

## Interview with Paul Lingenfelter

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Interviewer: Kathryn Mahaffey

Mahaffey: Today is Wednesday, May 29, 2019. My name is Kathryn Mahaffey. I'm a volunteer with the Abraham Lincoln Presidential Library's Oral History Program. It's my honor to be at the Library today with Paul Lingenfelter. Paul worked at the Illinois Board of Higher Education from 1974 to 1985, developing and implementing state budgets and policies for all sectors of higher education in Illinois, public and private. From 1980 to 1985, he was the Deputy Director for Fiscal Affairs for the Board of Higher Education. In 1985, Paul left the IBHE for the John D. and Catherine T. MacArthur Foundation, where he stayed until 2000. From 2000 to 2013, Paul served as the CEO and President of the Association of State Higher Education Executive Officers, or SHEEO. We'll be focused primarily on Paul's time at the IBHE, but we'll also discuss some of his experiences and observations from his time at the MacArthur Foundation and SHEEO, as well. Paul, tell me a bit about yourself—where you were born, where you went to school, where did you meet your wife?

Lingenfelter: Okay, great. I was born in a home in Duncansville, Pennsylvania. I went to high school, and most of elementary and junior high in Elyria, Ohio. Graduated from there in 1963, and I attended then Wheaton College in Illinois, where I met my wife. We went to graduate school together at Michigan State University. I got a master's degree in college student

personnel there in '68. Went to the University of Michigan and worked in university housing for three years. Enrolled in a doctoral program in higher education, and then worked for the graduate dean for a couple of years while writing my dissertation.

Mahaffey: What led you to want to work in higher education?

Lingenfelter: When I started college, I wanted to be an orchestral and choral conductor, and I discovered that my talents and my ambitions were not perfectly in sync. And in the meantime, I'd gotten really interested in the liberal arts education that I was enjoying. It was the 1960s and there was a lot of ferment on campus. I became involved in student publications and student government and thought, Gee, I could do a better job than these guys running the college (laughs). And with the hubris of being about twenty years old, I said, "Well, why don't I become a college administrator?" When I went to Michigan State and the University of Michigan, I was also very interested in public policy and so I took every course I could in political science, public affairs. And when I decided to write a dissertation, I decided to write about the politics of higher education appropriations. I was focused on three states—Illinois, Wisconsin, and Michigan—because they had very different ways of making decisions in higher education, or so it seemed on the surface. Illinois had a strong coordinating board, Wisconsin had a centralized university system, and Michigan had political chaos; there was no central governance at all. And I thought it would be interesting to see if the decisions were different in their pattern of incrementalism or non-incrementalism in those three states. And I

studied the decisions they made over ten years. Did some fancy statistical analysis that I could no longer explain, and also interviewed about thirty people in each state. And my statistical analysis demonstrated that you could predict what they would do in every state with 98, 99 percent accuracy by what they'd done the year before, regardless of these elaborate decision-making systems. But then I interviewed people and I got a sense of what the dynamics of the process were like.

Mahaffey: Interesting. And then that led to work at the Board of Higher Education. Can you talk about how that came about?

Lingenfelter: Sure. When I was finishing, I had one and a half children. I needed a job, and I wrote to a couple of people that I had met in Wisconsin and in Illinois saying, "If you know of something that would be good, I'd be interested." And one happened to be Dick Wagner. And we developed an affinity, I guess, for each other at the outset and he invited me to come down to Springfield and interview for a job and I did. It was offered, I accepted, and I came.

Mahaffey: Terrific. Okay. Well, let's talk a bit about your tenure at the Board of Higher Education. One of your first projects was developing the state's funding model for community colleges, right?

Lingenfelter: Yeah. When I arrived, the Board was in the middle of what they called *Master Plan Phase Four*, and community college funding had been a big problem in 1972, '73, and for fiscal year '74 because there had been an extremely rapid enrollment growth. It was everywhere, but particularly dramatic in Chicago where the community college system had taken over some remedial and basic

education functions from the public schools, and enrollments had increased by 20 percent two years in succession in the system as a whole. That had caused the community college funding formula, which was very simple—it was a flat rate grant of about \$19.10 for every credit hour a college offered. It caused—even with supplemental appropriations, that [(\$19.10)] was prorated down to about sixteen dollars. And the colleges, the college presidents, were terribly upset. Colleges were especially upset, because if they had a large portion of their curriculum in technical occupations, in health professions, the cost of offering these courses was, you know, seventy, eighty, ninety dollars a credit hour. And the cost of general studies, remedial, developmental courses, according to the cost study was six, seven, eight dollars a credit hour. And so a lot of money was flowing to Chicago for very low cost instruction and other institutions were very upset; this formula was clearly broken. The board had put together a Blue Ribbon Finance Committee, this was actually what they called it. It was chaired by Mr. William Browder, who was a good friend of the board chairman, Don Prince at the time. And it had a number of distinguished citizens on it—people who were important to community colleges, like Ray Bruni, from the western part of the state, Hugh Hammerschlag was from Rockford, and then they had other important public figures. One I remember is Anthony Downs, who was an economist and part of a—he was the son of the Downs Real Estate Company that had done a lot of low income housing development—so really distinguished people and they were coming together to try to find a way to solve this funding problem. I was

