## A II

### TILTING WITH WINDMILLS

In any book concerning an American university presidency, it seems most appropriate to include several examples of failed agendas, to complement those that have actually succeeded. After all, university presidents, like other leaders, need to remember that one usually does not win a war without losing a few battles along the way. There are times when presidents almost feel on a quixotic quest, tilting with one windmill after another on behalf of an apparently hopeless cause. Yet perseverance is an important trait for successful presidencies.

Twenty years of making the case for the importance of a rational civilian nuclear power program in the United States had taught me well the importance—and yet also the frustration—of fighting what seem to be endless and sometimes losing battles. There were times when many of the causes I was called on to defend as president—academic freedom, diversity, tenure, and tuition—seemed almost as difficult to explain to regents, legislators, and the press as nuclear fission chain reactions and radioactive waste disposal. While careful planning, skillful execution, and determined persistency helped me to accomplish a great deal, there were some issues that defied all our efforts. This chapter considers three of the most intractable: (1) the increasingly "private" reality of the public research university, (2) the threat posed to the university by the increasing commercialization

and corruption of college sports, and (3) the hapless and seriously outdated nature of university governance.

## WINDMILL NO. I: THE PRIVATELY SUPPORTED PUBLIC UNIVERSITY

Here, the issue is simple enough to state, even if intractable to address. The experience of the past two decades and a bit of demographic forecasting suggest that an aging population is unlikely to regard higher education as a high priority for its tax dollars when compared to its more urgent needs, such as health care, retirement, protection from crime, homeland security, and tax relief. Hence, if America's public universities—particularly the flagship public research universities—are to sustain their quality and capacity to serve both present and future generations, they have no choice but to function more similarly to a private university, drawing an increasing fraction of their support from the marketplace (through student tuition, private gifts, and sponsored research) and weaning themselves from dependence on declining state appropriations. Whether this takes the form of explicit public policy to create a new class of public-private hybrid institutions, such as "charter" or "enterprise" universities, or whether a natural evolutionary trend eventually leads to the body politic's acceptance of the institutional reality that the state has become a small, minority shareholder in the public university, the consequence is the same: for all effective purposes, the best of America's public research universities will inevitably become, to use a phrase suggested by Frank Rhodes, predominantly "privately financed but publicly committed" institutions, albeit with strong public purpose and public accountability.

The challenge, then, becomes one of educating the public and its elected government officials and persuading them that until higher education rises higher on the priority list for public tax support, it is in the best interests of society to turn the public research university loose, to allow it to compete in a fiercely competitive marketplace for resources, students, faculty, and reputation, albeit with some agreement on how it will be held accountable for serving the public interest. Yet it is easier to persuade the environmental movement that

nuclear power is the key to mitigating global climate change driven by fossil fuel combustion than to persuade governors and state legislatures that if they are unable to adequately support their flagship public research universities, they should allow their institutions to compete in the marketplace and thereby attain the agility and autonomy necessary to preserve their quality and their capacity to serve.

There is a deeper principle at stake here. For at least three decades, both the public and its elected leaders have been telling us, through actions and rhetoric, that a college education should be viewed less as a public good and more as a personal benefit for individual college students, as measured by future earning capacity and quality of life attributable to a college degree. They have reflected this shifting perspective both in declining tax support of public higher education compared to other social priorities (e.g., health care and prisons) and through an array of state and federal financial aid policies that increasingly benefit the students from middle- and upper-income families rather than those with serious financial needs.

Today, even as the needs of society for postsecondary education intensify, we find an erosion in the perception of education as a public good deserving of strong societal support. Our society seems to have forgotten the broader purposes and benefits of the university as a place where both the young and the experienced can acquire not only knowledge and skills but the values and discipline of an educated mind, so essential to a democracy; where we defend and propagate our cultural and intellectual heritage, even while challenging our norms and beliefs; where we develop the leaders of our governments, commerce, and professions; and where new knowledge is created through research and scholarship and applied through social engagement to serve society.2 Whether a deliberate or unconscious response to the tightening tax constraints and changing priorities for public funds, along with the escalating value of a college education in the knowledge economy, the new message is that education has become a private good that should be paid for by the individuals who benefit most directly: students, patients, business, and other patrons from the private sector. Government policies such as the Bayh-Dole Act that not only enable but intensify the capacity of universities to capture and market the commercial value of the intellectual products of research and instruction represent additional steps down this slippery slope.

As a consequence, we need to question the viability of the long-standing public principle that because of the broader benefit to all of society, education in public universities should be primarily supported through tax dollars rather than student fees. The traditional model of financing public higher education, relying on large state appropriations to enable nominal tuition levels, coupled with modest need-based student grants and loans from the federal government, looks increasingly fragile.<sup>3</sup> If interpreted primarily as individual benefit, the concept of low-tuition public universities amounts to a highly regressive social policy, particularly at flagship public research universities, since it taxes the poor to subsidize the educational opportunities available only to middle- and upper-class families. Put another way, low tuition at public research universities amounts to welfare for the rich at the expense of educational opportunity for low-income students.

Let me illustrate this by describing the current situation at the University of Michigan. For some time, our state legislature has adopted a policy (at least in rhetoric) that state tax dollars should only be used to support Michigan residents. For that reason, the University of Michigan sets the tuition levels for nonresidents at essentially private university levels—\$30,000 dollars for 2006-7, which also happens to be roughly the university's estimate of actual instructional costs for undergraduates. For Michigan residents, this tuition is discounted to \$10,000. The current state appropriation (\$320 million) for the university amounts to about \$12,000 per Michigan student. Hence, you see that even if the university were to apply the full appropriation to the subsidy of Michigan residents (ignoring the use of these funds for other state-mandated activities, such as public service, health care, etc.), \$8,000 (\$30,000 - \$10,000 - \$12,000) of the discount from actual costs would remain to be covered from other sources. In reality, this funding gap must be covered from the same discretionary funds (from private gifts and endowment income) that the university would use for student financial aid programs. The policy implications of this reality become even more apparent when it is noted that the average student family income for Michigan undergraduates is now in excess of \$120,000. It is clear that for the University of Michigan and many other flagship public research universities, maintaining in-state tuition levels far below the discount funded by state appropriations is coming at the expense of student financial aid. Low in-state tuitions represent a very substantial subsidy of the costs of a college education for the affluent at the expense of the educational opportunities of those from less fortunate economic circumstances. Inadequate state support coupled with political constraints on tuition are not only threatening the quality of the university; they are transforming Michigan into a university of the rich.

