THE DECISION-MAKING PROCESS
OF LOUISIANA’S EXECUTIVE UNIVERSITY
LEADERS DURING DECLINING STATE
APPROPRIATIONS FROM 2008 TO 2016

by

KELSEY WALDEN BOHL
CLAIRE MAJOR, COMMITTEE CHAIR
ARLEENE BREAUX, COMMITTEE CO-CHAIR
KARRI HOLLEY
FRANKIE SANTOS LAANAN
ADAM TATE

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ABSTRACT

Since 2008, the Louisiana state legislature has continually defunded public higher education. Decreased state funding has significant implications for public higher education, including decreased student access and college affordability. Overall, state funding for Louisiana higher education has decreased over $700 million resulting in a comprehensive reduction of 53% in state funding since 2008 (Comprehensive Approaches to Higher Education Funding, 2015; Russell, 2016). University leaders have had to make difficult decisions to adapt their campuses to constant fiscal depravity.

Through pragmatic qualitative research design, this research examined the decision-making process of executive university leaders of public institutions in Louisiana that have led their institutions through financial instability. The researcher sought to investigate how university leaders made decisions during times of continuous decreases in state funding through interviews with 17 current and former presidents of institutions within the University of Louisiana System, along with presidents of the University of Louisiana System and Commissioners of Higher Education. This research focused only on the University of Louisiana System because of the similarities of their institutional revenue streams.

This study answered how university presidents made decisions during times of continuous decreases in state funding, what important factors were considered during their decision-making process, and the key moments during their decision-making process.
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CHAPTER 1

INTRODUCTION

State funding for higher education affects all aspects of public higher education including student access, college affordability, and institutional accountability. State appropriations for public higher education have decreased drastically since 2008, and 46 states are spending less per student than before the recession (Mitchell, Leachman, & Masterson, 2016). Decreased state funding for higher education not only makes college unattainable for some students, but it also negatively affects the quality of education, jeopardizes states’ and students’ economic future, and causes university faculty and staff, including tenured professors, to become unemployed (Mitchell & Leachman, 2016).

Since 2008, state funding for Louisiana higher education has decreased over $700 million resulting in a comprehensive reduction of 53% in state funding (Comprehensive Approaches to Higher Education Funding, 2015; Russell, 2016). With only 16% of its adults possessing bachelor’s degrees, continued reductions in Louisiana’s higher education system can only further obstruct its educational progress in Louisiana (Louisiana Board of Regents, 2017; Wong, 2015).

Because the U.S. Constitution does not specifically mention higher education, it is the Tenth Amendment that dictates a dominant role in higher education policy development to the state (Sources of Higher Education Policy, 2015; Zumeta, 2012). The higher education budget in most states is considered discretionary; therefore, higher education must compete for funding
with other state programs like Medicaid, prison systems, and K-12 education (Weerts & Ronca, 2006.)

State policymakers tend to use the higher education budget as a balance wheel. During unstable economic periods, higher education funding is decreased; however, during healthy economic periods, funding for higher education usually increases (Rosenbaum, 2017). Additionally, it is difficult for states to recoup tax revenue lost during recessionary periods, and the 2008 recession has contributed to difficulties in restoring tax revenues back to pre-recession levels (Rosenbaum, 2017). Recouping lost tax revenue is even more difficult for states with governors and legislatures that implement staunch anti-tax initiatives, like Louisiana.

Decreases in state funding have led to major organizational changes within public higher education institutions in Louisiana. Universities have had to consolidate schools, merge academic and administrative departments, and eliminate academic programs. Across the state, universities have cut 336 academic programs and laid off 859 faculty members (Mulhere, 2015). University leaders have had to make extremely difficult decisions about the academic and administrative organization of their institutions caused by the continued decrease in state funding. Universities are also receiving increased pressure to prove their legitimacy and are being pushed by policymakers to demonstrate the productive use of taxpayer dollars (Li, 2017).

University leaders have made challenging choices regarding the priorities of the institution and student needs during times of economic uncertainty (Holley & Harris, 2010). Employee furloughs, larger class sizes, hiring freezes, and delayed facilities maintenance and construction are common institutional reactions to fiscal crises (Kelderman, 2009). University leaders have also had to make decisions on how new revenue streams can be implemented to balance the deficit, and institutions are now relying more heavily on student enrollment and
tuition as forms of revenue (Holley & Harris, 2010). Louisiana has increased tuition by approximately 99% since 2008 (Mitchell & Leachman, 2016). In a state where 84% of the high-demand job openings require a postsecondary degree, the burden of tuition increases, and student debt makes it extremely difficult to provide higher education access to Louisiana residents (Louisiana Board of Regents, 2016)

University leaders are tasked with ensuring their institutions survive not just presently, but for years to come. As the spearhead of the entire institution, presidents and chancellors make decisions to guarantee the survival of their institutions during economically unstable times. This study qualitatively explored the decision-making process of executive university leaders when leading an institution through financial instability. It is important to understand how public university leaders in Louisiana could adapt to unstable state financial support because of the unique financial environment in which Louisiana institutions operate. This study is needed to provide future university leaders with a detailed decision-making process used when public support for higher education is depressed and unstable.

**Statement of the Problem**

Before Louisiana Governor Jindal took office in 2008, Louisiana taxpayers were providing 60% of funding for public higher education (Russell, 2016). In 2016, state funding provided less than 25% of funding for public higher education (EAB, 2016). When Jindal took office in 2008, he signed an anti-tax pledge with Norquist’s Americans for Tax Reform organization which meant the state of Louisiana could not pursue new sources of revenue through tax increases (Banowsky & Mims, 2016) Therefore, discretionary funding, such as higher education and healthcare, were subject to decreases in state appropriations (Russell, 2016).
In years 2005 to 2006, post-Katrina Louisiana was in a unique position with a $1 billion surplus of funds due to federal assistance to rebuild the state (Banowsky & Mims, 2016). During the Great Recession, Jindal gave more tax breaks to businesses and corporations (Banowsky & Mims, 2016). However, the governor misjudged the post-Katrina economy and implemented many tax cuts that resulted in about $1 billion loss in tax revenue (Banowsky & Mims, 2016). Once the federal aid was expended, the state could not recoup the tax revenue loss because of the Americans for Tax Reform pledge (Banowsky & Mims, 2016). The Jindal administration chose to cut from different discretionary funds, including higher education, to remedy the budget deficit caused by excessive tax exemptions (Banowsky & Mims, 2016).

Due to excessive decreases in state funding for public higher education, Louisiana tuition and fees have increased by approximately 99% since 2008, and the cost burden has shifted from the state to students and families (Louisiana Board of Regents, 2016). Tuition and fees have increased $3,646 per year at four-year institutions in Louisiana since 2008 (Louisiana Board of Regents, 2016). Universities have also had to defer maintenance considerably since 2008. Deferred maintenance for higher education in Louisiana exceeds $1.5 billion, and funding for higher education for facilities maintenance has decreased 96% (Louisiana Board of Regents, 2016). Additionally, 63 cents of every dollar spent on higher education funding returns to the state of Louisiana for mandated costs (i.e., risk management, retirement, legislative auditor, insurance) (Louisiana Board of Regents, 2016).

It is the responsibility of university executive leaders to guide their institutions through unstable economic times. Louisiana maintains a bleak fiscal environment and has continued to impose cuts to Louisiana’s higher education funding, which negatively affects class size, tuition costs, and retention of faculty and staff (Louisiana Board of Regents, 2017). Executive university
leaders must make decisions that ensure the survival of their institutions during times of financial insecurity. By examining the decision-making process of university leaders, this research will provide future executive leaders with insight on how to adapt a public institution to continued decreases in state funding.

Figure 1 shows state appropriations from each university system in the state of Louisiana from fiscal year 2008-09 to fiscal year 2014-15.

Figure 1. State appropriations for Louisiana University Systems from FY09 to FY15 (Louisiana Division of Administration State Budgets).
Purpose of the Study

The purpose of this descriptive qualitative study was to understand the decision-making process of executive university leaders of four-year public institutions that are members of the University of Louisiana System who have led their institutions through continued decreases in state funding. The University of Louisiana System was chosen for this study because of the limited research on regional institutions. The University of Louisiana System enrolls over 90,000 students, which is the largest share of students enrolled in higher education in the state. Through semi-structured interviews with current and former presidents of all University of Louisiana System institutions, as well as the President of the University of Louisiana System, and Louisiana Board of Regents Commissioners of Higher Education, the researcher will identify and describe the decision-making process that these leaders used to implement solutions to ensure the survival of their institutions.

Significance of the Study

With higher education facing increased scrutiny from the public and state policymakers, it is imperative to understand how Louisiana universities will survive in a state that continues to fail to remedy a bleak fiscal situation. Research on the decision-making process of university executive leaders is imperative to Louisiana and other states that face consistent decreases in state funding. Investigating the decision-making strategies Louisiana higher education executives have employed will add to an understanding of complex organizational processes higher education institutions must implement to adapt to constant external factors that are out of the university’s control.

Funding for public higher education influences higher education access, affordability, and even institutional accountability through performance funding programs. Researching the
decisions made by university leaders in response to decreases in state funding will lead to improvements in policy and practice when Louisiana public higher education institutions are faced with decreased state support year after year.

During times of economic crisis, the university must reestablish its priorities (Holley & Harris, 2010). This research will establish the overarching priorities of leaders of each public institution of higher education in Louisiana and offer insights regarding the decisions and changes made to preserve existing or address emerging institutional priorities that have been established in response to the defunding of public higher education. This research will identify which institutions have shifted their missions and foci due to decreased state funding.

Another outcome from continuous reductions in state funding is often deferred campus maintenance (Tate, 2012). Louisiana has accumulated over $1.5 billion in deferred maintenance costs, and state funding to maintain its facilities has decreased by 98% since 2008 (Louisiana Board of Regents, 2016). Louisiana universities have no option but to operate with outdated buildings and antiquated infrastructure. The state legislature also urges Louisiana universities to continue to increase enrollment but does not support any updates in infrastructure to house incoming students.

In addition to interviews, the researcher visited and observed six University of Louisiana system campuses to determine the effect of defunding to the physical campus infrastructure. The researcher observed the library, main student center, main academic building, and landscaping of each campus. It is imperative to understand decisions that were made to defer maintenance of the physical campus because this knowledge provides background information regarding difficult ultimatums university leaders face when determining where scarce funds are best used.
Research on the defunding of public higher education and university leaders’ decision-making process is limited. Prior researchers have focused on the perceptions of financial management tactics through the lens of chief financial officers and academic deans using quantitative methodologies (Serna, 2015; Tate, 2012). Hartley (2014) conducted a qualitative case study which focused on the privatization of a single institution in Alabama. Hartley (2014) interviewed administrators across different divisions of the university and examined the influence of privatization on organizational changes made to adapt to decreased state funding.

Research focusing on the state of Louisiana has been centered on the Louisiana GRAD Act and higher education post-Hurricane Katrina (Cook, 2012; Johnson, 2011; Lind, 2016). Lind (2016) conducted a quantitative analysis of the Louisiana GRAD Act, Granting Resources and Autonomy in Diplomas. Lind’s (2016) research approach differed greatly from previous studies because of the quantitative methodology used as well as the focus placed solely on the Louisiana GRAD Act. Other research conducted regarding the state of Louisiana includes Johnson’s (2011) work which examined funding for higher education post-Katrina. However, Johnson (2011) only focused on public and private institutions in the New Orleans area. Research has also been conducted regarding the influence of partisanship, politics, interest groups, state governors, and state legislators on higher education policy and state appropriations (Dar & Lee, 2014; McLendon, Hearn, & Mokher, 2009; Tandberg, 2010; Tandberg, Fowles, & McLendon, 2017).

Previous researchers have not qualitatively studied the decision-making process of executive leaders during the defunding of higher education in Louisiana. This research adds to existing literature because it qualitatively investigates the decision-making process of university leaders when adapting campuses through continuous budget decreases. This research is also
unique because it focuses solely on the decision-making process of executive leaders of the University of Louisiana System.

**Overview of Methodology**

The basic design of this research is a qualitative design because it investigates the decision-making process of executive university leaders of institutions in the University of Louisiana System. The researcher used a descriptive qualitative approach because it seeks “to discover and understand a process of the people involved” (Merriam, 1998, p. 11). In addition to interviews, the researcher examined public documents, such as historical budget documents, to enhance the understanding of the financial situation university leaders experienced at their institutions. The researcher also conducted observations of the physical campuses to understand the decisions that were made by university leaders that resulted in deferred maintenance. The researcher observed the landscaping, main student center, main campus housing facility, library, and main academic building on each campus.

The researcher interviewed current and former presidents from all nine four-year public higher education institutions within the University of Louisiana System as well as the President of the University of Louisiana System and the Louisiana Commissioners of Higher Education who served during the timeframe of 2008 to 2016. The researcher designed interview questions to address the overall purpose of this research, which was to understand the decision-making process of executive university leaders of Louisiana’s public higher education institutions who led their campuses through fiscal instability.

**Research Questions**

The researcher examined the following questions among executive higher education leaders in Louisiana:
1. How do executive university leaders make decisions during times of decreasing state support for public higher education?

2. As university executive leaders make decisions to adapt to decreased state funding, what important factors do they consider?

3. What are the key moments in the executive leaders’ decision-making process in response to decreased state appropriations?

**Limitations**

Due to the qualitative nature of this study, one limitation that exists is the recollection of events since 2008 by presidents and executive higher education leaders. Additionally, because the presidents could have a relationship with the state legislature, responses to some interview questions could be compromised. Finally, a limitation may exist with the turnover of university leaders since 2008 and the ability to meet with former university leaders.

**Delimitations**

The delimitation to this study is that only executive higher education leaders in Louisiana will be interviewed for this research.

**Assumptions**

The researcher assumed that state appropriations data from each institution’s budget office are accurate. It was assumed by the researcher that presidents, system presidents, and commissioners have the appropriate understanding and experience with decision-making caused by the decline of state appropriations in Louisiana, and the researcher also assumed that the interview protocol appropriately addressed the research questions. Finally, the researcher assumed that interviewees truthfully answered the interview protocol regarding their decision-
making process in response to decreased state appropriations for Louisiana’s public four-year higher education institutions.

**Organization of the Study**

This dissertation is organized into five chapters. Chapter 1 provided an overview of the fiscal environment of Louisiana public higher education and the decline in state funding since 2008. This chapter also outlined the purpose of the study, which was to examine the decision-making process of executive university leaders during times of reductions in state funding for public higher education. Chapter 2 provides a review of existing literature related to the defunding of public higher education, the decision-making process of university leaders, literature regarding higher education in Louisiana, the decision-making process of industry leaders, the role of executive university leaders, and an overview of the conceptual frameworks. Chapter 3 provides a comprehensive explanation and justification of the methodology for this study, and includes the research methodology, site selection, participant selection, data collection, ethical consideration, and data analysis methods. Chapter 4 provides an in-depth examination of the results of this research. Chapter 5 presents the discussion, recommendations for future research, and conclusions obtained from this research.

**Conclusion**

Louisiana higher education is in a state of instability. The fiscal situation of the state has not improved, and the funding for higher education is far from what it was pre-recession. This study sought to investigate executive university leaders’ decision-making process when leading an institution through financial instability. Current and former executive leaders of all nine University of Louisiana System institutions comprised the population for this research as well as executive leaders of Louisiana’s higher education governing boards. The study of higher
education finance from the lens of decisions made by executive university leaders is pertinent to understanding the future of higher education in states that have not recovered from the Great Recession.

Louisiana is unique because leaders must prepare for decreased state support every year, which makes decisions about the university’s priorities extremely difficult. This research provides an in-depth examination of the university executive leaders’ decision-making process when faced with decreased state appropriations and will provide higher education professionals, state legislators, and the public an understanding of the effect of the defunding of public higher education in Louisiana through decisions made by executive leaders.
CHAPTER 2
LITERATURE REVIEW

Introduction

Chapter 2 provides an overview of current literature related to the decision-making process of executive leaders and the defunding of public higher education. The researcher examined published studies regarding the decision-making process of different levels of university and private industry leaders to provide a foundation for which this research is based. The researcher seeks to fill the gap in the literature by providing qualitative scholarly research regarding the decision-making process of executive leaders of four-year public higher education institutions in Louisiana who had to adapt to declining state support for public higher education since 2008.

Public vs. Private Good

The debate regarding whether higher education should operate as a public or private good has been ongoing. Investment in America’s public universities peaked in 1980 when approximately 60% of university funding came directly from state governments (Banowsky & Mims, 2016). By 2015, that investment had fallen to an average of 12% (Banowsky & Mims, 2016). Some institutions are in financial jeopardy due to continued decreases in state funding, and those institutions are largely regional campuses (Johnstone, 2011). Even with economic recovery, higher education will not experience significant improvements in funding (McGuinness, 2011). Financing of higher education underlies three important themes: quality, access, and efficiency (Johnstone, 2011). Quality refers to the relationship between higher
education’s funding and the quality of services it offers (Johnstone, 2011). Access describes who benefits from higher education, and efficiency depicts the cost-effectiveness of operations (Johnstone, 2011). Within these themes lies the overarching questions of who should pay, the students or taxpayers, and how much they should be paying (Johnstone, 2011).

If higher education is considered a public good, recent changes regarding the distribution of state resources contradict the assumption of public good (Holley, 2006). The challenges that public higher education face include responding to declining resources, increasing public demand, and conflicting expectations (Holley, 2006). Additionally, public higher education should simultaneously preserve the traditional core values of public higher education (Holley, 2006). Therefore, public higher education is continuously struggling with the conflicting forces of change and continuity (Holley, 2006).

Higher education is highly correlated with socioeconomic status, and higher education is essential for lasting employment (Johnstone, 2011). According to Johnstone (2011), conservative leaders would have higher education advanced through a private more market-oriented environment, and liberal leaders would have higher education exist as a public right. However, state governments continue to shift more of the cost of higher education onto students and families (Johnstone, 2011).

Legislative leadership in most states suggest that higher education institutions should operate like lean businesses and should be able to attract and retain customers (students) regardless of tuition prices (Banowsky & Mims, 2016). The rise in marketing, focused on increased student enrollments and institutional rankings, have underscored the shift of higher education towards commodification and marketization (Hossler, 2004). Universities are recruiting students who can bear the increased cost of attendance, and universities are more
actively recruiting out-of-state students to pay for declining state support (Fethke & Policano, 2012). Aggressive marketing techniques influences prospective students and family members to view their choice of higher education as a commodity to be purchased (Hossler, 2004). By adopting the *customer service* or commodification model, institutions of higher education are adding resort-like amenities, like lazy rivers, nicer gyms, dorm rooms, and dining halls, to attract students (Banowsky & Mims, 2016; Hossler, 2004; Webber, 2016). Tuition prices, tuition discounts, and rankings provide the *customers* a feeling of *trade-off* between the prices of higher education and the quality (Hossler, 2004).

Legislators argue that the excess in campus amenities, administrative bloat, and increased salaries for faculty members have contributed more to the increase in student tuition than the decrease in state funding (Webber, 2016). However, Webber (2016) disproved that assumption. Although those changes do affect the rising cost of tuition, decreases in state support impact rising tuition costs much more significantly (Webber, 2016). Webber (2016) found that rolling back all the spending on faculty salaries, campus amenities, and student services would save students $1,380, only one-quarter of the total increase of tuition. Student tuition would have actually declined for 17 states if state appropriations had remained stable since 2000 (Webber, 2016).

Governors and state legislators recognize that higher education has a revenue source (tuition and fees) and will use funding for higher education as a *budget balancer* or *balancing wheel* because other governmental services do not have a revenue component (McGuinness, 2011). The *balance wheel* treatment of public higher education support is a predictable cycle (Fethke & Policano, 2012). In each period of economic decline, tuition and fees have increased because state support for higher education has decreased (McGuinness, 2011). The shift from
state government subsidy for higher education to reliance on tuition as revenue has not considered long-term implications for student access and opportunity (McGuinness, 2011).

During state budgetary planning periods when the state is operating at a budget deficit, legislators have few alternatives and frequently choose to implement decreases in higher education funding because public education is a discretionary budget item (Fethke & Policano, 2012). Because of the revenue source of student tuition and fees, legislators have abandoned the philosophy of higher education being a public good (Fethke & Policano, 2012).

Higher education is usually the largest discretionary budget item in the state general fund budgets and must compete with other state programs like Medicaid, prisons, and K-12 funding (Zumeta, Breneman, Callan, & Finney; 2015). Louisiana spends approximately $25 billion per year, but 90% of that is required for debt service, prisons, state worker benefits, and federal mandates (Russell, 2016). Higher education is discretionary and, therefore, the easiest place to make cuts year after year (Russell, 2016).

**Accountability vs. Autonomy**

In the past, higher education experienced a significant level of autonomy, and accreditation self-studies were sufficient enough to satisfy the requirement of external accountability (Dee, 2006). The process of learning requires a level of autonomy granted by the concept of academic freedom (Schmidtlein & Berdahl, 2011). Learning differs from discipline to discipline, and student to student, so faculty must have the freedom in the classroom to adapt to different learning situations (Schmidtlein & Berdahl, 2011). The intricacy of learning requires a high degree of autonomy from external intervention and control if the higher education institution is to operate and perform effectively (Schmidtlein & Berdahl, 2011).
Today, higher education faces unprecedented external pressures, and the shift in states’ expectations and relations with higher education is significant for both higher education institutions and society (Dee, 2006; Schmidtlein & Berdahl, 2011). Increasing external demands have resulted in reduced state funding due to state leaders associating higher education with economic competitiveness to encourage market forces and promote higher education consumerism (Dee, 2006; Schmidtlein & Berdahl, 2011). Institutions of public higher education are faced with significant challenges derived from decreased resources (Altbach, 2011). Additionally, states have employed increased control over public higher education by implementing performance funding measures and state governing boards (Schmidtlein & Berdahl, 2011).

Ultimately, higher education institutions are accountable to the people who support them (Schmidtlein & Berdahl, 2011). The general public has become more conscious and critical of higher education (Schmidtlein & Berdahl, 2011). According to the experts, public institutions have to continuously “explain themselves, defend their essential character, and demonstrate that their service is worth the cost” (Schmidtlein & Berdahl, 2011, p. 73). Because of this public scrutiny, higher education institutions have had to become responsive to a wider range of interests, not just faculty, staff, and students (Schmidtlein & Berdahl, 2011). Institutional autonomy is now linked to state interests, economic competitiveness, and human capital development (Dee, 2006).

States have implemented programs in an effort to hold higher education institutions accountable to key performance measures (Zumeta et al., 2015). Performance funding, performance budgeting, and performance reporting are all accountability tactics implemented by state legislatures to improve student outcomes and institutional performance among higher
education institutions (Zumeta et al., 2015). Performance funding directly links the delivery of resources to institutional results on key performance indicators (Zumeta et al., 2015).

Performance budgeting uses a wide range of performance data and is applied in a general way by state policymakers; however, its influence is difficult to pinpoint (Zumeta et al., 2015). Performance reporting requires higher education institutions to report progress towards key goals to the state (Zumeta et al., 2015). A key weakness of performance-based funding is its fleeting nature: when institutions earn additional funding by meeting the states’ performance measures, the additional funding is cut during the next recession (Zumeta et al., 2015).

Public higher education institutions are directly answerable to the state and local government, and board governance plays a significant role in public higher education (Longanecker, 2006; Schmidtlein & Berdahl, 2011). States finance higher education through direct subsidy of institutions and acts as overseer of the public interest as well as the provider of higher education services (McGuinness, 2011). Many states have established governing boards for higher education institutions that are under legislative control (Schmidtlein & Berdahl, 2011). These governing boards serve as mediators between the institution and the legislature, represent the public interests, and are responsible for assuring the institution is held accountable to its multiple constituencies (Longanecker, 2006; Schmidtlein & Berdahl, 2011). The governing board makes financial decisions that parallel with state financial policy (Longanecker, 2006).

All states assign responsibility to governing boards for public institutions, which are comprised of lay citizens, either appointed or elected, to represent the public interest (Longanecker, 2006; McGuinness, 2011). The Louisiana Board of Regents was established in 1974 with multiple responsibilities. The Louisiana Board of Regents is responsible for the review or elimination of degree programs and departments and oversight of proposed academic
programs and departments (Louisiana Board of Regents, 2016). The Board of Regents also studies the need for new postsecondary institutions, formulates a master plan for higher education in state (including the master funding formula), and reviews annual budget proposals for operating and capital budgets of each public higher education institution (Louisiana Board of Regents, 2016).

Public higher education institutions are governed by multiple constituencies, which complicates accountability measures (Schmidtlein & Berdahl, 2011). The purpose of multiple governing bodies is to “protect institutions from short-term political trends, ensure stability, and guard the institution from intellectual fads or inappropriate control of the institution by single interest groups” (Wellman, 2006, p. 53). By ensuring the strength of the institution, the state then ensures the ability for higher education to fulfill the public good (Wellman, 2006).

Public institutions are also now required to submit data regarding student outcomes and evidence whose results have been attained at a reasonable cost (Schmidtlein & Berdahl, 2011). Additionally, states require institutions to ensure financial accountability through the submission of line-item budgets and auditing processes (Dee, 2006). Due to increased oversight from state governments, institutional autonomy can be viewed as a tug-of-war between complete autonomy and total accountability (Dee, 2006). Academic programs are also subject to accountability procedures through quality assurance mechanisms like program reviews and individual faculty member productivity measures (Dee, 2006).

**Historical Context of Louisiana’s Higher Education Funding Structure**

Higher education began in the 19\textsuperscript{th} century as a primarily private industry, with the University of Georgia, Ohio University, and the University of Virginia being the only existing
public institutions (McGuinness, 2011). States played a minor role in higher education until the Morrill Land Grant Act of 1862 (McGuinness, 2011).

