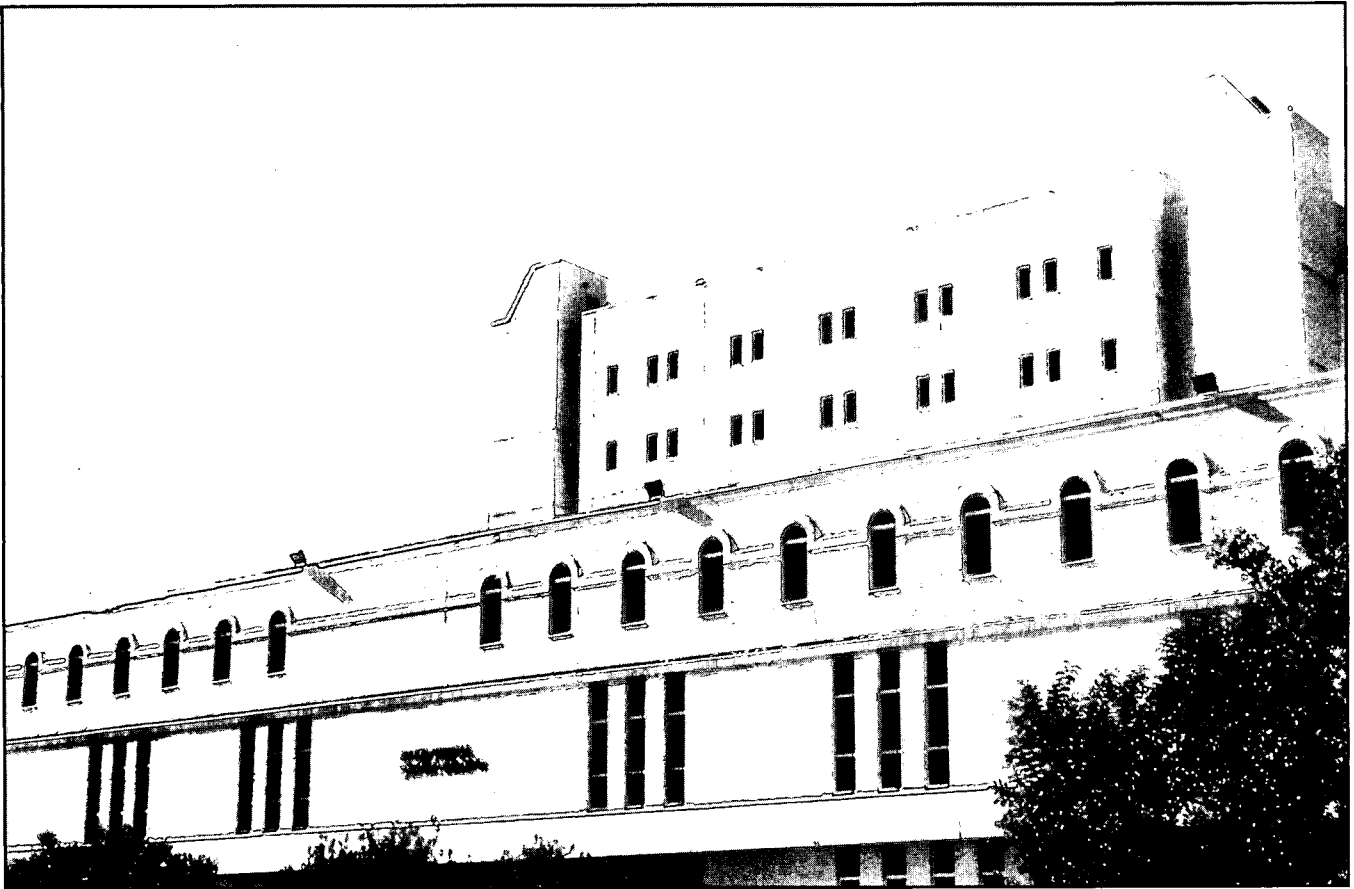
and threatened to begin enforcement proceedings against the state.

The dispute finally ended in 1981 when UNC reached a consent agreement with federal education officials — although attempts to appeal the agreement were not exhausted until 1984. Under the consent agreement, the university agreed to improve recruitment and scholarship support for minority students; increase enrollment of black students at traditionally white institutions and of white students at traditionally black institutions; and to upgrade programs and maintain levels of financial support for current operating expenses and specific capital improvements at the state's five historically black universities. Federal authorities agreed to abandon their push for binding numerical goals and a "program duplication model of desegregation"⁸ that would require eliminating similar programs offered by traditionally white and traditionally black schools.

Yet another argument surfaced over East Carolina's continued efforts to boost its fledgling medical program. In 1972, just before the Board of Governors began its initial meetings, the Greenville-based university submitted a budget request to expand its medical program from one to two years. As with the one-year program, students then would complete their training at UNC-Chapel Hill.⁹ UNC's new Planning Committee suggested that a study group be appointed to review the pro-



N.C. State University School of Veterinary Medicine.



East Carolina University School of Medicine.

posal. The Jordan Committee — named for its chairman, former Consolidated University Trustee and future Lieutenant Governor Robert Jordan III — recommended that a decision on East Carolina's request be put off until further studies of the state's health and medical education needs could be made. Jordan says many committee members supported the idea of a two-year program at East Carolina, with additional funds to Chapel Hill to provide slots for the Greenville university's graduates.

In 1973, a report by the Liaison Committee on Medical Education — the accrediting body of the American Medical Association's Council on Medical Education and the Association of American Medical Colleges — found that East Carolina's one-year medical program was lacking in quality.¹⁰ That report, and arguments by East Carolina supporters that the eastern half of the state needed more primary care physicians, convinced the Board of Governors to ask the 1975 General Assembly for more than \$35 million to establish a four-year medical school at East Carolina.¹¹ John Sanders says that while the Board of Governors (like the Board of Higher Education in previous years), was never fully convinced of the need for a medical school at

East Carolina, it decided that “the better course would be to accept the inevitability of the school's creation and take advantage of the legislative enthusiasm for it to create a full-scale medical school of high quality.” Jordan notes that the debate over medical education at East Carolina also resulted in the creation of UNC's successful Area Health Education Center program, which provides support to physicians in rural and underserved areas of the state.

Whether North Carolina's Board of Governors system actually helped resolve any of these controversies is debatable. But many legislators and educators who were present for the events of the 1970s and '80s say that allowing the core of the Consolidated University administration to remain intact — instead of starting from scratch — made a significant difference. Without a streamlined, seasoned management structure in place, those early disputes would have been much worse, they say.

Many of these same sources credit Bill Friday's leadership abilities and management style with helping to build the trust needed to turn former competitors into colleagues. “The kind of leadership you have tends to drive the system,”

says Lyons, the former Fayetteville State University president. "The system really worked under Friday's tenure." Friday biographer William Link, agrees, saying "The beauty of the system in the early years was that it was theoretically very centralized but practically very decentralized," he says in an interview. "And that very definitely was Friday. That was his style — he didn't like bureaucracy."

Keys to Success in the Early Stages of a New System

Among the other primary ingredients of the early multi-campus university system's success were a temporary moratorium on new academic degree programs and a commitment to raising staff and faculty salaries so that they were more consistent among the various campuses, former administrators say. Both decisions helped to reduce competition within the university

system and to address past inequities. "It was clear you weren't going to play Robin Hood," notes former UNC Finance Vice President Joyner.

When it came to resources, the start-up of the multi-campus system was aided by the fact that the budgetary powers of the new Board of Governors were more extensive than those previously granted

to other state boards or to the preceding UNC Board of Trustees.¹² The new unified budget for all of higher education was required to include funds for continued operations of each institution, for salary increases, and for systemwide expenditures not linked to any one school, "itemized as to

priority and covering such areas as new programs and activities, expansion of programs and activities, increases in enrollments" and capital improvements.¹³ Significantly, the Board of Governors was given the power to set salaries of UNC executives and faculty — power that was not granted to other

"The beauty of the system in the early years was that it was theoretically very centralized but practically very decentralized."