To survive with quality intact in this brave new world of constrained state support, a situation likely to last for at least a generation, many of the best public universities have begun to move toward policies of high tuition and increased financial aid. State support is becoming correctly viewed as a tax-supported discount of the price of education, a discount that should be more equitably distributed to those with true need. With the continuation of this trend, the leading public universities will increasingly resemble private universities in the way they are financed and managed. To replace declining state appropriations, they will use their reputation—developed and sustained during earlier times of more generous state support—to attract the resources they need from federal and private sources. Many institutions will embrace a strategy to become increasingly privately financed, even as they strive to retain their public character.

This privatization of support for public higher education actually began more than three decades ago, when inadequate state appropriations forced public institutions to begin to charge significant tuition. It intensified with major fund-raising and financial independence, including spin-off operations, of medical centers and law and business schools. Ironically (though perhaps not surprisingly, in view of the nature of politics), even as public universities became less dependent on state support, state governments attempted to tighten the reins of state control with even more regulations and bureaucracy in the name of public accountability. It is little wonder that in many states, public universities are now moving into a new phase of privatization by seeking to free themselves from state control, since taxpayers now pay for such a small share of their overall operations—typically less than 20

percent for most flagship state universities. Public university leaders are increasingly reluctant to cede control of their activities to state governments. Many institutions are even bargaining for more autonomy from state control as an alternative to growth in state support, arguing that if granted more control over their own destiny, they can better protect their capacity to serve the public.<sup>4</sup>

It is instructive to return again to the Michigan case study. Throughout much of the twentieth century, the University of Michigan benefited from generous state support. At the time, a booming automobile industry made the Michigan economy unusually prosperous, and the University of Michigan was the only major university in the state. However, by the 1970s, the energy crisis and foreign competition weakened Michigan's industrial economy. Furthermore, regional needs, ambitious leadership, and sympathetic political forces allowed a number of other public colleges in Michigan to grow into comprehensive universities, thereby competing directly with the University of Michigan for limited state appropriations.

As state support dropped throughout the last decades of the twentieth century, the University of Michigan became, in effect, a privately financed university, supported by a broad array of constituencies at the national—indeed, international—level, albeit with a strong mission focused on state needs. Today, the state of Michigan has become the smallest shareholder in the university, contributing less than 7 percent of its total support (compared to 16 percent from student tuition, 18 percent from research grants and contracts, 10 percent from private gifts, and 49 percent from auxiliary income). Just as a private university, the University of Michigan must today earn the majority of its support in the competitive marketplace. It allocates and manages its resources in much the same way as private universities. It still retains a public character, however, committed to serving the people whose ancestors created it two centuries earlier.

Yet as the Michigan president who had the task of selling this vision of Michigan's future (or perhaps the reality of the university's present), I can attest to the difficulty of explaining this fact of life. The people of the state continued to hold tight to the persistent belief that they not only owned the University of Michigan but paid for the campus and supported most of its activities through their taxes. State

government, the press, and the public at large demonstrated little awareness that the state had become the smallest shareholder in the university. Motivated by this point of view, the state legislature frequently passed legislation that intruded on university operations. It attempted to dictate whom the university admitted, how much tuition students were charged, what they were taught, and even who taught them. At the same time, Michigan, like most flagship institutions, had long been plagued by the populist view that what was good enough for regional, predominantly undergraduate colleges was good enough for the University of Michigan. This view ignored almost entirely Michigan's broader role in performing the research that drove economic growth and operating the leading hospital system in the state.

My administrative team attempted to develop a strategy to respond to this public perception. The early effort was aimed at getting citizens to understand the multiplicity of ways that the university was vital to the state. Beyond simply providing a place to send their kids to college, we hoped to convince them of the broad impact of the university in such areas as health care, economic development, the training of professionals, the arts, and mass entertainment (the Michigan Wolverines). In meeting after meeting with citizens groups, editorial boards, legislators, and leaders of Michigan industry, I would make the case for the broader impact of the university as an important national and global resource, which leveraged the small subvention from the state's taxpayers into very considerable impact on Michigan citizens. We could demonstrate that every \$1 of Michigan tax revenue invested in the university generated over \$10 of additional institutional support and roughly \$30 of related economic activity. We stressed that in a state that ranked forty-ninth in the nation in the return of federal tax dollars, the university's ranking as the nation's leading research university was key to getting Michigan's fair share of federal support through research grants. Furthermore, we sought to shift the public perception of the university from a consumer of state resources to an institution that attracted and stimulated very considerable economic growth in Michigan, creating new companies, new jobs, and economic prosperity.

However, as these arguments frequently fell on deaf or unsympa-

thetic ears, we considered more pragmatic strategies. One cynical approach would be aptly described by the saying "You get what you pay for." Our sophisticated information systems could determine the real costs of all of the university's services, including undergraduate education, professional education, and public service. Hence, we considered shifting from our current political stance of begging the state legislature for our appropriation each year to instead offering to sell the state our services. For example, offering 20,000 undergraduate student positions at a cost of \$30,000 but priced at \$10,000 tuition would present the state a bill of \$400 million a year. I imagined presenting the state with a menu that contained both services and prices, then inviting it to purchase whatever it wished—making for a very interesting appropriations hearing. Today, this approach, known as performance contracting, is becoming more popular in some states.

