For much of the period since the end of World War II, public higher education has been one of the strong growth sectors of the American economy. The rapidly expanding college-age population, the increasingly recognized need for continual reeducation of much of our workforce, the introduction of new technologies that enable distant and continuing education of our population, the willingness of state governments to finance the establishment and the enlargement of institutions of higher education, and the readiness of the federal government to finance student assistance programs and large-scale research endeavors have fueled that growth.

As states have enlarged their higher education responsibilities, they have become more concerned about how best to manage their educational institutions to get the highest return for their citizens from the large investments they make in those institutions. For several decades, the trend was to move from separate state institutions, each with its own direct relations with the state legislature and governor, to systems of public institutions governed by central state authority. This trend found its roots in earlier decades. Georgia established the first statewide university system in 1931, followed closely by North Carolina in the same year. Georgia’s plan embraced all public degree-granting institutions; that of North Carolina brought together only the three principal public institutions maintained by the state.

The author is a member of the Board of Governors of The University of North Carolina and a professor of public law and government, emeritus, The University of North Carolina at Chapel Hill. Contact him at the Institute of Government, CB# 3330 Knapp Building, UNC–CH, Chapel Hill, NC 27599-3330.
The forms of consolidation vary widely and change often over time, for in this area, the creative ingenuity of state legislatures seems infinite. Today, multicampus public higher education systems exist in at least three-quarters of the states, embrace two-thirds of the nation’s public colleges and universities, and serve about 80 percent of public institutions’ students. Typically, those systems consist of one or two state-level governing boards that directly govern all or a subset of the state’s degree-granting public institutions. Those institutions do not have their own local governing boards (though some may have local boards of visitors or the like with only advisory powers).

In recent years, however, a counter trend has become evident. Several states—notably New Jersey, West Virginia, and Florida—have effectively devolved much of the power formerly vested in their central higher education governing boards to newly established campus governing boards. Other states are contemplating similar moves. The justification is that with their own boards, institutions are better able to respond to local program needs and pressures for broader or improved service (and, cynics might observe, to realize institutional ambitions).

Where does North Carolina stand in the controversy over central versus local board authority? North Carolina successfully dealt with this issue thirty years ago.

Each of North Carolina’s sixteen public, degree-granting universities already has its own board of trustees, exercising extensive powers delegated to it by the central governing body, the Board of Governors. This blended model permits both oversight from a statewide perspective and accommodation to local initiatives. (Only Utah has had a similar structure for years, with both a statewide governing board and institutional boards with significant power.)

In 1971, North Carolina maintained sixteen public, degree-granting institutions of higher education. Six were campuses of The University of North Carolina, which was governed by one 100-member board of trustees and one president. A chancellor headed each of the six constituent institutions. Created in 1931 by legislative consolidation of three institutions—the University of North Carolina (Chapel Hill), North Carolina State College of Agriculture and Engineering (Raleigh), and the North Carolina College for Women (Greensboro), as they were then known—into one multicampus “University of North Carolina,” the multicampus University was augmented in the 1960s by adding three previously separate public institutions (at Charlotte, Asheville, and Wilmington). Chancellors reported only to the president; there were no institutional boards of trustees. The state also maintained ten other public institutions, each with its own board of trustees of thirteen members and a president chosen by that board. The University’s board of trustees was elected by the state legislature; the other ten institutional boards of trustees were appointed by the governor. (There was also a large system of public, two-year community colleges, then under the same governing board as the public school system; that set of institutions will not be treated further in this article.)

To achieve better returns on the state’s investment in higher education through central planning and coordination, program authorization and allocation, resource distribution, and advocacy in the interest of meeting the state’s higher education needs—and to curb unsubstantiated institutional aspirations—the state legislature in 1971, at Governor Robert W. Scott’s insistence, “restructured” all of public higher education in North Carolina, effective in 1972. The ten previously separate public institutions were merged into The University of North Carolina, so that henceforth it encompassed all sixteen public campuses.

The board of trustees of the multicampus University was continued as a legal entity but was renamed the Board of Governors of The University of North Carolina and reduced from 100 to 32 members, all of whom continued to be elected by the legislature. Each of the sixteen institutions was given its own board of trustees of 13 members—8 elected by the Board of Governors, 4 appointed by the Governor, and the student body president. (One feature of the new structure was that it gave each of the six institutions that previously made up the multicampus University its own board of trustees, which the original three campuses had not had for forty years.) Complete governing authority over the University was vested in the Board of Governors, which was empowered to delegate to the boards of trustees and chancellors such powers as it saw fit; those delegations were not required to be uniform.

During legislative consideration of the restructuring plan, proposals for statutory assignment of powers to institutional boards of trustees, put forward by friends of the ten then-separate institutions, were rejected in favor of leaving discretion as to such power delegations in the Board of Governors.