the new kid on the block. I didn't know much or didn't have any contacts in community colleges, but I guess I had some mathematical or technical abilities, and I got to work with this group and got to study the nature of the problem. And we came up with a new formula for community colleges that created eight categories of grants based on the cost of instruction. It assumed a standard local contribution—the same amount of money from local property taxes and from tuition regardless of what course the student took. And so the state would make up the difference between the cost of instruction and the standard local contribution. And the other thing that we did is we improved and made more sensitive the equalization formula, the part of the formula that dealt with the inability of districts with a high enrollment and a weak tax base to meet that standard contribution from taxes. And what that did—we solved a political problem, it put a lot of equalization funding into Chicago that had never participated in equalization, while taking away funding from the credit hour grant. And we threw in something for disadvantaged students which helped solve the other political problems. And that basically became the funding formula for community colleges that I think persists pretty much today.

Mahaffey: And this was called for in a document called *Master Plan Phase Four* and there was also something in that about improving the financial health of the private sector colleges and universities, is that correct?

Lingenfelter: Yeah. The first master plan in Illinois had been guided in part by a special commission called the McConnell Commission, which had recommended that

the state's scholarship program set its maximum award at two-thirds the average tuition in private colleges and universities. It also recommended that there be state grants for Illinois residents who enroll in private colleges and universities of, I think 100 [per credit hour??] for lower division, and as I recall, 200 dollars for upper division students, as a means of sort of preserving the strength of private higher education in the state. At the time of Master Plan Phase Four, the leaders of private college and universities were advocating for a new McConnell Commission, because they thought the policies had been inadequate and they were still, as a lot of private colleges were in the early seventies, concerned that the growth of the public sector would put them out of business. I was asked to do a study of the health of private colleges and universities and I actually found some data that was helpful (laughs). *Higher Education General Information Survey*, put out by the federal government, had detailed information on the finances of all colleges and universities in Illinois, on their enrollment growth, on their endowments. And I looked at this data source and I discovered that the endowments of the private colleges and universities were going up, their enrollments were growing, and it looked like the recommendations of the McConnell Commission were okay (laughs); they didn't need further change. And that wasn't a particularly welcome report for some of my friends in the not-for-profit sector, but they're still around and I think it worked out okay.

Mahaffey: You were very involved in building, planning, and budgeting systems for Illinois higher education—the actual system was known as RAMP, it stood for

Resource Allocation and Management Program. Could you tell me about RAMP?

Lingenfelter: Sure. The seeds of RAMP, and also the seeds of the cost study for both community colleges and public universities, were planted before I arrived, and so I don't deserve any credit for creating these things. RAMP actually was the brainchild, I guess, of Harry Williams, who had preceded Dick Wagner as Deputy Director for Fiscal Affairs. He was an economist, came out of Washington, was part of—what was in vogue in those days—the program budgeting fad in the federal government. And the idea was that you would get information about all the detailed programs of colleges and universities, and then that would enable you to evaluate their effectiveness and make more rational budget decisions. The promise of those systems was overblown. They weren't nearly as effective, they didn't solve the problems they were designed to solve, but they greatly improved the kind of information that we had at the state level about the allocation of resources to research—to departmental research, to organized research—and the cost study, which also was created at that time, for both community colleges and public universities, gave us a real sense of where institutions were generously funded compared to other institutions not so generously funded. It gave us much better information of the cost of instruction in different disciplines. And that, in fact, is what made the community college funding formula possible, being sensitive to those differences.

Mahaffey: And the technology that was involved in budgeting has changed quite a bit over the years. You want to give us your observations about that?

Lingenfelter: Yeah. You want to know exactly how old I am, don't you? When I came in 1974, the Board of Higher Education staff had two kind of primitive programmable calculators that would, you know, repeat a function many many times if you just pushed a button over and over again. We had a connection to a mainframe computer at the University of Illinois at Urbana over a telephone line, and it would connect to an IBM Selectric Typewriter that would print out at seven characters a second. Which seemed pretty fast in those days, whatever work you were doing. I had one course in computer programming in graduate school, and I wrote a Fortran program to demonstrate how the community college equalization formula would work, and also what the impact of the new funding formula would be on different colleges in the state. And that was enormously helpful because everybody wants to know when you're changing things, how it affects me, and that was very important. In those days we did the budget book, which was usually 170 to 200 pages, on typewriters. We would type all the tables out, super secretarial staff. Made corrections with white out, cutting and pasting. Made all the copies on a Xerox machine that, thankfully, automatically collated, but it was pretty primitive. A few years later we got a more sophisticated programmable calculator and with this one you could do quite a lot. It actually had a little magnetic card and you could put in and save your program. And I wrote a program for that that would do the whole community college funding



formula. And if we changed the decision—well, you know, a four and a half percent salary increase versus a five, or a different inflation factor—I could, in about thirty minutes, come up with the changes and show what would happen in the formula. And that was good for three or four years and then we got spreadsheets. And I think that's where we are today.