— WILLIAM LINK

TABLE 7

**NORTH CAROLINA GENERAL FUND
APPROPRIATIONS FOR PUBLIC HIGHER EDUCATION***

Fiscal Year	Amount Authorized for and Amount Spent for University	% of General Fund Appropriations
1965-66	\$ 70,177,054	13.0
	66,241,100	12.8
1973-74	\$222,838,796	14.7
	207,225,420	14.5
1984-85	\$746,998,910	17.3
	714,513,120	17.1
1993-94	\$1,299,865,905	14.6
	1,266,772,749	14.8
1997-98	\$1,489,736,482	13.3

**Excludes local government shared revenues/reimbursements
Source: N.C. Fiscal Research Division, N.C. General Assembly*

TABLE 8

STATE FUNDS FOR HIGHER EDUCATION OPERATING EXPENSES, 1997-98, RANKED BY STATE

Rank in State Funds (most to least)	State (and rank in terms of total public institution enrollment)	State Funds for Higher Education Operating Expenses, 1997-98
1	California (1)	\$ 6,379,332,000
2	Texas (2)	3,559,663,000
3	New York (3)	2,851,604,000
4	Illinois (4)	2,250,609,000
5	Florida (5)	2,248,424,000
6	North Carolina (9)	2,007,092,000
7	Ohio (7)	1,863,307,000
8	Michigan (6)	1,827,908,000
9	Pennsylvania (8)	1,715,676,000
10	Georgia (15)	1,383,597,000
11	New Jersey (11)	1,352,032,000
12	Minnesota (18)	1,180,519,000
13	Virginia (10)	1,153,457,000
14	Washington (12)	1,103,896,000
15	Indiana (16)	1,091,733,000
16	Wisconsin (14)	1,001,525,000
17	Alabama (20)	974,992,000
18	Massachusetts (24)	906,702,000
19	Tennessee (21)	904,670,000
20	Maryland (17)	875,428,000
21	Missouri (22)	838,559,000
22	Arizona (13)	787,659,000
23	South Carolina (27)	744,238,000
24	Iowa (30)	743,226,000
25	Mississippi (31)	727,918,000
26	Louisiana (23)	725,989,000
27	Kentucky (28)	717,176,000
28	Oklahoma (26)	666,024,000
29	Colorado (19)	651,419,000
30	Connecticut (36)	577,502,000
31	Kansas (25)	562,484,000
32	Oregon (29)	551,133,000
33	Arkansas (35)	516,971,000
34	New Mexico (33)	484,858,000
35	Utah (32)	469,938,000
36	Nebraska (34)	415,858,000
37	West Virginia (37)	352,763,000
38	Hawaii (40)	348,407,000
39	Nevada (38)	291,721,000
40	Idaho (39)	248,249,000
41	Maine (41)	185,929,000
42	North Dakota (44)	171,690,000
43	Alaska (49)	168,614,000
44	Delaware (45)	155,128,000
45	Rhode Island (43)	138,813,000
46	Wyoming (48)	135,034,000
47	Montana (42)	126,734,000
48	South Dakota (47)	120,649,000
49	New Hampshire (46)	88,813,000
50	Vermont (50)	56,991,000

* Includes state tax funds appropriated for colleges and universities, for student aid, and for governing and coordinating boards. Sources: *The Chronicle of Higher Education Almanac Issue*, August 28, 1998, *The Chronicle of Higher Education, Inc.*, Washington, DC: 1998, pp. 11, 121, and 1997 *State Postsecondary Education Structures Sourcebook*, Education Commission of the States, Denver, CO: 1997, pp. 57-64.

state boards. John Sanders points out that North Carolina's strong economy in the early 1970s also must be viewed as a reason for the smooth transition to a new university governance system. "The governor and the General Assembly were able to do good things for the university," he says. "There was new money to spread around and no institution could show it got hurt financially because of restructuring." (See Table 8, a national comparison of state funds for higher educational operating expenses.)

Former UNC Academic Affairs Vice President Ray Dawson says the lack of interference by politicians in the early days of the multi-campus system also helped secure its success. The restructuring legislation had specifically prevented lawmakers, state employees, or their spouses from holding seats on the Board of Governors. And, even during the controversies over the medical school and civil rights litigation, partisan politics played a minimal role. On this issue, the difference between a governing board and a coordinating board was crucial, Dawson says. "The governing board is an integral part of the University — as the 1971 statute puts it, the Board of Governors is 'the body politic and corporate of UNC.' The coordinating board is an agency of state government, empowered to regulate, direct, oversee or otherwise involve itself in the life and work of the University."

In a speech to a Missouri meeting of the State Higher Education Executive Officers in 1972, Governor Scott struck a similar chord. "The theory that has been adopted is that this is to be a University composed of 16 campuses, not a state department of higher education," he said. "As you gentlemen are aware, there is a sharp distinction between the two approaches, in philosophy and in the attitude of the academic community."¹⁴

FOOTNOTES

- ¹ Letter from William A. Johnson to William Friday, November 2, 1971, Institute of Government Records, University Archives, UNC-Chapel Hill.
- ² John Sanders, "Analysis of an Act to Consolidate the Institutions of Higher Learning in North Carolina," Institute of Government, UNC-Chapel Hill, 1971.
- ³ Chapter 1244 (HB 1456) of the 1971 Session Laws, enacted October 1971 and codified as N.C.G.S. 116-31.
- ⁴ John Sanders, "UNC Governance: A National Model, History and Organization," 1995 Conference on Trusteeship, October 12, 1995, Appalachian State University, pp. 1-14.
- ⁵ Richie, Leonard, Interview with John Caldwell, April 21, 1972, Institute of Government Records, University Archives, UNC-Chapel Hill.
- ⁶ 480 F.2d 1159 (D.C. Cir. 1973).
- ⁷ William A. Link, *William Friday: Power, Purpose and American Higher Education*, The University of North Carolina Press, Chapel Hill, NC, 1995, pp. 264-65.
- ⁸ *Ibid.*, p. 361.
- ⁹ Arnold K. King, *The Multi-Campus University of North Carolina*, The University of North Carolina Press, Chapel Hill, NC, 1987, p. 182.
- ¹⁰ *Health Affairs Program: Medical Education ECU Medical School, 1973-1976 File*, University Archives, UNC-Chapel Hill.
- ¹¹ *Ibid.*, p. 190.
- ¹² Sanders, note 2 above, p. 19.
- ¹³ Chapter 1244 (HB 1456) of the 1971 North Carolina Session Laws, enacted October 1971 and now codified as N.C.G.S. 116-11.
- ¹⁴ *Papers of Robert W. Scott, Messages to General Assembly*, May 25, 1971, North Carolina Division of Archives and History, p. 468.

CHAPTER 7

The North Carolina Model: Unresolved Issues

"Everyone wants to 'do a North Carolina.'"

— AIMS C. MCGUINNESS, JR.

National Council for Higher Education Management Systems

In the years since 1971, North Carolina's higher educational system has been acclaimed as a model for university governance. Whereas the dual board structure was once thought to be unworkable, many states now look to the Tar Heel example of a central governing board that co-exists with local boards of trustees as inspiration for changing their systems.

Aims McGuinness of the National Council for Higher Education Management Systems, says a situation has developed where "everyone wants to 'do a North Carolina.' There are two reasons: One, people really admire what the state has done. The second thing is, it looked like a simple solution." So far, no other state has duplicated the North Carolina system. McGuinness says that is most likely because changes in educational governance systems are closely related to social and economic factors unique to each state. Issues such as the growth of cities, uneven rates of development in urban and rural areas, and changes in the political power structure all have shaped the way public universities operate and are governed.