Some consideration was given to possible legislation that might set the University of Michigan apart as a more independent university or that would at least relax the state's web of controls to a level more commensurate with our increasingly limited state support. We already had been given such autonomy in the state's constitution, but it was vested in a politically elected board of regents. Achieving true autonomy and flexibility would have required that we either persuade the elected regents to go against the wishes of the body politic or restructure the way the board itself was selected. Needless to say, neither approach was well accepted by the board members or their political parties. In the end, we concluded that such efforts would be unrealistic in view of the current political environment and the constitutional nature of our university's charter. Of particular concern here was a state referendum that imposed term limits on members of our state legislature, eliminating not only much of the experience so necessary to state government but any sense of continuity and perspective. Hence, our concerns about the eroding autonomy of the university remained unaddressed.

At least we managed to get the key issues on the table and into public discourse. In the face of the priorities of an aging baby boomer population, how can a state responsibly and effectively maintain public institutions—such as the University of Michigan—that are distinctive in terms of their mission to provide the highest quality

advanced graduate and professional education and research? Can it simultaneously sustain these universities' comprehensiveness in terms of student body, programs, and statewide responsibility? What happens when the state becomes a truly minority shareholder in the university, contributing 10 percent or less of its resources or capital facilities? Do state taxpayers then deserve to own the university and dictate its role, character, and quality? Will such privately supported public universities have the necessary autonomy, integrity, freedom from political interference, and bureaucratic controls? Or will the centrifugal forces of political and educational regionalism, the tempting but destructive urge to involve higher education in partisan politics, prevail, allowing the distinctive role of the public research university to deteriorate and pulling down the quality of all public higher education in a state?

It must be acknowledged that without some form of accountability to the body politic, the public purpose of the university is at risk. If the states and the nation are to balance the importance of values and public purpose in the face of the market-driven priorities of profit, leaders need to get the issues on the table for public consideration. But this will not happen until public leaders recognize, first, that they must allow higher education to adapt to the demands of the marketplace (e.g., by acknowledging the inevitability of hightuition/high-financial-aid models for public research universities) and to recognize further that they have the capacity to influence these markets to value once again the public purpose and social engagement of public research institutions. They must strive for a better balance between autonomy and accountability, at least for flagship public research universities, or else the marketplace will sweep over them, eroding away their quality and capacity to serve, which were established long ago, during more prosperous—and enlightened—times.

#### WINDMILL NO. 2: COLLEGE SPORTS

Mention Ann Arbor, and the first images that probably come to mind are those of a crisp, brilliant weekend in the fall; walking across campus through the falling leaves to Michigan Stadium; gathering at tailgate parties before the big game; and the excitement of walking into that magnificent stadium—the "Big House"—with 110,000 fans thrilling to the Michigan Marching Band as they step onto the field playing "Hail to the Victors." Intercollegiate athletics at Michigan are not only an important tradition at the university, but they also attract as much public visibility as any other university activity. They are also a critical part of a university president's portfolio of responsibilities. As any leader of an NCAA Division I-A institution will tell you, a university president ignores intercollegiate athletics only at great peril—both institutional and personal. As a result, whether they like it or not, most presidents learn quickly that they must become both knowledgeable about and actively involved in their athletic programs.<sup>6</sup>

If you corner any major university president in a candid moment, he or she will admit that many of the problems they have with the various internal and external constituencies of the university stem from athletics. The concerns are many: program integrity, a booster-driven pressure for team success, the insatiable appetite of ambitious athletic directors for more revenue and larger stadiums, media pressure to fire a coach, or overinvolvement by trustees. All can place the university president in harm's way because of the excesses of intercollegiate athletics.

The role of the president in Michigan athletics has been complex and varied. Although the president of the university has always had an array of formal, visible roles associated with athletics (e.g., entertaining visitors at football games and representing the university at such key events as bowl games), there are other far more significant roles necessary to protect the integrity of the institution. The concerns about scandals in college sports have led to a fundamental principle of institutional control—at both the conference and the NCAA level—in which university presidents are expected to have ultimate responsibility and final authority over athletic programs. Although previously there had usually been a formal reporting relationship of the athletic department to the president, in many cases powerful athletic directors had kept the president and the institution at arm's length.

Although Michigan had long had a reputation for successful programs with high integrity, there were warnings as early as the 1960s about systemic flaws in its Athletic Department. Perhaps most serious was the strong autonomy of the department, which used its pro-

claimed financial independence to skirt the usual regulations and policies of the university (concerning personnel, finances, conflicts of interest, etc.) and operate according to its own rules and objectives, usually out of sight and out of mind of the university administration. The "Michigan model," in which the revenues from the football program—due primarily to the gate receipts generated by the gigantic Michigan Stadium—would support all other athletic programs, would eventually collapse, as the need to add additional programs (e.g., women's sports), coupled with an unwillingness to control expenditures, led to financial disaster by the late 1990s. But perhaps a more serious threat to institutional integrity was a shift in recruiting philosophy during the 1960s, away from recruiting students who were outstanding athletes to recruiting, instead, outstanding athletes with marginal academic ability, athletes who would "major in eligibility" so that they could compete. While this generated winning programs, particularly in football and basketball, it would eventually erode the integrity of the department and lead to scandal in later years.

By the 1980s, it became clear that the days of the czar athletic director and the independent Athletic Department were coming to an end. Athletics activities are simply too visible and have too great an impact on the university to be left entirely to the direction of the athletics establishment, its values, and its culture. Both Harold Shapiro and I faced the challenge of reining in the excesses of the Athletic Department during the days of two particularly powerful figures, athletic director Don Canham and football coach Bo Schembechler, both of whom were media celebrities adept at building booster and press support for their personal agendas. Despite considerable resistance, Shapiro successfully negotiated Canham's retirement. As provost, I reestablished control of admissions and academic eligibility for student athletes. But the high visibility of Michigan athletics and the myth of its financial wealth and autonomy would continue to haunt the university for years to come.