The level of state involvement in public higher education originated with the University of Illinois through the president’s lobbying for funding (Thelin, 2004). Multiple universities in the Midwest were receiving federal research grants, but the University of Illinois was not earning the same level of funding that the flagship universities in the Midwest were receiving (Thelin, 2004). The University of Illinois’ president began lobbying the state legislature for stable funding for undergraduate and graduate education rather than specific research tied to federal funding grants. Due to the University of Illinois efforts, state appropriations became standard for public higher education funding in 1910 (Thelin, 2004).

It was not until the expansion of higher education in the 1950s and 1960s that states began to engage in a more deliberate promotion of higher education and established a deliberate model of funding for public higher education (McGuinness, 2011). During the 1960s and 1970s, enrollments for higher education increased rapidly and state support for higher education increased 336% (Klein, 2015). State support continued to increase until the 1980s (Klein, 2015). However, funding began to level off and steadily decline during the 1990s (Klein, 2015). Due to the Great Recession, 43 states decreased their funding for higher education between the years 2008 and 2011 (Klein, 2015).

Louisiana was late in making higher education a priority; it was not until 1930 when Governor Long actively sought to make Louisiana State University (LSU) a nationally recognized institution (Russell, 2016). Governor Long quadrupled LSU’s budget, hired new professors, oversaw the construction of a football stadium, and established a medical school in New Orleans (Russell, 2016). Louisiana continued to invest in higher education throughout the
1960s and 1970s, but the oil bust of 1980 caused the beginning of the disinvestment of Louisiana’s public higher education (Russell, 2016). By 1989, Louisiana ranked number 32 in terms of the state’s investment in higher education (Russell, 2016). Louisiana’s funding for higher education remained stagnant until Governor Foster took office in 1996 and vowed to make education a priority (Russell, 2016). After Governor Foster’s time in office, his successor, Governor Kathleen Blanco, was able to move Louisiana up to number six in terms of funding for public higher education (Russell, 2016).

Governors Blanco, a centrist Democrat, and Foster, a pro-business Republican, made education a priority, and in 2007, Louisiana, for the first time, reached the Southern Region Education Board average in support for higher education (Russell, 2016). Louisiana has faced massive decreases in state funding from 2008 to 2016. Under the leadership of Governor Jindal, Louisiana has seen a comprehensive decrease in state support of higher education of over $700 million (Russell, 2016). Jindal, whose former positions with the state were President of the University of Louisiana System and Secretary of Health and Hospitals, implemented more subsidies for corporations than any other state (Griswold, 2015). In addition to corporate incentives, Jindal restructured Louisiana’s tax system (Griswold, 2015).

Louisiana was in a unique position when Jindal took office. Due to federal aid from Hurricane Katrina, the state was operating at a $1 billion surplus (Griswold, 2015). Jindal and state legislatures passed legislation that increased spending by $1 billion and implemented the Stelly plan, which abolished state sales tax on food, prescription drugs, and other utilities while increasing income tax on the upper-middle class and the wealthy (Griswold, 2015). The Stelly Plan, named for its author Representative Stelly of Lake Charles, was revenue neutral but aided lower-income Louisiana residents who pay a larger share of their income on utilities and food
(Pierce, 2015). This legislation was not favorable among upper-class taxpayers, the Stelly Plan was repealed in 2008, and tax rates were restored to prior levels; however, the state sales taxes were never reevaluated or reinstated (Griswold, 2015).

By shifting from its reliance on state income tax, the state became dependent on oil and gas revenue, which led to boom or bust cycles that Louisiana has experienced over the past 10 years (Griswold, 2015). The result was a $358 million decrease in state revenue (Pierce, 2015). The falling price of oil is not the sole culprit of Louisiana’s budget problem (Spires, 2015). Decreasing oil prices only account for less than a quarter of the budget shortfall in Louisiana (Spires, 2015). The series of large tax cuts implemented by the Jindal administration accounts for over 75% of the budget deficit (Spires, 2015). The drop in oil prices only made Louisiana’s budget situation worse (Spires, 2015). Primary factors causing the continued instability of Louisiana’s state budget are the appeal of the Stelly plan in 2007 and 2008, which reduced Louisiana’s tax base and the growth of spending through tax credits and exemptions (Spires, 2015). Due to a number of constitutional amendments that protect other state programs but leave higher education and healthcare unprotected, and along with Norquist’s Americans for Tax Reform Pledge, higher education has been on the chopping block for almost a decade (Griswold, 2015).

In 2008, the state government provided 60% of the funding for public higher education in Louisiana (Russell, 2016). Decreases in state support have hit the University of Louisiana System particularly hard (Mann, 2016). In fiscal year 2009, the University of Louisiana System received 62% of its funding from the state and 38% from tuition in fees (The University of Louisiana System, 2015). In fiscal year 2015, the University of Louisiana System received 31% of its funding from the state and 69% from tuition and fees (The University of Louisiana System,
The University of Louisiana System has experienced a decrease in state funding of $293 million since 2008 (The University of Louisiana System, 2015).

In 1995, a Louisiana constitutional amendment passed that requires public institutions to obtain two-thirds of the legislative vote to make tuition decisions (University of Louisiana System, 2016). Louisiana is the only state that requires state legislative vote for such decisions (Miao, 2012). The GRAD (Granting Resources and Autonomy for Degrees) Act that was implemented in 2010 allowed the higher education governing boards to approve tuition decisions contingent on the universities meeting certain performance measures (Lind, 2016). However, the GRAD Act completed reporting in fall 2016, and the Louisiana legislature brought forth a constitutional amendment for public vote that would grant public universities complete autonomy regarding tuition decisions (Associated Press, 2016). Louisiana residents voted on Amendment 2 during the November 2016 election, and the amendment was rejected (Associated Press, 2016). Louisiana remains the only state that requires a two-thirds legislative vote to implement tuition changes.

**Higher Education Financial Management**

The debate as to whether higher education is a public or private good has been ongoing with state policymakers, and even the ideas shared in the classroom are being viewed through the lens of taxpayer worthiness (Banowsky & Mims, 2016). State legislators are pushing higher education institutions to prove their worth, whether that is through increased enrollment, efficient operations, or increased graduation and retention rates. In addition, the public perception of higher education has taken a pessimistic turn, and the communities in which higher education exists are vital to the financial sustainability to the institution (Weerts, 2015).
Weerts (2015) conducted a longitudinal case study spanning 20 years of data and found that research universities received a disproportionate amount of state support and were in urban areas where community engagement initiatives were prevalent. By examining whether public engagement had a positive influence on state support for public higher education, Weerts (2015) found that the value of higher education is under criticism for not having value within the communities they serve.

Higher education benefits the public and the state economically and socially (Zumeta, 2004). Graduates of Louisiana institutions stay in the state and boost the local and state economies. Students who attend institutions of higher education in Louisiana are more likely to stay in Louisiana. Nearly 90% of all students enrolled in Louisiana higher education institutions are from Louisiana (Louisiana Board of Regents, 2016). The Louisiana workforce is demanding skilled workers with higher education backgrounds in fields like computer science, engineering, statistics, and accounting (Louisiana Board of Regents, 2017). If the rate of graduates in those fields remains at the same level presently or declines at Louisiana institutions, those industries will not be able to fill job openings and the state will be at risk of those industries moving elsewhere.

Researchers have studied perceptions of chief financial officers and academic deans regarding decisions made regarding financial management tactics in response to decreasing state appropriations (Serna, 2015; Tate, 2012). Tate (2012) quantitatively researched the perceptions of chief financial officers on financial management tactics implemented in response to the eroding state appropriations and found that chief financial officers use data, analysis, and direct information to make decisions. The chief financial officers surveyed possessed similar skillsets and made decisions in similar ways regardless of individual demographic characteristics. Tate
(2012) used rational choice theory as the theoretical framework of the study because chief financial officers make rational decisions to ensure the financial stability of the institution.

Tate (2012) also examined the sources of information that were most influential for chief financial officers’ financial decision-making, what guided their decisions, if the implemented financial management strategies resulted in the desired amount of institutional fiscal stability, and if there was a difference in financial management strategy types. Chief financial officers relied on personal experience as the most widely used tactic in their decision-making process (Tate, 2012). Consulting with colleagues was also highly influential when chief financial officers were considering solutions for financial management (Tate, 2012). When considering what financial management tactics to implement, chief financial officers reported that the institution’s strategic plan was the most critical factor for consideration (Tate, 2012). Tate (2012) reported that chief financial officers used the strategic plan as a critical component in their decision-making process to minimize negative consequences of their decisions, which is supported by rational choice theory. By closely aligning the institution’s priorities with the implemented financial management solution, the chief financial officer reduced the possibility of implementing tactics that could negatively affect the institution (Tate, 2012).

Tate (2012) also reported that chief financial officers’ decision to increase student tuition and fees was the most commonly used financial management tactic to offset decreased state support; 72 of the 74 respondents indicated that student tuition and fees had been increased (Tate, 2012). Chief financial officers implemented financial management strategies that satisfied their desired level of institutional financial stability, but continuous reductions in state support could initiate a more drastic approach to financial management (Tate, 2012). Tate (2012) also found that institutions should involve campus constituents in the decision-making process when
considering financial management solutions to decreasing state support. Chief financial officers sought advice and recommendations from other campus leaders to gather as much pertinent information as possible before making a final decision (Tate, 2012). Regarding suggestions for future research, Tate (2012) called for “a future study, using primarily qualitative measures, should be conducted to better evaluate and understand the decision-making process related to the development of financial management responses at institutions of public higher education” (p. 159).

Expanding on Tate’s (2012) study of the financial management tactics of chief financial officers, Serna (2016) examined academic deans’ perceptions of financial management responses to decreased state support. Serna (2016) used an online survey to gather information about the tactics and strategies implemented and perceptions of the academic deans regarding the effectiveness of implemented financial management measures. Serna (2016) investigated the financial management strategy most commonly implemented, the financial strategies that satisfied the desired level of financial stability for academic deans, and the channels of information most influential for academic deans during their decision-making process regarding financial-management strategies. Serna (2016) also examined the factors that guided the financial management response implemented by academic deans and perceptions regarding the effectiveness of implemented strategies, findings were different between chief financial officers and academic deans.

Based on a sample population of 173 institutions that experienced at least a 5% decrease in state funding in 2009, Serna (2016) surveyed 1,053 academic deans. Survey respondents included 109 academic deans who were responsible for the management of academic departments (Serna, 2016).
Serna (2016) found increased fundraising and development efforts were the most common financial management tactics implemented by academic deans. The second most common tactic was an increase in student tuition and fees (Serna, 2016). When examining the desired level of financial stability of the implemented financial management tactics, Serna (2016) found that academic deans were only moderately satisfied with the implemented solutions. The channels of information that were most influential in the academic deans’ decision-making process included their own personal experience and discussions with colleagues (Serna, 2016).

Academic deans reported that avoidance of perceived negative political consequences most influenced their financial management decision-making process (Serna, 2016). Additionally, academic deans used the institutional strategic plan during their decision-making process, and the strategic plan served to guide their decision-making process (Serna, 2016). Serna (2016) found that both academic deans and chief financial officers perceived increased student tuition and fees as the most effective financial management strategy.

Serna (2016) concluded that traditional responses to decreased state support remain popular, and both academic deans and chief financial officers perceived traditional solutions to be most effective. Increasing student tuition and fees was ranked as the second most used financial management tactic by both chief financial officers and academic deans and perceived as having the greatest fiscal effect (Serna, 2016; Tate, 2012). Lastly, Serna (2016) noted that it is critical for institutional leaders to include academic deans during the financial management decision-making process. Allowing academic deans to actively participate in the decision-making process provides a valuable source of input and helps to ensure that deans and faculty support decisions made by top institutional leaders (Serna, 2016).
Harley (2014) conducted a case study that examined the strategies that one public institution used to respond to major decreases in state funding. Hartley’s (2014) study described how higher education administration has shifted to a privatized model as well as how administrators have experienced this change. University administrators have had to adapt to continuous changes in state support and moved towards more of a privatization model by increasing fundraising efforts and the diversification of alternative revenue streams (Hartley, 2014). Hartley (2014) researched the strategies administrators used to offset lost revenue from decreased state funding, how these strategies aligned with privatization, and the meaning of this shift for administrators.

Based on interviews and document analysis, Hartley (2014) used organizational change and change theory to examine administrators’ experiences of privatization at one southern research university. The site selection was a large, public research university in the southeast region of the United States that had experienced unprecedented growth during the last 10 years (Hartley, 2014). State appropriations to this institution had decreased every year since 2008 (Hartley, 2014)

Hartley (2014) used purposeful sampling to identify study participants and chose participants who had decision-making power within their position as well as institutional knowledge. Hartley (2014) interviewed 24 administrators using two different interview protocols, one for central administrators and deans and one for staff members. The researcher identified five themes through data analysis of collected interviews that described administrators’ experiences with privatization. The themes included emphasis on enrollment growth, brand management, generating increased revenue, power at the top, and creating buy-in (Hartley, 2014).
Administrators perceived enrollment growth to be the most powerful strategy when adapting to decreases in state funding (Hartley, 2014). Administrators perceived student recruitment, with a heavy focus on recruitment of out-of-state students, as a top priority of the institution and engaged in recruitment of prospective students regardless of their role on campus (Hartley, 2014). Brand management was also perceived to have a significant effect on the university’s privatization strategies (Hartley, 2014). Administrators suggested the university had become a public relations and marketing organization, and the institution uses its marketing strategy to gain publicity, improve rankings, and recruit more students (Hartley, 2014).

According to Hartley (2014), administrators perceived generating alternative revenue as an important priority of the university. Administrators had pursued increases in tuition, entrepreneurial thinking, private gift fundraising, and increasing grants and contracts as alternative revenue streams during the time of decreasing state support (Hartley, 2014). Hartley (2014) found that administrators perceived power at the top as an effect of privatization. Financial decisions had shifted to higher levels of the institution (Hartley, 2014). Finally, Hartley (2014) discovered that administrators perceived buy-in as an important strategy to adapt the institution to decreased state support. Buy-in from alumni, parents, and the campus played a key role in the privatization strategies of the institution (Hartley, 2014).

Hartley, Serna, and Tate all identified student tuition and fees as the most widely used and effective financial management strategy when facing decreases in state funding (Hartley, 2014; Serna, 2016; Tate, 2012). Both Tate (2012) and Hartley (2014) called for future research to examine the decision-making process of university leaders when implementing financial management strategies in response to dwindling state support. The funding model of public higher education is changing, and the understanding of how university leaders make difficult
decisions during times of financial instability is significant for future university leaders, administrators, and policymakers.

**Relationship between Politics and State Appropriations**

Researchers have found a relationship between politics, state public policy, and state appropriations (Li, 2017; Tandberg et al., 2017). Tandberg et al. (2017) examined the relationship between the governor and the State Higher Education Executive Officer (SHEEO). The authors investigated if the relationship between the governor and the SHEEO affected funding for public higher education by collecting data based on whether the governor, who appointed the SHEEO, could also dismiss it. The study was comprised of 1,225 data observances collected from various public sources; the authors conducted a fixed regression model to determine the results. The researchers determined the relationship did not influence higher education spending, and the governor had influence over decisions made that impacted state higher education when the governor has the power to dismiss the SHEEO, rather than the power to appoint the SHEEO.

Li (2017) examined the relationship between public policy and state appropriations for higher education gathering data from all 50 states between the years 1980 to 2009. Li found that economic and political conditions were the best predictors of state appropriations for higher education. Additionally, high unemployment rates were predictors of decreases in funding for higher education (Li, 2017).

Weiss (2014) examined the increasing cost of higher education. College students left college with an average of $26,000 in debt. Policymakers are critical of higher education for being extremely expensive and producing graduates who are not ready for the workforce while decreasing state funding for public higher education. Weiss (2014) found that legislators
expressed a belief that even without decreases in state appropriations, higher education institutions would still increase tuition. The legislators interviewed stated that higher education institutions have resisted taking measures such as decreasing administrative costs, evaluating the effectiveness of programs, and looking at new delivery systems (Weiss, 2014).

**Louisiana Higher Education**

Louisiana is a unique state because higher education has had to adapt to decreased state support every year since 2008 (Mitchell et al., 2016). Researchers have conducted several studies regarding higher education in Louisiana, but not all of these studies focus on the defunding of public higher education that Louisiana has faced since Governor Jindal’s administration. Louisiana has faced a 53% reduction in state funding since 2008 and has increased student tuition by almost 80% (Mitchel & Leachman, 2016; Russel, 2016). This section of the chapter will examine prior research regarding higher education in Louisiana with an emphasis on the Louisiana performance funding through the GRAD Act and funding for higher education post-Hurricane Katrina.

**Performance Funding**

In 2010, Louisiana legislature passed the Granting Resources and Autonomy for Diploma (GRAD) Act (Cook, 2016; Lind, 2016). The GRAD Act was Louisiana’s foray into performance funding, although it did not provide any additional funding to universities, only autonomy when making tuition decisions (Lind, 2016). The GRAD Act required higher education institutions to report on more than 50 performance measures under the following areas: student success, articulation, transfer, workforce development, and institutional efficiency (Lind, 2016)

The Louisiana GRAD Act was the legislature’s attempt to improve higher education institutions’ enrollment and retention efforts by incentivizing autonomy for tuition increases,
construction freedom, and technology decisions (Jakiel, 2011). Louisiana is the only state that requires any tuition decision to obtain two-thirds of the state legislative vote, and the GRAD Act allowed public universities that met performance standards to increase tuition by 10% without legislative approval (Miao, 2012). However, the GRAD Act completed its final year of reporting in fall 2016. On November 8, 2016, Louisiana residents voted on an amendment to the Louisiana constitution that allowed higher education institutions to increase or decrease tuition without legislative approval; the amendment was rejected (Associated Press, 2016).

Lind (2016) quantitatively studied the implementation of the Louisiana GRAD Act and its effect on Louisiana’s public, four-year master’s and research institutions. Lind (2016) examined the changes that had been made to the selected performance measures, the changes in state funding have institutions experienced since the implementation of the GRAD Act, the relationship between funding and GRAD Act performance indicators, and the change in tuition rates since the implementation of the GRAD Act. Lind (2016) used data from the Louisiana Board of Regents and the Integrated Postsecondary Education Data System (IPEDS).

Lind (2016) found that year 1 to year 2 retention rates increased during the implementation period of the GRAD Act. Doctoral degree institutions also had a positive change in the number of doctoral degrees awarded, and the overall number of bachelor’s and master’s degrees also increased over time. However, not all institutions experienced positive changes. Some indicated negative changes in degrees awarded following the implementation of the GRAD Act. It was due to some institutions having significant increases in certain measures that the overall population had positive results for retention and degrees conferred (Lind, 2016).

Following the implementation of the GRAD Act, Louisiana experienced accelerated decreases in state funding (Lind, 2016). Reductions continued based on pressure from the GRAD
Act for institutions to increase productivity, retention, graduation, and efficiency (Lind, 2016). Almost all public, four-year institutions in Louisiana met their performance targets and benchmarks, but higher education funding still declined (Lind, 2016). Institutions found themselves using their autonomy from the GRAD Act to increase tuition to offset the decreases in state funding (Lind, 2016).

Lind (2016) also found that a negative relationship existed between funding the performance indicators, which may not be surprising since institutions continued to experience eroding state appropriations after the implementation of the GRAD Act. Even though state support decreased, most of the public institutions in Louisiana maintained or increased their GRAD Act performance measures. This result, however, does not imply causation (Lind, 2016).

Since the passage of the Louisiana GRAD Act, tuition has increased significantly at all of the institutions included in Lind’s study. From the implementation of the GRAD Act in 2010 to 2015, the cost of attendance increased by 69% (Lind, 2016). The Louisiana GRAD Act did not provide institutions with additional funding like many other states’ performance funding models. The GRAD Act provided Louisiana higher education the ability to increase tuition without the necessary two-thirds vote from the legislature, and institutions used this autonomy to offset the deeps cuts to state funding for higher education.

Cook (2016) also studied policy related to the Louisiana GRAD Act and analyzed policy changes and initiatives implemented at select four-year, public institutions in Louisiana due to this legislation. Cook (2016) explored how select four-year, public institutions responded to the performance objectives of the GRAD Act and if there were unintended consequences of policies created in response to the GRAD Act. Using purposeful sampling, Cook (2016) identified which individuals would be best suited to interview. Cook (2016) interviewed three individuals from
each of the selected institutions, one upper-level administrator with extensive exposure to the GRAD Act, one middle management staff with exposure to the GRAD Act, and a faculty member with knowledge of the GRAD Act. Cook (2016) found that participants from all four institutions expressed the belief that they recognized the importance of retention and graduation rates about a decade before the GRAD Act was passed. All institutions reported making changes to first-year initiatives in attempt to increase retention and graduation rates (Cook, 2016). Changes to scholarship programs, mentoring programs, and enhanced student tracking were also mentioned as institutional responses to the GRAD Act (Cook, 2016). The GRAD Act influenced decision-making and resulted in new initiatives designed to aid institutions in meeting their targets set by the GRAD Act (Cook, 2016). According to Cook (2016), administrators perceived the GRAD Act did not address the current and future workforce needs of the state.

Administrators identified several unintended consequences caused by the GRAD Act. One unintended consequence was the tuition swap, which refers to the inability of higher education institutions to keep the additional tuition revenue because the state legislature continued to decrease state support to higher education (Cook, 2016). The GRAD Act was also perceived by administrators to have a negative effect on student recruitment due to institutions designing freshman cohorts to include only those students who were more likely to succeed and limiting higher education to a large population of Louisiana citizens (Cook, 2016). Faculty morale also suffered because of the GRAD Act. Faculty communicated that the state did not value education, stating “government leaders…basically saying that you are not worthy” (Cook, 2016, p. 175).

The Louisiana GRAD Act completed reporting in fall 2016. To address the concern of decreased funding for higher education, the state legislature put tuition decision-making
autonomy in front of voters during the November 2016 election (Hall & Karadas, 2018). Amendment 2 would have provided universities the authority to increase tuition without legislative approval (Hall & Karadas, 2018). However, Amendment 2 failed to pass with approximately 57% of voters opposing the amendment (Hall & Karadas, 2018). The only parish that voted in favor of the amendment was Lincoln parish, home to Louisiana Tech University and Grambling State University (Hall & Karadas, 2018).

Hall and Karadas (2018) examined parish-level voting of Amendment 2 and found that two populations had a higher voter percentage in favor of Amendment 2, African-American voters and university employees. Hall and Karadas (2018) also found that student enrollment at Louisiana’s public institutions did not play a role in the voting of Amendment 2. Louisiana public higher education institutions remain subject to a legislative vote when proposing tuition changes.

Higher Education Post-Hurricane Katrina

After Hurricane Katrina struck New Orleans in September 2005, about 50,000 students were displaced (Jarrell, Dennis, Jackson, & Kenney, 2008). Johnson (2011) examined the funding of higher education post-Katrina and found the federal funding formula that awarded emergency aid for rebuilding disadvantaged all institutions of higher education in New Orleans. The federal formula split funding for Louisiana and Mississippi higher education equally even though Mississippi did not experience the same level of damage as Louisiana (Johnson, 2011). Federal funding for Historically Black Colleges and Universities (HBCUs) in New Orleans was disproportionately lower than funding for other universities. Federal allocations to HBCUs Dillard University, Southern University New Orleans, and Xavier University, only accounted for 21.6% of the $95 million granted to higher education. Tulane, the University of New Orleans,
and Delgado Community College, received about 55.4% of these total federal funds (Johnson, 2011).

Watson, Melancon, and Kinchen (2008) examined funding for Louisiana’s technical and community colleges post-Hurricane Katrina. Watson et al. (2008) found that the need for institutions of higher education to pursue other sources of funding had accelerated since Hurricane Katrina. The authors analyzed three case studies where colleges pursued grant-funding opportunities and found that colleges could no longer wait passively for funding (Watson et al., 2008). Despite the need for colleges and universities to aggressively seek out new types of funding or revenue streams, grant funding comes with conditions that can affect the landscape of the institution. The authors also found that transformational leadership is needed during times of disaster, like Hurricane Katrina (Watson et al., 2008).

**Decision-making Process of University Leaders**

Researchers who have studied decision-making with university leaders have found that many factors affect the decision-making process. Politics and policy, available data, moral and legal implications, and the use of shared governance play important roles in the decision-making process of university leaders (Bates, 2014; Block, 2014; Johnson, 2016; Pauken, 2012).

**External Pressures**

Research on decision-making related to resource dependency in higher education has found that external factors influence decision-making including economic conditions, political actors and their political views, legislation, and governmental and regulatory bodies (Goldstein, 2005; Slaughter & Rhoades, 2004). Goldstein (2005) found that economic conditions had the greatest influence on institutional decision-making. External factors were frequently out of the decision-maker’s control and can push institutions into financial crisis (Goldstein, 2005).
Scholars who have studied the influence of external pressures on decision-making within higher education found that external pressure can lead to poorly implemented solutions, and institutions should focus on their individual missions and data collection when making difficult decisions (Leslie & Fretwell, 1996; Slaughter & Rhoades, 2004).

University leaders make decisions in an increasingly complex environment due to decreased state support, pressure to create new revenue sources, and governmental and public scrutiny (Garza Mitchell, 2012; Jones, 2014). Boundaries of government, university, and economy are becoming less clear as each sector influences the others (Block, 2014). Politics and policy play significant roles when executive leaders make decisions, and internal and external factors influence university leaders’ decisions (Block, 2014). According to an interview with former Louisiana State University chancellor, O’Keefe, public universities like LSU depend on state appropriations derived from the initiatives of the current governor, student tuition revenue, philanthropic gifts, and federal and state research grants (Lambright, 2015).