In his source book on educational change, McGuinness identifies eight recurring elements that have led to higher education restructuring efforts by the states. They are: (1) actual or perceived duplication of high-cost graduate and pro-

fessional programs; (2) conflict between the aspirations of two institutions, often under separate governing boards, in the same geographic area; (3) legislative reaction to institutional lobbying; (4) frustrations with barriers to student transfer and articulation; (5) proposals to close, merge or change institutional missions of colleges or universities; (6) inadequate coordination among institutions offering one- and two-year vocational, occupational, and transfer programs; (7) concerns about the state board's effectiveness; and (8) proposals for "superboards," defined as governing boards that would bring all public higher education under one administrative roof.¹

Of these elements, three were clearly present in the buildup to the restructuring debate in North Carolina — the problem of duplication of graduate and professional programs; a legislative backlash against independent lobbying by a growing number of institutions; and concerns about the effectiveness of the state Board of Higher Education. Once restructuring became a legislative issue, proposals for a "superboard" also became part of North Carolina's restructuring discussion. But it is important to note that before the report of the Warren Committee, legislative and educational leaders had not settled on a single solution to the problems in higher education.

In addition, elements 2 and 5 from the list above were part of the debate over changing higher education in North Carolina — though not in quite the same form as presented by McGuinness. There were no overt conflicts between individual schools in North Carolina. But the growing competition among institutions for a share of state budget resources was a concern for both opponents and proponents of changing higher education — particularly as that competition might affect the state's prestigious research universities in the Triangle. Further, there were many who saw the existence of the Consolidated University as a system within the larger state system. So conflicting aspirations of the Consolidated University and the regional universities could be interpreted as having an effect similar to element 2 in McGuinness' list. With regard to element 5, while there were no specific calls for closing or merging institutions in North Carolina, fears that restructuring would lead to the elimination of the state's historically black universities were part of the restructuring debate of the 1970s. Two of McGuinness' factors leading to change — frustrations with barriers to student transfers (#4) and inadequate coordination among one- and two-year institutions (#6) — seem not to have been factors here.

One clear thread running through North Carolina's experience with restructuring higher education is the strong connection between the state's public universities and the notion of economic and social progress. "It does make a difference for a state to have a long-term public agenda to connect the future of its [higher education] system to the future of its state," McGuinness says. The recent selection of Broad as University president was seen by many North Carolinians as a chance to re-examine that public agenda. "Our University has always had a history of being close to our people," former Governor Jim Holshouser — who chaired the Board of Governors' presidential selection committee — said at Broad's inauguration. "This time of transition... is a time for the University to have a conversation about the direction of the University and the kind of person we want to lead it."

In considering the University's future, Tar Heel educational and political leaders must tackle a number of unresolved problems — many of which date back to restructuring in 1971. Among the intertwining issues still confronting the state's public university system are how to distribute resources fairly among the 16 institutions; what role the historically black universities should play

in the larger system; how to foster and maintain academic excellence, particularly at the system's prestigious research universities; how to preserve a proper balance of power between the local boards of trustees and the central governing board; and how to avoid harmful legislative interference in higher education governance.

Some of the specific challenges facing the university system have evolved since the early 1970s. For example, supporters of the state's historically black universities are worrying much less about whether their institutions will be eliminated. Instead, they are debating what role their schools should play in the multi-campus system. Likewise, supporters of UNC-Chapel Hill are talking less about academic "leveling," and more about how to maintain its academic standing in an era of diminished resources for higher education. Other problems, such as how to avoid end-runs by individual universities to the legislature, seem to be cut from newspaper headlines of two decades ago (See Table 9, a chart of past and present issues in North Carolina's higher education system).

Distributing Resources Fairly Among the 16 Campuses

Both supporters and opponents of restructuring agree that North Carolina's educational resources are being distributed more rationally than in the years prior to 1971. Although "pork barrel" items for various campuses continue to be part of the state budget process, the unified budget system for UNC largely has done away with overt lobbying by individual institutions and the widespread use of what former state Higher Education Director Cameron West once described as, "higher education for political patronage."² A centralized administration also has resulted in better planning and information-gathering among the state's higher educational institutions, which has helped prevent waste and unnecessary overlap in academic programs, former legislators say. "One of the good things that's come out of this is that we've found not every university campus can have a law school or a medical school," says former state Senator Ruffin Bailey. "When you get the stamp of the Board of Governors, you can do pretty well, but if you don't, you can't have those programs."

In remarks made to a gathering of university trustees and Board of Governors members at Appalachian State University in Boone, former

TABLE 9

ISSUES FACING NORTH CAROLINA'S HIGHER EDUCATION SYSTEM, PAST AND PRESENT

ISSUE IN 1971	EXAMPLES OVER THE YEARS	RECENT RELATED ISSUE
Distributing resources fairly and rationally	Equity studies of funding for UNC campuses	Change in funding formulas to link funding for UNC campuses to a mix of enrollments and programs; equity funding debate in 1997 House budget bill over funding for historically black schools.
Preventing unnecessary duplication of academic programs	Debate over establishment of two-year medical school at ECU; moratorium on new degree programs established by first Board of Governors.	Calls to evaluate missions of individual UNC member campuses; change in funding formulas for UNC campuses.
The treatment of the historically black institutions in the university system.	Controversy over location of new veterinary school at NCSU instead of A&T; HEW lawsuit; fears of closing or consolidating black campuses.	Equity funding debate in 1997 House budget bill; persistent debate over the role of the historically black schools in relation to other schools in UNC system; reactions to the election in 1998 of the first African-American as Chairman of the UNC Board of Governors.
Eliminating independent lobbying in the legislature by individual schools for funding.	Pork barrel spending in state budgets for items at particular UNC campuses.	UNC-CH Kenan-Flagler Business School asked legislature for tuition hike in 1997; UNC-CH and NCSU tuition hike in 1995; general rise in legislative lobbying by individual UNC campuses; in October 1998, chancellors were directed to submit legislative proposals to UNC President and new Board of Governors Public Affairs Committee.
Preserving balance of power between the individual campus boards of trustees and the central governing board.	Post-1971 efforts to create a multi-campus identity for UNC by fostering trust among member campuses, despite strong loyalties of donors and alumni.	Tuition task force review of local trustee boards' role in setting tuition; debate over control of UNC Hospitals; rise in importance of fundraising activities of local trustee boards.
Preventing harmful political interference of General Assembly in higher education governance	Speaker Ban Law of 1963; pork barrel items in annual budgets for particular UNC campuses.	Continuing debate over selection process for seats on Board of Governors; rise of Republican Party power and greater partisan differences on the Board of Governors.
Fears of leveling of academic programs especially at UNC-Chapel Hill.	Continuing discussions about admissions standards and programs at UNC campuses	Continued attention paid to national rankings of UNC campuses; changes in funding formulas, linking them to programs and enrollment, calls to treat the "flagship" campuses in Chapel Hill and Raleigh differently; call by UNC-CH Chancellor for more flexibility for system's historic flagship campus; 1999 discussion about a separate board for 2 flagship research universities.

"When you get the stamp of the Board of Governors, you can do pretty well, but if you don't, you can't have those programs."