An additional complication arose from the incorporation of the Big Ten Conference during the 1980s, with the university presidents serving as its board of directors. This new corporate conference structure demanded both policy and fiduciary oversight by the presidents, frequently in direct conflict with the athletic directors. It also

demanded a great deal of time and effort, since the operations of the Big Ten Conference are more extensive than those of the professional athletic leagues. Many were the lonely, invisible battles I fought for the university on such issues as sharing football gate revenue, conference expansion, and gender equity. Some were won. Some were lost. But most battles were unseen, unrecognized, and certainly unappreciated.

It also frequently falls to the president to protect the Athletic Department from inappropriate intrusion by alumni and boosters, the media, and occasionally even the regents. I believed it critical to stand solidly behind each of my athletic directors, particularly when they were faced with difficult decisions or challenges. Actually, there were some occasions when I even had to stand solidly in front of them to protect them from the criticism and attacks launched by others.

This is not to say that a university president should become involved in the details of running the athletic department beyond hiring the athletic director—a task that frequently proves difficult enough because of the governing board's strong interest and not infrequent interference—and handling institution-level issues at the conference or NCAA level. The hiring and firing of coaches, decisions to add athletic programs, and the general management of the finances and facilities of the athletic department are the responsibility of the athletic director, and the president should become involved only when the interests of the broader university are at stake. However, I also firmly believe that the athletic department should be treated in all matters precisely the same as any other administrative or academic unit, subject to the same policies and controls in financial, personnel, and academic matters. The days of regarding athletics as an independent, auxiliary entertainment business of the university are or should be over.

Most concerns about college sports today derive from the fact that the culture and values of intercollegiate athletics have drifted far away from the educational principles and values of their host universities. Today's athletic departments embrace commercial values driven by the perception that the primary purpose of athletic competition is mass entertainment. There is ample evidence that the detachment of intercollegiate athletics from the rest of the university—its mission

and values, its policies and practices—has led to the exploitation of students and has damaged institutional reputation to an unacceptable degree.

While the defense of truth, justice, and the Michigan way in intercollegiate athletics was a necessary role for the president, it was never a very pleasant or easy one. Over time, it took its toll. But it also provided a vivid education concerning what I gradually came to view as one of the most serious threats to the contemporary American university: the extraordinary commercialization and corruption of bigtime college sports.

Over four decades as a faculty member, provost, and president of the University of Michigan and a member and chair of the Council of Presidents of the Big Ten Conference have brought me to several conclusions. First, while most of intercollegiate athletics are both valuable and appropriate activities for universities, big-time college football and basketball stand apart, since they have clearly become commercial entertainment businesses. Today, they have little, if any, relevance to the academic mission of the university. Furthermore, they are based on a culture—a set of values—that, while perhaps appropriate for show business, are viewed as highly corrupt by the academy and deemed corrosive to our academic mission. Second, although one can make a case for the relevance of college sports to our educational mission to the extent that they provide a participatory activity for our students, I find no compelling reason why American universities should conduct intercollegiate athletic programs at the current, highly commercialized, professionalized level of big-time college football and basketball simply for the entertainment of the American public; the financial benefit of coaches, athletic directors, conference commissioners, and NCAA executives; and the profit of television networks, sponsors, and manufacturers of sports apparel. Of course, these two statements are nothing new. Many have voiced them, including most American university faculties. But beyond that, I have reached a third conclusion: that big-time college sports do far more damage to the university—its students and faculty, its leadership, and its reputation and credibility—than most people realize or are willing to admit.

The examples are numerous. Far too many university athletic programs exploit young people, recruiting them with the promise of a

college education or a lucrative professional career, only to have the majority of Division I-A football and basketball players achieve neither. Scandals in intercollegiate athletics have damaged the reputations of many U.S. colleges and universities (e.g., the University of Colorado and Duke University). Big-time college football and basketball have put inappropriate pressure on university governance, as boosters, politicians, and the media attempt to influence governing boards and university leadership. The impact of intercollegiate athletics on university culture and values has been damaging, with inappropriate behavior of both athletes and coaches all too frequently tolerated and excused. The commercial culture of the entertainment industry that characterizes college football and basketball is not only orthogonal to academic values but corrosive and corruptive to the academic enterprise. Ambitious athletic directors and coaches have insatiable appetites for excessive expenditures—on programs, facilities, and themselves—that drive unbridled growth in athletic budgets and facilities, both distorting university priorities and burdening the university with considerable financial risk (much as do out-of-control university medical centers).

Clearly it is important for all of higher education to set firm principles for the conduct of intercollegiate athletics. This involves prioritizing student welfare, institutional welfare, and the dominance of academic values over competitive or commercial objectives. But this is not enough. University leaders must go further and translate these into strong actions that both reform and regain academic control of big-time college sports.

As it became increasingly clear that the autonomous nature of the UM Athletic Department, driven increasingly by commercial profits rather than student or even institutional welfare, was putting the university at ever greater and unacceptable risk, my administrative team began to take steps to rein in its independence. Perhaps most important was the effort to appoint athletic directors who had a deeper understanding and appreciation for the purpose of a university than characterizes most coaches. Working with these leaders, we attempted to establish a concern for students as the Athletic Department's top priority, rather than the determination of celebrity coaches to build winning programs. We rapidly expanded the opportunities for varsity

competition for women, becoming the first major university to achieve true gender equity. Numerous programs were put in place to deal with student concerns, ranging from academic support to substance abuse. The Athletic Department developed a more systemic approach to compliance with the complex rules governing intercollegiate athletics, including my annual meeting with the coaches when I would stress that there was only one way to conduct our programs, the right way, in complete compliance with university, conference, and NCAA rules. I also attempted to use Michigan's influence to slow efforts by the Big Ten Conference and the NCAA to commercialize college sports even further—for example, opposing postseason conference tournaments and a national football championship playoff system.