Mahaffey: Gotcha. You developed and implemented state budgets and policies for all sectors of higher ed. During those years, what was the role of the governor's budget and the BHE's budget recommendations and then how did the legislature make its appropriation decisions?

Lingenfelter: Well, I think the tradition in Illinois ever since the 1970 Constitution was that the governor has enormous power in the budget because the governor has line item veto reductions, and the legislature needs to override any line item veto. And the governor can go through an appropriations bill and just bring the line items down to whatever level he or she happens to want, or thinks appropriate. The role of the Board of Higher Education has always been—well, in those days, it changes from time to time—in those days it was in between the governor, the General Assembly, and the institutions. The institutions expected the board to be a strong advocate for their interest, their needs, their wants. The governor obviously had to be concerned about the fiscal capabilities and health of the state. And the legislature shared the governor's concern, but they also had their own constituents. They wanted to satisfy the universities as much as possible. The Board of Higher Education typically made budget recommendations that never satisfied the colleges and

universities. We tried to make a budget recommendation that would challenge the governor and the General Assembly, not make them laugh us out of the room. And so, but almost always—always in my experience the eleven years I did this—the Board of Higher Education recommendations were more than the governor’s budget. What was helpful to the board, though, was that once the governor announced his budget, he would turn to the board and say, “I’d like you to allocate my budget.” And that meant that on a handful of items, usually program funding and some other issues, the board had real discretion. The board had discretion to make fine tuning adjustments between cost increases, salary increases. The governor almost always would say, “I want to be able to fund a salary increase of x.” And we had the technical ability to say, “Okay, that’s affordable within your bottom line.” And if it’s not, this is what it would take to be affordable and sometimes it was a little give and take, usually not in the public eye, but in conversations before the governor actually made his recommendation public. But typically the Board of Higher Education recommendations were developed by the staff just before Christmas, considered, and in every case approved by the Board in the first week of January. At the end of January, the governor would announce his budget. We’d go back to work in February and allocate the governor’s budget. And then the General Assembly would be in. They frequently would—well, actually not too often in those days—allocate more than the governor’s budget because they knew he was going to reduce it down. Occasionally, there would be some advocacy for some small item and sometimes there would be give

and take on that. But typically, the governor's budget was the budget at the end of the day. There might have been a little more negotiation around some capital projects, but in the grand scheme of things, those were never large enough to really break the budget or get things out of balance.

Mahaffey: The BHE staff, did they play a role in those negotiations?

Lingenfelter: Yes, they did. The executive director working with the deputy director and the Bureau of the Budget and the Governor's office would play a role in what the governor's budget actually was. I think the first year I was involved, the governor's first proposed budget number was seventy-five million dollars and he was persuaded to make it seventy-nine million, and that was a big victory for us. But often that didn't happen, usually we just ended up pretty much where the governor wanted to be and you would work with him and the Board and the Bureau to get the numbers right in detail.

Mahaffey: What were some of the more contentious topics during those times with regard to budgeting? I have one I've noted here—the impact of energy costs.

Lingenfelter: Well, the middle seventies were known for the energy crisis. Stagflation, we called it. We had inflation without much economic growth, and we had unemployment and high inflation at the same time. We had long lines to get gasoline. Energy costs were going up. Inflation was going up in double digits, many years. One of the ironic comments we made about planning was in the sixties, the University of Illinois converted its power plants from coal to gas. In the seventies they converted them back to coal, because gas was too expensive and coal was cheap in Illinois, even though it was high sulfur. But

we did a lot of analysis of energy. We spent a lot of money, actually, in reducing energy consumption through capital improvements. The university stepped up and, you know, they did the hard work necessary to discover how to be more efficient in energy consumption. Other issues? There was pressure, naturally, to increase salaries because inflation was significant. The universities, particularly the University of Illinois, complained a lot that its compensation was not comparable with other Big Ten universities. So there was a lot of pressure to get to a higher number on salaries. One of the more contentious discussions with institutions was what it would take to finance a 5 percent salary increase. Everybody knows that you have vacancies during the course of the year. You have turnover, and you can replace a higher paid position with a lower paid position, and estimating that was always a contentious budgetary issue. We made what we thought were reasonable but arbitrary, somewhat—but reasonably arbitrary—estimates and we would get data for that, and then we even did a study to show what salary increase you provided for continuing employees. We had them do that. And turned out that, yeah, it was possible to fund a 5 percent salary increase with four and half percent money; very easy, in fact. So this was some of it. There were other issues, equity among campuses.