— RUFFIN BAILEY
Former N.C. Senator

Institute of Government director John Sanders used the 1993 statewide bond issue for higher education — which was narrowly approved by 52 percent of the voters — as an example of how interdependence has boosted the fortunes of individual schools within the UNC system. Sanders said the bond issue passed "only because there was a single issue on the ballot in which all the bonds for all institutions were voted up or down as one package." He added, "Had there been 16 separate voting issues on the ballot, all of them would have lost. But since most voters had an interest in the success of at least a part of the bond issue, and a 'yes' vote for one part counted as a 'yes' vote for all parts, all institutions benefited from being in that boat together."³ In contrast, a \$31 million bond issue for state educational institutions voted on in November 1961 during Governor Terry Sanford's tenure — a decade before higher education was restructured — failed by 61 percent to 39 percent of the vote.⁴

But when it comes to resources, there are still "haves" and "have nots" within the university system. In 1995, the legislature directed the Board of Governors to conduct a two-part equity funding study. The first phase, an assessment of the equity of the university funding system, identified five institutions with "material levels of relative underfunding" and proposed that the university request \$21 million from the state for those campuses.⁵ The institutions were: Appalachian State, East Carolina, UNC-Charlotte, UNC-Greensboro, and UNC-Wilmington. Phase II of the study proposed a new funding model for UNC member campuses designed to provide "horizontal equity" based on the size, mission and growth characteristics of institutions, rather than previous formulas based solely on enrollment. Further, the study also recommended that the university seek funding for summer school and extension programs "on a comparable basis to that of regular term instruction."⁶ The issue of funding equity is complicated because

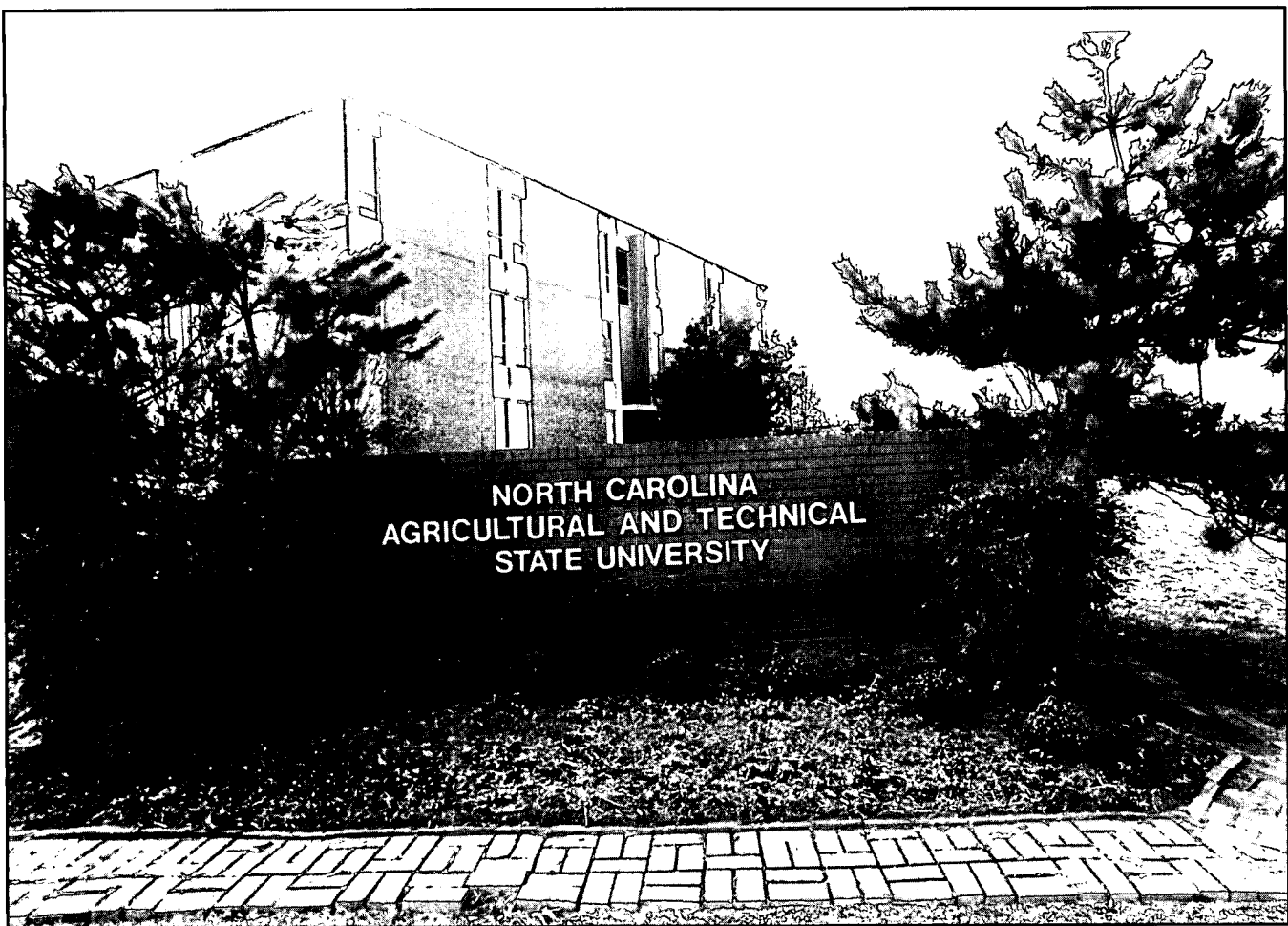
even University supporters have differing views of which UNC schools have been underfunded. Friday biographer William Link, a professor and associate dean at UNC-Greensboro, believes that the Greensboro campus has been one of the losers, compared to campuses in Chapel Hill, Raleigh, and Greenville. Link says in an interview, "In the old system, they [UNC-Greensboro] were one of three, then they were one of 16. And for a long period, they were underfunded."

On the other hand, Watts Hill Jr., the former Board of Higher Education chairman, uses a very different scoreboard. "The two greatest achievements of the [restructured] system have been that the traditionally black institutions got the catch-up help they needed, and the quality of the former teacher training institutions" has improved, he says. "I think that's been, to some extent, at the expense of Chapel Hill and State."

The Roles of the State's Historically Black Universities

The issue of race remains closely tied to the issue of financial equity. Supporters of the state's historically black universities say their institutions — while clearly benefiting from restructuring — have remained at the bottom of the resource ladder relative to their needs. University leaders can point to clear signs of progress on achieving funding equity among the various campuses. In the 1980s, for example, the General Assembly targeted more than \$95 million for new construction and renovation of facilities at traditionally black institutions as part of the consent decree arising out of the civil rights lawsuit. But supporters of those universities stress that recent advances do not change the fact that the historically black schools started out with less.

During the 1997 legislative debate on the state budget, for example, NAACP leaders and members of the state's Joint Legislative Black Caucus protested the proposed budget plan to set aside \$21 million to help five UNC campuses — none of them historically black colleges. African-American lawmakers also were critical of the results of a 1995 study ordered by the legislature of funding levels among UNC's 16 schools — a study that had arisen out of complaints made by some of the state's historically white institutions that they were not receiving funds matching those of other similar institutions in the system. African-American



North Carolina Agricultural and Technical University.

House members Daniel Blue (D-Wake) and H.M. “Mickey” Michaux (D-Durham) pointed out that the study focused on funding patterns of the last 25 years, ignoring inequities that had resulted from decades of segregation prior to the 1971-72 restructuring. In response to those criticisms, the 1997 budget bill stated, “In making this appropriation [of \$21 million], the General Assembly does not conclude that the total funding of any institution, including specifically the historically black universities, is adequate in light of all considerations.” The bill also directs the Board of Governors to conduct a study of “the relative equity and adequacy of the physical facilities of its constituent institutions” to be completed in January 1999.⁷

North Carolina Central University Chancellor Julius Chambers — who was on the initial Planning Committee and the Board of Governors — believes equity issues were not seriously addressed by the University until the civil rights litigation of the mid-1970s. Chambers was involved in the *Adams* lawsuit through his leadership of the NAACP Legal Defense and Education Fund. But

unlike the situation more than two decades ago, when there were fears that historically black institutions would be closed, Chambers says there is a realization today that those schools are needed because they continue to serve students who are not being served elsewhere in the university system. “What we’re going to see in the future are more carefully defined missions” for all 16 campuses, Chambers says. “I think the state and the Board of Governors are developing special roles and missions for each school.” In that vein, North Carolina Central opened a new \$2.5 million Biomedical Biotechnology Research Institute in March 1999 that will conduct research on diseases that disproportionately affect African Americans and train scientists for jobs in Research Triangle Park.