Yet despite these efforts, Michigan continued to be plagued by all of the usual problems facing big-time college sports: the intense pressure on coaches to win, the tendency to recruit talented athletes with limited academic ability or interests, the behind-the-scenes efforts of the old guard—past coaches and athletic directors—to manipulate the program through booster groups or even political influence. Despite our best efforts, we were unable to avoid scandals. The most serious involved star basketball player Chris Webber's acceptance of secret loans from a long-standing Detroit basketball booster—although this activity did not become known until several years after I had left the presidency. Within a short time after I had stepped down from the presidency, the old guard had again taken over the university's athletic programs, influencing athletic directors and refocusing the Athletic Department once again on the dominance of Michigan's football program.

Of course, my administration's failure in achieving permanent reform at Michigan should not have been surprising. After all, a century of efforts to reform college sports have been largely ineffective. I finally came to the conclusion that working through athletic organizations (e.g., the NCAA, the conferences, or the athletic departments) is futile. These are led or influenced by those who have the most to gain from the further commercialization of college sports. It is my belief that university leaders will never achieve true reform or control through these organizations, where the foxes are in firm control of the

hen house. Instead, reform efforts might more effectively proceed through academic organizations, characterized by the academic interests of higher education rather than the commercial values of the entertainment industry. Hence, the key to reform is to reconnect college sports to the academic enterprise by stopping the treatment of athletic departments, coaches, and student athletes as special members of the university community, subject to different rules, procedures, policies, and practices than the rest of the university. To achieve this, the academy must simply demand that athletic programs and their participants be mainstreamed back into the university in three key areas: financial management, personnel policies, and educational practices.

Athletic departments should be subject to the same financial controls, policies, and procedures as other university units. Their financial operations should report directly to the chief financial officer of the university and be subject to rigorous internal and external audit requirements and full public disclosure as an independent (rather than consolidated) financial unit. All external financial arrangements, including those with athletic organizations (e.g., conferences and the NCAA), commercial concerns (e.g., licensing, broadcasting, endorsements), and foundation or booster organizations, should be under the strict control of the university's chief financial official rather than the athletic director. In that regard, I would even suggest that we take the Sarbanes-Oxley approach (designed to eliminate abuses in the financial operations of publicly held corporations), by requiring the athletic director, president, and chair of the governing board to sign annual financial and NCAA compliance statements and holding them accountable should these later be found to be fraudulent.

All athletic department staff (including coaches) should be subject to the same conflict-of-interest policies that apply to other university staff and faculty. For example, coaches should no longer be allowed to exploit the reputation of the university for personal gain through endorsements or special arrangements with commercial vendors (e.g., sports apparel companies, broadcasters, automobile dealers). Employment agreements for coaches should conform with those characterizing other staff and should be subject to review by university financial and personnel units. Personnel searches for coaches should comply

fully with the policies and practices characterizing other staff searches (e.g., equal opportunity).

Athletic programs should not be allowed to interfere with or undermine academic policies and principles. For example, the admission of student athletes, their academic standing, and their eligibility for athletic competition must be controlled by the faculty. There should be a ban on special academic support activities that isolate athletes from the rest of the student body and the university, such as special academic support centers or counseling services under the control of the athletic department. Universities must insist that athletic schedules are compatible with the academic calendar, even if this has significant revenue implications.

But how could one accomplish such an agenda? Although one might first turn to presidents' organizations, such as the Association of American Universities or the American Council on Education, I have become increasingly skeptical that university presidents are capable of taking the lead in the reform of college sports. Most university presidents are usually trapped between a rock and a hard place: on the one hand is a public demanding high-quality entertainment from the commercial college sports industry they are paying for; on the other are governing boards that have the capacity (and all too frequently the inclination) to fire presidents who rock the university boat too strenuously. It should be clear that few contemporary university presidents have the capacity, the will, or the appetite to lead a true reform movement in college sports.

There is an important ally that could challenge the mad rush of college sports toward the cliff of commercialism: the university faculty. In the end, it is the governing faculty that is responsible for the academic integrity of a university. Faculty members have been given the ultimate protection, tenure, to enable them to confront the forces of darkness that would savage academic values. The serious nature of the threats posed to the university and its educational values by the commercialization and corruption of big-time college sports has been firmly established in recent years. It is time to challenge university faculties (through their elected bodies, such as faculty senates) to step up to their responsibility to defend the academic integrity of their institutions, by demanding substantive reform of intercollegiate athletics.

To their credit, several faculty groups have already responded well to this challenge and stepped forward to propose a set of principles for the athletic programs conducted by their institutions. Beginning first with a small group of faculty known as the Drake Group, then in the Pacific Ten Conference universities, propagating to the Big Ten Conference and Atlantic Coast Conference, and most recently considered and adopted by the American Association of University Professors, such principles provide a firm foundation for true reform in college sports.<sup>7</sup>

Unfortunately, however, examples of faculty concern and commitment are few and far between. Most faculty members regard college sports as an aberration that long ago was torn away from academic controls by commercial interests. While they deplore the exploitation of student athletes and the corruption of academic values, they feel helpless to challenge the status quo in the face of pressures from coaches, athletic directors, and boosters—not to mention the benign neglect by presidents and trustees.

Therefore, while I must acknowledge my own distaste for government interference, I have concluded that it is time for Congress to step in, at least in a limited way, to challenge several of the current anomalies in federal tax policy that actually fuel the commercial juggernaut of big-time college sports. Today, much of the expansion of the commercialization of college sports is financed by IRS tax policies that treat as charitable contributions the payment of leasing fees for stadium skyboxes and the "seat taxes" required to purchase season tickets at many universities. Of course, there is nothing charitable about these mandatory fees for commercial services. Furthermore, these fees would normally be classified as unrelated business income and hence subject to further tax as are other university activities unrelated to academic programs. It is my belief that a congressional challenge to these IRS loopholes could attack the Achilles' heel of bigtime colleges sports, drying up the revenue stream that currently fuels much of the excess.