Block (2014) examined the decision-making of kinesiology department chairs and found that it was important for chairs and other university leaders to understand the complex environments in which decisions are made and how politics play a role in those decisions (Block, 2014). Block (2014) found that when kinesiology department chairs made decisions, they frequently utilized the department’s political capital to ensure a positive outcome for the kinesiology department. However, executive leaders face multiple political pressures from different constituencies (Block, 2014). Like politics, university leaders must act on behalf of their constituents and determine the course of action that would most benefit their institution (Block, 2014).
Decision-making during Disaster

During a disaster, like Hurricane Katrina, university leaders make important decisions to mitigate the chaos. Gardner et al. (2007) examined the decision-making process of student affairs officials during the immediate wake of Hurricane Katrina. Through interviews, the authors found decision-making processes varied by type of institution. Smaller, private universities had a more collegial approach to decision-making and shared values and power (Gardner et al., 2007). At large, public institutions, however, top administrators made decisions and did not consult student affairs officials (Gardner et al., 2007). The authors found administrators at private universities had more positive feedback than administrators at public institutions about the decision-making process post-Katrina (Gardner et al., 2007). Public institution administrators stated that they had lost confidence in their leaders and the institution became more insular during decision-making; during this time of disaster the leadership had become much more centralized than democratic (Gardner et al., 2007).

Data-driven Decision-making

Due to the recent accountability climate surrounding higher education, researchers have advocated for leaders in higher education to develop and sustain a culture of data-driven decision-making (Hellmich & Feeney, 2017; Johnson, 2016; Leimer, 2012). Data-driven decision-making uses data, research, and literature to determine the best courses of action when analyzing multiple solutions (Leimer, 2012).

Johnson (2016) researched the decision-making process of six enrollment managers using bounded rationality as a theoretical framework. Through interviews with six enrollment managers Johnson discovered the complex decision-making process these managers employed. Several themes emerged from these interviews with enrollment managers (Johnson, 2016).
Enrollment managers suggested there was not enough time to consider all information to make decisions, so they had to quickly make decisions based on the information at hand (Johnson, 2016).

Data are critical when making decisions, and enrollment managers gathered institutional, regional, and national data from reports, budgets, and inventories to inform their decisions (Johnson, 2016). Enrollment managers also admitted, almost apologetically, that sometimes they made decisions based on instinct and experience (Johnson, 2016). Although enrollment managers preferred using data to drive their decision-making, sometimes data and experience collided, and decisions were made based on instinct and experience (Johnson, 2016). Overall, when it came to decision-making, enrollment managers were adamant about using data to drive their decisions (Johnson, 2016).

**Moral and Ethical Considerations**

Prior research has found that ethical, moral, and legal implications influence the decision-making process of university leaders (Garza Mitchell, 2012; Mattocks, 2016; Pauken, 2012). A popular leadership proverb states, “Managers are people who do things right, and leaders are people who do the right thing” (Bennis & Nanus, 2003, p. 20). However, the definition of the *right thing* depends on the leader’s interpretation and their personal code of ethics, which heavily influence their decision-making (Garza Mitchell, 2012). Theoretically, decision-making and leadership are led in parallel with the institution’s mission and values; however, each institutional leader interprets the mission and values differently (Garza Mitchell, 2012). Leslie and Fretwell (1996) found that decisions made during difficult times are more likely to be made by executive leaders and therefore reflect the leader’s personal belief system.
Garza Mitchell (2012) qualitatively examined ethical decision-making among community college presidents and found that decisions made by community college leaders required a “balance of stakeholder need versus college resources, mission, vision, and values” (p. 64). Garza Mitchell (2012) interviewed 13 community college presidents in one midwestern state; the state was selected because of its declining economy, high unemployment rate, and lack of statewide system for higher education. Community colleges expect the leaders to be familiar with the American Association of Community Colleges’ (AACC) Competencies for Community College Leaders, which defines ethical competencies that community college leaders should possess (Garza Mitchell, 2012). The researcher coded interview transcripts for themes derived from the Competencies for Community College Leaders publication (Garza Mitchell, 2012).

Garza Mitchell (2012) found that all presidents interviewed cited resource management as the most critical part of their decision-making. Because each community college president interviewed experienced increased student enrollment, these presidents were faced with the decision of where to best allocate resources, which programs to eliminate or grow, and which student programs should be considered (Garza Mitchell, 2012). At the time of the interviews, not all colleges had experienced severe declines in state support; however, all interviewees stated that they expected they would face a decline in state support within the next three years (Garza Mitchell, 2012).

Garza Mitchell (2012) found three of the 13 presidents possessed an authoritarian style of leadership and believed that decision-making should be conducted at the presidential level and did not require much, if any, feedback from others. These presidents expressed a belief that decision-making was a purely rational process and should not involve emotion (Garza Mitchell, 2012). The ethical outlook of interviewees aligned with that of transactional leaders who place a
high value on rules (Garza Mitchell, 2012). Garza Mitchell (2012) also found that presidents’ personal codes of ethics greatly influenced their interpretation of the AACC competencies, the institutional mission, and their own leadership role. Presidents who led with an authoritarian style valued financial return on investment to the institution (Garza Mitchell, 2012). Presidents who led with an ethical and moral obligation placed a high value on the return on investment to the neediest students and sought out other ways to enhance the college’s finances (Garza Mitchell, 2012). Essentially, authoritarian leaders valued solutions that more positively affected the institution and deontological leaders valued solutions that positively affected their students (Garza Mitchell, 2012). While both approaches varied greatly, both were considered ethical (Garza Mitchell, 2012).

Pauken (2012) examined the moral literacy and legal reasoning employed through decision-making. The study sample included educational leadership graduate students enrolled in an educational law course (Pauken, 2012). Pauken (2012) analyzed the assignments completed to meet course requirements and found educational leadership students expressed a belief that law and ethics worked together when making institutional decisions. Participants also related ethical decision-making with legal compliance. Pauken (2012) found that when faced with decision-making, educational leaders expressed a strong moral compass which allowed for living within the laws of society. The incorporation of ethics and law into the decision-making process was indicative of effective leaders and allowed leaders the ability to defend the decisions made (Pauken, 2012).
Distributed Leadership in Higher Education

Prior research has established that university leaders may choose to use shared governance when making decisions, and leaders can use the expertise of faculty, deans, and department chairs when making decisions regarding academic decisions (American Association of University Professors, 1990; Bates, 2014; Jones, 2014; Simplicio, 2006). Universities are adopting practices from the private sector to decrease costs and work more efficiently (Jones, 2014). This new managerialism has led to increasing shared governance among decision-makers and decreasing decision-making autonomy (Jones, 2014). Shared governance allows leaders to make decisions collectively that are anchored in the strategic vision and budgetary priorities of the university (Jones, 2014). Shared governance allows the involvement of professional and academic staff to actively participate in the leadership of the university (Jones, 2014).

Woods, Bennett, Harvey, and Wise (2004) described distributive leadership as the ability to encourage joint action from many people in either formal committees or ad hoc arrangements. Respect rather than formal lines of supervision, a culture of trust, acceptance for change, collective focus on the goal, and agreement by participants of the correct course of action are all aspects of distributed leadership (Jones, 2014).

Jones (2014) conducted a synthesis of distributive leadership literature to offer a critical analysis of the practice of shared governance at an Australian university. Jones (2014) found that although distributed leadership allowed all stakeholders to acknowledge ranging expertise, the adoption of solutions still relied heavily on the formal hierarchy of university leadership. While distributed leadership can result in change, the long-term sustainability of that change is uncertain (Jones, 2014). For distributive leadership to be effective, institutions need to consider local context and culture when implementing distributed leadership initiatives because no
universal model of leadership is applicable to every situation (Jones, 2014). Jones (2014) stated that for distributive leadership to be successful in a higher education context it needs institutional commitment, support from executive leaders, and specific tailoring for each institutional environment and culture.

There are situations in which individuals are more effective in decision-making when in a group-setting (Bates, 2014; Ediger, 1998). Bates (2014) researched the effectiveness of committee decision-making through analysis of articles and papers on the topic. For committees to be effective Bates (2014) found that decision-making requires clear leaders in the group. However, when executive leaders collaborate with a committee for decision-making, the chief officer is the committee leader. Bates (2014) identified the following factors needed for the committee to engage in effective decision-making: clear goal, strong committee leaders, committee insights and opinions, and the completion of initial goals by the committee (Bates, 2014).

Researchers have found that faculty play an integral role in governance activities of higher education when serving in a committee capacity (Ediger, 1998; Kezar, 2012; Simplicio, 2006). Ediger (1998) established that for faculty to be effective in decision-making the following criteria need to be met: everyone actively participates in the committee, participants should stay on topic, no person should dominate the discussion, and respect should be held for all. Ediger (1998) argued that faculty needed to be involved when university leaders make decisions regarding academic programs. For example, if university leaders consider the elimination of an academic program, a faculty representing that program should be present (Ediger, 1998). Ediger (1998) proposed that expert power in a committee setting needs to be accepted and should be valued during decision-making. Faculty are experts in their fields. When decisions directly affect
their academic programs or departments, faculty expertise should be valued in the solutions discussed (Ediger, 1998).

Simplicio (2006) described shared governance as the shared responsibility between faculty and administration in making primary decisions. Simplicio (2006) conducted an analysis of shared governance between administration and faculty from the perspective of an administrator. The researcher focused on administrators who held a senior leadership position of department chair, dean, or higher (Simplicio, 2006). Simplicio (2006) communicated that along with faculty members, lower-level staff members and administrators should be given a voice during the decision-making process. Each individual group on campus provides needed expertise to guarantee not only the survival of the institution but its ability to thrive (Simplicio, 2006).

There is no one group that can claim exclusive decision-making responsibility based on expertise, however, administrators must be granted daily decision-making power to implement solutions in a timely manner (Simplicio, 2006). The American Association of University Professors (1990) acknowledged the decision-making power of administrators and stated in the Joint Statement on Government of Colleges and Universities "budgets, personnel limitation, the time element, and the policies of other groups, bodies, and agencies having jurisdiction over the institution may set limits to realization of faculty advice" (p. 48). However, when decisions affect the university, administrators cannot make decisions in a vacuum (Simplicio, 2006). Lines of communication must be established so administrators can gather input from faculty and other stakeholders regarding the institution. Simplicio (2006) found that lines of communication with faculty members allowed them to provide significant input into decisions, but administrators ultimately had the final decision-making authority.
Scholars have found that distributed models of leadership are comprised of empowerment, accountability, and a decision-making partnership (Spillane & Diamond, 2007; Spillane, Halverson, & Diamond, 2003). University leadership cannot make all decisions regarding the institution, nor do they fully understand all technical aspects of each decision, so it is important to empower other individuals to take leadership roles in decision-making to ensure the continued functioning of the organization and institutional success (Kezar, 2012). Scholars focused on distributed leadership in higher education have found that successful leaders interact with all levels of the organization (Kezar, 2012). Grassroots leaders initiate decision-making without positions of authority and without formal power (Kezar, 2012).

Kezar (2012) examined grassroots leadership and its contribution to organizational change, noting how bottom-up leaders can converge with top-down leadership on institutional decision-making. Using a case study methodology, the researcher interviewed 84 staff and 81 faculty (tenured and non-tenured) members at five different institutions engaged with grassroots leadership (Kezar, 2012). Staff who were interviewed ranged from custodial to director level (Kezar, 2012).

Kezar (2012) found three different outcomes of how bottom-up/top-down leadership can promote change. First, significant changes were accomplished through bottom-up/top-down leadership that bottom-up leaders indicated would not have been possible without the support of the top leaders (Kezar, 2012). Second, a women’s group advocating for a diversity initiative at a community college had mixed results with bottom-up/top-down leadership (Kezar, 2012). These women expressed a feeling that they were successful in creating institutional change by moving from their smaller scale efforts to more formalized efforts (Kezar, 2012). However, an equally large number of women indicated that the integrity of the diversity initiative was compromised.
by aligning with top leadership (Kezar, 2012). Third, bottom up change was compromised by too much top-down support (Kezar, 2012). Bottom up leaders were too excited to have the support of top leaders and did not approach the situation with caution or enough questioning, which compromised their goals (Kezar, 2012).

Kezar (2012) found that strategies for bottom up/top down convergence should include assessing the situation for appropriate timing. Creating vision, networks, and support is critical to ensure the campus is engaged and ready for top-down leadership convergence (Kezar, 2012). Convergence was accomplished when bottom up leaders capitalized on and were open to new opportunities (Kezar, 2012). Bottom up leaders need to consider if top down leadership already supports their initiatives or if senior administrators support their vision and will advocate to top leaders on their behalf (Kezar, 2012). Another important strategy is ensuring membership on key committees (Kezar, 2012). Committees provide an environment in which bottom up and top down leaders come together to represent different aspects of the institution, and committees provide an avenue for bottom up leaders to initiate their planning efforts (Kezar, 2012).

**Decision-making of Faculty**

Researchers have found the composition of tenure-track faculty to non-tenure-track faculty has increased substantially due to external factors like decreased institutional resources (Kezar & Gehrke, 2016). Kezar and Gehrke (2016) examined the decision-making process of academic deans pertaining to the use of non-tenured track faculty due to reduced institutional resources. Based on existing literature, the authors assumed that resource instability from external sources was a key factor in hiring an increased number of non-tenure-track faculty. Non-tenure-track faculty bring in professional expertise and allow faculty to teach who cannot make the full-time commitment (Kezar & Gehrke, 2016; Kezar & Sam, 2010).
Kezar and Gehrke (2016) collected data using the Values, Practices, and Faculty Hiring Decisions of Academic Leaders Survey that was sent to the membership of the American Conference of Academic Deans and the Council of Colleges of Arts and Sciences in the spring of 2012. Through purposeful sampling, 353 participants responded to the survey (Kezar & Gehrke, 2016). The researchers found external pressures from executive leadership had the greatest influence on academic deans to abandon using strategic organizational processes when making decisions regarding the use of non-tenure-track faculty. The deans indicated that they would like a faculty consisting of one-quarter non-tenure-track faculty, but due to external pressures and resource scarcity, deans must employ more non-tenure-track faculty than desired (Kezar & Gehrke, 2016). Deans noted pressure to lower costs and expand course offerings, which was positively associated with the hiring of additional non-tenure-track instructors (Kezar & Gehrke, 2016). The authors also found external forces related to resource dependency were increasingly influencing the decision-making environment of higher education (Kezar & Gehrke, 2016).

**Decision-making Process of Industry Leaders**

The decision-making processes of university leadership and industry leadership parallel on another in many ways. Scholars focused on industry leadership have found the decision-making process of Chief Executive Officers and other industry executive leaders value shared governance, ethical and emotional intelligence, and data-based decision-making (Buyl, Boone, & Hendriks, 2013; Hess & Bacigalupo, 2013; Heyler, Armenakis, Walker, & Collier, 2016).

**Distributed Leadership in Private Sector**

Researchers have found that Chief Executive Officers often seek the guidance of the top management team when making strategic decisions that will affect their organizations, and CEOs even delegate some decisions to the top management team (Buyl et al., 2013; Bergman, J.,
Rentsch, Davenport, & Bergman, S., 2012; Klein, Lim, Salz, & Mayer, 2004). No one leader can possess all the skills needed for effective decision-making when the decision affects entire organizations (Buyl et al., 2013; Bergman et al., 2012; Klein et al., 2004). Distributed leadership can enhance the decision-making process, and leaders who choose to share the decision-making load experience less conflict when implementing solutions (Buyl et al., 2013; Bergman et al., 2012). However, different issues associated with intragroup conflict could arise during a distributed decision-making process (Bergman et al., 2012; Hambrick, 1995).

Buyl et al. (2013) quantitatively researched the factors needed for CEOs to delegate decision-making entirely to their top management team. The authors found that for Chief Executive Officers to delegate decision-making responsibility to the top management team, the top management team must possess expert knowledge in their field (Buyl et al., 2013). Buyl and colleagues (2013) also found that CEOs delegated decisions that were within the top management team’s purview and whose advice and expertise in this area exceeded the CEO’s knowledge. Finally, the researchers found that when decision influence matched with expertise, decision quality was operational (Buyl et al., 2013).

The second factor that influences a CEO’s propensity to delegate decisions to top management is the similarity of team members to the CEO (Buyl et al., 2013). People consciously and unconsciously prefer to work with others who are like them, and individuals seek advice from others whom they believe are likely to hold perspectives and priorities similar to theirs (Buyl et al., 2013; Klein et al., 2004).

Prior research has shown that government executives make extremely difficult and complex decisions that require large amounts of data, which are laden with uncertainty, and involve compromises with conflicting values and interests (Kelman, Sanders, & Pandit, 2016).
Kelman and colleagues (2016) qualitatively examined the decision-making process of
government executives. The authors interviewed 20 heads of subcabinet level organizations
within the U.S. government and found that government officials considered the most difficult
decisions required courage and were often made after personal reflection or in consultation with
a small number of trusted advisers (Kelman et al., 2016). The authors also proposed that
government officials should use a vigilant approach when decisions require complex analysis
(Kelman et al., 2016). The vigilant approach includes consulting with advisers who were selected
due to their diverse knowledge and opinions, offered dissenting opinions, provided a critical
examination of solutions, and were willing to revise initial predispositions surrounding the
decision (Kelman et al., 2016).

Study participants described the most difficult decision-making as those that included
solutions that were unpopular or involved personal, political, or organizational risk (Kelman et
al., 2016). The authors found that vigilant decision-making worked best for technical decisions
requiring complex data analysis (Kelman et al., 2016). When decisions require courage and risk
to the decision-maker, internal reflection and consultation with a supportive group of advisers is
needed (Kelman et al., 2016). Ultimately, government officials must determine if a decision
requires a vigilant, data driven approach or courage. If a decision requires complex analysis and
the decision would benefit from diverse expertise and opinions from a trusted group of
confidants, the vigilant approach is best. If a decision requires courage and holds a risk to the
decision-maker, introspection and a consultation with a supportive rather than dissented group of
trusted advisors is optimal (Kelman et al., 2016).

Bergman and colleagues (2012) researched the process of shared leadership with 45
decision-making teams. A single team leader cannot exhibit all of the leadership behaviors
needed for overall team effectiveness, and a team’s performance depends on its ability to use the skills of its members (Bergman et al., 2012). The authors examined each member’s leadership behavior and the relationship between shared leadership and team processes (Bergman et al., 2012). Bergman et al. (2012) conducted the study in a laboratory setting to allow for observation and videotaping. Participants were assigned to teams of four and randomly assigned decision-making roles (Bergman et al., 2012). The authors found that teams which included different types of leadership and multiple leaders had significantly better team processes than did teams that lacked leadership (Bergman et al., 2012). Overall, research findings confirmed that shared leadership was related to effective decision-making processes, and teams that did not use shared leadership were likely at a disadvantage (Bergman et al., 2012).

Chief executive officers should be aware of common issues that arise during the decision-making process when the top management team is involved. Hambrick (1995) qualitatively studied difficulties between the top management team and the chief executive officer during the decision-making process. Hambrick (1995) interviewed 23 chief executive officers and found five prevalent themes derived from questions regarding destructive behavior between the top management team and the chief executive officer.

The five most common issues chief executive officers mentioned were inadequate capabilities of a single executive, shortcomings of several of the top management team, internal rivalries, groupthink, and fragmentation (Hambrick, 1995). More than half of CEOs interviewed voiced concern over a single executive; however, CEOs indicated that they were not willing to coach the executive out of the problem (Hambrick, 1995). It was expected at that level of seniority that leaders did not need additional coaching from the CEO. CEOs also mentioned common team-wide shortcomings, and when a common shortcoming permeated the entire team,
the solution to the issue was entirely different than handling a single inadequate executive (Hambrick, 1995). CEOs noted that this happens when the external environment presents issues for which the executive team is not equipped to address (Hambrick, 1995).

CEOs stated that harmful rivalries between executive team members were a concern (Hambrick, 1995). Rivalries present themselves amongst two members, not to widespread team behavior. The rivalry behavior can start as business disagreements and evolve to matters of personality (Hambrick, 1995). Groupthink can arise during the decision-making process in highly cohesive teams, and this issue can be difficult for a CEO to recognize because of the cohesive and unified nature of the team (Hambrick, 1995). Fragmentation occurs when the top management team acts as individuals pursuing their own agenda rather than a team agenda (Hambrick, 1995). When a fragmented team needs to acknowledge and adapt to external challenges, it frequently has great difficulty recognizing and agreeing upon the challenge, let alone formulating an effective response (Hambrick, 1995).

This section of the chapter examined research related to distributed leadership practices during the decision-making process of industry leaders. Overall, prior research has found the distributed leadership process as beneficial to the decision-making process because executive leaders cannot possess all of the necessary information needed to effectively choose a solution (Bergman et al., 2012; Buyl et al., 2013; Kelman et al., 2016; Klein et al., 2004). However, executive leaders should be aware that distributed leadership could cause intragroup conflict. Leaders must also recognize that a conflict exists to effectively use their top management teams during decision-making processes (Hambrick, 1995).
Emotional Intelligence and Ethical Decision-making

Prior research has found leaders use emotional intelligence and ethical guidance for effective decision-making (Hess & Bacigalupo, 2013; Heyler et al., 2016). The strategy of using emotional intelligence when making decisions improves the quality and effectiveness of the decision-making process (Hess & Bacigalupo, 2013). Executive leaders should use emotional intelligence and ethical decision-making practices because most decisions affect multiple constituents including customers, employees, and shareholders (Woiceshyn, 2011). When leaders employ ethical and emotionally intelligent decision-making practices, leaders consider the consequences of their decisions and the effect the solution can have on multiple stakeholders; leaders are also more aware of their own personal biases (Hess & Bacigalupo, 2013; McManus, 2015; Woiceshyn, 2011).

Hess and Bacigalupo (2013) examined how non-profit leaders apply emotional intelligence skills during the decision-making process. Hess and Bacigalupo (2013) noted a dichotomy of emotional intelligence and rationality during the decision-making process. Hess and Bacigalupo (2013) reviewed the current literature regarding emotional intelligence and the decision-making process and produced a checklist to assist non-profit leaders in the improvement of emotional intelligence and the decision-making process. The authors found that non-profit leaders must complete an honest self-assessment of skills and styles and identify their differences with others. Emotionally intelligent non-profit leaders should openly communicate with others during the decision-making process, display confidence in their decision-making style, and suppress their individual desires for the common good of the organization (Hess & Bacigalupo, 2013).
Hess and Bacigalupo (2013) characterized emotionally intelligent decision makers as individuals who consider the consequences prior to the decisions made. They recommended that non-profit leaders not sacrifice organizational trust for a speedy decision (Hess & Bacigalupo, 2013). Non-profit leaders also learned from past decisions and considered past decisions through the eyes of their constituents while making decisions grounded in the culture of their organization (Hess & Bacigalupo, 2013). Emotionally intelligent leaders admitted mistakes during the decision-making process and took their constituents’ views and opinions into consideration (Hess & Bacigalupo, 2013). According to the authors, the ability of non-profit leaders to access emotional intelligence results in more effective decision-making and enhances the quality of the decision-making process.

Heyler and colleagues (2016) found executive military leaders considered ethical implications when making decisions. The researchers qualitatively studied decision-making with senior military leaders and civilian leaders within the Department of Defense who participated in a war college administered on a United States military base. Heyler et al. (2016) described leader behavior as the result of a decision-making process. The authors defined ethical decision-making as “the process of recognizing a need, considering alternatives, identifying a morally acceptable option, and implementing it” (Heyler et al., 2016, p.788). Study participants included 25 senior leaders ranked colonel or lieutenant colonel in the United States Air Force and equivalent ranking individuals from the Department of Defense (Heyler et al., 2016). Using semi-structured interviews, the authors captured the decision-making process over time (Heyler et al., 2016).

Based on their findings, Heyler and colleagues (2016) proposed a detailed process that depicted the steps, experiences, knowledge, attributes, and skills related to participants’ ethical decision-making process. The authors observed that the basis of all ethical decision-making was
rooted in moral awareness that began with family upbringing and internalization of faith but was ingrained in the decision-making process after participants gained officer experience through military training (Heyler et al., 2016). The second step in the ethical decision-making process was moral ownership, which describes an individual’s sense of responsibility for a situation with an ethical or moral component (Heyler et al., 2016). For example, one participant stated, “the Marine Corps is big on honor, courage, and commitment, if you don’t have your integrity, especially as an officer, what do you have?” (Heyler et al., 2016, p. 793). The third component to the ethical decision-making process was moral intensity, which is the decision-maker’s perception of the seriousness of the decision (Heyler et al., 2016). The fourth component was moral courage, which is the decision-maker’s ability to overcome fears and threats to make the best possible decision (Heyler et al., 2016). The last component of the ethical decision-making process was moral efficacy which is the confidence that decision-makers have in their ability to positively affect a situation (Heyler et al., 2016).


Top managers utilize cognitive processing that makes their decisions predictable and biased (McManus, 2015). McManus defined cognitive hubris as an overexaggerated self-confidence which causes individuals to develop excessive confidence in their own talent, judgment, and ability to produce positive outcomes (McManus, 2015). McManus (2015) argued
that hubris impaired moral decision-making and increased the possibility to ignore ethical considerations. McManus (2015) found that hubris was related to unethical behavior in the form of earnings manipulation. The author proposed that it is critically important for decision-makers to employ moral and self-awareness for effective decision-making.