Attention to academic missions is key to resolving lingering questions about the role of the state’s historically black institutions, UNC leaders say. Unlike the consolidation of UNC that occurred in the 1930s — which was predicated on specific roles for each of the three campuses in the



"What we're going to see in the future are more carefully defined missions" for all 16 campuses.

— JULIUS CHAMBERS

Chancellor, North Carolina Central University

system then — restructuring in the 1970s side-stepped programmatic considerations in favor of administrative changes. "There has not been much sorting out [of academic missions] as there was in the 1930s because of racial considerations," notes Sanders. He adds that what has never been fully acknowledged by critics of the university — such as federal education officials handling the civil rights case — is the connection between program duplication at UNC's traditionally white and traditionally black campuses and the history of segregation that led to those parallel programs. The question is whether unnecessary program duplication exists between the university's traditionally white and black campuses and what, if anything, to do about it. And, there are other concerns, such as how well UNC has performed in improving access by black students to university education. A recent study by the Southern Education Foundation points out that while the number of black students enrolled in public colleges in 19 states studied — including North Carolina — has risen, the proportion of black college students has been static, despite 20 years of desegregation efforts.⁸

The issue of how North Carolina's historically black institutions are treated by the larger university system surfaced in reaction to the election in July 1998 of Benjamin Ruffin as the first African

American to chair the university Board of Governors. Some university supporters speculated publicly that Ruffin — who holds honorary doctoral degrees from three of UNC's historically black campuses — would champion the needs of those schools above the needs of the other institutions. In response, Ruffin told a newspaper reporter, "They didn't elect me chairman of the five black schools. I'm chairman of the Board of Governors."⁹

Maintaining Academic Excellence

Ruffin's election also brought to light continuing concerns about how UNC's research universities in Raleigh and Chapel Hill will fare under new university leadership. Steve Stroud, a leading supporter of North Carolina State University, was quoted in a newspaper article urging Ruffin to "temper his approach with the knowledge of the importance of N.C. State University and Carolina to the economy of this state. I would remind everybody that the flagship schools should be treated differently."¹⁰ In an attempt to address this issue, the Board of Governors recently developed a new funding model that bases enrollment funding for each campus on the level and mix of academic degree programs. Thus, campuses with significant doctoral enrollment and high-cost scientific programs — such as UNC-Chapel Hill and N.C. State — receive more funds per student than campuses with lower-cost programs and lower graduate enrollments.

When it comes to academic missions, national rankings show that the multi-campus system has produced many high-quality programs, particularly at UNC-Chapel Hill. In the 1997 comparisons made by *U.S. News & World Report*, for example, UNC-Chapel Hill's Law School ranked 25th in the nation; its primary care health program ranked 6th; and its graduate business program ranked 15th.¹¹

In the magazine's 1998 rankings of the top 50 public universities overall, UNC-Chapel Hill placed third in the nation.¹² In other measures of quality, research libraries at UNC-Chapel Hill and North Carolina State have placed among the top facilities in the U.S. and Canada; recent combined SAT (Scholastic Aptitude Test) scores of students entering the UNC system were higher than the national average of all students taking SATs; and the UNC system was third among public university systems in attracting federal dollars for research and development in 1997.¹³



— BENJAMIN RUFFIN
Chair of the University Board of Governors
1998-Present

The challenge for the future is to maintain academic prominence in an era of shrinking state resources for higher education, North Carolina educators and lawmakers say. The UNC system's share of the state budget, for example, has fallen from a nearly 20-year high of 17.3 percent in 1984-85 to 13.3 percent in 1997-98.¹⁴ However, this is higher than the 13.0% share of the state budget held by higher education in 1965-1966. And, while state funds for education have been increasing overall, they have not risen as quickly as the perceived needs of the university. In this context, competition between various campuses can become more acute, says UNC President Molly Corbett Broad. "That is where the role of the central administration and governance of a university system is to reconcile the internal aspirations of each campus with the needs of the state and available resources."

Some observers say this should lead to taking another hard look at the problems of duplication and overlap in academic programs. Concerns about available resources also have led UNC leaders to take steps to overhaul the university's tuition policy in order to keep costs affordable to students and families. President Broad recently created a task force to come up with proposals for a revamped policy. On November 13, 1998, the Board of Governors adopted the Report of the Task Force on Tuition Policy. This report recommends

clarifying the role of the Board of Governors in managing tuition and fees, incorporating tuition planning into the board's long-term planning and budgeting activities, and improving public communication about the levels and use of tuition and fees.¹⁵ And in 1999, based on the work of the task force, UNC leaders made their first-ever request for higher tuition for in-state students. In February 1999, the Board of Governors approved a plan for a 4.9 percent across-the-board tuition hike for in-state undergraduates on all UNC campuses; an additional 3.5 percent tuition increase for graduate and first-year professional students at the system's two research universities, UNC-Chapel Hill and NC State University, and an additional 2 percent tuition increase for graduate and first-professional students at all non-research institutions; and a 3.3 percent increase for all students at UNC Asheville. No increases were recommended for non-resident tuition rates at other UNC campuses.

Preserving a Proper Balance of Power Between the Board of Governors and Campus Boards of Trustees

The tuition issue highlights the need to maintain what is sometimes a fragile balance of power between the central Board of Governors and the local campus boards of trustees. The tuition report stresses that the Board of Governors should protect "mission differentiation and decentralized decision-making within UNC" by creating tuition policies that "support a balance between the promotion of statewide goals of access and accountability, and the preservation of individual campus autonomy, and the capacity to achieve excellence in ways appropriate to the different campus missions."¹⁶

The tuition task force followed recent incidents in which individual schools bypassed the Board of Governors in seeking tuition increases. Specifically, UNC-Chapel Hill's Kenan-Flagler Business School made headlines in 1997 when its top administrators approached the General Assembly for a tuition increase without approval by the central board — a move that President Broad quickly squelched. Two years earlier, supporters of North Carolina State University and UNC-Chapel Hill managed to persuade the General Assembly to allow them to raise tuition by \$400 and to appropriate funds for "academic enhancement" outside of their normal budgets and keep the proceeds. Former state Senator Zebulon Alley, now one of the

state's most influential legislative lobbyists," says he has seen a general rise in recent years of campaigning by UNC member campuses. "Before this, the 16-campus body was doing almost all the lobbying. But in the last two to three terms, I've seen a lot more people from the individual campuses. The university seems to be allowing a lot more of the institutions to have their own lobbyists."

In October 1998, President Broad and the Board of Governors took steps to curb independent runs to the legislature. Chancellors of the 16 campuses will be required to submit proposals for legislation to the president and a new Board of Governors' Public Affairs Committee. *The News and Observer* of Raleigh commented "That may prevent the kind of freelance lobbying done by campus leaders in recent years — something that has irked Broad and the Board."¹⁸

In the past, the local boards of UNC's 16 member campuses have had little input in setting tuition. And, in 10 of the past 26 years since the creation of the multi-campus system, there have been no tuition increases. In-state tuition and fees at UNC campuses for the 1998-99 academic year ranged from \$1,498 at Fayetteville State to \$2,310 at North Carolina State University. Tuition and fees for out-of-state students ranged from \$7,990 at Elizabeth City State to \$11,476 at North Carolina State.¹⁹ Supporters of UNC's historically low tuition rates worry that if individual campus boards of trustees are allowed to seek increases more often, tuition is likely to rise and legislators are more likely to cut funds for the university system because theoretically, more money would be coming from tuition. "It would be like changing the formula for Coca-Cola," said C.D. Spangler Jr. who served as UNC President from 1986 to 1997. "It's unthinkable."²⁰ But if the central Board of Governors takes the lead in setting tuition as part of its overall budget planning, some observers believe that past scenarios, in which legislators forced tuition increases by projecting institutional income at levels that assumed a tuition hike, can be avoided.