Mahaffey: Is that where the comparative cost studies came in?

Lingenfelter: Yeah. That's where the comparative cost study came in. We developed—working in collaboration with the universities, there was good, robust discussions with institution research and budgets staff—we developed a cost

study approach that compared the actual cost at every university with what its cost would be if they were funded at the statewide average for the discipline and level of instruction that they actually had. So if you had a lot of doctoral programs, we compared your doctoral programs in physics to the statewide average doctoral program in physics. This worked to the advantage of the University of Illinois because they had a lot of unique programs, but undergraduate programs—English, math, psychology, health sciences—we had good comparable data statewide. So what we did is, we created a fictional model of every institution that matched its level of instruction, enrollments at each level of instruction, and by discipline to this fictional institution. The difference was that the fictional institution offered everything at the statewide average cost. And the real institution then was either below or above as you went through this complicated matrix. And we had a couple universities that were 20 to 30 percent above the statewide average. And we had a number of others that were from 10 to 15 percent below the statewide average. And so we put in a plan of base adjustments, based on the comparative cost study to create a little more equity between these institutions. And naturally, if you were an institution that we found to be overfunded, you became quite critical of the analytical procedure and you found ways of maybe moving your numbers around a little bit so that you weren't so overfunded. And that did become contentious, and once in a while even table-pounding discussions about fairness and equity and accuracy.

Mahaffey: Unit cost studies were refined after you arrived. What can you tell me about those? Were those like a component of the comparative cost studies?

Lingenfelter: Basically, the unit cost study was used to develop this comparative model.

Mahaffey: Okay.

Lingenfelter: So in the unit cost study, we had detailed information for each institution's cost. What we didn't have is, we didn't have a computer program that compared what their cost would be if they were at the statewide average. We had to do a lot of number crunching in order to do that. I think that cost study is still being done. I'm not sure it's being used the way we used it then.

Mahaffey: Gotcha. Wanted to talk about a couple of other issues. One is Governor Walker's tuition freezes surrounding the issue of college affordability.

Lingenfelter: When I was doing my doctoral research, I interviewed a former deputy director in Governor Ogilvie's administration, who was a liberal Democrat working for Governor Ogilvie. And Governor Ogilvie had led the passage of the income tax in Illinois. He also had supported a school funding model that equalized funding more from low to high districts. And then he was defeated for reelection by Gov. Dan Walker, who opposed tax increases of any kind. And I said to—John Cotton was his name—"Mr. Cotton, how is it that a Republican passes an income tax increase, equalizes school funding, and is defeated by a Democrat who opposes tax increases of every kind?" And he said, "The thing you have to understand about Illinois is everything's backwards." So anyway (laughs). Governor Walker not only opposed tax increases, he opposed tuition increases, and that essentially meant that there

was no money to meet the needs of higher education. The Board of Higher Education as part of *Master Plan Phase Four* had an extended conversation, debate, about tuition policy and concluded that as a matter of policy, tuition should be set at approximately one-third of instructional cost for undergraduate education, and that it should be permitted to increase with inflation. And this wasn't a policy that was created out of thin air, it was quite similar to a policy developed by the Carnegie Commission on Higher Education in a book called, *Higher Education Cost: Who Benefits, Who Pays, Who Should Pay*, something like that. And they did an elaborate study and concluded that, obviously a matter of judgment at the end, but one-third of the total cost of instruction, both room and board, and tuition, would be a reasonable expectation of students that were not subsidized by student aid and that other students should have—that needed it—should have student aid to meet those cost levels. And I think the Illinois policy sort of followed that study.

Mahaffey: Okay. And another issue happened in 1983. There was a temporary tax increase.

Lingenfelter: Yeah. This was a tax increase to deal with a crisis of the state. And some of us that were involved in budgeting for higher education had concluded that Illinois had some pretty deep-seated financial challenges. Retirement funding was one that we always talked about and could never get adequate support for, adequate based on our own analysis. And so there was a strong effort to get the governor [Thompson] to support, and the legislature to support, making

that temporary tax increase permanent. And about that time, I was Deputy Director at the Board of Higher Education, and Dick Wagner took me and two other deputies in to visit the governor. And we had laid out what we thought was a compelling analysis for making the temporary tax increase permanent. And the governor listened politely and then he began to explain that he just didn't have the political capital it took to do that because the Shakman decision, which had made it much more difficult to make patronage appointments in the state of Illinois, had just vitiated the power of the governor. And he just couldn't do it, even though he really wanted to. And I had not said anything, I don't think the other deputies had said anything at the meeting, but as we were leaving the governor sort of smiled and figuratively patted us on the back and said, "Keep it up. You're doing the Lord's work." And I looked at him and said, "How many votes does the Lord have?" (laughs) And he just howled. He thought that was very funny. He enjoyed the humor, but nothing was changed.