Because the decisions business leaders make affect multiple constituents, such as customers, employees, shareholders, and competitors, ethical decision-making should be considered regular practice (Woiceshyn, 2011). Based on study findings, Woiceshyn (2011) proposed a model for ethical decision-making in business in which reasoning and intuition interact with moral principles. Woiceshyn’s (2011) model includes the integration of essentials, use of principals, and spiraling. The integration of essentials occurs when the conscious mind cannot hold all knowledge, therefore, it must delegate which information is pertinent to the decision at hand (Woiceshyn, 2011).

Woiceshyn (2011) stated, “integration by essentials is central to the storing and retrieval of knowledge, and thus to effective decision-making” (p. 313). Guiding principles are needed because human capacity to retain knowledge is limited, and principles condense vast amounts of knowledge related to decision-making (Woiceshyn, 2011). Spiraling refers to the interaction between the conscious and the sub-conscious (Woiceshyn, 2011). The decision-maker identifies the moral dilemma and applicable moral principles at the conscious level (Woiceshyn, 2011). Finally, the decision-maker’s conscious mind commands the subconscious to search for relevant information related to the decision (Woiceshyn, 2011).

When making decisions ethical considerations are extremely important, especially when administrators face financial instability and have to navigate the university’s survival on the brink of financial distress. When executive university leaders must reduce staffing and eliminate
academic programs, it is essential to employ an emotionally intelligent, ethical, and data-driven decision-making process.

**Role of Executive Leaders in Higher Education**

Describing the American college presidency, Cohen and March (1974) stated:

Presidents define their role as a responsive one. They worry about the concerns of trustees, community leaders, students, faculty members, law enforcement officials. They see themselves as trying to reconcile the conflicting pressures on the college. They allocate their time by a process that is largely controlled by the desires of others. (p. 1)

Cohen and March (1974) noted that the decision-making process of university presidents is widely distributed in which faculty have a strong voice. The role of the president can be divided into three equally distributed categories: administrator, political leader, and entrepreneur (Cohen & March, 1974). The author’s analysis of the American university presidency illustrated the political nature of decision-making within the organization.

The American Association of University Professors (1990) stated, “The president, the chief executive officer of an institution of higher education, is measured largely by his or her capacity for institutional leadership” (p. 47). As the chief executive officer, the president has a responsibility to define and attain institutional goals, implement administrative action, and communicate about the institution with the community (American Association of University Professors, 1990). The president is responsible for managing existing university resources as well as creating new ways to acquire resources. Executive university leaders also have the responsibility to manage large nonacademic activities (American Association of University Professors, 1990).

Guskin (1999), a former university president of Antioch University, reflected on the role of the university president and university presidents in general through the lens of a social psychologist. Guskin (1999) found successful leadership was the interaction of the leader’s
personality, abilities, and intellectual skills. Guskin (1999) found the most successful university leaders had an ability to focus on important strategic goals, worked well and related well with others, showed courage when making timely decisions especially personnel decisions, and willingly accepted mistakes.

Researchers have found that leading complex higher education organizations is now more difficult that ever due to social, economic, technological, and political forces that cause change at a rapid pace (Bourgeois, 2016; Legon, Lombardi, & Rhoades, 2013). In addition to constant pressures of the university president, the pursuit for financial support is a new skillset that is required of executive university leaders (Bourgeois, 2016). Effective university leaders are able to translate trustees’ fragmented feedback into sound policy, develop budgets driven by performance data, and make difficult decisions based on data and collaboration with stakeholders (Legon et al., 2013).

Rabovksy and Rutherford (2016) examined how university presidents’ ideology affected their networking with state officials. Due to the privatization of public higher education, the authors recommended that top management network with third parties, including state officials, to ensure appropriate funding for the university (Rabovksy & Rutherford, 2016). Rabovksy and Rutherford (2016) also confirmed that presidential ideologies affected networking behaviors, and executive management spent much of their time trying to convert critical or skeptical political actors rather than strengthening relationships with key players who shared their ideologies. Based on their findings, Rabovsky and Rutherford (2016) concluded that it was critical for top university leaders to possess the ability to overcome partisan polarization. Executive leaders’ ability to network and advocate for their university directly affects the funding environment in which leaders must make critical decisions.
Leih and Teece (2016) examined the functions of leaders in universities and the attributes that contributed to their success. Leih and Teece (2016) analyzed two case studies of presidential leadership at the University of California Berkley and Stanford University. The authors relied on interviews, archival documents, oral histories, and media reports for analysis (Leih & Teece, 2016). Leih and Teece found that Stanford University executive leaders aggressively pursued private funding during its financial turmoil of the 1950s, which resulted in an impressive endowment. Stanford leveraged relationships with top technology firms and transformed academic offerings to provide the talent pipeline needed in the technology workforce (Leih & Teece, 2016).

The University of California Berkley experienced deep cuts in state funding, and university leaders had to become more entrepreneurial in their leadership (Leih & Teece, 2016). However, the authors found that Berkley’s leadership lacked dynamic capability and perceived the state government as its primary patron (Leih & Teece, 2016). This belief caused leadership to pursue goals set by the legislature rather than strengthen the institution’s relationship with industry partners (Leih & Teece, 2016). With looming budget constraints, Berkley’s executive leaders did not take initiative to prepare the university for continuous decreases in state support nor did executive leaders advocate for business and campus partnerships effectively (Leih & Teece, 2016).

The authors observed that Berkley’s campus constituents did not understand the critical relationship between academics and industry (Leih & Teece, 2016). Moreover, university faculty and an activist student body made it difficult for Berkley leaders to pursue relationships with the technology industry (Leih & Teece, 2016). Allowing these constituents to dominate the university and intimidate the campus leadership caused the university to fail in its core mission.
(Leih & Teece, 2016). Leih and Teece (2016) concluded that leaders who support the academic enterprise of the university while maintaining an entrepreneurial outlook can overcome issues like Berkley’s.

University and community college presidents serve a multitude of internal and external clients (Fleming, 2012). Fleming (2012) articulated eight tenants of conduct that successful executive leaders of higher education institutions should employ. Presidential boundaries should be clearly identified (Fleming, 2012). Each institution varies in its mission, values, and focus, so the presidential authority of each institution should vary to meet its needs (Fleming, 2012). Presidents should maintain open communication with the community and industry partners involved with supporting the institution (Fleming, 2012). Presidents should encourage and demonstrate open-mindedness and cooperation (Fleming, 2012). Presidents should have the ability to effectively communicate the institution’s role in the community and the economic and social benefits the institution brings to the local area (Fleming, 2012). Executive leaders should not engage in behaviors unbecoming of the institutional values and conflict with morals of society (Fleming, 2012). Presidents should allocate institutional resources in a skilled and transparent manner (Fleming, 2012). Presidents should adhere to the traditional norms of the institution by not interfering in matters such as grade assessment and course content (Fleming, 2012). Finally, university presidents should engage in an inclusive decision-making process (Fleming, 2012). For the institution to thrive, a collective allegiance of the faculty, staff, students, and the community is needed (Fleming, 2012).

The role of executive university leaders has changed over time. Pressures from the state government, the public, students, faculty, and other stakeholders affect the role and decision-making process of university leaders (Bourgeois, 2016; Guskin, 1999; Legon et al., 2013). The
success of a university leader depends on the leaders’ capacity to adapt to change, establish rapport with multiple constituents, and maintain open communication throughout the campus and community (Fleming, 2012; Guskin; 1999; Leih & Teece, 2016).

**Studying Up**

Due to the nature of this study, which examines the decision-making process of executive university leaders, the practice of *studying up* is discussed. Studying up refers to the study of middle and upper power structure (Nader, 1974). According to Nader (1974), there is an abundance of literature surrounding the poor, ethnic groups, and the disadvantaged, but there is little research regarding the work of the upper class. Nader (1974) called for a revitalization of anthropology that studied cultures of the powerful as well as the powerless to shed light on processes of domination in society (Gusterson, 1997). Although studying up is needed, there are obstacles of access to overcome (Gusterson, 1997).

**Thomas (1993)** In “Interviewing Important People in Big Companies,” Thomas (1993) stated:

Large corporations, especially those with trade secrets to hide, have gates, guards, and security devices. Penetrating the social life of a neighborhood can be difficult, but it usually does not take as focused a form as it does in a large company. You cannot just walk into an office suite and expect to strike up a conversation or hang out and observe the scene…Even welcome visitors encounter inner lines of defense: public relations departments, “official spokespeople”, and whole levels of management trained in how to represent the company to the outside world. (p. 82)

According to the author, even when the researcher is granted access, executives could have a script of their own or be presented questions the executive does not intend to answer (Thomas, 1993). Scheduling is also a challenge because a more important meeting could knock the researcher off the executive’s calendar (Thomas, 1993). Executives dislike meeting in an unfamiliar setting, so researchers must gain access into their choice of location.
Additionally, participants who are examined when studying up are powerful and literate, so they will inevitably read and potentially critique what is written (Gusterson, 1997). When researchers write about those in higher levels of power, authors should employ a reciprocal relationship where the research participant responds to the research and the researcher engages in open dialogue (Gusterson, 1997). Gusterson (1997) stated that this technique opens up communication between the researcher and participants, and even resulted in participants inviting the researcher into their community spaces.

Although higher education is not a corporation, there are still barriers to access for higher education scholars. Due to the powerful position of university presidents, the researcher has to overcome barriers to gain access to participants including contacting university presidents and making appointments around their busy schedules. Because university presidents are highly educated, the researcher of this study had to be prepared to answer many questions and provide detail about the study.

**Conceptual Frameworks**

The research literature on decision-making theories is extensive. Rather than choosing a single theory to encompass an executive leader’s decision-making process, the researcher will discuss multiple frameworks regarding decision-making including rational choice theory, bounded rationality, satisficing, and the garbage can model of decision-making. Rational choice theory, bounded rationality, satisficing, and the garbage can theory provide general, macro-level theories to analyze the research questions regarding university leaders’ decision-making process. Data received through interviews with executive university leaders were examined through these multiple theories related to the choices made during declining state appropriations as well as processes behind defining solutions.
Rational Choice Theory

Rational choice theory states that individuals make choices based on all information and resources available at the time (Simon, 1955). Rational choice theory further states that individuals have alternative courses of action with unknown outcomes, and due to this uncertainty, individuals make decisions to avoid negative consequences. When trying to avoid negative consequences, decisions made could offer the lowest risk rather than best solution (Simon, 1955).

Simon (1955) stated that rational choices are frequently made based only on available information, and decision-makers often lack insight into the consequences. The lack of available information causes decision-makers to choose the less risk averse course of action (Simon, 1955). With available information given to the decision-maker, less optimal solutions that present lower risk are often the solutions chosen (Simon, 1955). Decision-makers try to anticipate negative consequences of their actions, but decisions are limited by many factors including time, income, memory, and calculating capacity (Becker, 1993).

Simon (1956) noted that individuals make decisions to avoid negative outcomes and make the decision with the lowest risk (Simon, 1955). For example, eliminating a high cost academic program would have a significant and positive financial outcome. However; the negative consequences surrounding that decision would outweigh the goal of adjusting the university budget to adapt to decreased state support (Simon, 1955; Tate, 2012).

Rational choice also examines the nature of decision-making including seeking utility, assessing options in terms of net gain, and implementing options that are expected to result in greatest utility (Morrell, 2004). Rational choice is synonymous with “dispassionate action”, and in the business environment, leaders make decisions dispassionately through the analysis of
business cases (Morrell, 2004, p. 241). Rational choice theory is especially useful when applied to individual decision-makers (Morrell, 2004).

Decision-makers need to collect pertinent information to formulate a range of solutions; however, this process is not always accessible and may be costly and uncertain due to time constraints (Morrell, 2004). Since the individual has gathered limited information, the optimal solution is uncertain (Morrell, 2004). Rational choice theory expects that decision-makers use the maximization principle and choose the solution with the greatest expected value (Betsch & Held, 2012). Because leaders do not make decisions with complete information, many decisions involve assessing the risk associated with the range of solutions (Morrell, 2004). Additionally, leaders make decisions in increasingly complex environments and therefore do not have time to prioritize the positives and negatives of each available option (Morrell, 2004).

**Bounded Rationality**

In later years, Simon became a critic of rational choice theory and stated that humans do not operate in a logical, linear form of decision-making (Campitelli & Gobet, 2010). A strong case for replacing the traditional rational choice theory with bounded rationality emerged when the decision-maker must develop solutions under uncertain and imperfect conditions (Simon, 1979). Simon also argued that humans cannot fully assess environmental factors, nor do they have the cognitive system to fully maximize every decision (Campitelli & Gobet, 2010). Simon (1957) stated:

> [t]he capacity of the human mind for formulating and solving complex problems is very small compared with the size of the problems whose solution is required for objectively rational behavior in the real world – or even for a reasonable approximation to such objective rationality. (p. 198)

The theory of bounded rationality suggests that individuals make decisions with available factors, but that information will be incomplete (Campitelli & Gobet, 2010). It is unreasonable to
expect humans to consider every possible alternative solution to make the best decision (Campitelli & Gobet, 2010). Simon also postulated that the organization has significant influence over decision-makers’ behaviors by controlling the decision properties, such as time, place, participants, resources, and environment (Choo, 1991).

Simon’s theory of bounded rationality suggests that although rational decision-making is the goal, decision-makers are limited by their cognitive abilities (habits, values, knowledge) and their environmental factors; therefore, the decision cannot be optimized (Joyce & Behrooz, 2010; Todd & Gigerenzer, 2003). There are both internal (mental capacity) and external (environment) constraints that bound rational decision-making (Todd & Gigerenzer, 2003). Decisions are complex, and only a limited number of resources can be devoted to each problem at any one time. Due to this complexity, evaluating and maximizing every solution is not feasible. Decisions are replaced by satisficing rather than implementing the best solution (Browne, 1993).

**Satisficing**

Satisficing is related to Simon’s theory of bounded rationality because the complexity of the environment hinders human processing, and the decision-maker must use a satisfactory solution rather than an optimal one (Simon, 1955). Satisficing suggests that due to limited information, decision-makers choose solutions that are optimal rather than rational (Simon, 1955). Simon (1972) defined satisficing as “decision-making that sets an aspiration level, searches until an alternative is found that is satisfactory by the aspiration level criterion and selects that alternative” (p. 168). The decision-maker uses a simplified rationality model, considers the limitations surrounding the decision, including limited knowledge and external circumstances, and selects a solution that is satisfactory or good enough based on previous experiences (Simon, 1976). Due to constraints on time and human capability, decision-makers
cannot explore each possible solution to decisions that must be made quickly (Bess & Dee, 2012). Satisficing allows for the decision-maker to generate a good enough solution while reducing the costs of the solution search (Grandori, 1984).

Decision-makers often select the first optimal solution, which is usually similar to those adopted from the past (Bess & Dee, 2012). Individuals make choices that will grant some satisfaction rather than making the choice that has the maximum effect (Simon, 1956). During times of financial crisis, a higher education leader may feel compelled to make a satisfactory decision based on prior experience rather than an optimized one (Simon, 1956). Satisficing seeks simplification; the decision-maker is settling for a satisfactory solution rather than the approximate best solution (Simon, 1972).

**Garbage Can Model of Decision-making**

Cohen, March, and Olsen (1972) described higher education institutions as organized anarchies in which goals and the means to achieve them are ambiguous, and key individuals involved in decision-making processes are only intermittently involved. Problems and solutions are unclear, and decision-makers are constantly flooded with new demands and must constantly shift attention to the next issue that arises (Bess & Dee, 2012). Under these conditions, rational decision-making models do not apply; therefore, higher education leaders can expect decisions will occur in a more random and arbitrary process (Bess & Dee, 2012).

Cohen and colleagues (1972) described the garbage can model as “a decision in an outcome or interpretation of several relatively independent streams within an organization” (p. 3). The garbage can model can be visualized as a set of problems, solutions, participants, and opportunities being thrown into a metaphorical garbage can. The intersection of these streams produces a solution, but how the streams interconnect is random and unpredictable (Bess & Dee,
Problems are concerns that are felt by both internal and external stakeholders (Cohen & March, 1974). Solutions are a decision-maker’s product (Cohen & March, 1974). Participants are fluid and will come and go due to constraints on their time (Cohen & March, 1974). Choice opportunities are expressed when an “organization is expected to produce behavior that can be called a decision” (Cohen & March, 1974, p. 82).

The garbage can model is not linear, problems do not clearly present themselves, and solutions are not linked to specific circumstances (Bess & Dee, 2012). Hatch (1997) stated, “Choices may be made without solving a problem, some problems are never solved, and solutions may be proposed where no problem exists” (p. 278). However, some decisions are solved even if by chance (Bess & Dee, 2012).

Utilizing the garbage can model of decision-making helps to explain the combination of problems, solutions, participants, and opportunities as well as the complexities surrounding them (Johnson, 2016). The outcomes of the garbage can model of decision-making are influenced by “the mix of choices available at any one time, the mix of problems that have access to the organization, this mix of solutions looking for problems, and the outside demands on the decision makers” (Cohen et al., 1972, p. 16). Furthermore, the timing of the arrival of problems, solutions, participants, and opportunities influence how the streams interconnect (Bess & Dee, 2012). Generally, decision-making is thought of as a linear process in which problems lead to decision alternatives, consequences, examination of those consequences, and finally a decision (Cohen & March, 1974). However, the garbage can model of decision-making depicts these streams as relatively independent of each other (Cohen & March, 1974).

Cohen and March (1974) defined three characteristics of the garbage can model of decision-making: problematic preferences, unclear technology, and fluid participation.
Problematic preferences exist when organizations make choices without consistent goals, and goal ambiguity is common among unclear decision structures (Cohen & March, 1974). Unclear technology exists when organizations do not understand their own processes and the organization operates on a trial and error basis (Cohen & March, 1974). Finally, fluid participation refers to varying amounts of time and effort devoted by participants (Cohen & March 1974). Decision-makers and stakeholders change constantly (Cohen & March, 1974).

Within the garbage can model of decision-making, decisions are made in three different ways: oversight, flight, or resolution (Cohen & March, 1974). Oversight as a choice is activated by problems attached to another choice and made if energy is available to make a new choice quickly (Cohen & March, 1974). Flight happens when choices are associated with problems unsuccessfully until another choice becomes more attractive (Cohen & March, 1974). Resolution occurs when some choices resolve problems after a period of discussion and working on the problems (Cohen & March, 1974).

According to Cohen and March (1974), universities do not frequently resolve problems. Choices are made by flight or oversight rather than resolution (Cohen & March, 1974). Decisions continually change during the process of resolution; therefore, the meaning of a choice changes several times because of the constant arranging and rearranging of participants, problems, and choices (Cohen & March, 1974). Problems can be solved but not via the choice with which they were first attached (Cohen & March, 1974).

The garbage can model of decision-making is useful when organizational conditions do not fit within the scope of classical decision-making processes (Cohen & March, 1974). When preferences are problematic, technology is unclear, and participation is fluid, the garbage can
model is the model of decision-making that matches those conditions (Cohen & March, 1974). Describing the process, Cohen and March (1974) stated:

(the garbage can process) is one in which problems, solutions, and participants move from one choice opportunity to another in such a way that the nature of the choice, the time it takes, and the problems it solves all depend on a relatively complicated intermeshing of the mix of choices available at any one time, the mix of problems that have access to the organization, the mix of solutions looking for problems, and the outside demands of decision-makers. (p. 90)

The garbage can model partially decouples problems and choices (Cohen & March, 1974). Decision-making is usually thought of as the process for solving problems; however, this is not often what happens (Cohen & March, 1974). In the garbage can model, decisions are made based on the context of choice, but choices are made when shifting combinations of problems, solutions, and decision-makers make action possible (Cohen & March, 1974). The garbage can process provides the clarity to see the interrelatedness of organizational phenomena that are common but have been regarded as isolated (Cohen & March, 1974).

The garbage can model is not well-suited for resolving problems, but it does allow decisions to be made when the organization is plagued with goal ambiguity and conflict, poorly understood problems, a variable environment, and decision-makers who have many responsibilities (Cohen & March, 1974). In the case of decision-making due to decreased state appropriations, ambiguous organizational goals and processes arise within the institution. Therefore, the garbage can model of decision-making provides a framework for situations in which there are no clear goals, technologies, problems, or solutions.

**Conceptual Frameworks in Practice**

Rational choice theory, bounded rationality, satisficing, and the garbage can model of decision-making will be useful in framing study findings regarding the decision-making processes of executive university leaders. Executive university leaders make choices to ensure
the survival of their institution and invest significant time to adapt their institution to continuous
decreases in state support. Oftentimes, the budget for the next fiscal year is determined at the last
possible moment, and executive leaders analyze only data available at the time to make the best
the decision possible.

According to an interview with O’Keefe, chancellor of Louisiana State University from
2005 to 2008, leaders make decisions based on the quality and depth of information available at
the time (Lambright, 2015). Leaders often make decisions using less than complete information,
which can narrow available solutions and lead to inadequate action (Lambright, 2015). Ideally, a
leader wants all available information, but this is usually not possible, especially when leaders
make decisions during a time of urgency (Lambright, 2015).

One of O’Keefe’s decisions, made hastily due to inadequate information and a sense of
urgency, occurred when Hurricane Katrina hit New Orleans. LSU expanded an emergency
medical treatment facility to create a 1,000-bed hospital, and O’Keefe made the decision to admit
anyone that needed treatment, housing, or shelter without screening (Lambright, 2015). O’Keefe
also made the decision to allow any student from closed universities in New Orleans to be
admitted to LSU free of charge, and O’Keefe decided to move several LSU football games due
to the proximity of the medical treatment facility of the basketball arena and football stadium
(Lambright, 2015).

O’Keefe admitted that the combination of these decisions infuriated the LSU community,
and the campus was forever changed (Lambright, 2015). O’Keefe admitted that “the passage of
time yields the very best analysis”; however, leaders rarely have that luxury when having to
make timely decisions (Lambright, 2015, p. 623). O’Keefe’s leadership of Louisiana State
University during Hurricane Katrina is an example of rational choice theory, bounded rationality,
and the garbage can model of decision-making because the president made decisions during a time of urgency based on the best information available at the time with solutions O’Keefe thought would result in the least negative consequences. However, O’Keefe also did not have the time and resources to evaluate each possible solution, so these implemented solutions were bounded by time and available information.

O’Keefe’s decision-making is an example of bounded rationality because there was not sufficient time or resources to make the decisions needed during the crisis of Hurricane Katrina. O’Keefe did not have the option to employ satisficing because the disaster was so unprecedented for the state; LSU had never had to make decisions during such a time of uncertainty. Other solutions implemented in response to Hurricane Katrina could be made using the garbage can model of decision-making. The university was in a state of organized chaos after the hurricane, and decisions had to be made regarding an influx of students from New Orleans, injured and homeless relocating to Baton Rouge, and the start of a new football season. All of these options involved ambiguous processes and unclear technology linked to them; therefore, O’Keefe made decisions that did not resolve the problems that arose because of Hurricane Katrina.

**Gap in the Research**

The researcher seeks to fill the gap in the research literature on the decision-making process of executive leaders during a time of decreasing state appropriations. Research examined in this chapter focused on the decision-making process of university leaders and industry leaders, but it did not examine much research regarding the decision-making process during times of financial crisis. The research examined also focused on the decision-making process of university leaders but not executive leaders within higher education. There are currently no research studies regarding the defunding of higher education and the decision-making process of
executive leaders specifically in Louisiana. This study strived to fill this gap in the research literature; see Figure 2 for an illustration of this research gap.

Figure 2. Gap in the research literature.
CHAPTER 3

METHODOLOGY

Introduction

The primary purpose of this research was to investigate the decision-making process of executive leaders of higher education in Louisiana during times of decreased state appropriations. Using a descriptive qualitative approach, this research examined the processes of university presidents and chancellors who led their institutions during financial instability due to decreased state appropriations.

The researcher interviewed current and former university leaders from all nine institutions within the University of Louisiana System, along with presidents of the University of Louisiana System and Commissioners of Higher Education to understand the decision-making process used to ensure the survival of public higher education during financial instability. Louisiana institutions have had to alter their operations to adapt to decreased state funding, and this research investigated the decision-making process leaders used to inform their courses of action. This chapter is organized as by the following headings: topic selection, research approach, research questions, site selection, participant selection, data collection procedures, data analysis techniques, and ethical considerations.

Topic Selection

Louisiana higher education has faced dramatic decreases in state funding since 2008. Louisiana state support for higher education has decreased over $700 million resulting in an
overall reduction in funding of 53% (Comprehensive Approaches to Higher Education Funding, 2015; Russell, 2016). Universities have had to adapt to continuous budget decreases, which has led to organizational changes due to consolidated departments, merged academic and administrative departments, and the elimination of academic programs. Executive university leaders are responsible for making challenging choices during times of economic uncertainty to ensure their institutions not only survive but thrive. University leaders are also responsible for managing institutional resources effectively. It is essential to understand the decision-making process of Louisiana’s university executives from an historical perspective. This research serves as a basis for comprehending how Louisiana’s institutional leaders addressed financial hardship between the years 2008 and 2016.

**Research Design and Rationale**

The researcher applied a descriptive qualitative approach and used three data collection approaches to qualitative research. The descriptive approach to qualitative study is best “to provide the descriptive information that can inform professional practices” (Savin-Baden & Major, 2013, p. 170). Descriptive research is also defined as “an approach that draws upon the most sensible and practical methods in order to answer a given research question (Savin-Baden & Major, 2013, p. 171).