The equilibrium between the Board of Governors and individual campus boards is also a factor in recent debate over who should control UNC Hospitals. Newspaper reports described a power struggle that took place between "those who view the hospital as part of the UNC-Chapel Hill campus and those who see it as a statewide system."²¹ Specifically, supporters of UNC-Chapel Hill want-



On allowing local campuses to increase tuition: "It would be like changing the formula for Coca-Cola."

— C.D. SPANGLER, JR.

UNC President, 1986-1997

ed that institution's board of trustees and Chancellor Michael Hooker to control the hospital, rather than a separate board that reported to the central Board of Governors. UNC President Broad proposed a compromise that would allow the Board of Governors to continue running the hospital but would give UNC-Chapel Hill more input into decisions about hospital management. The issue of who should have authority over the \$1 billion hospital system reportedly arose because of greater competition in the health-care market, but some observers said it was more a matter of politics and the personal agendas of some university supporters who wanted the hospital to be an asset for the Chapel Hill campus.²² In the end, the legislature decided to grant UNC Hospitals some autonomy. A special provision in the state budget bill adopted by the General Assembly in 1998 loosened management rules and created a separate board to govern operations at UNC Hospitals. Paul Rizzo, former dean of the Kenan-Flagler Business School at UNC-Chapel Hill and former member of the Board of Governors is chair of the new hospital board.

Avoiding Harmful Legislative Interference in Higher Education

Concerns about how to keep politics out of higher education are still present in North Carolina.

For example, many current and former state leaders believe that allowing the General Assembly to choose members of the Board of Governors means candidates for those seats have to wage “political campaigns” to get elected. This not only discourages many able citizens from serving, but opens the door to unwanted political influence over university board members. “We would like to go back to the days when the very best people in the state wanted to serve” says former UNC President Friday. “But they are not going to subject themselves to the political harassment people experience” in having to lobby for board seats. Former North Carolina Governor Jim Holshouser says he has been talking to educational and political leaders ever since the 1970s about the selection process for the Board of Governors, “and we keep thinking there ought to be a better way. We’ve thought about having a blue-ribbon commission and letting them make the choice or having gubernatorial appointments” to the board.

On the other hand, another former chairman of the Board of Governors, Sam Neill of Hendersonville, believes the current selection process “reflects the strengths of various regions of the state” and the locus of political power at any one point in time. “That has served the university well,” he says. “At one time on our board, when the political strength was centered in Raleigh and Durham, we had more members from there. But as things have shifted, you have seen the membership on our board shift.”

Neill does agree, however, with those who feel it was a mistake to reduce the terms of Board of Governors members from eight to four years because the learning curve is so steep. The General Assembly made that change in 1987.²³ “When I was first elected, the average board member probably had 10 years of experience,” Neill says. “The average now is probably less than two. Being a system with a \$2 billion budget, [nearly]160,000 students and 16 campuses, it takes a long time for a person to be competent in all of the issues that come before the board.”

Since restructuring, the legislature has allowed the Board of Governors to carry out its mandate without much tampering, university leaders say. But recent changes in the political landscape have the potential to upset that balance. “Since the birth of the board, North Carolina has become a two-party state,” notes former UNC Vice President Raymond Dawson, referring to the rise of the Republican Party. In 1975, there were 10 Republi-

cans in the 170-member legislature; by 1985, there were 50 Republicans, and in the 1997-98 General Assembly there were 89, with Republicans controlling the 120-member House, 61-59. “This adds another factor to the system not present at its founding,” says Dawson. In the past, decisions by the Board of Governors were almost always unanimous, but a new trend has surfaced toward “partisan cleavages carrying over onto the [UNC] board.”

Popular political ideas such as “reinventing” and reducing government also are likely to affect the future shape of North Carolina’s higher education governance system. As Richard J. Novak writes in a 1996 book about national education restructuring efforts, “It may be that declining state resources and the need for efficiency and productivity will lead to efforts to decentralize either the operations of existing coordinating and governing structures or the structures themselves. The concept of less government may lead to these same changes as well as less overall funding for higher education.”²⁴

Mitigating against these trends is North Carolina’s long tradition of bipartisan support for its public university, state educators and lawmakers say. But with fewer participants in the 1971 restructuring debate around to remember how and why the current system was created, there are fears about how long that tradition will be upheld. On the other hand, the Board of Governors also has a responsibility to use the power it was given by the legislature in 1971 and not to, in John Sanders’ words, “dodge its duty by passing hot issues back to the General Assembly for resolution.”²⁵

The occasional cracks in UNC’s multi-campus foundation have led some to question how well the system carries out its statutory charge to conduct statewide planning for all of public higher education. Former Board of Higher Education Director Cameron West points to what he says are few extensive studies conducted by UNC of statewide educational resources that include the community colleges and private schools. “The Board [of Higher Education] did a lot of things because it looked at the totality of higher education,” West says. “I think the Board of Governors can do the same. But you’re going to have to have stronger leadership to take a total view.” Mark Musick echoes this view, saying, “North Carolina has not pursued this idea” of [statewide] planning for all of higher education, since governance of the state’s community college system remains under a separate board.

FOOTNOTES

- ¹ Aims C. McGuinness Jr., "Essay," in *1997 Postsecondary Education Structures Sourcebook: State Coordinating and Governing Boards*, Education Commission of the States, Denver, CO: 1997, pp. 31-33.
- ² Joel Haswell, "Assembly's Restructuring Plan Infected by Politics," *Durham Herald-Sun*, Durham, NC, November 7, 1971, p. 1.
- ³ John Sanders, "UNC Governance: A National Model, History and Organization," 1995 Conference on Trusteeship, October 12, 1995, Appalachian State University, pp.1-14.
- ⁴ *North Carolina Manual 1963*, Raleigh, NC, p. 295.
- ⁵ *An Analysis of Funding Equity in the University of North Carolina, Phase II Report*, a report to the Board of Governors meeting, Nov. 11, 1996, UNC General Administration, no page numbers given.
- ⁶ *A Revised Funding Model for the University of North Carolina, Phase II: Briefing for the Committee on Budget and Finance and Other Members of the Board of Governors*, Nov. 7, 1996, UNC General Administration, p. 15.
- ⁷ Chapter 443 (SB 352) of the 1997 N.C. Session Laws, Section 10.1(a) and 10.1(b).
- ⁸ Douglas Lederman, "Report Sees Lack of Progress by Southern States in Educating Black Students," *The Chronicle of Higher Education*, Washington, DC, September 4, 1998, p. A56.
- ⁹ Jane Stancill, "UNC Board Picks New Chairman," *The News and Observer*, Raleigh, NC, July 11, 1998, p. 1A.
- ¹⁰ *Ibid.*, p. 14A.
- ¹¹ "America's Best Colleges," *U.S. News & World Report*, March 2, 1997, Washington, D.C. pp. 73, 78, and 87.
- ¹² "America's Best Colleges," *U.S. News & World Report*, August 31, 1998, Washington, D.C., p. 89.
- ¹³ Information provided by Joni Worthington, Assistant Vice President for Communications, University of North Carolina General Administration; and Educational Testing Service, Princeton, NJ.
- ¹⁴ Office of State Budget and Management, *1997-99 The North Carolina State Budget Post-Legislative Budget Summary*, Raleigh, NC, 1997, p. 258.
- ¹⁵ University of North Carolina General Administration, Report of the Task Force on Tuition Policy, November 13, 1998, Chapel Hill, NC, pp. 26-27.
- ¹⁶ *Ibid.*, p. 27.
- ¹⁷ Alley was ranked first in *The 50 Most Influential Lobbyists in the 1997 General Assembly*, North Carolina Center for Public Policy Research, October 1998. These rankings are based on surveys of all legislators, registered lobbyists based in N.C., and capital news media. Alley has ranked first for six sessions in a row and finished in the top five since the Center began its biennial rankings of the state's most influential lobbyists.
- ¹⁸ "Lobbying Logistics," *The News and Observer*, Raleigh, NC, October 14, 1998, p. 5B.
- ¹⁹ Report of the Task Force on Tuition Policy, note 15 above, p. 53.
- ²⁰ As quoted in Jane Stancill, "UNC's Tradition of Low Tuition at Risk," *The News and Observer*, Raleigh, NC, July 17, 1998, p. 1A.
- ²¹ Jane Stancill and Joe Neff, "Control of UNC Hospitals Contested," *The News and Observer*, Raleigh, NC, August 22, 1998, p. 1A.
- ²² *Ibid.*
- ²³ Chapter 228 (SB 736) of the 1987 N.C. Session Laws, now codified as N.C.G.S. 116-6.
- ²⁴ Richard J. Novak, "Methods, Objectives and Consequences of Restructuring," in Terrence MacTaggart and Associates, *Restructuring Higher Education*, San Francisco: Jossey-Bass Publishers, 1996, p. 29.
- ²⁵ Sanders, note 3 above.