It is highly relevant here that one stated objective of restructuring was to extend the benefits of the successful, unified, multicampus University of North Carolina as it had operated for forty years. In 1971 its six institutions enrolled 56 percent of the students in public senior institutions and had faculties and facilities even larger in proportion to those of the other ten institutions that were about to join the University.

The General Assembly in 1971 sought to create an informed body with the authority to respond definitively—whether positively or negatively—to regional and institutional ambitions for new programs and other ventures in higher education and thus to shield the legislature from those pressures. Over three decades, the legislature has supported the Board of Governors when the board has made and accepted responsibility for those decisions.

The one specific role of great importance given by the 1971 statute to each institutional board of trustees is that when choosing a new chancellor, the president must select from a list of two or more names recommended by the institutional board of trustees the one person to be nominated to the Board of Governors for election. Thus the institutional boards have a major voice in the selection of their chancellors.

From the beginning, the Board of Governors recognized the value of local discretion in meeting institutional needs. Thus, at its organizational meeting in July 1972, the board delegated to each of the sixteen boards of trustees and sixteen chancellors extensive powers to govern their respective institutions, reserving to the Board of Governors and the president only those powers essential to the exercise of their systemwide responsibilities. Those reserved powers are
1. the definition of institutional missions and allocation of degree and other major academic programs to institutions;
2. establishment of enrollment levels for each institution;
3. election of the president and on the president's nomination his or her principal staff and the chancellors;
4. election of the principal administrative officers and tenured faculty of the sixteen institutions on nomination of the boards of trustees of the institutions;
5. preparation of the comprehensive University budget and its advocacy before the governor and the General Assembly; and
6. determination of tuition and fee charges at the institutions.

All Board of Governors' actions particularly affecting individual institutions are heavily influenced by institutional recommendations and advice.

The board of trustees and the chancellors of the sixteen constituent institutions have final authority over myriad aspects of institutional life and operations that necessarily differ among institutions ranging in enrollment from 700 to 27,000 and in degree offerings from only bachelor's degrees to the wide array appropriate to major research universities. Such potentially vexatious subjects as athletics, student admission and graduation standards, student services, student discipline, all personnel decisions (except the formal election of senior campus administrators and the conferral of permanent tenure upon faculty members, all done on recommendation of the institutions' boards of trustees), campus physical planning and development, fund-raising, conferral of honorary degrees and awards, alumni relations, and the countless other issues that can complicate relations between institutions and their many constituencies—are left for local decision. In limited instances, an institutional decision may be appealed by an aggrieved faculty member or student to the president and the Board of Governors. Administration of budgets, personnel systems, and purchasing are carried on directly between the institutions and the relevant agencies in Raleigh.

The delegations of power by the Board of Governors to the institutional boards have, with minor changes, survived intact for twenty-nine years. Nearly all delegations have been uniform for all sixteen institutions, any differences being due chiefly to variations in institutional size and administrative structure.

The early and generous delegations of power reflected the fact that the president (William Friday) and half of the initial members of the Board of Governors had had long experience in governing the University in its six-campus form and so understood the vital differences between governing a single-campus institution and governing a multicampus university. They knew which powers it was essential to retain at the center and which could and should be delegated to the institutions.

### The needs of the governor and the General Assembly

The needs of the governor and the General Assembly are well served by having one president and one Board of Governors that they can hold accountable for those aspects of University operations of greatest concern to them—program prioritization and authorization, effective resource allocation and use, upper-level staffing, and comprehensive planning and advice to the governor and the legislature on how best to meet the higher education requirements of the whole state.

The Board of Governors, with the cooperation of the boards of trustees, has been able to gain sufficient resources to fulfill much of the state's ambition to educate an ever-enlarging share of our high school graduates, to provide the economy with a well- and currently trained workforce, and to meet the institutions' needs for renewed and expanded physical plants.

The scope for University-wide initiative is extensive. The president's office is leading a coordinated program to engage all of the constituent institutions to serve more effectively the needs of the state public school system for more and better-prepared administrators and teachers (the state needs 80,000 new teachers by 2010). A bond issue of $2.5 billion for University facilities, approved last fall by the state's citizens by a 73 percent vote, could never have been gained by a decentralized set of institutions, each pleading its own case with the state legislature and the public.

More coordinated lobbying of the legislature and executive agencies is enabled. The development of information technology is being achieved more efficiently and economically with central guidance. Program proliferation is controlled. Even where the institutions' boards have full delegated power over a function (such as student recruitment or fund-raising), the president's office can provide technical help and obtain financial support for staff development.

Substantial discretion and flexibility (with consequent economies) have in recent years been delegated by the General Assembly and the governor to the constituent institutions in budgeting, purchasing, and personnel management, in place of systems that had been closely controlled by state administrative agencies in Raleigh. These measures of institutional flexibility are strongly advocated by the president and the Board of Governors.

All sixteen institutions have gained much and lost little by being integral parts of a multicampus university that is organized and operates to achieve unity in essentials while permitting institutional differentiation in all else.

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<th>Board of Governors Actions</th>
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