In parallel with the descriptive qualitative approach, the researcher adopted a pragmatic philosophical stance for this research. The pragmatic philosophical approach defines reality as truth in terms of practicality (Savin-Baden & Major, 2013). The purpose of the pragmatic philosophy is to link research to practice (Savin-Baden & Major, 2013). The experiences university leaders had in adapting their institutions to continuous decreases in state funding led to their decision-making process during critical times, which corresponds with the pragmatic
philosophical approach in which reality is a process or an experience (Savin-Baden & Major, 2013). The results of this research will inform future leaders of decision-making processes that were used at all of Louisiana’s public institutions during financial instability; therefore, the research will inform practice (Savin-Baden & Major, 2013).

Using the eclectic descriptive approach, semi-structured interviews with university leaders, analysis of policy archives and state budgets, and observation of public campuses provide a description of the decision-making process university leaders used to choose the courses of action taken to adapt to decreased state funding (Savin-Baden & Major, 2013). The primary data source for this research was interviews of current and former leaders of public, four-year institutions within the University of Louisiana System, along with University of Louisiana System Presidents and Commissioners of Higher Education that served during the timeframe of 2008 to 2016. Document analysis and campus observations served as secondary data sources and provided background information to complement the interviews.

**Research Questions**

The researcher examined the following questions among presidents and chancellors of four-year public institutions in Louisiana:

1. How do executive university leaders make decisions during times of decreasing state support for public higher education?
2. As university executive leaders make decisions to adapt to decreased state funding, what important factors do they consider?
3. What are the key moments in the executive leaders’ decision-making process in response to decreased state appropriations?
See Appendix C for research questions, corresponding portion of conceptual framework, and interview questions that addressed the research questions.

**Site Selection and Rationale**

The site selected for this research was the University of Louisiana System. The researcher analyzed the decision-making process of executive leaders that are currently serving or have served at institutions within the University of Louisiana System from 2008 to 2016, along with University of Louisiana System presidents and Commissioners of Higher Education. The University of Louisiana System is comprised of all the regional institutions in the state and enrolled more than 90,000 students in the fall 2016 semester. The University of Louisiana System institutions are also governed by the Louisiana Board of Regents which is responsible for disbursing state appropriated funding and serving as a liaison between the state legislature and higher education.

Although bachelor’s and master’s degree awarding institutions represent the majority of selected institutions, there are four that award doctoral degrees and are ranked as research institutions. Table 1 shows the site selection of the University of Louisiana System institutions: Grambling State University, Louisiana Tech University, McNeese State University, Nicholls State University, Northwestern State University, Southeastern Louisiana University, University of Louisiana Lafayette, University of Louisiana Monroe, and University of New Orleans.
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</table>
Participant Selection and Rationale

Because of Louisiana’s unique situation with continued decreases in state funding for higher education from 2008 to 2016, the population of this study included current and former executive university leaders of all nine universities within the University of Louisiana System, presidents of the University of Louisiana System, and Commissioners of Higher Education that had served within the timeframe of 2008 to 2016. The researcher used purposeful, criterion-based sampling to choose the population of executive leaders of four-year, public higher education institutions in Louisiana during the timeframe examined (Creswell, 2013; Savin-Baden & Major, 2013). The researcher purposefully selected specific participants in order to gain the best insight into the research questions (Creswell, 2013). It was required that participants meet the criterion of executive leadership of higher education in Louisiana for the data collected to answer the defined research questions.

The researcher selected current or former presidents of institutions within the University of Louisiana System because of their roles as executive leader of the institution as well as executive leaders from Louisiana’s higher education governing boards. Participants included presidents from all nine University of Louisiana system institutions, two University of Louisiana System presidents, and three Commissioners of Higher Education. The executive leaders participated in a one-hour, one-on-one interview about their decision-making process during times of financial instability. Pseudonyms were used throughout this research to protect confidentiality.

Data Collection Procedures and Rationale

Consistent with the descriptive approach, multiple methods of data collection were used to best answer the research questions (Creswell, 2013; Savin-Baden & Major, 2013). Data were
collected using semi-structured interviews, document analysis, and physical campus observations. By collecting data through multiple methods, the researcher was able to validate findings among different data sets and reduce the influence of potential biases (Bowen, 2009).

The information presented in the following chapter was drawn primarily from interviews with executive university leaders from all nine University of Louisiana System institutions, presidents of the University of Louisiana System, and Commissioners of Higher Education. The researcher designed the interview protocol to collect information on the decision-making process of executive university leaders. The interview protocol was developed prior to the interviews and consisted of open-ended questions designed to understand the research questions (Creswell, 2013).

There were two separate protocols, one for university presidents and one for the University of Louisiana system president and Commissioner of Higher Education. The separate protocols allowed the researcher to adapt the questions to the varying job duties of the presidents, System President, and Commissioner. Each interview was conducted one-on-one and scheduled for an hour; the researcher conducted follow-up interviews to address any additional questions the researcher could not ask during the previously scheduled interview. The researcher recorded interviews with participants’ permission and took notes during the interview. Following the interviews, the researcher transcribed each recording verbatim and analyzed for common themes.

Interviews were conducted at executive leaders’ offices at their respective institutions or by phone. The researcher suggested this as the location because it allowed for the participant to behave and act within their own context (Creswell, 2013). Creswell (2013) stated that qualitative data collection should take place in a quiet, natural setting usually at the site where the participant experienced the problem that is being studied.
The researcher conducted document analysis and physical campus observations to complement executive leader interviews. Documents provided the researcher with background information necessary to understand the financial situation of each institution and the financial environment in which decisions made by university leaders were made. Public documents, such as budgetary documentation, committee meeting minutes, legislative minutes, and memos, were analyzed to provide context and background information that complemented participant interviews. Documents provided background information regarding the context as well as historical insights into the financial environment in which university executive leaders operated throughout their decision-making process (Bowen, 2009).

Documents also provided a means for tracking (Bowen, 2009). The researcher analyzed budget documents from 2008 through 2016 to track changes to state appropriations for each public university of Louisiana as well as changes in university revenue and expenses. Documents are useful in verifying findings from interviews and observations; if evidence is contradictory the researcher can investigate the data further (Bowen, 2009). Overall, documents provided the researcher with background information, additional questions that needed to be asked in follow-up interviews, complementary data, and verification of findings (Bowen, 2009).

Physical setting observations provide critical information about the research participants’ environment (Savin-Baden & Major, 2013). Campus observations provided the researcher with a sense of leaders’ decisions that led to the sacrifice of physical maintenance of campus to shift focus to other needs of the university. According to Savin-Baden and Major (2013), “observation is a method for understanding how individuals construct their realities” (p. 392). Observations were useful for the researcher to gain insight regarding the environment in which the executive leaders work and make decisions.
The researcher used observation of each physical campus because it served a specific purpose for this research and provided the researcher with a sense of how executive leaders prioritized solutions when faced with decreased state appropriated funds (Savin-Baden & Major, 2013). Funding for campus maintenance projects decreased by 96%, and deferred maintenance for higher education in Louisiana exceeded $1.5 billion (Louisiana Board of Regents, 2017). Observations of the physical campus provided context for some of the decisions that were made, especially decisions regarding capital planning or campus maintenance projects. Observation is also useful when information from what is said during the interview conflicts with what solutions are implemented (Savin-Baden & Major, 2013). For example, the researcher can observe a deteriorating building due to deferred maintenance when a participant stated that decreased state funding had no effect on the physical campus. Observations were conducted after the interview with the institutional leader was completed.

The researcher used focused observations of the physical campus setting because information provided during the interview guided the researcher towards what sections of the campus needed to be viewed (Savin-Baden & Major, 2013). Based on interview questions regarding capital planning and deferred maintenance, participants informed the researcher of campus areas of importance for focused observations. The researcher developed an observation protocol to record descriptive and reflective notes in the field (Creswell, 2013). The researcher observed landscaping, student center, library, and main academic building on each campus to better understand the priorities of the executive leader’s decision-making process. Passive participation was used during observation because the researcher functioned solely as a spectator (Savin-Baden & Major, 2013). Campus observations were unobtrusive and detached with the
researcher only observing, not engaging (Savin-Baden & Major, 2013). See Table 2 for data collection information.

Table 2

*Hours of Data Collection*

<table>
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<td>Document Analysis</td>
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*Data Analysis Techniques*

The researcher used thematic analysis as the primary data analysis technique. Thematic analysis identifies, analyzes, and reports on patterns presented throughout the data (Braun & Clarke, 2006; Savin-Baden & Major, 2013). The researcher used data analysis techniques that ensured the immersion of the researcher with the data. Thematic analysis “provides a general sense of the information through repeated handling of the data” (Savin-Baden & Major, 2013, p. 440).

During the data analysis phase, the researcher used the following analysis techniques: “characterization, cutting, coding, categorizing, converting, and creating” (Savin-Baden & Major, 2013, p. 419). Characterization was conducted by transcribing the interviews verbatim and included any tone, timing, and pauses the speaker used throughout the interview (Savin-Baden & Major, 2013). In accordance with thematic analysis, transcriptions were done by hand so that the researcher could become fully immersed in the data (Savin-Baden & Major, 2013).
Data were then cut into important word, phrase, or sentence segments for the researcher to better view potential themes (Savin-Baden & Major, 2013).

Following cutting, the researcher then coded the data using holistic, in vivo, and pattern coding (Saldaña, 2013). Interview data were categorized into general patterns then converted into themes that informed the findings in the following chapter (Savin-Baden & Major, 2013). Finally, the researcher created a visual presentation of the findings of the decision-making executive university leaders by developing a process flow chart for the executive decision-making process (Savin-Baden & Major, 2013). See Figure 16 in Chapter 5 for process flow chart.

Data collected from the semi-structured interviews were analyzed through a series of coding practices. Saldaña (2013) defined coding as “a short word or phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data” (p. 4). The researcher used three rounds of coding to analyze the interview data. The first round applied the holistic coding method. Holistic coding allowed for analysis of overarching themes that appeared throughout the interviews (Saldaña, 2013).

The second round of coding applied in vivo coding. In vivo coding was used to “prioritize and honor the participant’s voice” (Saldaña, 2013, p. 106). In vivo coding captured the behaviors and processes of the participants which explained to the researcher how the basic problem of the participant was resolved (Saldaña, 2013). In vivo coding also provided imagery and metaphors for theme development (Saldaña, 2013).

The third round of coding was pattern coding. Pattern coding grouped the themes found in the holistic coding stage into a smaller number of more detailed categories (Saldaña, 2013).
Pattern coding is appropriate when developing major themes from the data, searching for causes and explanations in the data, and forming processes from the data (Saldaña, 2013).

Documents were analyzed to provide context and background information that complemented the primary interview data. Documents were read and interpreted based on context provided in initial interviews and informed the researcher of additional questions that needed to be addressed in follow-up interviews. The researcher considered authorship of the documents, the intent, purpose, and intended audience during analysis (Bowen, 2009).

Along with interview and document analysis, observation analysis was conducted. Reflective and descriptive notes were taken while in the field. Notes were analyzed according to thematic analysis, compared with data from interview recordings, and examined for common themes. Observations of each physical campus provided the researcher with visual representations of decisions that were made to cope with continuous decreased state funding regarding capital planning projects and deferred maintenance.

**Ethical Considerations**

The researcher considered ethical implications that could occur at any point throughout the research process. Prior to conducting the study, the researcher received Institutional Review Board approval to conduct the research and gained permission to conduct interviews from participants (Creswell, 2013). During the preliminary stages of the study, the researcher contacted participants through email and outlined the topic and general purpose of the study (Creswell, 2013). The researcher made it clear to participants that participation in the study was voluntary.

During data collection, the researcher explained to participants that the interview could cease at any time if they decided they no longer wanted to participate. The researcher made sure
to conduct the interview at a time the participant selected and was conscious not to disrupt executive leaders’ office environments (Creswell, 2013). Ethical practices that were employed during the interview process consisted of staying focused on the questions written in the interview protocol, adhering to one-hour meeting times for each interview and follow-up interview, and being a listener rather than a speaker in the interview (Creswell, 2013).

The researcher practiced excellent treatment of all participants and went beyond what is required for a study to be considered ethical (Savin-Baden & Major, 2013). The researcher practiced transparency with each participant, and information was shared to avoid any deception (Savin-Baden & Major, 2013). Questions from participants were welcomed and encouraged to ensure a full understanding of the purpose of the study (Savin-Baden & Major, 2013). The privacy of each participant was a priority and personal information was kept confidential (Creswell, 2013; Savin-Baden & Major, 2013).

During data analysis, the researcher considered and reported contradictory information, was cognizant of disclosing only positive findings, and reported multiple perspectives (Creswell, 2013). All findings were reported honestly, and the same material from this research will not be used for more than one publication (Creswell, 2013).

**Conclusion**

This chapter discussed the methodology used to collect and analyze data to answer the research questions. The decision-making process of executive university leaders of four-year, public institutions in Louisiana was studied using a descriptive qualitative research approach. Data were collected through semi-structured interviews, document analysis, and campus observations. Data collected through interviews were analyzed through holistic, in vivo, and
pattern coding. The culmination of this methodology sought to answer the stated research questions of the study.
CHAPTER 4
DATA ANALYSIS

Introduction

The purpose of this qualitative study was to understand the decision-making process of Louisiana’s executive leaders of regional universities during times of continuous reduction in state funding. Louisiana experienced decreased state support for public higher education from 2008 to 2016 and incurred a comprehensive loss of over $700 million in state appropriations. University leaders had to make decisions to prepare their organizations to decreased state funding to ensure their survival. Current and former presidents of Louisiana’s regional institutions within the University of Louisiana System were chosen to participate in this study, along with presidents of the University of Louisiana System and Commissioners of Higher Education. Regional universities depend on state funding and are greatly affected when the state government disinvests in public higher education because of their inability to raise alternative revenue streams without increasing student tuition and fees.

Participants were limited to executive leaders of Louisiana’s higher education institutions because of their responsibility to make decisions to ensure the success of their institutions during times of fiscal uncertainty. Seventeen current and former presidents from all nine University of Louisiana System institutions, along with current and former presidents of the University of Louisiana System, and Commissioners of Higher Education participated in semi-structured interviews with questions focused on their decision-making process during times of financial instability.
The researcher also observed the landscaping, main academic building, student union, and library of six universities within the University of Louisiana System to provide background information regarding decisions that resulted in deferred maintenance. Campus observations were conducted after participant interviews. In addition to interviews and observations, document analysis was conducted to determine the decreases in funding that each university in the University of Louisiana System had faced since 2008.

Even though university presidents employed different decision-making processes, common themes emerged among interviews. This chapter discusses how funding is appropriated to the universities within the University of Louisiana System, provides an overview of each university from the University of Louisiana System, and identifies themes that emerged from data collection.

State Appropriations for Louisiana Public Higher Education

Funding distribution for Louisiana’s public higher education institutions has changed dramatically since 2008. Funding allocations have changed at the discretion of the legislature; therefore, it is important to understand how funding is disbursed to public higher education institutions to gain an understanding of how university leaders operated in an environment with decreasing state support and an ever-changing funding distribution model. This section describes how the Louisiana Board of Regents has changed their state appropriation distribution since 2008 and the budget cycle in which the legislature works when allocating funds to higher education.

TOPS (Taylor Opportunity Program for Students)

The state of Louisiana offers a merit-based aid program for Louisiana residents that pays the cost of tuition at Louisiana institutions of higher education. TOPS (Taylor Opportunity
Program for Students) is the oldest merit-based aid program for higher education in the nation (Parks, 2018). TOPS was created through Act 1375 during the 1997 Regular Legislative Session and promotes academic success by requiring the completion of high school core curriculum, rewards good academic performance, attempts to keep promising students in the state to pursue higher education opportunity, and promotes access (Louisiana Board of Regents, 2017). TOPS awards aid towards college or university tuition (TOPS does not cover student fees) at different levels depending on grade point average and ACT score. Currently, students are eligible for TOPS if they attain a high school grade point average of 2.75 and an ACT score of 21 (Louisiana Board of Regents, 2017). Originally created as a need-based program, TOPS has ballooned to award about 24% of the state’s 200,000 students enrolled in higher education (Parks, 2018).

Louisiana has spent about $2.7 billion on TOPS since its inception, and Governor Jindal argued that when higher education budgets were decreased those funds were simply being shifted to the TOPS budget (Parks, 2018). Because TOPS pays for tuition, regardless of its cost, the state money invested in TOPS has increased exponentially (Parks, 2018). However, student fees have also increased drastically as a result of decreases in state funding, and TOPS does not fund student fees. This has resulted in the cost of higher education shifting more from the state to students and families.

Louisiana Board of Regents Funding Distribution

The Louisiana Board of Regents’ constitutional responsibility is the fair and equitable distribution of funds, and the Board of Regents is responsible for disbursing state appropriations to all higher education systems in the state. Funding for Louisiana’s public higher education institutions has changed dramatically since 2008. The higher education funding distribution model was modified from enrollment-based to outcomes-based. In fiscal year 2008-2009, the
beginning of the drastic decreases of state support for higher education, funding was distributed based on full-time equivalent enrollment by Southern Regional Education Board (SREB). The higher the institutional enrollment based on the SREB category, the higher the funding for that institution. In fiscal year 2009-2010, federal ARRA (American Recovery and Reinvestment Act of 2009) funds were distributed among universities to help minimize dramatic funding losses, which caused a slight increase in state appropriations that were not directly provided by the state of Louisiana.

In response to Act 462 of the 2014 regular legislative session, the Louisiana Board of Regents was charged with developing a comprehensive outcomes-based funding formula. The funding formula was designed to reflect the priorities of higher education in the state of Louisiana to drive accountability and public policy (Louisiana Board of Regents, 2018). According to the Louisiana Board of Regents (2018), the formula is designed to drive good educational policy and not simply reward increased enrollment. The outcomes-based funding formula was fully implemented in fiscal year 2016, and the formula awards funding at base, cost, and outcomes-based levels. Institutions receive base and cost funding, so if they do not meet the standards of the outcomes-based funding metrics, institutions will still receive funding. However, the Louisiana Board of Regents has been decreasing the funding for base and cost and increasing the outcomes-based allocations. See Figure 3 for Louisiana Board of Regents funding timeline.
Figure 3. Louisiana Board of Regents funding timeline (Louisiana Board of Regents, 2018).

According to the Louisiana Board of Regents, the outcomes-based formula was derived based on the goal of increasing access for underserved students. Outcomes metrics include: student access, retention, progression, students receiving Pell grant, enrollment of adult students greater than or equal to age 25, cross-enrolled students at two and four year institutions, transfers from two year colleges, grant funded research, time to degree, number of degree or certificate completers, graduate level completers, and completers in programs leading to 4 or 5 star jobs based on the jobs outlined by the Louisiana Workforce Commission. Weights are distributed within the formula. For example, the enrollment of junior and senior students is more heavily weighted than freshman and sophomore students. The Louisiana Board of Regents hosts a summit every year to share information directly with the institutions regarding the formula funding model so that university presidents and their teams can understand their strengths in terms of the formula and gain an understanding of areas for improvement.
Timing of Funding Distribution

The timing of Louisiana’s legislative budget cycle does not fit within the academic cycle for higher education. The legislature does not approve funding allocations until House Bill 1, the executive budget, is signed by the Governor in June. The fiscal year begins July 1, so higher education leadership must make decisions regarding tuition, fees, and departmental budgets extremely quickly.

The budget season begins in October with the Louisiana Board of Regents making a budget request to the Commission of Administration detailing what is needed for higher education for the ensuing fiscal year, a month before the November deadline. The Revenue Estimating Conference meets in the months of December through February to craft House Bill 1 taking into consideration all budget requests and the Governor’s priorities. House Bill 1 is produced 60 days before the start of the regular session.

The regular legislative session begins in March for even years and April for odd years. During the months of March and April, the Louisiana Board of Regents runs a preliminary funding formula model and communicates the results to the legislature by March 31. Budget hearings occur throughout the legislative session, and hearings regarding funding for higher education begin in the House Appropriations Committee. During the month of April, the Louisiana Board of Regents gather needed information from institutions and the Southern Regional Education Board (SREB) to run the formula once funding has been allocated to higher education at the end of the regular legislative session. In May, budget hearings related to higher education move to the Senate Finance Committee. By June, the regular session has ended, and House Bill 1 is signed by the Governor. The Louisiana Board of Regents is able to run the funding formula model based on general funds allocated to higher education in House Bill 1. The
Board of Regents approves the budget allocated to each higher education system at the June board meeting, and funds are allocated to the Louisiana State University System, the Southern University System, the University of Louisiana System, and the Louisiana Community and Technical College System. Leaders of higher education are then responsible for disbursing funds to each institution within their respective systems. Institutions begin making decisions regarding their institutional budgets in June to begin the new fiscal year July 1. See Figure 4 for Louisiana’s budget timeline.

Figure 4. Louisiana budget timeline.

**University of Louisiana System**

The researcher chose the University of Louisiana System, which is comprised of Louisiana’s regional institutions, as the site for this study because regional universities depend
on state support to survive. Additionally, there is limited research about regional universities during the disinvestment of higher education. The University of Louisiana system is the largest higher education system in the state with more than 91,000 students enrolled; it produces more than 16,000 graduates annually (University of Louisiana System, 2017). The University of Louisiana System has experienced a decrease in state funding of $293 million out of a comprehensive disinvestment of $700 million (University of Louisiana System, 2015). Even though funding for public higher education has been stable since 2016, mandated costs in the form of retirement and healthcare benefits has increased resulting in budget deficits at many regional institutions in Louisiana.

**Overview of Universities Comprising the University of Louisiana System**

The University of Louisiana System governance structure is also unique. Both the Louisiana Board of Regents and the University of Louisiana System govern the institutions within the system. This section of the chapter will provide an overview of each university that comprises the University of Louisiana System. See Figure 5 for a description of the higher education governance structure for the University of Louisiana System.

![Governance Structure Diagram](Figure 5. University of Louisiana System governance structure.)
Grambling State University

Grambling State University (GSU), founded in 1901 as the Colored Industrial and Agricultural School, is a Historically Black College and University located in Grambling, Louisiana. Grambling State University is classified as a larger program master’s university by the Carnegie Classification. Grambling State University enrolled 4,863 students in fall 2016 and offers 64 different fields of study through the Colleges of Arts and Sciences, Business, Education, Professional Studies, and the School of Graduate Studies and Research. GSU’s course of undergraduate study is rooted in traditional liberal arts, and its graduate school has a professional focus. GSU is committed to providing educational opportunity to America’s minority population and seeks to reflect diversity in all its programs. GSU continues to advance the study of African American art, history, and culture. Grambling State University’s motto is “where everybody is somebody” (Grambling State University Mission, 2015, para. 3).

Grambling State University has experienced a comprehensive decrease of state funding of 49% since 2008 (Grambling State University, 2015; Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016).

Figure 6. Grambling State University state appropriations.
Louisiana Tech University

Founded in 1894 as the Industrial Institute and College of Louisiana, Louisiana Tech University (Louisiana Tech) is a moderate research doctoral university located in Ruston, Louisiana; it enrolled 12,672 students in fall 2016. Louisiana Tech University is a comprehensive university committed to quality in teaching, research, public service, and economic development. Louisiana Tech offers programs through the Colleges of Applied and Natural Sciences, Business, Education, Engineering and Science, and Liberal Arts. Louisiana Tech University also offers programs in Bossier City, Louisiana at the Barksdale Air Force Base. Research and service are fundamental to Louisiana Tech’s mission, and the university employs faculty who view teaching and research as intertwined. Louisiana Tech has a rich engineering heritage and provides leadership for the region’s engineering, science, and business innovation. Louisiana Tech University has experienced a comprehensive decrease of state funding of 53% since 2008 (Louisiana Board of Regents, n.d.; Louisiana Tech University, 2015; National Center for Education Statistics, 2016).

Figure 7. Louisiana Tech University state appropriations.
McNeese State University

Founded in 1939, McNeese State University (McNeese) is a larger master’s institution located in Lake Charles, Louisiana. McNeese State University enrolled 7,621 students in fall 2016. McNeese is a comprehensive university with the primary mission to provide a wide range of undergraduate and graduate programs distinguished by academic excellence. McNeese considers itself primarily a teaching institution that offers its students 60 degree programs in the Colleges of Business, Education, Engineering and Computer Science, Liberal Arts, Nursing and Health Professions, and Science and Agriculture. McNeese State University provides leadership for educational, cultural, and economic development in southwest Louisiana and promotes undergraduate and graduate education for the workforce, allied health, and intellectual needs of the area. McNeese State University values excellence in teaching to foster student access and success. McNeese has experienced a comprehensive decrease of 57% for state funding (Louisiana Board of Regents, n.d.; McNeese State University, n.d.; National Center for Education Statistics, 2016).

Figure 8. McNeese State University state appropriations.

![McNeese State University State Appropriations 2008 to 2016](image-url)
Nicholls State University

Nicholls State University (Nicholls) was founded in 1948 and is located in Thibodaux, Louisiana. Nicholls enrolled 6,255 students in fall 2016. Nicholls State University’s vision is to be the intellectual, economic, and cultural heart of the Bayou Region. Nicholls values citizenship, concern for self and others, and the desire for a better world. Nicholls State University offers the state’s only four-year degree programs in culinary arts and geomatics and provides 80% of Lafourche parish’s teachers and nurses. Nicholls has been designated as a military-friendly school by G.I. Jobs Magazine. Nicholls State University offers 76 undergraduate programs of study and 23 graduate programs through the Colleges of Arts and Sciences, Business Administration, Education, Nursing and Allied Health, the Chef John Folse Culinary Institute, and Graduate Studies. Nicholls State University has experienced a 55% comprehensive decrease in state funding since 2008 (Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016; Nicholls State University, 2015).