In the longer run, however, I continue to believe that the permanent cure for this commercial infection of the academy will only occur when faculties challenge university trustees, who in the end must be held accountable for the integrity of their institutions.<sup>8</sup> To be

sure, there will always be some trustees who are more beholding to the football coach than to academic values. But most university trustees are dedicated volunteers with deep commitments to their institutions and to the educational mission of the university. Furthermore, while some governing boards may inhibit the efforts of university presidents willing to challenge the sports establishment, few governing boards can withstand a concerted effort by their faculty to hold them accountable for the integrity of their institution. As trustees come to understand and accept their stewardship for the welfare of their institutions, they will recognize that their financial, legal, and public accountability compels them to listen and respond to the challenge of academic integrity from their faculties. The American university is simply too important to the future of the nation to be threatened by the ever-increasing commercialization, professionalization, and corruption of intercollegiate athletics.

#### WINDMILL NO. 3: UNIVERSITY GOVERNANCE

If one asks any group of university presidents about the greatest challenges to university leadership, the issue of university governance rapidly emerges, whether the concerns are internal (the shared governance of lay governing boards and faculty senates) or external (the complex web of political and regulatory forces exerted on universities by state and federal governments). Despite dramatic changes in the nature of scholarship, pedagogy, and service to society, American universities today are organized, managed, and governed in a manner little different from the far simpler colleges of a century ago. They continue to embrace—indeed, enshrine—the concept of shared governance involving public oversight and trusteeship by governing boards of lay citizens, elected faculty governance, and inexperienced (generally short-term and usually amateur) administrative leadership. Today, however, the pace of change in American society and the growing complexity and accountability of American universities are exposing the flaws in this traditional approach to university governance.

Of course, from a legal perspective, "shared governance" is a misnomer. By law or by charter, essentially all of the legal powers of the

university are held by its governing board, although they are generally delegated to and exercised by the administration and the faculty, particularly in academic matters. When it works well, shared governance delegates academic decisions (e.g., criteria for student admissions, faculty hiring and promotion, curriculum development, awarding degrees) to the faculty and administrative decisions (e.g., acquiring resources and planning expenditures, designing, building, and operating facilities) to the administration, leaving the governing board to focus on public policy and accountability (e.g., compliance with federal, state, and local laws; fiduciary responsibilities; and selecting key leadership, such as the president). In short, shared governance allocates public accountability and stewardship to the governing board, academic matters to the faculty, and the tasks of leading and managing the institution to the administration.

The University of Michigan is certainly no exception in facing the multiple challenges of university governance. To be sure, Michigan is an anomalous institution in certain respects. For example, it is one of the very few American research universities whose governing board is determined through statewide popular election, involving partisan candidates nominated by political parties. With two of its eight regents up for election every two years, the frequently changing political stripes of Michigan's governing board present a particular challenge to both the university and its president.

To some degree this anomaly in the selection of the university's governing board is balanced by another unusual feature of the university's governance. The Michigan state constitution grants the university an extraordinary degree of autonomy as a "coordinate branch of state government," by giving its regents full powers over all university matters. More specifically, the constitution authorizes the board to "have the general supervision of the university and the direction and control of all expenditures from university funds." But the constitution also directs the board to elect a president who should preside, without vote, at all their meetings. This latter detail is very important, since it clearly identifies the president as both "chief executive officer" and "chairman of the board" (at least at their meetings), a stature held by few other university presidents, who generally attend governing board meetings only as observers. It allows the president

both to determine the agenda and to orchestrate the activities of the governing board. Through this mechanism, the state constitution deftly relieves the regents of the ability to administer the university. In theory, at least, they need only to determine policy—and, of course, hire and fire the president.

Unfortunately, the political nature of a board determined by partisan nomination and popular election sometimes gives the Michigan governing board more the character of a legislative committee—with a prime objective of making certain that the university serves the body politic—than the character of a trustee body committed primarily to institutional welfare. The political variability of an elected board, its inability to agree on many politically controversial issues, and its tendency to circle the wagons and protect even the most outrageous behavior of its occasionally maverick members can erode the board's credibility. University administrators are always concerned that the regents not only will fail to support them but actually might attack them publicly on one agenda or another that advances a political purpose—a not infrequent occurrence.<sup>9</sup>

Faculty governance is also a challenge at Michigan. To be sure, the university has a long tradition of strong faculty governance at the level of individual academic units such as departments or schools, through faculty executive committees. Here, clearly identified responsibilities (hiring, promotion, tenure, budget priorities) attract the participation of strong faculty and provide effective faculty governance. But at the university-wide level, the limited authority of the faculty senate all too frequently transforms it into a debating society more concerned with "p" issues (e.g., pay, parking, and the plant department) than with strategic academic issues facing the university.

Like many other university presidents, I gradually reached the conclusion that the complexity of the contemporary university and the forces acting on it had outstripped the ability of the current shared governance system of lay boards, elected faculty bodies, and inexperienced academic administrators to govern, lead, and manage these important institutions. Many of the most formidable forces shaping the future of American universities have become political in nature—from governments, governing boards, public opinion, and, at times, even faculty governing bodies—rather than reflecting both the long-

standing academic values and traditions that have sustained American institutions and the changing needs of the society they were created to serve. To be sure, most of the citizens and faculty members serving on various governing bodies do so with the best of intentions, loyal to the institution and committed to its welfare and capacity to serve. Yet all too frequently, they do so within an awkward structure of shared governance that allows political forces to inhibit access to both adequate information and communication. It is also a structure that can easily be hijacked by those with strong personal or political agendas that could harm the university.