Mahaffey: During your time at the BHE, there were some major programs considered. One that comes to mind is, were law schools proposed?

Lingenfelter: Oh, yeah. Actually, when I first came, there was a proposal to build a law school in Springfield. And it was to be named after a recently deceased judge who had been deeply loved and greatly admired. And the Board of Higher Education staff, my colleague John Huther, I think, did the study, and concluded that there was no shortage of lawyers, there was no shortage of opportunities to go to law school, and that the state of Illinois really couldn't



afford the cost of creating and subsidizing another law school. And that had a lot of legislative support, but the Board of Higher Education's recommendation held and some of our colleagues began to call John Huther, "Doctor Death" because of his success in stopping that. But reprise, probably about, maybe not quite ten years later, the Lewis College of Law in the suburbs of Chicago got in financial trouble, and Northern Illinois University wanted to acquire it and create a law school at Northern Illinois University. And this time, the Board of Higher Education staff came to the same conclusion, that the state of Illinois really didn't need another law school. But this time, former Republican majority leader and senator Doc Shapiro, David Shapiro I think his name was, was a strong advocate for Northern Illinois University and the legislature passed and overrode any kind of opposition—I can't remember the details—to creating that law school, and it in fact was created.

Mahaffey: Was there one considered for SIU? I know there's one now, but was that during your tenure?

Lingenfelter: Ah, actually that had already been in existence when I arrived. It was created and I think it probably contributed to the advocacy for additional law schools. Public universities love to have alumni who are politically powerful, and they often are lawyers. And it's no accident that a law school—and an engineering school—is always something that a university aspires to have; as well as medical schools, for that matter.

Mahaffey: (laughs) Well, speaking of medical schools, what can you tell us about SIU School of Medicine and the funding of health programs during that time?

Lingenfelter: Well, before I came to Illinois as a staff person, there was a—I think the Campbell Report was what it was called—a report that analyzed the state's needs in health professions. There was a lot of concern then and still about healthcare in rural areas. And the Campbell Report led to state support—capital support and some operating grants—for a while, for the health professions in private higher education in the Chicago area. And it led to the creation of the SIU School of Medicine and the SIU School of Dental Medicine in Alton. The SIU School of Medicine was just underway when I came to Springfield, and I think those of us that have lived in Springfield and watched its development really think that putting the SIU School of Medicine and Sangamon State, now University of Illinois Springfield, in Springfield did a lot for the quality of life in this town and really strengthened the community. But in tough budgetary times, the SIU School of Medicine was absolutely insatiable, and there was no basis of—you know, we couldn't do a comparative cost study on other schools of medicine that were similar to SIU within the state of Illinois. And it was just a source of enormous frustration to Jim Furman, who was then the Executive Director of the BHE, that there was no way to get a handle on this. Ironically, I had gone to a conference of—I can't remember the exact acronym, but it was the Operations Research Society of America, ORSA and another organization that did analytical work. I was supposed to go to this conference and talk about the community college

funding formula. And I went to the conference with three or four other colleagues that had been put together to talk about the use of analysis at the state level, and we went to our session and nobody showed up. Nobody. It was not the kind of program, really, that people attending this conference were interested in; so we went to the bar and talked. But at that conference, I picked up a paper written by two members of the staff of the Liaison Committee on Medical Education, based in Washington, D.C., and they had done a comparative analysis of medical schools using factor analysis and cluster analysis. And they had developed peer groups of medical schools around the country, and SIU School of Medicine was one of them. And another school in that peer group was the new Medical College of Ohio in northwestern Ohio, I think there was a new medical school at Michigan State University. And so I brought this paper back, and I found some numbers on those medical schools. And it turned out that, lo and behold, the SIU School of Medicine was much better funded than any of them. And then Jim Furman happened, also, to know the chief financial officer of the Medical College of Ohio in Toledo, who happened to be a former state budget director, and we retained him as a consultant to examine SIU School of Medicine. I remember the opening line in his study, he said, "I'm going to compare the SIU School of Medicine to the Medical College of Ohio, which is like talking about a Lincoln Continental as a minimal form of transportation." And he found that the SIU School of Medicine was in fact quite well funded. And so we invited the dean and his staff in, and presented him with the result of my study, and he said,

"This isn't apples and oranges. This is pineapple, bananas, grapefruit"—and I don't think he said kiwi, I'm not sure kiwi was common then—but he was just outraged. But we continued to support the expansion of SIU School of Medicine but at a much lower level than had been requested; and there was some parity, I think, in the conversation.