Figure 9. Nicholls State University state appropriations.
Northwestern State University

Northwestern State University (NSU) was founded in 1884 and enrolled 9,819 students in the fall 2016 semester. Northwestern State University is located in Natchitoches, Louisiana and is classified as a master’s institution. The university also has satellite campuses in Shreveport and Leesville, Louisiana. NSU’s Leesville campus is in close proximity to the Fort Polk United States Army base and provides educational opportunities for military personnel stationed at Fort Polk. Northwestern State University is student-oriented and “committed to the creation, dissemination, and acquisition of knowledge through teaching, research, and service” (Northwestern State University, 2017, p. 1). NSU offers undergraduate and graduate programs through the Colleges of Arts and Sciences, Education and Human Development, and Nursing and Allied Health. The university also has a strong online education presence, which is increasingly integral to Northwestern’s degree program delivery. NSU has experienced a comprehensive decrease of 56% in state funding (Louisiana Board of Regents, n.d; National Center for Education Statistics, 2016; Northwestern State University, 2017).

Figure 10. Northwestern State University state appropriations.

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Southeastern Louisiana University

Southeastern Louisiana University (Southeastern) was founded in 1925 and is located in Hammond, Louisiana. Southeastern Louisiana University is the third-largest public university in the state and enrolled 14,483 students in the fall 2016 semester. Southeastern began as a grassroots movement by the people of Hammond who recognized the need for an institution of higher education to further the educational and economic development of southeast Louisiana. Southeastern offers 43 undergraduate programs and 20 graduate programs through the Colleges of Arts, Humanities, and Social Sciences; Business; Education; Nursing and Health Sciences; and Science and Technology. Southeastern Louisiana University promotes student success and retention through academic, social, vocational, and wellness programs. Southeastern Louisiana University has experienced a comprehensive decrease of 60% in state funding (Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016; Southeastern Louisiana University, n.d.).

![Southeastern Louisiana University State Appropriations 2008 to 2016](image)

*Figure 11. Southeastern Louisiana University state appropriations.*
University of Louisiana Lafayette

The University of Louisiana Lafayette (UL Lafayette) was founded in 1898 as the Southwestern Louisiana Industrial Institute. UL Lafayette is the second-largest public higher education institution in the state and enrolled 17,519 students in the fall 2016 semester. UL Lafayette offers more than 80 undergraduate programs and 30 graduate programs housed in the Colleges of Arts, Business Administration, Education, Engineering, Liberal Arts, Nursing and Allied Health, Sciences, University College, and the Graduate School. UL Lafayette is classified as a higher research doctoral institution with graduate study and research being an integral part of the university’s mission. UL Lafayette strives “to create a community of leaders and innovators in an environment that fosters a desire to advance and disseminate knowledge” (University of Louisiana Lafayette, n.d., para. 2). UL Lafayette is a leader in Louisiana arts, culture and heritage programs and research with a focus on Cajun and Creole cultural traditions. The University of Louisiana Lafayette has experienced a comprehensive decrease in state funding of 49% (Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016; University of Louisiana Lafayette, n.d.).

Figure 12. University of Louisiana Lafayette state appropriations.
University of Louisiana Monroe

The University of Louisiana Monroe (UL Monroe) was founded in 1931 and is located in Monroe, Louisiana. UL Monroe enrolled 9,038 students in the fall 2016 semester. UL Monroe is home to the state’s only public pharmacy program and offers high quality programs for undergraduate, graduate, and continuing education students. UL Monroe is classified as a moderate research doctoral university whose mission is to “seek students who find value in our programs and prepare them to compete, succeed, and contribute in an ever-changing global society through a transformative education” (University of Louisiana Monroe, 2016, para. 1). ULM offers 96 undergraduate majors through the Colleges of Arts, Education, and Sciences; Business and Social Sciences; Health Sciences; and Pharmacy. UL Monroe’s core values include academic freedom, diversity, excellence, integrity, scholarship, and service. University of Louisiana Monroe has experienced a comprehensive decrease in state support of 54% (Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016; University of Louisiana Monroe, 2016).

![University of Louisiana Monroe State Appropriations 2008 to 2016](image)

*Figure 13. University of Louisiana Monroe state appropriations.*
University of New Orleans

The University of New Orleans (UNO), a comprehensive urban research university, was founded in 1958 and enrolled 8,037 students in the fall 2016 semester. UNO was the first fully integrated public university in the South; it currently drives educational, economic, cultural, and social well-being of the New Orleans metropolitan area. UNO serves the needs of the region and builds partnerships through engagements with public and private entities whose missions align with UNO’s teaching, research, and service missions. UNO offers undergraduate and graduate programs through its three Colleges: Business Administration; Engineering; Liberal Arts, Education, and Human Development. UNO’s programs are linked to the economic development of New Orleans, and the institution strives to be recognized as one of the premier urban research institutions in the nation. The University of New Orleans has experienced a comprehensive decrease in state funding of 56% since 2008 (Louisiana Board of Regents, n.d.; National Center for Education Statistics, 2016; University of New Orleans, n.d.).

Figure 14. University of New Orleans state appropriations.
Participant Information

The researcher contacted 18 university presidents from institutions within the University of Louisiana System, University of Louisiana System Presidents, and Commissioners of Higher Education. Seventeen participants responded favorably. See Table 3 for participant information. Pseudonyms are used to protect participant identities.

Table 3

<table>
<thead>
<tr>
<th>Participant Name</th>
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<td>Dr. Turner</td>
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<td>Dr. Hughes</td>
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<td>Dr. Faber</td>
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Timeframe of the Study

The timeframe of the study were the years 2008 to 2016, so participants selected served as executive officer within that timeframe. This timeframe was chosen because there was a continuous decrease in funding throughout these years. Governor Bobby Jindal served two terms as governor throughout this time.

Decision-making processes changed throughout the eight years of disinvestment of higher education. For example, presidents that served during Jindal’s first term, years 2008-2012, were more risk averse than presidents that served during term two. Additionally, term one presidents faced many mid-year cuts that had to be addressed almost immediately and required extremely quick decision-making processes. Term one presidents considered solutions that cut departmental budgets and programs while creating efficiencies within their organizations. Term two presidents, years 2012 to 2016, mentioned implementing revenue-generating solutions such as hiring more recruiters to increase tuition revenue through student enrollment. See Figure 15 for a detailed timeline of decision-making process themes used by presidents during Jindal’s first and second term.
This chapter will discuss six themes based on data analysis. The researcher interviewed 17 current and former presidents, analyzed budget documents, and observed six campuses to determine the effect of decisions on deferred maintenance. The following chapter will include the researcher’s findings and implications for practice as related to the research questions. The themes found in this study were related to the decision-making process of executive university leadership are:

1. Collaboration
2. Fast turn-around
3. Prioritization

Figure 15. Timeline of decision-making process themes.

Themes
4. Policy-driven decision-making
5. Creating decision buy-in
6. Deferred maintenance

**Collaboration**

Reflections of executive university leaders revealed collaboration was always present when making decisions to address decreased state funding. Executive university leaders stated decisions were not made in isolation and collaboration with their top management team, faculty, staff, and students was essential to their decision-making process during times of decreasing state support for public higher education. Executive university leaders sought out and considered information from both internal and external stakeholders. Executive leaders noted that the chief financial officer was always present when making decisions regarding potential solutions during decreased state support. The following subsections examine the various components of collaboration during the decision-making process of university leaders when adapting their institutions to continuous decreases in state funding. University leaders’ collaboration during their decision-making process included involving top management teams and Chief Financial Officers, engaging students in the decision-making process, and establishing budget review committees.

**Use of Top Management Teams**

All executive university leaders who participated in this research described how their decisions were not made in silos. Every executive leader interviewed used their top management teams, especially their Chief Financial Officer, during their decision-making process to prepare the institution for decreased state support. When executive leaders were asked to describe how they involved their executive team during their decision-making process, participants described
how their executive cabinet, especially the Chief Financial Officer, provided critical input regarding their specific departments when determining which solutions to implement. When first notified of budget decreases coming from the state legislature, many presidents identified their first step as meeting with their Chief Financial Officer (CFO). Dr. Faber explained:

The first step would be to get my CFO to show me where we were spending the money and look at trends over time. So, when you realize budget cuts are coming, you look to see what you can cut immediately, and we went through six or seven iterations to determine how to increase retention and get more students to apply [to increase tuition revenue]. Every week we had a cabinet meeting and talked about where we’re going to find the money for budget cuts. It wasn’t all joyful. It’s joyful and sorrowful at the same time.

According to participants, the Chief Financial Officer is extremely valuable because of their knowledge of state fiscal policy, accounting practices, the overall institutional budget, and their familiarity with the state legislative budget and state government. The Chief Financial Officer understands what can be done legally and remain in compliance with university and University of Louisiana System policy. The CFO is also able to determine if certain solutions will actually affect the budget or not. The Chief Financial Officer would take suggestions, determine how those suggested solutions would affect the ensuing fiscal year budget, and consider how those cuts would be disbursed throughout the institution. The Chief Financial Officer had the knowledge to determine if solutions brought forward by the president were legally and/or financially possible. Dr. Macklin described:

I talked to the Chief Financial Officer and we’d determine how we would approach spreading the cut. Usually we would do something like, everybody would take a 5% cut. The business school takes 5%, athletics takes 5%, and everybody will take a 5% cut. I would always start with the Chief Financial Officer and they would say we would be able to do this, or we won’t be able to do that.

University presidents indicated that they valued the Chief Financial Officer role because the team that reports to the CFO carried a plethora of knowledge regarding the institutional
budget. Budget officers and controllers advised the Chief Financial Officer on detailed information while the Chief Financial Officer viewed the larger picture related to decreased state funding. Dr. Macklin described the importance of the Chief Financial Officer’s communication with their budget team:

The first person I would go to was the Chief Financial Officer because they talk all the time to their counterparts up and down the chain, so we have an understanding what we can do with what exact fund and what it means to us.

System level presidents also worked with their Chief Financial Officers when making decisions regarding decreased state funding. The system CFO and institutional CFOs met regularly when discussing budgetary decisions. Dr. Ward stated:

We had all the Chief Financial Officers at the institutions meet with the system Chief Financial Officer, so they were part of understanding our approach and me understanding from them what the financial needs were of the institutions and how this bill or this funding formula would impact them.

When presidents had an idea about what solutions would be possible after their initial meeting with the Chief Financial Officer, the top-management cabinet would later discuss the bigger picture and implications. The first stop was always with the Chief Financial Officer, and then university leaders would involve the top management team and other stakeholders. The top management team provided insights regarding how proposed solutions would directly affect their organizations. Because the university president does not have the knowledge to know the intricacies of each department on campus, sharing information and collaborating with top management was viewed as critical when making decisions to adapt an institution to continuous decreases in funding.

The university leaders interviewed also sought out the opinions of non-executive staff members on campus. The university council was comprised of employees on campus who were not part of the top-management team. University council members consisted of vice presidents,
deans, university counsel, and representatives from human resources, marketing, faculty senate, and staff senate.

Even at the system level, current and former University of Louisiana System presidents involved their management team when making decisions. This differed for system presidents because they do not have an executive cabinet like institutional presidents, so they involved the presidents of institutions and institutional leadership teams when making decisions. Dr. Ward stated, “Decision-making came collectively with the leadership teams at the institution and the board members.” Like institutional presidents, the system president also had responsibility for engaging campuses and communities during decision-making processes, even when decisions had to be made quickly. Dr. Ward stated, “I really do think it is important to get as much feedback and input as you can on all of your really important decisions.” Dr. Ward continued, “Sometimes you don’t have time for a long drawn out process, but it is really important to listen widely to the campus community and board to understand what the values and goals and objectives are.”

University presidents described the importance of having a diverse team in terms of education, career experience, lived experience, and personal beliefs. University presidents suggested that it was important to them to surround themselves with a team that differed from themselves. University presidents explained the importance of having an executive team that challenged each other’s ideas and brought new ideas. The top management team used budget meetings to challenge and recommend solutions to address decreased state funding. Dr. Hughes summarized:

Surrounding yourself with people that have different biases and be open to getting their input. There are things you simply accept because they are your own bias. That does not make them true, so surround yourself with people that think differently than you do is essential. Then making sure you listen to their feedback.
Engaging Students, Faculty, and Staff in the Decision-making Process

Executive university leaders also reported engaging faculty and students when making decisions regarding decreased state funding. However, faculty and staff were involved in information-sharing and advisory roles rather than active decision-making or negotiation roles. University leaders engaged faculty, students, and staff by providing them with information regarding solutions to adapt the university to continuous decreases in state funding. University leaders described convening numerous meetings with the Student Government Associations to discuss the affect their decision would have on the student body, which frequently was an increase in student tuition and fees. University leaders regularly met with deans, faculty senate, and staff senate in an advisory capacity.

University presidents said that they were the ones who were held responsible by their boards to sustain the institution. When presidents met with constituents outside of their top management team, it was typically to share information regarding the current budget situation and receive feedback on their proposed solutions. Dr. Nelson observed:

Deans and the Senate were most certainly involved; however, I need to specify that because I think way too often we end up with advisory boards, Senate included, where you have some misunderstanding of what the role is. It’s really to advise because at the end of the day I’m going to make a decision where I’m going to be liable, the faculty and staff senate are not going to be liable, so I made it clear that we want input. We want feedback, and we’re going to be transparent, but I’m going to let you know what I think and I’m going to let you know why.

The presidents of the University of Louisiana System even had faculty and student advisory councils that the system president met with to explore what they thought about decisions being made at the system level. The University of Louisiana System had an organization of all student body presidents that met with the system president to provide input from each of the system institutions regarding solutions to address decreases in state support, which typically involved
increases in tuition and fees.

However, academic deans were actively engaged in determining the budgets for their college and departments within their college. University presidents charged their Provosts or Chief Academic Officers with working with their academic deans to determine what was needed for the academic mission of the university to stay intact. Additionally, deans and faculty were included in decision-making processes when a decision would affect the academic side of the university. Dr. Hughes noted, “If something involves the academic core, you have to get faculty engagement.” University presidents indicated that they wanted to know how their decisions could potentially affect the classroom and the academic organization.

**Trusted Advisors**

University presidents also described soliciting advice from a group of trusted advisors outside of their institutions during their decision-making processes to address issues related to decreased state funding. These advisors included community members, mentors, former colleagues, and members of their professional organizations. Dr. Mouton stated, “I have depended on mentors, people who have been in the business 20 years. I was also real engaged in professional organizations, so I depended on colleagues and subject matter experts.” Other university presidents described how they established community advisory councils and solicited feedback and shared information with external community leaders. Some university presidents engaged prominent alumni during their decision-making processes or called upon alumni with specialized skill sets in business and management to brainstorm solutions to address decreased state support.

Additionally, university presidents described contacting colleagues and mentors from different areas of higher education whom they had met over their career. “I had been in the
industry for so long I had a number of colleagues that I would call that were not in Louisiana. They were presidents and chancellors throughout the United States,” explained Dr. Cooper. University presidents suggested that seeking feedback from externally trusted advisors during their decision-making processes was extremely valuable. University presidents also received ideas and advice from many different people who were external to the university.

**Establishing Budget Review Committees**

Many university presidents established budget review committees when addressing decreased state funding. Presidents established these committees and asked other members of the cabinet or faculty members to chair the committee rather than sitting on the committee themselves. These committees were comprised of faculty, staff, student leaders, and executive cabinet members. Committees were charged with looking through the budget and making recommendations to the president.

Occasionally multiple committees were established for each college, and the college budget committees looked at each of their budgets to consider what was needed for the college to survive. Each college budget committee made recommendations to the Provost or Vice President of Academic Affairs. Administrative unit budget committees were also established to make recommendations to the administrative vice presidents, so “everything flowed up from the colleges and administrative units” Dr. Cooper described, “bottom-up decision-making process to inform the decision.”

A number of university presidents called upon budget committees to address the issue of transparency regarding the budget. Presidents described how faculty and staff expressed concerns that top management was not being transparent and forthcoming with the budget, so presidents established budget review committees and shared all information that was available.
with the committee. Dr. Hughes explained:

One of the common things I heard was there was a lack of transparency about the budget, so we’re in the midst of making decisions about cutting costs, and no one actually understood what the budget was, so we created a team to create a strategic budgeting process and actually selected someone who wasn’t a member of management. It was a faculty member who had complained often about the budgets, and we made him chair of the committee. I picked personalities to be on that team that I knew would be in conflict with each other ensuring that there were enough very rational, reasonable voices on the committee that could allow that to play out to craft something that would actually be effective.

According to university presidents, the campus community took their responsibilities on budget committees seriously. Some university presidents asked their cabinet members to chair the committees or serve as members of the committee; others did not put cabinet members on the committee to ensure free discussion among the other members. Whether to address the issue of transparency or to get additional ideas to address the budget crisis, budget review committees were viewed as effective by university leaders in their decision-making processes.

**Fast Turn-around**

According to Dr. Macklin, “The timing of the state legislature cycle and the academic cycle do not match, so sometimes we didn’t know what was going on with the budget until after the fiscal year began.” Due to the timeframe in which the Louisiana legislature establishes the state budget, university presidents have to make decisions quickly. The timeframe in which decisions must be made ranged from days to two weeks. Additionally, during the peak of the divestment in higher education, 2010 to 2013, university presidents faced a number of mid-year budget cuts and had to implement daily decisions to respond to such a quick turnaround of decreased funding. This section will examine subcategories related to the extremely fast decisions university leaders had to make during times of decreased state funding. This section will discuss data-driven decision-making as well as implementing solutions with the least
negative consequences, implementing solutions based on prior experience, and building scenarios before the state budget is passed.

**Data-driven Decision-making**

University presidents described the importance of adopting a data-driven style of decision-making. When considering potential solutions, university presidents reported gathering as much information as possible during their decision-making processes to determine which solution(s) would best fit the end goal of adapting the institution to decreased state funding. University presidents explained that many different data sources were analyzed during the decision-making process including enrollment trends, demographics, faculty workload, student credit hour production, academic program reviews, program retention rates, and program completers. Dr. Nelson described the use of data when he was notified of decreased state funding, “I would look at lots of data. Because of my background, I tend to ‘overdata.’ I think that fits the situation because I really don’t feel you can add too much [data].”

Many university presidents stated they would analyze enrollment trends to try to predict how much revenue would be brought in from student tuition and fees. However, when decisions had to be made quickly before the enrollment census date, university presidents described making educated guesses regarding enrollment and tuition revenue. Dr. George explained:

So much of our revenue is dependent on tuition and fees, and now that I know what my budget is, I have to figure out revenue. I get a better idea after the census date and see what our enrollments are, and my budget people can run their numbers and see kind of where we are in terms of revenue and be able to project that throughout the year, but you always have to do some contingency planning.

University presidents described the importance of institutional research offices during their decision-making process. Presidents explained that institutional research officers were well-versed in the nuances of data and could examine potential solutions and provide all critical data
to make that decision. University presidents presented their institutional research (IR) officers with a question, and the IR office provided presidents with pertinent quantitative data. Dr. Wilson described his use of the institutional research office:

The more I used those [IR] folks, the better my decisions were, and when I knew I had the time, like if I knew I had a week, I would ask whoever in that area to get me information regarding solutions I was considering.

University presidents defined quantitative criteria or program reviews when making decisions regarding academic program elimination or program consolidation. When conducting program reviews, university presidents considered data on graduating students, faculty productivity, enrollment trends, and class size. Criteria evaluated during program reviews were communicated with faculty and academic leaders so that each academic department knew what was being evaluated.

The use of data and institutional research officers was critical to university presidents when making decisions to address continuous decreases in state funding. Because decisions were made quickly, responsive institutional research officers were viewed as essential to presidents’ solution analyses. However, if data were not available or could not be reported in time for proper solution analysis, university presidents looked to solutions that they believed would result in the least negative consequences as well as solutions they thought would be effective based on prior experience.
Least Negative Consequences and Experienced Solutions

During times of decreased state funding, university presidents had to make a multitude of decisions that affected many different units on campus. University presidents described several solutions that resulted with the least negative consequences. Dr. Cooper stated:

The major consideration when we had budget cuts is the effect on our people, meaning faculty, staff, and students. Sometimes you had to make the choice on what hurts the least. Kind of like the doctor’s office, it’s going to hurt either way. We were sometimes faced with decisions that were going to hurt either way. So, I considered what does the least damage to the campus proper. What could we do to minimize the effects?

Solutions with the least negative consequences were implemented first when adapting to decreased state funding. Solutions included reductions in travel budgets, reductions in supply budgets, hiring freezes, and unfilled positions. However, university presidents’ interpretation of decisions that had the least negative impact was contingent upon their institutional mission.

Some university presidents chose to eliminate positions, but the elimination of positions underscored leadership priorities. For example, administrative positions were frequently positions that were eliminated or unfilled, including positions in physical plant and groundskeeping. Dr. Brown explained, “You can’t cut physical plant. Well you can, but then your campus deteriorates, and you can’t attract students.” However, administrative (staff) positions are usually the first positions eliminated because staff do not have the protection that faculty have regarding position terminations. Dr. Wilson stated, “One time we were down 14 landscapers and maintenance people, so you end up with bathrooms getting cleaned less often because we were trying to keep the classroom intact.”

University presidents consistently identified the order of solutions implemented when notified of decreased state funding: first, reducing or eliminating travel and supplies budgets; second, not filling open positions and hiring freezes; and third, eliminating administrative
positions and postponing pay raises. Administrative jobs and non-tenure track instructors were the first positions eliminated when the budget was decreased and cutting spending would not recoup the revenue lost from state support. Some universities in the University of Louisiana System went eight years without a pay raise. Dr. Brown described:

Those are difficult issues because in higher education when you have this long disinvestment it takes a human toll, there’s no other way. You cut travel which is a small percentage of the budget, you cut supplies, no big deal, someone has to buy their own pencils, but there’s no other things you can cut. So, you have to develop some priorities and not everyone is going to agree with you and not everyone is going to think your strengths are what your strengths are as an institution, so it’s a difficult thing, and it weighs heavy on you. The interesting thing is the only positions we can immediately get rid of are the people that produce the most. Instructors teach five courses and in some areas can teach up to 500 students a semester, those are the first that can go. The individuals in clerk jobs, the maintenance jobs, and things like that they’re the ones because they don’t have the protection. Your tenure track and tenure individuals, unless you file exigency, they are there. So again, another weakness in higher education is the inability to move quickly to be flexible to adapt to changing times.

Due to the timeframe in which decisions have to be made during times of financial instability, decisions had to be made with incomplete or contradictory information. In these situations, presidents drew upon experience to inform their decision-making process. Furthermore, data were not as readily available when decreases in state funding began, and university presidents oftentimes did not have the option to analyze data and make data-driven decisions, so they relied on their experience. Drawing on past experiences and memories were common in university leaders’ decision-making process, but leaders also noted that former solutions may not work because of the constantly changing environment in which Louisiana regional institutions operated. During the decision-making process, university leaders said that they understood the environment is constantly changing, so a reliance on prior experience should be adapted to reflect the current operational environment. Dr. Ward explained described the process of making decisions with incomplete information:
You never have all of the information you need to make the decisions, and you know the situations are always changing. Even if you have perfect information one day, some short period of time later the conditions may have changed.

University presidents had many options to consider when adapting to decreased state funding. However, the timeframe in which decisions had to be made was extremely short, so presidents considered solutions that had been successfully used in the past. Solutions such as decreasing travel and supply budgets, hiring freezes, and unfilled positions were usually the first responses to adapt an institution to decreased state funding. If savings from implementing those solutions was not enough, then university presidents considered administrative layoffs because faculty have protection that staff do not.

**Explore Scenarios Early**

Because decreases in state funding occurred every year for nearly 10 years, university presidents began working with scenarios and preparing for budget decreases beforehand. University leaders assumed more cuts in funding were coming so developing scenarios before the legislative budget cycle began became common practice. According to Dr. Cooper, “You probably never were ready, so you hoped you had a quiver full of arrows that you can pull out when you needed it.”

University presidents took different approaches when building scenarios to address impending decreases in state funding. Whenever rumors of decreases in state support were circulating, several university presidents considered options to increase revenue rather than cut institutional budgets. However, other university presidents assumed the worst-case scenario and built their institutional budgets assuming a certain cut in percentage. Yet other university presidents prepare for upcoming budget decreases by holding back a percentage of each departmental budget regardless of how much the legislature decreased funding for higher
education. Dr. Wilson described his budgeting approach, “We always took the worst-case approach, and we were always right. You don’t have the time to do any rational budgeting in Louisiana. It’s not a good way to budget, but that’s the way we were forced to budget.”

Continuous budget decreases led university presidents to anticipate budget decreases during budget planning sessions. Whether the focus was on generating revenue or cutting institutional budgets to make up for decreased state support, university presidents had the budget at the forefront of their minds. Planning scenarios to adapt the institution to decreased state support allowed presidents to quickly implement pre-planned solutions once the legislature and Governor passed the executive state budget.

**Prioritization during Decision-making Process**

Based on participant interviews, prioritization was a driving force behind university leaders’ decision-making process. Presidents prioritized the needs of students, the academic mission, and the overall mission of the university during their decision-making process to address decreases in state funding. This subsection will explore the different priorities that shaped university president decision-making processes including students, academics, and the university mission.

**Student Focused**

University presidents explained that the effect on students was always considered during their decision-making process during times of decreased state funding. According to Dr. Wilson, “Your prioritization is something that is more of an art than a science. You have to have a sort of sixth sense. Students to me always came first.”