As such concerns grew, my administration set out on a dangerous course to attempt to improve the quality of our governance. We attempted to restructure the meetings of our governing board to allow more discussion of key strategic issues facing the university and to prevent the agenda from being dominated by the usual flow of routine business decisions. We tried to help the board develop internal leadership and discipline so that the occasional antics of maverick board members would not hold it hostage. Although we explored with state government the possibility of modifying the laws requiring popular (and partisan) election of regents, their constitutional nature finally proved too difficult to amend, and we instead focused our attention on using our political contacts (particularly alumni) to improve the quality of candidates nominated by the political parties, although this approach ran the risk of retaliation by some of the current board members.

A similar effort was directed at improving faculty governance. We encouraged the deans to urge their faculties to nominate strong candidates for the university's faculty senate. My executive officers and I met regularly and frequently with the leadership of the faculty senate and most faculty advisory committees. We attempted to engage the executive committees of the university's schools and colleges in university-wide strategic issues. To facilitate interactions with faculty, we brought former leaders of faculty governance into the Office of the President, to serve as liaison and secretary of the university.

Yet it seemed that each painful step forward would quickly be followed by two steps backward. An incumbent regent would become irritated and attempt to retaliate against our alumni association's efforts to encourage interested alumni to stand as candidates for regent. The local newspapers would become attracted to our strategic discussions and attempt to use the state's sunshine laws to pry into more sensitive areas, such as business strategies or property acquisitions. A cabal of discontented faculty members in a particular department would engineer a coup to take over the faculty senate in an effort to push their personal agendas.

Looking back over my decade of leadership as provost and president, I have concluded that one of my most significant failures was my inability to improve the quality of governance at the university at any level—faculty, governing board, state, or federal. I took some consolation that I was not alone in this. Many other presidents, both at the University of Michigan and elsewhere in the state, including some of our most distinguished leaders (Tappan at the University of Michigan, Hannah at Michigan State University), had broken their pickax on governance issues. Yet it was still frustrating to look back on such exhausting efforts resulting in so little progress.

More generally, it is important to recognize that shared governance is, in reality, an ever-changing balance of forces involving faculty, trustees, and administration. It represents the effort to achieve a balance among academic priorities, public purpose, and operating imperatives, such as financial solvency, institutional reputation, and public accountability. Different universities achieve this balance in quite different ways. For example, at the University of California, a strong tradition of campus and system-wide faculty governance is occasionally called on to counter the political forces characterizing the governing board, examples being the loyalty oath controversy of the 1950s, the Reagan takeover of the board of regents in the 1960s, and the debates over the use of affirmative action in student admission during the 1990s.

In contrast, at the University of Michigan, campus-wide, elected faculty governance has historically been rather weak, at least compared to faculty influence through executive committee structures at the department, school, and college level. Hence, the tradition has been to develop a strong cadre of deans—both through aggressive recruiting and through the decentralization of considerable authority to the university's schools and colleges—and then depend on these

academic leaders to counter the inevitable political tendencies of the university's regents from time to time. When the deans are strong, this checks-and-balances system works well. When they are weak or myopically focused on their own academic units, the university becomes vulnerable to more sinister political forces.

Where is the influence of the university administration—particularly the president—in this balancing act? It is usually out of sight or perhaps out of mind. After all, senior administrators, including the president, serve at the pleasure of the governing board. They are also mindful of faculty support, since they may be only one vote of no confidence away from receiving their walking papers—a long-standing academic tradition recently reestablished by Harvard and several other universities. While it has always been necessary for the American university president to champion the needs of the academic community to the board and the broader society while playing a role in ensuring that the academic community is in touch with society's interests and needs, it is not surprising that the administration is usually quite reluctant to get caught publicly in skirmishes between the governing board and the faculty.

The danger of such a bilateral balance of power arises when one party or the other is weakened. When the faculty senate loses the capacity to attract the participation of distinguished faculty members or when a series of poor appointments at the level of deans, executive officers, or president weakens the administration, a governing board with a strong political agenda can move into the power vacuum. Of course, there have also been numerous examples of the other extreme, in which a weakened governing board caved in to unrealistic faculty demands—for example, by replacing merit salary programs with cost-of-living adjustments or extending faculty voting privileges to part-time teaching staff in such as way as to threaten faculty quality.

Part of the difficulty with shared governance is its ambiguity. The lines of authority and responsibility are blurred, sometimes intentionally. Although most members of the university community understand that the fundamental principals of shared governance rest on the delegation of authority from the governing board to the faculty in academic matters and to the administration in operational management, the devil in the details can lead to confusion and misunder-

standing. Turf problems abound. One of the key challenges to effective university governance is to make certain that all of the constituencies of shared governance—governing boards, administrations, and faculty—understand clearly their roles and responsibilities.

Nothing is more critical to the future success of higher education than improving the quality and performance of boards of trustees. Today, during an era of rapid change, colleges and universities deserve governing boards comprised of members selected for their expertise and experience, members who are capable of governing the university in ways that serve both the long-term welfare of the institution and the more immediate interests of the various constituencies it serves. Trustees should be challenged to focus on policy development rather than intruding into management issues. Their role is to provide strategic, supportive, and critical stewardship for their institution and to be held clearly publicly, legally, and financially accountable for their performance and the welfare of their institution.

For public boards, the need is particularly urgent. As long as the members of the governing boards of public universities continue to be determined through primarily political mechanisms (without careful consideration or independent review of qualifications or institutional commitment) and are allowed to pursue political or personal agendas (without concern for the welfare of their institution or its service to broader society), the public university will find itself increasingly unable to adapt to the needs of a rapidly changing society. Every effort should be made to convince leaders of state government that politics and patronage have no place in the selection of university governing boards or in efforts to determine their administrative leadership. Quality universities require quality leadership and governance. Even as public university governing boards have become increasingly political and hence sensitive to special interests, they have also become increasingly isolated from accountability with respect to their quality and effectiveness. Not only should all university governance be subject to regular and public review, but the quality and effectiveness of governing boards should also be an important aspect of institutional accreditation.