Mahaffey: During your tenure too, it was was a national trend—talk about closing dental schools because of declining enrollments. Did that happen in Illinois?

Lingenfelter: Well, we had a study of the dental school at Edwardsville, which was the smallest dental school in the state at that time, I believe. I think this was a case where the advantages of the dental school and the benefits to the local community overwhelmed the statewide analysis, and the Board of Higher Education had a pretty intense discussion of the case and I think Dr. Diego Redondo, who was on the board at that point, sort of—and he was Vice Chair of the board—led the board in concluding that no, we should not close the dental school in Alton: and we didn't. Subsequently, Northwestern and Loyola both closed their dental schools because they were having difficulty attracting enough students to them, and the demand for dentists—because of improvements in oral hygiene and other things—had diminished across the country.

Mahaffey: And then the last issue I wanted to mention was ending state support for auxiliary enterprises. Which is another way of saying intercollegiate athletics, I believe?

Lingenfelter: Well, it was. It wasn't just that. It was student unions, it was dormitories in some cases. It was things that universities do to make a more attractive experience for students. And it became an issue for the Board of Higher Education because we were having a difficult time finding adequate support for enrollment growth and for improving instructional programs. And philosophically said, you know, state support for building a new basketball gym, building finer facilities, should be a lower priority than academic programs. And this is one of the issues that staff took the recommendation of the board and did not win the battle. The institutional opposition was too intense. And I think it sort of is an illustration of the complexity of balancing institutions' desires to attract students and be a popular place for students to attend and have high prestige, versus allocating funds for the core mission, which is instruction and research. And it's a problem in higher education. It's a problem, actually, more in higher education in this country than anywhere else. I'm not sure I fully understand the reasons for that, although it could have something to do with the development of private higher education and the competition for students among private institutions, and then public institutions moving into that in the history of this country over the nineteenth and early twentieth century.

Mahaffey: I'm going to shift gears for a moment because in 1985, you moved to Chicago to take a job with the new MacArthur Foundation. What drew you to that opportunity and what was your role, initially?

Lingenfelter: I had worked on the budget in Illinois for eleven years, and I'm a little restless. I thought it seemed pretty much the same the eleventh year as it had the tenth and the ninth. And I had a son who was going to enter high school, and I said, "If I'm going to do something different, maybe now's the time to look for another job." And I didn't find lots of offers, but I found one that was pretty attractive, which was to go to the MacArthur Foundation. The President of the Foundation at that point was Jack Corbally, who had been president of the University of Illinois. And his Executive Vice President was Jim Furman, who from 1975 to 1980, I had worked with at the IBHE. And so they knew me, and even though I had no background in philanthropy, they figured I might be helpful and probably wouldn't create too many problems. My first job there was Director of Program Evaluation and neither the staff, nor some of the board understood why that was necessary or why it was a good idea. But we tried to invent a way to do it that they could stand and would find helpful. Eventually, after Adele Simmons became President in 1990, after a couple of years—it didn't happen right away, because I was not a known quantity to her—I got involved in planning a reorganization of the Foundation and eventually became Vice President for a new program in human and community development, which integrated a Foundation program in mental health and human development in education, and the program they called Special Grants, which was essentially community development and the arts in Chicago. So the last four and half years or so at MacArthur, that was my role.

Mahaffey: Okay. What were your observations about what was happening at the BHE while you were at the MacArthur Foundation?

Lingenfelter: I think from '85 to '96 or so, the BHE was really thriving. It had the confidence of the governor and the General Assembly. The 1990s were generally very good years for higher education nationally. When Art Quern was chair of the Board, the Board implemented—with the work of the staff and led by Quern—a PQP program focusing on priorities, quality, and productivity, which led to the reallocation of resources towards state and institutional priorities really, in a significant way. And I think the board really did well. There was always an undercurrent among some institutions within the system of systems, particularly the regional universities—some of my colleagues called them the geographic universities, the eastern, the westerns, the northern, the southern—who wanted to have their own board. And eventually, the political powers lined up to abolish the system of systems and create separate boards for most of the institutions in the Board of Governors and the Board of Regents that had been part of two consolidated governing boards. I think that made it more difficult, to lead coherent—and actually, it was collaborative—higher education policy initiatives on the part of the Board of Higher Education. When Dick Wagner retired, I think his retirement might have actually been hastened a little bit by those difficulties, the role of the Board, I think, gradually diminished. And it became—I'm really not familiar with how Governor Ryan used the Board in his budget making. I know Governor Edgar continued the pattern of the Thompson Administration of