Other presidents interpreted putting students first as making decisions that impacted student spaces, such as student unions and residence halls, because students faced increased
tuition and fees as a result of continuous decreases in state funding. University leaders made
decisions to prioritize the maintenance of student spaces such as the student union and residence
halls. University leaders communicated that students should benefit in some way since their
tuition and fees were increasing every year to recoup lost revenue from the state. Some
university presidents described the prioritization of the student experience. These leaders
prioritized student life and leadership initiatives and considered classroom learning as part of the
student experience as well.

Dr. Gold stated:

> I often say there are two boxes I check before making any decision. Firstly, is it good for
> the student? Secondly, is it good for the university? If I can check both of those boxes,
> we’re headed in the right direction. If I can check one but not the other, then it causes us
to have to reevaluate whether we make that particular decision. It’s always with the
> student in mind, and of course students are here to get an education, so obviously the
> academic delivery component has to be the top priority.

According to university presidents, how decisions affected students was an important part
prioritizing during their decision-making process. University leaders interpreted student
prioritization differently, whether making decisions to enhance student-focused spaces on
campus, keeping the student experience intact, or focusing on student learning. Because students
are responsible for recouping lost funds through tuition and fee increases, university presidents
prioritized aspects of the institution that directly affected student experience and student
learning.

**Preservation of Academics**

University presidents explained another priority that they considered during their
decision-making process, the preservation of academics. Presidents wanted to preserve the
academic mission of the university by keeping “the classroom intact.” Making academics a
priority meant university presidents had to cut in other areas of the institution, such as
administration. For university presidents, preserving academics meant prioritizing faculty, academic programs, and attempting to keep class sections reasonably sized. Dr. Faber noted, “I pledged that I would do whatever I could to reduce spending that didn’t affect what happened inside of a classroom, so we started eliminating staff. While I was there, I had to eliminate over 200 people.”

University presidents described their conscious effort to preserve the academic mission of the university, and acknowledged that sometimes this meant that the administrative side suffered. Prioritizing academics meant that expenses related to administration and facilities were delayed resulting in deferred maintenance. Presidents said they understood that this was not a sustainable long-term strategy, but decisions regarding the budget had to be made quickly. University presidents described the underlying priority of protecting classroom learning while making financial cuts in other areas.

**Prioritization of the University Mission**

University presidents described the overall mission of the university as a primary driver of their decision-making process during times of decreased state funding. The university mission was prioritized over other aspirations of the university. Dr. Clark described:

We really kind of centered it [decision-making] around students and the mission of the university. We really tried to focus on what we were doing to support the mission of the university, where the central part of the mission of the university is the success of our students. We didn’t prioritize some of the peripheral priorities of the university, for example internationalization of campus and increasing the number of international students. So, when we got to the really difficult decisions around particular programs, we really focused on our mission which the students. Our students who are here right now.

University leaders discussed how the mission of the whole university was always an underlying priority during their decision-making process to address decreased state funding. “I always asked where we might have some areas we can cut that doesn’t threaten the university as a whole and
the mission,” stated Dr. Brown. Additionally, university presidents described using the university mission to drive their decisions, especially when they felt that decisions had to be made quickly and without time to thoroughly analyze solutions.

The university mission was a priority that guided decision-making processes during times of decreased state funding. Presidents described how other goals and aspirations of the university, those that did not directly relate to the overall mission of the university, had to be suspended because the mission took precedence. During times of decreased funding, university presidents made decisions within parameters of the university’s core mission.

**Policy-driven Decision-making**

During times of decreased state funding, university presidents described making decisions within limits of policy, including policies by the Louisiana Board of Regents policy, University of Louisiana System policy, and accrediting bodies. Presidents only considered solutions during the decision-making process that complied with all university governing and accreditation boards. This subsection will describe responses of presidents related to their decision-making process within the boundaries of governing board policy and accreditation.

**Board of Regents and University of Louisiana System Policies**

Decisions made by university presidents during times of decreased state funding were policy-driven. University presidents expressed equivocal feelings about the policies in which decisions had to be made. Some suggested that policies were helpful because they narrowed the scope of options. Others indicated that the volume of policies was overly restrictive, especially when the state contributed such a small amount of funding to public higher education. Dr. Nelson described, “I think we all joke that we spend 80% of our time dealing with 25% of our budget.”
These policies governed admission standards for students, hiring and firing practices, and faculty layoff notices. One university president described how revised admission standards allowed the university to admit more students, therefore, tuition and fee revenue increased. Conversely, tenure track faculty have to be given a year’s notice before they can be released, so there was not an opportunity to make quick decisions regarding faculty members. Dr. Brown stated, “I don’t believe at this point our board policies have caught up with the financial realities of the state.”

Due to the budget cycle, presidents made decisions quickly and the existing policies did not allow for quick modifications or revisions. Because most policies were created to comply with a state law, policies could not be modified quickly. This condition added to the difficulty of adapting quickly to decreases in state funding, especially mid-year budget cuts that required institutions to implement solutions within days. According to university leaders, there were they felt stymied from quickly implementing a solution because of existing policies.

However, the University of Louisiana System revised policies to assist universities in adapting to continuous decreases in state funding, especially fee policies. During the peak of the decreases in state funding, the University of Louisiana System recognized that policies needed to change to allow institutions to more quickly adapt to state funding decreases. The University of Louisiana System revised existing fee policies to give universities more options when addressing decreases in state support. Dr. Mouton noted, “During the early days of the budget reductions with some policy changes which allowed certain things to happen. Fee policies changed a lot. There’s been some continuous policy changes at the system office. Some are small, but cumulative.”
University presidents had to work within governing board policies during their decision-making process. Policies typically existed to comply with state law, and the existing policy environment was viewed as restrictive because decisions had to be made quickly during times of decreased state funding. However, some presidents viewed policy compliance as helpful by providing boundaries in which to work when making decisions. Policy was a significant driver of decision-making during times of continuous decreases in state funding.

**Accreditation**

University presidents must comply with many different accreditations when making decisions. During the decision-making process, university presidents considered how their decisions affected their many different accreditations. There were many factors surrounding accreditations that affected viable solutions. Accreditation added new standards that had to be considered when adapting to decreased state support.

When considering decisions that affected faculty workload, accreditation standards usually dictated what could be done regarding adjunct faculty and class size. When making decisions related to accreditation standards, Dr. Wilson explained, “First of all that [increasing class size] puts you in accreditation problems if your faculty are teaching too many sections, and we couldn’t hire faculty because we don’t have the money and faculty were leaving.” Other decisions regarding academic program eliminations were governed by accreditation standards. For example, accreditation standards required institutions to offer a curriculum until all students finished a program before eliminating it.

University presidents considered the effect of solutions on the many different institutional accreditations. Accreditation standards influenced decisions regarding faculty workload and
program elimination. In order to remain compliant, university presidents examined accreditation standards during their decision-making process when adapting to decreased state support.

**Creating Campus Buy-in**

During the decision-making process, university presidents described the importance of creating buy-in to their decision-making process and proposed solutions. This was achieved by establishing common goals through informal campus aspirational goals or formally through the institutional strategic plan. Additionally, university presidents used communication strategies to remain transparent during budgetary discussions. This subsection will examine responses from university presidents regarding their common goals and communication during their decision-making process.

**Establish Common Goals**

University presidents explained how campus aspirational goals and strategic planning drove their decision-making process during times of decreased state funding. University presidents described how the strategic plan was used to set their most important priorities, and planning sessions started with the strategic plan as an outline for what should be considered when adapting the institution to decreased state funding. The strategic plan was used to guide the decision-making process to move the institution forward for the long-term. Dr. George explained, “If you’ve got a well thought out strategic plan, that’s what guides you through the long term.”

University presidents communicated the strategic plan campus-wide so that priorities were clear to the entire campus. Some university presidents described continuously evolving the strategic plan with input from faculty, staff, and students. These leaders noted that the goals of
the university occasionally changed but protecting the student experience and academics was always a priority.

President's also mentioned establishing informal campus aspirations that were communicated with the campus community; every department had a vision of what these aspirational goals meant for them. Informal goals created a sense of shared responsibility when implementing solutions to continuous budget cuts. Dr. Hughes stated:

> It’s about aspiration; what it is we aspire to be. And how the decision aligns with that. So, for instance at [my institution] we quickly adopted an aspiration to be the premier regional university in the country. It’s not well-defined, and that means many different things to different people, but it’s something that provides an aspiration. So, once you get that established then you start making decisions and every decisions you should be able to relate it to that ultimate goal. It elevates people’s vision above that crisis and puts responding to that crisis in front of them.

**Communication and Transparency**

Communication with internal and external campus communities was seen as critical for ensuring transparency during times of financial instability. University presidents were intentional in sharing information with the campus, community, and elected officials. System presidents expressed the importance of a shared message among the nine institutions. University presidents also practiced transparency and communication with students during their decision-making process because many of these decisions directly affected cost of attendance.

University presidents made it a priority to communicate with students during their decision-making process because solutions were likely to affect students directly through increased tuition and fees. University presidents held town halls or met exclusively with student leadership such as the Student Government Association. Students were encouraged to bring questions and concerns to university leaders. Dr. George described, “We interact a lot with our
students and get feedback on what’s important to them. We try to communicate with them some of the same things to help them understand why we’ve had to go up on fees.”

Presidents explained how communicating with the entire campus and external community helped explain their decision-making process and solutions to adapt their institution to decreased funding. Dr. Clark explained, “I communicated with the campus to be aggressive and proactive about the impact of budget cuts. I felt that would get the effect of the budget cuts in front of us rather than dragging it behind us.”

University presidents also said that they tried to be transparent and communicate their decision-making process with faculty. When doing a program evaluation, university leaders met with the faculty senate or other faculty representation to explain the criteria for decisions regarding academic programs. Dr. Clark explained, “We always tried to communicate to people a lot about the criteria and get input about the criteria, and then we would communicate about the process.”

To communicate with the entire campus, university presidents sent out campus emails describing the happenings of the state legislature and potential solutions to upcoming budget decreases during times of continuous budget cuts. “I would do campus emails about the campus budget and updated the campus anytime there was anything important going on,” said Dr. Clark. Other university presidents held “state of the university” addresses to inform the public of what was happening on campus.

At the University of Louisiana System level, system presidents described the importance of communicating with a clear message to the legislature. By leveraging the collective voice of all nine institutions and 91,000 students, the system communicated as a group to educate the legislature and general public regarding their decision-making and the effects of continuous
decreases in state support for public higher education. Dr. Hughes explained, “Our first step was to get our nine presidents on board with creating a message that came from the entire higher ed. enterprise.” Dr. Ward stated, “We had the public information officers and governmental affairs officers from each institution work with system staff to form a cogent aligned political strategy for each one of the legislative sessions to make sure we spoke with one voice.”

University presidents explained the importance of communication and transparency during times of decreased state funding to effectively convey their decision-making process and solutions. Because university leadership could be perceived by the campus community as ‘secretive’ during times of financial instability, transparency was important. Presidents stated that constant communication through email, town halls, or university addresses was helpful in addressing the issue of transparency. Furthermore, constant communication assisted in garnering feelings of togetherness with the campus community. Dr. Wilson stated, “It made us feel like we were in the same boat rowing together, but we were still in a hurricane.”

**Deferred Maintenance**

Deferring maintenance was one of the most expedient solutions university presidents found to address decreased state funding. Because of the conscious decision to preserve the student experience and academics, deferring maintenance was considered a viable solution during presidents’ decision-making process. The University of Louisiana System deferred maintenance backlog was “about $375 million,” according to Dr. Hughes. Deferred maintenance is a solution that was implemented throughout the entire timeframe of this study, so there are maintenance issues on campuses that have not been addressed in about 8 years. This subsection will examine university presidents’ reflections regarding deferred maintenance during their decision-making process when addressing continued decreases in state support. Additionally, the
researcher observed the landscaping, student union, main academic building, and library on six campuses to understand the results of deferred maintenance. This subsection will present those observations.

University presidents must prioritize during times of decreased state funding. Deferring maintenance was a common solution during presidents’ decision-making processes. Presidents considered and implemented solutions that deferred maintenance on structural components of older buildings, HVAC (heating, ventilation, and air conditioning) systems, roof repair, and ADA (Americans with Disabilities Act) accommodations. Presidents described making decisions to ensure classroom and student experiences remained top priorities, which did not leave monies to address maintenance needs. Dr. Macklin stated:

Deferred maintenance is like on your car. You’re supposed to change the oil every 10,000 miles, and if you don’t do it, the car breaks. So deferred maintenance is like that. Pretty soon windows fall out, roofs leak, and air conditioning units go down.

Many presidents described outdated HVAC systems that had had constant “patch” jobs and eventually broke causing a disruption to operations. Maintenance on outdated HVAC systems, especially in historical buildings, was extremely expensive. Historical buildings on campus were not built to support modern HVAC systems, so presidents constantly struggled with updating air conditioning in academic buildings. Deferred maintenance was especially difficult with older buildings. Dr. Wilson observed:

These buildings were built in the 1950s. They were poorly designed, and they weren’t designed for the number of people that we had on campus. They certainly weren’t designed for the modern types of HVAC systems and the central heating that we needed. There was just no way around it. It was too much money, so we kept cleaning up puddles and patching the ceiling year after year because we couldn’t replace it.

Another aspect of deferred maintenance is ADA accommodations. The historical buildings on campus were expensive to renovate and make ADA compliant, so university
presidents frequently made the choice to prioritize other needs rather than addressing noncompliant spaces. Dr. Macklin explained:

These schools were built before the ADA laws were in place, and so you’ve got uneven pavements and noncompliant restrooms. I think our ADA bill was something like $5 million, and there’s no money to pay for it, and that makes us out of compliance with federal law.

The researcher observed the landscaping, main academic building, student union, and library of six campuses to understand the effect of prioritization of needs to adapt institutions to decreased state funding. The researcher observed that many campuses prioritized creative uses of spaces. Academic libraries no longer house as many physical books because the majority of library inventory is now digital. The six campuses had not built new libraries but renovated existing spaces to accommodate students’ needs. For example, one university campus had no physical books or library services on the entire first floor of the building. The space was repurposed as a “one-stop shop” for students with financial aid, student account services, and admissions located all in one area. Other libraries had removed many shelving units to make space for computer labs, study areas, and coffee shops. This aligned with presidents’ prioritization of student experiences.

Student unions on campuses were among the most newly renovated and sustained sections of campus. Student unions boasted many dining options, modern seating, student lounge areas, meeting rooms, convenience stores, and event spaces. Since student unions tend to be the central student hub, these buildings were prioritized by presidents when making decisions regarding decreased state funding. The student unions appeared to be well-maintained, clean, and updated. Additionally, campus unions seemed immune to the effects of deferred maintenance when presidents had adapted the campus to decreases in state funding.
Landscaping on the campuses differed from one another; some campuses made landscaping maintenance a priority while others did not. As stated earlier in this chapter, administrative positions were eliminated more easily than faculty positions due to faculty protections. The elimination of administrative positions included landscaping staff. The researcher did not observe any campus landscaping that was in total disarray. However, campuses that prioritized campus beautification were evident. Lawns were clean, grass was green, bushes were trimmed, flowers were in bloom, and landscaping around all buildings were maintained. Even campus building signage on these campuses was freshly painted and clean.

Conversely, some campuses had graffiti on external building signage, dead grass, lack of blooming flowers, lawns unkempt, and outdoor fountains turned off. It was clear that decisions on these campuses were made to prioritize needs other than landscaping and physical campus maintenance.

The main academic building on all campuses observed were historical buildings, and these buildings suffered the most from deferred maintenance. The researcher observed old model water fountains, classrooms with chalkboards, outdated classroom equipment and desks, and water stained ceilings. The HVAC systems and roof maintenance were not physically visible to the researcher; however, these historical buildings bore the brunt of deferred maintenance on their cooling and heating systems. These main academic buildings were heavily utilized with classes in session, administrative offices, and faculty offices and lounges. On every campus observed, the entire academic building was being utilized, so the researcher concluded that decisions were made to keep the main academic buildings operational. In contrast, other academic buildings on campus were underutilized with entire floors unoccupied because of structural safety or hazardous materials, such as asbestos. While the main academic buildings
needed repair, university presidents prioritized the maintenance of them because they were high-traffic areas for students, faculty, and staff.

Deferred maintenance was the hidden wound of continuous decreases in state funding. University presidents were forced to prioritize the upkeep of certain areas on campus while deferring maintenance or renovations of others. Student-centered spaces appeared to be areas of high priority, which aligned with the customer-service model university presidents described when speaking of students as the university’s main clients. For example, Dr. Nelson stated:

At the end of the day it’s about the student experience. And so, I always try to think like a student. Because they are our primary clients and if you put them in a classroom that is falling to pieces or if you don’t have a classroom at all or no instructor at all, it's just not going to work.

The researcher considered observations of physical campuses as important to understand university presidents’ motivations and priorities when considering solutions to decreases in state funding.

**Conclusion**

This chapter introduced university presidents’ reflections through six themes that emerged related to their decision-making processes during times of continuous decreases in state funding. These themes include collaboration, fast turn-around, prioritization during decision-making process, policy-driven decision-making, creating decision buy-in, and deferred maintenance. University presidents described how collaboration was an integral part of their decision-making process. University leaders collaborated with their top management teams, faculty, students, and trusted advisors. Decisions regarding decreased state funding were made extremely quickly because the state budget cycle did not fit within the academic cycle.

Additionally, university presidents described their prioritization during the decision-making process. University leaders explained how the effect of their decisions on students
influenced their decision-making. Additionally, preserving academics during times of decreased state funding was a major priority for executive university leaders. The decision-making process was also driven by policy through institutional, University of Louisiana System, and Board of Regents policies. University presidents operated within the confines of policies which affected the solutions they considered.

Finally, university presidents described establishing campus buy-in during their decision-making process. This included defining a common goal through campus communication and strategic planning. Presidents described the significance of “being in this together” when making decisions to adapt the campus to continuous decreases in state funding. The following chapter will examine the results, limitations, implications, and recommendations for future research.
CHAPTER 5

IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSIONS

Introduction

This study examined the decision-making process of executive university leaders during times of decreased state funding for public higher education in Louisiana. Executive leaders from all nine institutions within the University of Louisiana System, along with University of Louisiana System presidents, and Commissioners of Higher Education, were represented. Since 2008, the University of Louisiana System has experienced a comprehensive decrease of $293 million in state support for public higher education. This research investigated the decision-making process that higher education leaders used while adapting their institutions to continuous decreases in state funding.

Data analysis for this qualitative study included semi-structured interviews with 17 higher education executive leaders. Interviews were conducted with current and former presidents from all nine University of Louisiana System institutions, University of Louisiana System Presidents, and Commissioners of Higher Education. The researcher analyzed budget documents to understand the financial situation of each institution in the University of Louisiana System. The researcher also conducted observations of six campuses with specific attention paid to landscaping, main academic building, student union, and library to understand the prioritization and deferred maintenance decisions university leaders considered when adapting the institution to continuous decreases in state funding.

Based on the findings of this study, future higher education leaders will understand what
executive university leaders considered during their decision-making process when addressing continuous decreases in state funding for public higher education. This chapter will summarize implications for the research questions and present conclusions. After a discussion of the conclusions, recommendations for practitioners are presented. Finally, the researcher will discuss suggestions for future research.

Six themes emerged from the data reflecting executive higher education leaders’ decision-making process during times of continuous decreased state support:

1. Collaboration
2. Fast turn-around
3. Prioritization
4. Policy-driven decision-making
5. Creating decision buy-in
6. Deferred maintenance

Research Questions

1. How do executive university leaders make decisions during times of decreasing state support for public higher education?
2. As university executive leaders make decisions to adapt to decreased state funding, what important factors do they consider?
3. What are the key moments in the executive leaders’ decision-making process in response to decreased state appropriations?

Discussion of Findings

The disinvestment in higher education has become a national problem, and Louisiana has incurred one of the largest decreases in state support for public higher education. For almost a
decade, Louisiana has experienced a comprehensive decrease of over $700 million in state appropriations. The University of Louisiana System has experienced a decrease of $293 million in state support since 2008. Executive university leaders have had to make difficult decisions to adapt their institutions to continuous decreases in state funding. There have been no studies regarding the decision-making process of university leaders during a crisis, such as constant financial instability. This study filled this gap by focusing on the nine institutions within the University of Louisiana System, while also examining experiences of current and former University of Louisiana System presidents and Commissioners of Higher Education.

The researcher selected university leaders who served within the timeframe of 2008 to 2016 as participants for the study. This research used rational choice theory, bounded rationality, and garbage can theory as conceptual frameworks to gather qualitative accounts of decision-making processes of university presidents during times of decreased state funding. Using these conceptual frameworks and the research literature, findings will be presented for each research question.

**Research Question 1**

*How do executive university leaders make decisions during times of decreasing state support for public higher education?*

The executive university leaders presented several different strategies they used to adapt their institution or the University of Louisiana System to continued decreases in state funding. Presidents made decisions during a short timeframe and established concrete priorities that drove their decision-making processes. University leaders had to make decisions extremely quickly during times of continued decreases to state funding. The legislative budget cycle did not align with the academic budget cycle. The legislative budget was passed in June even though
university budgeting must be completed by the beginning of the fiscal year on July 1. Therefore, university presidents typically had approximately two weeks to consider and implement solutions to adapt the university to decreased state appropriations, and occasionally even had to make decisions within a few days when faced with mid-year budget cuts from the legislature.

University presidents made decisions in a short timeframe because Louisiana’s legislative budget process did not align with the academic cycle. Louisiana’s budget cycle begins in October when the Louisiana Board of Regents submits a request on behalf of all higher education institutions in the state to the Commission of Administration. The Revenue Estimating committee meets to consider the revenue forecast to build the executive budget, and the executive budget must be completed between 45 and 60 days before the regular legislative session begins. The regular session begins in March and continues into May. Finally, the Governor signs House Bill 1, the executive budget, in June and the Louisiana Board of Regents runs the formula funding model to determine funding allocations for the different systems of higher education. Funds are allocated to the University of Louisiana System in June, and the new fiscal year begins for higher education on July 1.

Because of the fast turnaround of the decision-making process, university presidents had to make decisions using incomplete or even contradictory information, which is consistent with Simon’s (1955) theory of bounded rationality. When making decisions with a lack of sufficient data and evidence, most presidents described calling upon prior experience or “gut feelings” to aid their decision-making process. Satisficing, the act of calling upon prior experience when information is limited to select a satisfactory solution, was common among university presidents (Simon, 1955). When university presidents reviewed incomplete or contradictory information, they selected the solution with the least negative consequences.
Prioritization determined which solutions were considered during higher education leaders’ decision-making process. Because decisions had to be made in a short timeframe, presidents needed a driving force to guide potential solutions. University presidents discussed the importance of preserving the student experience and academics during their decision-making process to address decreases in state funding. Prioritization of the student experience and academics narrowed the scope of solutions they considered and decreased the time to consider each solution to adapt the university. When making decisions, university presidents prioritized student-centered spaces, such as the student union and residence halls. Presidents prioritized these spaces because many decisions led to increased tuition and fees for students. Presidents suggested that it was important to them to prioritize aspects of campus life that directly affected students. University presidents described students as the primary client, so their mindset during their decision-making process was to identify solutions that would most benefit students.

University presidents also considered solutions that preserved the academic mission of the institution. Higher education leaders prioritized faculty positions, academic programs, and class size solutions and reduced spending in all other areas before considering decisions that affected the academic side of the university. Prioritizing academics led to decisions that affected the administrative arm of the university. Consequently, if positions had to be eliminated, they were most likely administrative positions.

University presidents’ decision-making process relied on prioritization, prior experience, and solutions that had proven effective in the past, this included the continuous prolonging of deferred maintenance projects. Due to the short timeframe, leaders’ prioritization of the student experience and academics, and the pursuit of solutions with the fewest negative consequences, university leaders chose to defer campus maintenance to focus funds on areas of campus that
benefited or preserved their overall priorities. Because the majority of campus deferred maintenance projects involved outdated HVAC systems, roofs, and structural components of historical buildings, addressing these issues was extremely expensive and not considered to be a direct benefit to students or the academics of the university.

University presidents also used the overall mission of the university to drive their decision-making process; they prioritized the mission of the institution over other aspirational goals of the university. When aspirational goals of the institution, such as campus globalization, did not directly relate to the campus mission of teaching and research, presidents gave these priorities less weight.

In summary, university presidents made decisions within a short timeframe and prioritized aspects of the university to drive their decision-making process. Because higher education leaders made decisions quickly, there were times when presidents had incomplete or contradictory information. In these instances, higher education leaders relied on prior experience to drive their decision-making process. Higher education leaders also identified solutions that had been effective in the past or had the least negative affect. Additionally, university presidents prioritized aspects of the institution that they thought should be preserved during their decision-making process. The student experience along with academics were the two motivating aspects of the university that drove leaders’ decision-making processes.

**Research Question 2**

*As university executive leaders make decisions to adapt to decreased state funding, what important factors do they consider?*

University leaders considered input from top management, students, faculty, and external community members when considering solutions to adapt to decreased state funding. Most
university leaders also established budget review committees to help generate ideas and promote transparency of budget decisions. University presidents also solicited advice from trusted advisors during times of decreased state funding.

Higher education leaders used the input of their top management team when going through their decision-making process. When notified of decreased state funding, university leaders met frequently with their top management teams, especially Chief Financial Officers, to consider input on how to address decreases in state funding. Buyl et al. (2013) found that Chief Executive Officers delegated decision-making responsibility to their top management teams when decisions affected their particular organization. Top management teams are comprised of departmental experts and understand the effect of solutions implemented by the president of their organizations.