As the contemporary university becomes more complex and accountable, it may even be time to set aside the quaint American

practice of governing universities with boards comprised of lay citizens (with their limited expertise and all too frequently political character) and to shift instead to true boards of directors similar to those used in the private sector. Although it may sound strange in these times of scandal and corruption in corporate management, it is nevertheless my belief that university governing boards should function with a structure and a process that reflects the best practices of corporate boards. Corporate board members are selected for their particular expertise in such areas as business practices, finance, or legal matters. They are held accountable to the shareholders for the performance of the corporation. Their performance is reviewed at regular intervals, both within the board itself and through more external measures, such as company financial performance. Clearly, directors can be removed either through action of the board or by shareholder vote. Furthermore, they can be held legally and financially liable for the quality of their decisions—a far cry from the limited accountability of the members of most governing boards for public universities.

Perhaps the simplest approach to identifying possible reforms in faculty governance is to examine where it seems to work well and why. From my own experience—as a faculty member, a former member of faculty governance at both the academic unit and university level, and a has-been university president—faculty governance seems to work best when focused on academic matters, such as faculty searches, promotion and tenure decisions, and curriculum decisions. This is because rank-and-file faculty members understand clearly not only that they have the authority and integrity to make these decisions but that these decisions are important to their academic departments and likely to affect their own teaching and research activities. As a result, the very best faculty members (i.e., those with the strongest reputations and influence) are drawn into the academic governance process—either through formal election or appointment to key committees (hiring, promotion, tenure, curriculum, executive) or are at least consulted for influential opinions in their role as department mandarins.

In sharp contrast, most active faculty members view universitywide faculty governance bodies, such as faculty senates, primarily as debating societies, whose opinions are invariably taken as advisory—and frequently ignored—by the administration and the governing board. Hence, rare is the case when a distinguished faculty member spares time from productive scholarship, teaching, or department matters for such university service. Of course, there are exceptions, but more common is the squeaky wheel syndrome, where those outspoken faculty members with an ax to grind are drawn to faculty politics, frequently distracting faculty governance from substantive issues, to focus it instead on their pet agendas.

Hence, a key to effective faculty governance is to provide faculty bodies with executive, rather than merely advisory, authority, thereby earning the active participation of the university's leading faculty members. Advisory bodies, paid only lip service by the administration or the board of trustees, rarely attract the attention or the participation of those faculty most actively engaged in scholarship and teaching. The faculty should become true participants in the academic decision process rather than simply watchdogs on the administration or defenders of the status quo. Faculty governance should focus on those issues of most direct concern to academic programs, and faculty members should be held accountable for their decisions. Faculties also need to accept and acknowledge that strong leadership, whether from chairs, deans, or presidents, is important if their institution is to flourish, particularly during a time of rapid social change.

One controversial proposal would be to provide faculty with a stronger voice in true university governance by appointing faculty representatives as members of the governing board. This would be similar to the practice in many other nations of governing universities with unicameral bodies consisting of a balanced composition of lay citizens, faculty members, administrators, and perhaps even students. It may be time to explore this approach in American colleges and universities.

The contemporary American university presidency also merits a candid reappraisal and probably a thorough overhaul. The presidency of the university may indeed be one of the more anemic in our society, because of the imbalance between responsibility and authority, the cumbersome process used to select university leaders, and the increasing isolation of "professional" academic administrators from the core

teaching and scholarship activities of the university.<sup>11</sup> Yet it is nevertheless a position of great importance, particularly from the perspective of the long-term impact a president can have on an institution.

Universities have a style of governance that is more adept at protecting the past than preparing for the future. All too often, shared governance tends to protect the status quo or perhaps even a nostalgic view of some idyllic past, thereby preventing a serious consideration of the future. During an era characterized by dramatic change, university leaders must find ways to cut through the Gordian knot of shared governance, of indecision and inaction, to allow our colleges and universities to better serve our society. Not only must our institutions develop a tolerance for strong leadership; they should demand such leadership.

The complexity of the contemporary university and the forces acting on it have outstripped the ability of the current shared governance system of lay boards, elected faculty bodies, and inexperienced academic administrators to govern, lead, and manage. It is simply unrealistic to expect that the governance mechanisms developed decades or even centuries ago can serve well either the contemporary university or the society it serves. To blind ourselves to these realities is to perpetuate a disservice to those whom we serve, both present and future generations.

# THE IMPORTANCE OF FIGHTING LOSING BATTLES

Clearly, the windmills described in this chapter—the privatization of the public university, the corruption of intercollegiate athletics, and the obsolescence of university governance—are neither unique to my years as president nor to my institution. Most flagship public universities have always battled to achieve sufficient autonomy to ride out the inevitable ebb and flow of state support. So, too, many institutions have fought to counter the exploitation of student athletes and the corruption of academic values by the commercialization of bigtime college sports. And the principle of shared governance has always represented a very delicate balance of powerful forces from constituencies with vastly different values and objectives.

Like most university presidents, I felt it necessary to pick up my sword and fight these battles, even knowing that sooner or later I was likely to lose, just as had my predecessors at Michigan and my colleagues elsewhere in higher education. Fighting battles you know you are likely to lose is frustrating, to be sure. But it is also very important. A president cannot give up the fight and walk away, since then things are likely to get worse—usually much worse, in fact.

In such battles, consistency and persistence can be as important as creativity and political acumen. It is essential to stay on message to both internal constituencies (e.g., the faculty) and external patrons (e.g., government, industry, and alumni). Any uncertainty or wavering will rapidly erode support for your efforts. Besides, you might actually be able to make things better. Many apparently hopeless causes have been won. Sometimes, the key to progress is to continue to beat your head against the wall, until a window of opportunity is suddenly jarred open in what appears to be an immovable barrier.