relying on the Board to allocate the governor's budget. But by the time Governor Blagojevich succeeded Governor Ryan, the practice of deferring to the Board of Higher Education, the practice of appointing really highly respected civic leaders to the Board, I think diminished somewhat. I don't mean to denigrate the people who were appointed, but the stature was not quite the same, and they weren't the kind of people that could argue with the governor, or try to persuade the governor to think twice about a decision. And I think the role of the Board diminished during that time and, of today, there's still political discussion in the state about what a proper organization for higher education would be and whether the Board of Higher Education is serving its role, or some are suggesting you need a statewide governing board for all systems, like they have in Wisconsin and some other states. And others like the status quo, but I think it's clear that the influence of the Board that it had during the last quarter of the twentieth century is no longer there.

Mahaffey: In 2000—and you were there until 2013—you became CEO and President of the Association of State Higher Education Executive Officers, also known as SHEEO. Could you talk about your role there and what some of the projects were?

Lingenfelter: Sure. Sure. That period of time—and I don't take personal responsibility for this—I think that period of time saw a real divestment of public support for higher education in the United States. And it was driven by a number of factors. It actually, in part, it was driven by enormous enrollment growth because enrollments from 2000 to about 2010 grew faster than they had in any



time since the 1960s. And at the same time that was happening, the country had two recessions. In 2001 and 2002, a serious recession, and in 2008, the Great Recession, which just had enormous consequences for state funding for everything. States were beginning to struggle with healthcare cost. When I came to Illinois, I can't even remember whether Medicaid was a factor in the budget process. But in most states in the seventies and eighties, the state support for healthcare was in the low single digits. And the state support for higher education was between 8 and 15 percent. By 2000, state support for healthcare, Medicare, was in the 15 to 20 percent level. And so healthcare and pensions were really constraining state budgets. Enrollment growth was very rapid throughout the country. And two things happened: 1) State support for higher education actually didn't go down, but it didn't go up in comparison to enrollment growth and inflation, and, 2) tuition began to grow very dramatically. At about 2000—according to a project we did at SHEEO, the *State Higher Education Financial Survey*—state support provided about 25 percent of the cost of instruction nationwide, on average. It varied a lot among states, but it was basically one-quarter, three-quarters. Today, it's almost fifty-fifty. So, tuition has increased dramatically all across the country and state support hasn't kept pace at all. In Illinois, the same thing happened. Retirement funding became, you know, sort of exacerbated—the issue in Illinois. I think tuition increases in Illinois grew faster than the national average, and they were growing fast nationally. And we have the current condition in Illinois where there's a lot of concern about students going

elsewhere rather than staying in the state, because higher education in the state is financially more burdensome. Other places are happy to recruit our best students. And the State's ability to meet the needs of both of its people and its economy in the future, I think, is being impaired by these trends in higher education.

Mahaffey: One of the initiatives that you began when you were there was organizing the National Commission on Accountability in higher education.

Lingenfelter: Yeah. Accountability was the rage in 2000. It's still the rage sometimes. And one of our members, one of the SHEEO members, said, "You know, Paul, we're all working on accountability, why don't you do some kind of a study and try to set a tone for accountability in the U.S.?" And I said, "Oh, that sounds like a good idea. And other people are throwing around the word national, so we'll throw it around too." And we established the National Commission on Accountability. I managed to get former Secretary of Education Dick Riley, former Governor of South Carolina as well; and former Governor Frank Keating of Oklahoma to co-chair it. I recruited Stan Ikenberry and Tom Layzell, who were both leaders in Illinois during my time here and had been leaders in other places—Stan had retired as President of ACE [American Council on Education] at that point, and Tom Layzell was Commissioner of Higher Education in Mississippi at that point; and other really prominent people to do this. And we had a couple of meetings, we got a lot of advice, we wrote a report that tried to emphasize that accountability has to be a shared responsibility of both government and institutions of higher

education. That political leaders play a critical role in generating educational outcomes, as do institutions. Accountability needs to be a means of self-discipline, not finger-pointing; and shared responsibility. It needs to involve measurement. We recommended a national student unit record system so we could tell how many students were actually graduating, because when students transfer, then and even today, we don't have very good ways of knowing whether they ultimately complete. We've done better now through another mechanism. But anyway, this was the essence of our report. It got a little attention, not much. It was totally overshadowed about nine months later when the then Secretary of Education, Margaret Spellings, created a Commission on Higher Education and issued a report called, *A Test of Leadership*. And it was more about accountability in a finger-pointing way. Although I testified to the Commission, they didn't even mention our report in a footnote. It was a report that really was an attack on higher education and it generated a lot of response. It had some good ideas, but it didn't change much.

Mahaffey: But speaking of accountability, you also started having annual studies, right? Called state higher education finance?