CONCLUSION

Dangers and Opportunities

"Multi-campus systems are likely to be even more a characteristic of American public higher education in 2015."

—AIMS C. MCGUINNESS, JR.

National Council for Higher Education Management Systems

University outsiders and insiders agree that change comes slowly to higher education institutions. The importance of tradition takes on particular weight for organizations whose missions are devoted to teaching, research, and public service, and whose leaders value free inquiry and resistance to ideological or political whim. But change is a fact of life for higher educational institutions in the decades ahead, due to continuing shifts in the economy, technology, and state politics — as well as in public opinion about the purposes of higher education.¹

In a 1996 article about the "change process" in universities, then-Antioch University Chancellor Alan Guskin points out that more than 200 American colleges and universities are currently analyzing the need to restructure.² Among them are 25 members of the Council of Independent Colleges which have formed a network to review the issue of faculty "roles and rewards," as well as a 20-member network funded by the W.K. Kellogg Foundation of Battle Creek, Michigan to explore the broader process of university reorganization.

In North Carolina, state leaders also are talking about the need to transform the way the public university system fulfills its mission. In her inaugural address, UNC President Molly Corbett Broad declared that in order to continue serving students, the university will have to expand beyond "the physical barriers of our campuses" by using technology to reach more students through what is known as "distance learning," and beyond the

social barriers of age, race, and class that prevent more of the state's citizens from attaining college degrees. She drew parallels between current times and the period in the late 1960s when the "Baby Boom" explosion in

enrollments led to the physical expansion of UNC — and eventually to the creation of the 16-campus system.

In addressing the need for change, state university leaders face dangers and opportunities that are a direct result of decisions made more than two decades ago when higher education was restructured in North Carolina. One clear danger identified in this report is the persistence of competition and funding inequities among the 16 campuses and

"The past is never dead; it's not even past."

—WILLIAM FAULKNER

the resulting tears in UNC's multi-campus fabric. Finding a way to distribute resources fairly and rationally among a large and diverse group of institutions remains a major challenge. There are also lingering concerns over what effect the 16-campus system has had on the prestige and programs of the system's research universities in Chapel Hill and Raleigh. Other issues are the sometimes delicate balance of power between the central Board of Governors and the 16 local boards of trustees; the continuing question of the role of the state's historically black institutions; and the need to keep the university governance system focused on educational rather than political issues.

The opportunities arise from UNC's track record of academic and administrative success; its previous attempts to address inequities; its commitment to institutional diversity through the preservation of local campus boards of trustees; and the state's historic respect for the independence and health of its public university. The University is key to North Carolina's collective identity, largely due to years of public service to the state's citizens. That history includes leadership by former university presidents Frank Porter Graham and William Friday and UNC-CH professor Howard Odom — among others — on key issues such as race and poverty, and services to citizens such as affordable health care in rural areas, public television, agricultural extension programs, and support for public/private partnerships such as Research Triangle Park.

A paradox about the history of higher education restructuring in North Carolina is that the same reverence that has sustained the university system also has shown on its flip side a stubborn resistance to change. Reflecting on this fact, former Governor Scott says "It's like it was back in 1971. You have this Board of Governors over there who love it [the current system], and they're going to fight to keep it."

But the context in which the state's higher educational system operates has altered since the 1970s. The competition for resources, both public and private, has intensified and the academic environment is increasingly market-driven. Legal concerns stemming from recent court rulings on university admissions policies have shifted the focus of discussions about racial equity in higher education. And political upheaval in North Carolina, evident in such developments as a more competitive two-party system, has the potential to change the relationship between the University and the state

legislature. Recognizing the shifting public climate, the Board of Governors recently consolidated two staff positions to create the new post of Vice President for Public Affairs and University Advancement, to help "sell the public on the value of the university system."³ Other important developments facing the university are an expected enrollment boom that will parallel that of the "Baby Boom" generation, the need to make college education more accessible to more of the state's citizens, continued escalation in the costs of providing educational services, and the transforming effect of new information technologies on all university activities.

Despite the challenges posed by these trends, experts do not believe that North Carolina's model of higher educational governance is likely to change in the near future. Aims McGuinness of the National Council for Higher Education Management Systems says this is because multi-campus systems such as North Carolina's are the only ones capable of providing the stability, consistency, and efficiency that higher education needs. "Multi-campus systems are likely to be even more a characteristic of American public higher education in 2015," he writes. "What will change most dramatically is what constitutes a 'system;' changes will be made in how systems are led and how they function, both internally and in relationship to multiple external stakeholders."⁴

Can North Carolina's higher educational governance system adapt to broader shifts occurring in the economy and in education? Participants in the restructuring debate of two decades ago say yes, but only if UNC can find a new equilibrium between its autonomy and its responsiveness to the state's needs. Perhaps the basic lesson to be learned from exploring the recent history of North Carolina's public university is that UNC is the product of both its traditions and its turning points. Knowing its history can help the university, policymakers, and the citizens of North Carolina understand its past, govern in the present, and better prepare for the future.

FOOTNOTES

¹ Aims C. McGuinness Jr., "The Functions and Evolution of State Coordination and Governance in Postsecondary Education," in *1997 State Postsecondary Education Structures Sourcebook: State Coordinating and Governing Boards*, Education Commission of the States, Denver, CO: 1997, pp. 34-39.

² Alan Guskin, "Facing the Future," *Change*, July/August 1996, Heldref Publications: New Rochelle, NY, p. 27.

FOOTNOTES (cont.)

- ³ Jane Stancill, "UNC System Hires Two to Bolster Public Relations," *The News and Observer*, Raleigh, NC, May 16, 1998, p. 3A.
- ⁴ Aims McGuinness, "A Model for Successful Restructuring," in Terrence J. MacTaggart and Associates, *Restructuring Higher Education*, San Francisco: Jossey-Bass Publishers, 1996, p. 207.