Consistent with the research literature, university presidents delegated decision-making responsibilities to their executive cabinet. As stated in prior research, leaders value diverse leadership and opinions when considering solutions (Kelman et al., 2016). Diverse leadership and ideas are needed to address decreases in state funding, and university presidents valued individuals who challenged their proposed decision-making processes and solutions.

University presidents and higher education leaders consider input from faculty and students during their decision-making process when addressing decreases in state support. University leaders met with faculty and student representatives; however, these meetings were informational rather than a negotiation. Because governing boards hold university presidents responsible for their institutions, higher education leaders chose to share as much information as possible with faculty and students rather than allow faculty, students, or the external community to make decisions. University presidents met with the Student Government Association to
discuss how decisions would affect the student body. Presidents used these meetings with faculty and students to address concerns with transparency regarding the budget and decision-making process.

University presidents also established budget review committees, which is consistent with the research literature on distributed leadership. Distributed leadership encourages joint action from many stakeholders through formal and ad hoc committees (Woods et al., 2004). Additionally, there were situations in which decision-making was more effective when conducted in a group-setting (Bates, 2014). Budget review committees were comprised of faculty, staff, and student representatives. While some university presidents regarded boards as advisory and informational, others used committees to help develop potential solutions to adapt the institution to decreases in funding. These university presidents considered this a “bottom-up” decision-making process. Budget review committees also helped presidents respond to issues of transparency during budget cycles.

Higher education leaders in Louisiana considered advice from trusted advisers, including community members, mentors, colleagues from former institutions, and professional organizations. University leaders gathered input and feedback from others who were external to the university. Advice was advisory in nature and similar to information gathered from budget review committees and town hall meetings with students and faculty. Advice from trusted external stakeholders was an important step in the decision-making process because university leaders wanted to explore as many ideas as possible in addressing decreases in state funding.

Higher education leaders considered quantitative data during the decision-making process. Quantitative data were important to university presidents for justifying decisions. According to Leimer (2012), data analysis helps determine the best course of action when
presented with multiple solutions. Data considered during the decision-making process included: student enrollment, student demographics, faculty workload, space utilization, student credit hour production, academic program reviews, retention rates, graduation rates, and number of graduates by program. University leaders described enrollment data as the most common quantitative metric used during their decision-making process because they were most helpful with tuition and fee revenue predictions.

In alignment with the research literature on accountability and autonomy, university leaders made decisions within federal, state, and institutional policies. Higher education institutions are held accountable by their governing boards, and leaders had to be conscious of policies set by the Louisiana Board of Regents and the University of Louisiana System (Schmidtlein & Berdahl, 2011). State governing boards of public higher education make financial decisions based on state financial policy (Longanecker, 2006). University leaders described the consideration of policy during their decision-making process when adapting institutions to decreased funding for higher education. Presidents of institutions within the University of Louisiana System considered institutional, system, and Louisiana Board of Regents policies during their decision-making process.

Participants had equivocal perspectives regarding policies. Some leaders suggested that system and Board of Regents policies were overly restrictive and made the process more difficult by hindering their ability to make decisions as quickly as needed during times of decreased state support. Other leaders, however, appreciated for having policies that served as both protection and boundaries. Governing board policies regulate admission standards for students, hiring and firing practices, and faculty and staff layoffs. During the peak time of decreased state funding, the system office and the Louisiana Board of Regents revised certain policies to make it possible
for university leaders to adapt their institutions more quickly to continued decreases in funding.

During their decision-making process, university presidents had to comply with many existing accreditations. From institutional to academic program accreditations, university leaders considered the implications of their decisions on the standards set by accrediting bodies. Accreditations affected decisions that could be made regarding full-time faculty, class size, and faculty workload.

In summary, university leaders consider input from many different stakeholders, including their top management teams, faculty, and students. University leaders also reviewed different forms of quantitative data including enrollment trends, faculty workload, faculty productivity, space utilization, and academic program reviews. Finally, participants described policies that affected their decision-making process, including University of Louisiana System and Louisiana Board of Regents policies and accreditations, when considering solutions to adapt their institutions to continued decreases in state funding.

Research Question 3

What are the key moments in the executive leaders’ decision-making process in response to decreased state appropriations?

Participants described key moments of their decision-making process, including meetings with Chief Financial Officers and top management teams once notified of potential funding decreases. Key moments also included the development of scenarios of budget solutions before the budget passed, receipt of funding from the Louisiana Board of Regents, and creating buy-in through the establishment of common goals and communication with the campus and external stakeholders.

University leaders noted that their first step when first notified of decreases was to meet
with the Chief Financial Officer. The CFO’s knowledge of the budget and policy drove university presidents’ decision-making processes. The CFO’s in-depth knowledge of the budget process informed presidents regarding solutions that complied with state policies. Additionally, CFOs were able to analyze potential solutions to decreased state funding to determine if proposed ideas would actually affect the budget enough to address the continuous decreases in state funding.

Another key moment in university leaders’ decision-making processes included preparing for budget decreases by developing scenarios to adapt the institution to potential decreases in state funding before the budget was passed by the legislature. Due to the continuous nature of decreases in state funding, university leaders began developing responses to decreases in state support before the Governor signed the executive budget. Some university presidents looked for opportunities to increase revenue or reduce expenses to address decreases in state appropriations.

Another key moment in executive university leaders’ decision-making process was receipt of funds from the Louisiana Board of Regents and the University of Louisiana System. Because of the state’s budget timeline, university leaders could only use projections in budget discussions until the Louisiana Board of Regents ran the outcomes-based funding formula and determined how much each system of higher education would receive. The Louisiana budget cycle begins in October with a request from the Louisiana Board of Regents to the Commission of Administration outlining the needs of public higher education in the state. The budget cycle ends in June after the Governor signs House Bill 1 into law, and the Louisiana Board of Regents can run the outcomes-based funding formula. After the funding formula is complete, the Board of Regents disburses funding to the system offices, and the system office can change funding for each institution within 5%. Once distribution of funds is determined, university presidents
typically had about two weeks to implement solutions to address decreases in state support. However, the decision-making process began well before the University of Louisiana System distributed final funding to each institution.

Finally, a key moment in the university leaders’ decision-making process was creating campus buy-in through shared goals and communication. University leaders described addressing transparency with their decision-making process and budget discussions with the overall campus community and external stakeholders. University leaders held town halls to discuss the budget and their decision-making process with faculty, students, staff, and the external community. In addition, university executive leaders spoke to the entire campus community during state of the university addresses or convocations to promote transparency during times of budget uncertainty. University leaders underscored a transparent decision-making process during fiscally unstable times because of the effect budgetary discussions can have on campus morale.

In summary, key moments during the university leaders’ decision-making processes included meeting with their top management teams, especially Chief Financial Officers, to discuss options to address decreases in state support for higher education. Leaders described their first step when notified of impending budget cuts as meeting with the CFO to discuss potential solutions. University presidents explored scenarios to address decreases in state appropriations before the legislature passed the executive budget. The receipt of funding was a key moment in executive leaders’ decision-making processes because the legislative budget cycle provided an extremely short period of time to adapt campuses to any cuts in funding before the beginning of the fiscal year. Finally, university leaders created buy-in to their decision-making process through communication and shared goals on campus.
Implications for Practice

All of the institutions within the University of Louisiana system experienced significant decreases of state funding, and university leaders made decisions that ensured the survival of their institutions. Since 2008, institutions within the University of Louisiana System experienced a decrease in state funding of 49% or greater. University leaders employed a decision-making process that focused on collaboration, prioritization, prior experience, data, and policy to drive their solutions.

Higher education administrative leaders who are currently leading institutions that are experiencing financial instability could adopt key moments of the decision-making process to adapt their institution to continued decreases in state funding. However, because institutions within the University of Louisiana have some similarities, decision-making processes for leaders at institutions with different climates, histories, culture, locations, and revenue sources may vary significantly. Universities within the University of Louisiana System have similar revenue streams, therefore, leaders at institutions with different revenue opportunities may activate different decision-making processes than leaders at public regional institutions.

Based on the findings of this research study, the researcher makes the following recommendations for practitioners when assessing their decision-making process to adapt an institution to continuous decreases in state funding:

*University leaders must understand the legislative budget timeline and the effect it has on the institutional budget for the upcoming fiscal year.*

Louisiana’s state legislature timeline for implementing the state’s executive budget influenced the decision-making process for university leaders because the budget cycle and academic cycles conflicted. University leaders had to understand the budget process of the state
because the state legislature did not pass the executive budget, including funding for higher education, until late June. Once the executive budget was passed, the Louisiana Board of Regents executed the outcomes-based funding formula model to distribute higher education funds to the systems of higher education. The systems could change funding for the institutions within 5% of the allocations from the Louisiana Board of Regents. During the peak disinvestment of public higher education in Louisiana, university leaders occasionally did not receive their final funding until after the fiscal year started. Therefore, executive higher education leaders should understand the timeline in which the legislative budget operates and stay informed regarding regular and special legislative sessions that could affect the budget for public higher education in the state.

University leaders should collaborate with internal and external stakeholders during their decision-making process.

University leaders described the importance of collaboration with others during their decision-making process to adapt their institutions to continuous decreases in state funding. Collaboration included discussing potential solutions with Chief Financial Officers and top management teams as well as gathering feedback from faculty, staff, students, and external community members. University leaders should solicit advice from trusted advisers like former colleagues or involvement in professional organizations. University leaders should also consider using budget review committees to gather fresh ideas regarding solutions that can be implemented during times of decreased state funding. Because decision-making timelines are frequently short when adapting to the disinvestment in public higher education, collecting many viewpoints regarding potential solutions is critical when making changes to the institution.
Constant communication with campus constituents and the external community is critical during times of decreased state funding.

Executive university leaders should communicate important events regarding the budget during legislative sessions along with their decision-making process and solutions during times of continued decreased state funding. The practice of sharing information with faculty, staff, students, and external community members promotes top-down transparency regarding budget decisions. Establishing budget review committees also helps promote transparency with the campus community and promotes a sense of “togetherness”. While university leaders should not have to justify every decision they make when adapting their institutions to decreased state funding, it is important to collaborate and share information that impacts a large population of the campus community and students. When information is not freely shared through campus emails, town halls, university addresses, or committee meetings, the campus may become concerned about a leader’s lack of transparency which could affect campus morale.

University leaders must have well-defined priorities that drive their decision-making process during times of decreased state funding.

University leaders should establish specific priorities during their decision-making process when adapting the institution to decreased state funding. Within the University of Louisiana System, leaders chose to preserve the student experience and academic mission of the institutions. Those two priorities drove decisions that presidents made to adapt to the disinvestment of higher education.

University leaders may need to postpone peripheral goals of the institution to ensure decisions reflect the most important priorities of the university. University leaders could use the overall university mission to drive their decision-making process, and priorities could be derived
from the overall institutional mission. Solutions implemented should relate directly to the
mission of the institution. The establishment of institutional priorities by leadership creates a 
blueprint from which to develop solutions to decreases in state funding.

University leaders also could use the strategic plan to establish their priorities during their
decision-making process. Tate (2012) found that Chief Financial Officers’ use of institutional 
strategic plans was critical during their decision-making process. Similarly, university presidents 
reported using the strategic plan during their decision-making process to adapt to decreased state support.

*University leaders should have significant higher education experience when pursuing the presidency.*

Because university leaders had to make decisions quickly, with incomplete, and even 
contradictory information, the recollection of experienced solutions was needed when addressing 
the issue of continued decreases in state funding. University presidents should be experienced 
practitioners of higher education administration and have understanding of an ever-changing 
environment when seeking the role of a university president. Public higher education experience 
is critical when seeking the presidency at a regional institution because of the political 
environment in which public institutions operate. Higher education administrators seeking 
executive positions should have a plethora of experienced solutions to call upon when adapting 
to decreases in state support for public higher education.

*University leaders should understand the political environment in which their campus operates.*

Cohen and March (1974) described the role of a university president to include 
administer, entrepreneur, and political leader. Louisiana public higher education in steeped in the
state’s political environment. Louisiana’s state legislature determines many aspects of public higher education including tuition decisions, admission standards, funding distribution, state-run financial aid requirements, and university presidential selections. Developing a relationship with local and state representatives will benefit university leaders during budget cycles because it is the state legislators’ responsibility to advocate for higher education institutions in their district. Because funding for discretionary budgets, like higher education, are closely tied to the current Governor’s priorities and initiatives, university leaders must understand their representatives’ and the Governor’s stance on higher education when there is turnover during election cycles.

*University leaders can establish a process flow to drive their decision-making process.*

Based on this research, there are key steps that university leaders can take to adapt their institutions to continuous decreases in state funding. University presidents described their first step as meeting with their Chief Financial Officers to discuss options to address state support decreases. University presidents also developed funding scenarios before the state budget was passed and collaborated with internal and external stakeholders. Finally, when university leaders were in the midst of their decision-making process, creating decision buy-in through communication helped foster a sense of togetherness throughout the campus community. University presidents also had to navigate the overarching political environment during their decision-making process. See Figure 16 for proposed decision-making process flow.
Figure 16. Decision-making process flow.

**Recommendations for Future Research**

Study findings and implications for practice support the need for continued research in higher education finance and decision-making of higher education leaders. Leaders within the University of Louisiana System experienced similar circumstances at their institutions that led to their decision-making process when adapting institutions to continued decreases in state funding. The researcher makes the following three recommendations for future research.
First, as the findings showed, university presidents involved their top management teams, especially Chief Financial Officers, in their decision-making process to adapt the institution to decreases in state support. Future qualitative studies should examine the decision-making processes of Chief Financial Officers during continued decreases in state funding. Because of the influence that CFOs had on presidents of the university during their decision-making process and the extensive budget knowledge of CFOs, future researchers should focus on the decision-making processes of Chief Financial Officers.

Second, this research focused on the decision-making process of university leaders, rather than strategies that were used to address decreases in state funding. Further examinations regarding financial management strategies are needed to understand which solutions have been successfully implemented when addressing decreased state funding. A study regarding the actual financial tactics implemented by university presidents and the perceived successes of these strategies is needed. Further research is encouraged to examine solutions implemented rather than processes to reach those solutions. Findings would expand knowledge related to adapting institutions to decreased state funding for public higher education.

Third, university presidents suggested that constant communication through emails, university addresses, and budget review committees aided in addressing issues with top-down transparency when dealing with the budget. University presidents stated a belief that involving faculty and staff members in budget review committees was an efficient and effective way to be transparent during times of budget instability. Further research from the perspective of faculty is needed to determine if top-down communication strategies implemented by executive leadership effectively promoted transparency during times of budget instability.
Conclusion

The purpose of this qualitative study was to understand the decision-making process of Louisiana’s executive higher education leaders during times of decreases in state funding. This research focused on institutional leadership within the University of Louisiana system, along with system presidents and Commissioners of Higher Education. This study contributed to the literature regarding higher education finance and decision-making during times of uncertainty.

University and higher education leaders described how they implemented their decision-making process during times of decreased state support for public higher education. Because the timeframe in which decisions had to be analyzed and solutions implemented was short due to Louisiana’s budget cycle, leaders occasionally made decisions with incomplete or contradictory information, frequently relying on prior experience to make these choices. Collaboration was a key component to the university leaders’ decision-making process. Discussions with Chief Financial Officers and top management teams influenced solution analysis during the presidents’ decision-making process. University leaders also sought out advisory input from faculty, staff, and external community members.

University leaders also prioritized certain goals set by the institution during their decision-making process. Prioritizing student experiences and academics were the most frequently mentioned drivers of executives’ decision-making process. However, the overall mission of the institution was frequently used when higher education leaders evaluated solutions used to address decreases in state funding.

The most common theme of executive university leaders’ decision-making process was collaboration, especially with Chief Financial Officers. The in-depth knowledge of CFOs regarding the institutional budget, legislative budget, and fiscal compliance was an invaluable
resource to university presidents during the times of decreasing state support. University leaders relied on the knowledge and expertise of Chief Financial Officers when making decisions to adapt the institution to the disinvestment of higher education. University leaders facing continuous decreases in state funding relied on experienced, knowledgeable, and trustworthy Chief Financial Officers to effectively and efficiently adapt institutions to decreases in state appropriations.

While the university leaders who participated in this research described many aspects of their decision-making process, the legislative budget timeline was critical when making decisions to adapt to decreased state funding for public higher education. With the final budget being unknown until June, university presidents only had weeks to analyze and implement solutions to respond to budget cuts. University presidents should understand the fiscal and political environment of the state in which they serve, along with the legislative budget timeline, and use this information to steer their decision-making process.
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APPENDIX A

UNIVERSITY PRESIDENT INTERVIEW PROTOCOL
Introduction:

You have been selected to participate in my research because of your experience leading a university during times of financial uncertainty. My research project focuses on the decision-making process of university presidents during times of decreases state funding, and the interview questions you will be asked today will be focused on your leadership and decision-making. If you do not feel comfortable answering a question, you do not have to respond. You can also cease the interview at any time. Thank you so much for your time.

Warm up:

1. Describe your educational background and career experience that led you to your position today.
2. How long have you served in your role as president?
3. Have you had to make decisions to adapt to decreased state funding during your time as president?

Main Questions:

4. Describe major decisions that usually must be made when adapting to decreased state funding.
5. When you are notified of decreased state funding, how do you prioritize your next steps in addressing that issue?
6. How soon do you start contemplating potential solutions to decreased state funding?
   Probe: Before the state budget is passed or after?
   Probe: How prepared are you to address decreases in funding when the legislature passes the budget?
7. Describe the timeframe in which decisions regarding decreased state funding must be made.
8. Describe your decision-making process when adapting to decreased state support.

9. What important factors are considered when your decision-making process starts?
   - Community and campus perceptions, faculty and student input?

10. What information/data did you consider when making decisions to adapt to decreased state support?

11. How do you use your executive team, faculty, students, and other stakeholders when making decisions regarding decreased state support?

12. What participants are usually included during decision-making discussions?

13. How did you prioritize your day-to-day responsibilities when you must address budget cuts?

14. Describe the level of solution analysis you could conduct.
   - Probe: Describe if you felt decisions had to be made with incomplete or contradictory information.

15. How do existing university policies and practices influence your decision-making process?
   - Probe: Is any portion of the process standardized or must meet institutional or state policy?

16. Describe how decreased state funding has affected capital planning and campus maintenance projects.
   - Probe: What areas on campus have been the most negatively affected because of deferred maintenance decisions?

17. Please describe anything else you would like to add that I have not already asked.
APPENDIX B

LOUISIANA HIGHER EDUCATION GOVERNING BODY PRESIDENT INTERVIEW PROTOCOL
Introduction:

You have been selected to participate in my research because of your experience leading a system of higher education during times of financial uncertainty. My research project focuses on the decision-making process of higher education executive leaders during times of decreases state funding, and the interview questions you will be asked today will be focused on your leadership and decision-making. If you do not feel comfortable answering a question, you do not have to respond. You can also cease the interview at any time. Thank you so much for your time.

Warm up:

1. Describe your educational background and career experience that led you to your position today.
2. How long have/did you served in your role as president/higher education commissioner?
3. Have you had to make decisions to adapt to decreased state funding during your time as president?

Main Questions:

4. Describe your governing body’s role in the decision-making processes executive universities go through when adapting their institution to continuous decreases in state funding.
5. Describe your thoughts regarding what decisions need to be made when first notified of a decrease in state funding.
6. How soon do you start contemplating potential solutions to decreased state funding? Before the state budget is passed or after? How prepared are you to address decreases in funding when the legislature passes the budget?
7. Describe major decisions Louisiana’s higher education governing bodies must make when adapting to decreased state funding.
8. Describe your decision-making process when adapting to decreased state support.
9. What timeframe do you have to adapt to decreased state appropriations?

10. How did you prioritize your day-to-day responsibilities when you must address budget cuts?

11. Describe the level of solution analysis you could conduct. Describe if you felt decisions had to be made with incomplete or contradictory information.

12. Does the University of Louisiana System/Board of Regents have set practices or policies that influence your decision-making process? Is any portion of the process standardized or must meet institutional or state policy?

13. What information/data did you consider when making decisions to adapt to decreased state support?

14. What important factors are considered when your decision-making process starts?
   Community and campus perceptions, faculty and student input?

15. How do you use your executive team, faculty, students, and other stakeholders when making decisions regarding decreased state support?

16. What participants are usually included during decision-making discussions?

17. When you are notified of decreased state funding, how do you prioritize your next steps in addressing that issue?

18. Describe how decreased state funding has affected capital planning and campus maintenance projects.

19. Tell me anything else you would like to add that I have not already asked
APPENDIX C

RESEARCH QUESTIONS, CORRESPONDING CONCEPTUAL FRAMEWORK, AND INTERVIEW QUESTIONS
<table>
<thead>
<tr>
<th>Research Question</th>
<th>Conceptual framework</th>
<th>Interview Questions</th>
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<tr>
<td>1. How do executive university leaders make decisions during times of decreasing state support for public higher education?</td>
<td>Rational choice theory: Leaders make decisions with imperfect information under time constraints. Rational choice is synonymous with <em>dispassionate action</em> and leaders make decisions dispassionately through the analysis of available information (Morrell, 2004). Rational choice is useful when studying individual decision-makers (Morrell, 2004).</td>
<td>Describe your thoughts regarding what decisions need to be made when first notified of a decrease in state funding.</td>
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<td>Bounded rationality: The theory of bounded rationality suggests that individuals make decisions with available factors, but that information will be incomplete (Campitelli &amp; Gobet, 2010).</td>
<td>How soon do you start contemplating potential solutions to decreased state funding? Before the state budget is passed or after? How prepared are you to address decreases in funding when the legislature passes the budget?</td>
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<td>Satisficing: Satisficing allows for the decision-maker to generate a <em>good enough</em> solution while reducing the costs of the solution search (Grandori, 1984).</td>
<td>Describe major decisions that usually must be made when adapting to decreased state funding.</td>
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<td>Garbage can model of decision-making: Problems and solutions are unclear, and decision-makers are constantly flooded with new demands and must constantly shift attention to the next issue that arises (Bess &amp; Dee, 2012).</td>
<td>What timeframe did you have to adapt to decreased state appropriations?</td>
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<td>How did you prioritize your day-to-day responsibilities when you must address budget cuts?</td>
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<td>Describe the level of solution analysis you could conduct.</td>
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2. As university executive leaders make decisions to adapt to decreased state funding, what do they consider?

Rational choice theory: individuals make decisions based on information and resources available at the time (Simon, 1955).

Bounded rationality: It is unreasonable to expect humans to consider every possible alternative solution to make the best decision (Campitelli & Gobet, 2010).

Satisficing: The decision-maker uses a simplified rationality model and considers the limitations surround the decision, including limited knowledge and external circumstances, and selects a solution that is satisfactory or good enough based on previous experiences (Simon, 1976).

Garbage can model of decision-making: The garbage can model can be visualized as a set of problems, solutions, participants, and

What information/data did you consider when making decisions to adapt to decreased state support?

What important factors are considered when your decision-making process starts? Community and campus perceptions, faculty and student input?

How do you use your executive team, faculty, students, and other stakeholders when making decisions regarding decreased state support?
opportunities being thrown in a metaphorical garbage can and the intersection of the streams produces a solution, but how the streams interconnect is random and unpredictable (Bess & Dee, 2012).

3. What are the key moments in the executive leaders’ decision-making process in response to decreased state appropriations?

Rational choice theory: Decision-makers implement the solution with the lowest risk (Simon, 1955). Leaders make decisions in extremely complex environments and do not have the time to analyze positives and negatives of each potential solution (Morrell, 2004).

Bounded rationality: Simon argued that humans cannot fully access environmental factors, nor do they have the cognitive system to fully maximize every decision (Campitelli & Gobet, 2010).

Satisficing: Decision-makers often select the first optimal solution that is usually similar to those adopted from the past (Bess & Dee, 2012).

Garbage can model of decision-making: The garbage can model is not linear, problems do not clearly present themselves, and solutions are not linked to specific circumstances (Bess & Dee, 2012). Utilizing the garbage can model of decision-making will help to understand the combination of problems, solutions, participants, and opportunities as well as the complexities surrounding them (Johnson, 2016).

What participants are usually included during decision-making discussions?

Describe your decision-making process when adapting to decreased state support.

When you are notified of decreased state funding, how do you prioritize your next steps in addressing that issue?

Describe how decreased state funding has affected capital planning and campus maintenance projects.

Describe the timeframe in which decisions regarding decreased state funding must be made.
APPENDIX D

INSTITUTIONAL REVIEW BOARD APPROVAL
July 10, 2018

Kelsey Bohl
College of Education
The University of Alabama
Box 870302


Dear Ms. Bohl,

The University of Alabama Institutional Review Board has granted approval for your proposed research. Your application has been given expedited approval according to 45 CFR part 46. Approval has been given under expedited review category 7 as outlined below:

(7) Research on individual or group characteristics or behavior (including, but not limited to, research on perception, cognition, motivation, identity, language, communication, cultural beliefs or practices, and social behavior) or research employing survey, interview, oral history, focus group, program evaluation, human factors evaluation, or quality assurance methodologies.

Your approval will expire on July 9, 2019. If the study will continue beyond that date, you must complete and submit the Continuing Review Form within e-Protocol. If you need to modify the IRB protocol, please complete and submit the Amendment Form. Changes in this study cannot be initiated without IRB approval, except when necessary to eliminate apparent immediate hazards to participants. When the study closes, please complete the Final Report Form. Please use the IRB-stamped Consent Form.

Should you need to submit any further correspondence regarding this application, please include the assigned IRB approval number. Good luck with your research.

Sincerely,

Carpanato T. Myles, MSM, CQM, CIP
Director & Research Compliance Officer
Office for Research Compliance

cc: Dr. Claire Major