Lingenfelter: Well, this was the finance study that I mentioned earlier, related to state support and the role of tuition. But we also tried to work on some other issues. We tried to encourage the states to take more seriously the K-12 pipeline. We wrote a report called, *Student Success*, and argued that there are five components that lead to student success. One is early outreach, so that in grade school, middle school—students begin to understand the importance of

higher education and become persuaded that it's accessible to them. Another component is effective teaching and learning, and we tried to put an emphasis on the quality of teacher preparation and the quality of learning assessment, and being reflective and trying to improve the quality of teaching. Another component was financial aid, and we tried to highlight some states that had pretty effective financial aid programs so that there wouldn't be financial barriers to student success. And I guess the last one was data systems. To try to develop ways of really understanding what's going on in the educational system. Identifying areas of underperformance or weakness and trying to strengthen them.

Mahaffey: What were your observations about what was happening in Illinois higher education while you were at SHEEO? How had it changed since your tenure at the BHE?

Lingenfelter: Okay. I actually heard a—reported to me secondhand—that the Director of the Bureau of the Budget in the Blagojevich administration said, “The State of Illinois has three big problems: pensions, K-12 education, and healthcare. And higher education isn't helping with any of them.” And I think that probably was an unfair charge in some respects. But it also illustrated, for me, I think, one of the challenges facing higher education in Illinois during that period and today—and it's not just Illinois, it's all over the country—and that is the ability of higher education to convince the public that it is really meeting important public priorities. One of the preoccupations I had at SHEEO was strengthening teacher education and making more visible higher

education's responsibilities for strengthening K-12 education. And in that process, I created some panels, I actually invited Chris Koch, who at that point was superintendent of K-12 education in Illinois, and some teacher educators in the state here and nationally, and tried to work on the problem of teacher education and strengthening K-12, and getting higher education leaders involved in that. That turned out to be—not a fool's errand, but a really difficult process. And it was difficult because, for a variety of reasons in this country, K-12 education has developed its own culture, its own desire to control and manage K-12, sometimes in a pretty top-down way. And it's hard for higher education to be an active player in K-12 because of that culture. K-12 also feels that higher education doesn't care, that it's preoccupied with its own agenda. And it's a serious problem for the country. And it's a serious problem for Illinois, because these educational systems are absolutely mutually interdependent. And to work together, and to strengthen each other, it needs to become a higher public priority. During the time I was at SHEEO, I had a couple of opportunities to make presentations to people in Illinois—the Board of Higher Education and others. And the numbers I saw suggested that Illinois had gone from a position of actually leading the nation in affordability, leading the nation in degree production, to lagging. And the numbers, particularly of degrees awarded in Illinois were going down. And it was an issue that people need to be concerned about in Illinois. And they need to be concerned about the relationship between K-12 and higher education. They need to be concerned about the numbers of students in Illinois that are

completing high school or not completing high school, and are not so academically gifted—or financially able—that they’re being recruited to go to other states. They’re staying right here, but they’re not getting the education they need to become fully productive citizens and lead really satisfying lives. So, you know, Illinois has lost a lot of ground in the twenty-first century; in education and in other ways. And it still has enormous residual strength because of its location, the cultural wealth of the city, and actually, the residual strength of the system of higher education throughout the state. But it needs to be mobilized, and it needs to be supported, and it needs to mobilize itself in ways that it hasn’t been fully effective in during the past ten or fifteen years.

Mahaffey: You wrote an op-ed recently with Dr. Richard Wagner about the importance of civic leadership on university and college governing boards. Could you share your thoughts on this topic? Why is civic leadership important?

Lingenfelter: Well, that op-ed in part was a response to public suggestions that we need to change the system of governance in Illinois. And one of my friends, Dennis Jones, who’s now retired as President of the National Center for Higher Education Management Systems, said that whenever things aren’t going well, the first resort is always to change the governance system; and it should be the last resort. Because it has all kinds of undesirable side effects. It sucks all the oxygen out of the system, and it’s very hard to change anything significant. And my experience during what I think was really the golden years of higher education in Illinois, was that it wasn’t because of the structure, it was

because of the people in the structure and the way they worked together, and the respect they shared for each other. The ability of people to work across party lines because everything wasn't a fight to the death. There were different perspectives on what the public needed, but there was a shared sense of what the public interest was. And the public interest is always in favor of providing education that equips the next generation for leading successful lives, and that equips the state economy to be successful in a very competitive world. And so it's not about what kind of organizational chart you lay over the system as much as it is—not that those things are unimportant, they do matter—but as much as it is what kind of leaders you recruit to it, what kind of respect you give them to do their job, having a sense of shared responsibility, and common interest, and common purpose.

Mahaffey: Paul, thank you so much for spending time with us today. I really appreciate it.

Lingenfelter: Thank you. It's been my pleasure.