BIBLIOGRAPHY

Manuscript Collections:

Chapel Hill, North Carolina:

University Archives, UNC-Chapel Hill

William C. Friday Correspondence

UNC General Administration, Chapel Hill

Raleigh, North Carolina:

North Carolina Division of Archives and History

North Carolina State Board of Higher Education Records

Interviews:

By author, April-May 1998:

Allen, Gordon

Alley, Zebulon

Andrews, Ike

Bailey, Ruffin

Beyle, Thad

Broad, Molly Corbett

Burney, John

Cameron, C. Clifford

Chambers, Julius

Chess, Sammie

Colvard, D.W.

Dawson, Ray

Dees, William
Friday, Bill
Frye, Henry
Godwin, Phil
Hill, Watts Jr.
Holshouser, James E. Jr.
Hyde, Wallace
Johnson, William
Joyner, Felix
Kennedy, John P. Jr.
Link, William
Lyons, Charles Jr.
Martin, Perry
McCoy, Reginald
McGuinness, Aims
McLendon, L.P. Jr.
Morgan, Robert B.
Neill, Samuel
Reed, John Shelton
Royall, Kenneth Jr.
Sanders, John
Scott, Robert W.
Smith, Walter
Snider, William
Taylor, Patrick H. Jr.
Turner, E.B.
Warren, Lindsay Jr.
West, Cameron

By Richie Leonard, 1972, Institute of Government Records, University Archives, UNC-Chapel Hill:

Allen, Gordon
Bryant, Victor
Burney, John
Caldwell, John
Friday, William
Hill, Watts Sr.
Hill, Watts Jr.
Jenkins, Leo
Jordan, Robert
Kirby, Russell
Lucas, Paul
Rountree, Horton
Scott, Ralph
Scott, Robert
Sloan, Maceo
Strayhorn, Ralph

Wilson, Elise
Wood, George

Books, Articles, and Theses:

- Bratton, Mary Jo. *East Carolina University: The Formative Years, 1907-1982*. Greenville, NC: East Carolina Alumni Association, 1986.
- Education Commission of the States. *1997 State PostSecondary Education Structures Handbook*, Denver, Colorado: Education Commission of the States, 1997.
- Guskin, Alan. "Facing the Future," *Change*, (July/August, 1996): 27. New Rochelle, NY: Heldref Publications, 1996.
- King, Arnold K. *The Multi-Campus University of North Carolina Comes of Age, 1956-1986*. Chapel Hill: University of North Carolina, 1986.
- Leonard, Richie. "The Reorganization of Public Senior Higher Education in North Carolina: The Legislative Phase, 1970-71." Unpublished paper, December 1973, Institute of Government Records, University Archives, UNC-Chapel Hill.
- Link, William A. *William Friday: Power, Purpose and American Higher Education*. Chapel Hill: The University of North Carolina Press, 1995.
- Luebke, Paul. *Tar Heel Politics: Myths and Realities*. Chapel Hill: The University of North Carolina Press, 1990.
- MacTaggart, Terrence J. and Associates. *Restructuring Higher Education: What Works and What Doesn't in Reorganizing Governing Systems*. San Francisco: Jossey-Bass Publishers, 1996.
- North Carolina Board of Higher Education. *Planning for Higher Education in North Carolina*. Raleigh: North Carolina Board of Higher Education, 1968.
- Orth, John V. *The North Carolina State Constitution with History and Commentary*. Chapel Hill: The University of North Carolina Press, 1993.
- Roberts, Nancy. *The Governor*. Charlotte, NC: McNally and Loftin, 1972.
- Roose, Kenneth D. and Anderson, Charles J. *A Rating of Graduate Programs*. Washington, D.C.: American Council on Education, 1970.
- Sanders, John L. "The University of North Carolina: The Legislative Evolution of Public Higher Education." *Popular Government*, Vol. 59 (Fall 1993): pp. 13-21.
- _____. "Analysis of an Act to Consolidate the Institutions of Higher Learning in North Carolina," Institute of Government, Chapel Hill: UNC-Chapel Hill, 1971.
- _____. "The Legal Development of the University of North Carolina," Institute of Government, Chapel Hill: UNC-Chapel Hill, 1965.
- Snider, William D. *Light on the Hill: A History of the University of North Carolina at Chapel Hill*. Chapel Hill: University of North Carolina Press, 1992.
- Southern Regional Education Board. *Fact Book on Higher Education in the South 1970*. Atlanta: Southern Regional Education Board, 1970.
- _____. *Fact Book on Higher Education in the South 1971 and 1972*. Atlanta: Southern Regional Education Board, 1972.



**NORTH CAROLINA CENTER FOR
PUBLIC POLICY RESEARCH INC.**

MEMORANDUM

TO:

Center

Board Members: Ned Cline, Margaret Dardess, Phillip Dixon, Virginia Foxx, Fletcher Hartsell, Phil Kirk, Craig Souza, D. Jordan Whichard

Other Analysts: Caitlin Anderson, Ike Andrews, Thad Beyle, Molly Corbett Broad, John Burkhardt, Pat Callan, Clifford Cameron, Julius Chambers, Sammie Chess, D.W. Colvard, James Crawford, Raymond Dawson, William Dees, Doug Dibbert, Bill Friday, Jake Froelich, Henry Frye, Phil Godwin, John Henley, Watts Hill Jr., James Holshouser Jr., Robert Jordan III, Felix Joyner, John Kennedy, Howard Lee, Charlie Lenth, Rich Leonard, William Link, Charles Lyons, Reginald McCoy, Aims McGuinness, Mark Musick, Sam Neill, Jim Newlin, Betty Overton, Liston Ramsey, Tony Rand, Ben Ruffin, Carolyn Russell, John Sanders, Robert Scott, McNeill Smith, William Snider, C.D. Spangler Jr., Pat Taylor, Lindsay Warren, Cam West, Leslie Winner

FROM:

Barbara Solow

Researcher/Writer, Higher Education Governance Project, Part I.

DATE:

August 12, 1998

RE:

Higher Education Governance Project, Part I Review

Enclosed is a draft copy of a report called "Reorganizing Higher Education in North Carolina: What History Tells Us About Our Future." This report is the first in a four-part study of the history and performance of higher education governance in North Carolina being conducted by the North Carolina Center for Public Policy Research. The four-part study will include:

1. A historical review of the 1971 decision to restructure higher education in the state (enclosed draft);
2. A comparison of the types of education governance structures in operation across the country;
3. An analysis of the powers of the UNC Board of Governors and the system of election of the Board compared to other states; and
4. An analysis of how well the governance system has performed in helping the university fulfill its multiple missions.

The Center report includes interviews with legislators, educators and others involved in the 1971 restructuring decision to help identify the key events that led to restructuring, to analyze the arguments for and against changing the governance system, and to show how certain policy issues in higher education governance continue to be important over the years.

The Center regularly circulates drafts of materials to be published by the Center for three reasons: to catch any factual errors before publication; to hone our analysis of policy issues; and to give advance notice of the Center's research as a courtesy to those affected by it. If you have any comments or suggestions about this draft, we would appreciate your feedback. The Center retains final editorial authority over its publications, but your thoughts certainly would be warmly welcomed and carefully considered. Further, since many of you were involved in the restructuring debate in 1971, your ideas are particularly valuable for our report.

If you have suggestions, criticisms, or comments, please return them in the enclosed envelope, fax your response to (919) 832-2847 or call Barbara Solow at (919) 220-1451 by Monday, August 31, 1998. Your help and careful review on this matter is greatly appreciated.



**THE NORTH CAROLINA CENTER
FOR PUBLIC POLICY RESEARCH, INC.**

5 WEST HARGETT STREET, SUITE 701
POST OFFICE BOX 430
RALEIGH, NORTH CAROLINA 27602
(919) 832-2839 FAX: 832-2847
www.ncinsider.com/nccppr