

A CASE STUDY OF THE MERGER OF THE TECHNICAL AND COMMUNITY  
COLLEGES IN KENTUCKY AND MINNESOTA AND IMPLICATIONS FOR GEORGIA

by

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(Under the Direction of Karen L. Webber)

ABSTRACT

Many states currently have separate community and technical college systems. This separatism results in problems of redundancy, competing services and lack of an integrated curriculum. Minnesota and Kentucky, states that had separate technical and community college systems, dealt with these problems by merging their separate systems. As Georgia feels pressure to merge its technical and community colleges, the merger experiences of Kentucky and Minnesota provide an opportunity to learn valuable lessons. The purpose of this case study was to develop a deeper understanding of (a) the factors leading to the mergers of the technical and community college systems in Kentucky and Minnesota, (b) the dynamics that occurred during these mergers, (c) the impact of these mergers a decade after initiation, and (d) the lessons learned as a result of these mergers. This study included interviews with a total of 30 faculty, professional staff, and middle or upper level managers from college and central office administration, 15 within the Kentucky Community and Technical College System (KCTCS) and 15 within the Minnesota State Colleges and Universities (MnSCU). Each individual was interviewed to assess their opinions and experiences about the mergers. An analysis of the data found several common themes and three core concepts. The prevailing answers to what drove the

mergers dealt with inadequate resources and funding, workforce development, student barriers, and political desire, power and will. The most common answers on what happened during implementation related to cultural resistance, administrative process integration, integration of people and multilevel broad-based involvement. The most frequent answers about the impact of the mergers related to system culture, student access, political and corporate presence, and overall positive impression. The common answers about the lessons learned from the mergers related to cultural resistance and integration, implementation timing, leadership and communication, marketing and branding, and openness to change. Common across all four research questions were three core concepts: (a) cultural resistance, (b) communication need, and (c) stakeholder importance. The interpretation of these findings led to a few specific conclusions and implications.

**INDEX WORDS:** Merger, Technical Colleges, Community Colleges, Kentucky Community and Technical College System, Minnesota State Colleges and Universities, Technical College System of Georgia, The University System of Georgia

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## CHAPTER 1

### INTRODUCTION

Many US states currently have separate community and technical college systems. These separate systems are a result of the evolution of higher education in these states and throughout the country. In his study of state governance structures, Puyear (2001) indicates that some community colleges emerged from university branch colleges or were developed by high schools and became commonly known as “junior colleges.” Their primary mission was to prepare students for transfer to the university. Other similar colleges were an outgrowth of occupational training and became commonly known as “technical institutes,” “technical colleges,” or “vocational schools.” Their primary mission was occupational education in preparation for initial employment. In some states, Puyear highlights, parallel systems of “junior colleges” and “technical institutes” were created, usually with different governance and funding structures. As these systems matured, individual institutions of both systems have become more comprehensive to the point where the two systems may now be providing redundant and competing services (Puyear, 2001, p.1). For publically-supported systems, this redundancy and competition has resulted in the allocation of funding and other resources for duplicative initiatives and services while the lack of integration or articulation of similarly offered courses has resulted in transfer student frustration because of curriculum redundancies.

In many states, the problems of redundancy, competing services, and lack of an integrated curriculum among other factors have led to rising higher education costs. For these and other states experiencing similar problems, the merging of separate postsecondary systems, and in particular, the merger of segregated two-year institutions such as technical and community

colleges have been implemented as a solution. Over the past two decades, at least six states have merged their technical and community college systems. Connecticut, Washington State, Kentucky, Minnesota, Indiana, and Louisiana have all consolidated their technical and community colleges. Various legislative acts in Kansas during the 1990s resulted in the mergers of vocational technical schools and community colleges or the transition of vocational technical schools to technical colleges. Because the governance structure among vocational technical schools, technical colleges, and community colleges remained fragmented, in 2006, the Kansas legislature created a commission to review the governance and structure of technical colleges, vocational educational schools and community colleges (Edleston et al., 2007). The use of mergers and acquisitions in for-profit corporations has often been utilized to create efficiencies and better quality products and services. Some states, such as Minnesota and Kentucky that had separate technical college and community college systems, attempted to address the problems of lack of resources and lack of seamless transition in the curriculum through mergers. Merging systems can be a compelling strategy used to eliminate unnecessary service duplication and competition. According to Luecal and Fricke (2001) and Bragg (2010), merger is an effective strategy when looking to address rising costs. Luecal and Fricke indicate that “cost savings result from the elimination of job functions, jobs, facilities and related expenses that are no longer needed when certain activities at the acquired company are integrated with the on-going activities of the core business” (p. 4). Bragg states that if merging companies successfully locate duplicative costs and effectively integrate the functional areas, substantial synergies can be realized that more than offset acquisition costs. However, cost savings are not always achieved. Harvey, Price, and Lusch (1998) reported that costs associated with the production processes of integrating companies are high, and if not properly understood and controlled, can result in rapid

losses. As a result, although reducing rising higher education costs may be a motivating factor in merging technical and community colleges, states contemplating this strategy must consider the possibility that this outcome may not actually be realized.

### Purpose of the Study

In Georgia and other states that currently maintain separate technical college and community college systems, there are continuous discussions of strategies that address diminishing resource allocations to postsecondary education institutions with duplicative services and increasing calls by education advocates and stakeholders to create a seamless curriculum. Important to these discussions are findings from those states that have undergone mergers to address these problems. The 1995 Minnesota merger often has been proclaimed by those in the community college sector as the flagship example of sweeping change aimed at consolidating postsecondary systems within a state (Puyear, 2003). In 1998, Kentucky embarked upon its merger of their technical college system and community college systems. Because it is a southeastern state in close proximity to Georgia, the dynamics in Kentucky were likely similar to those officials in Georgia would experience if embarking upon a similar journey. The experiences and findings from the Minnesota and Kentucky mergers may provide valuable insight for Georgia and other states considering the integration of their technical and community college systems. Some structural information about these mergers already is known by other state postsecondary systems. For instance, we know which systems were merged, how many institutions were merged, how long it took to complete the mergers, and so forth. However, there is a need to know more about the experiences of those who went through this massive organization change. These experiences will help better understand the (a) factors leading to the mergers of the technical and community college systems in Kentucky and Minnesota, (b)

dynamics that occurred during these mergers, (c) impact of these mergers a decade after initiation, and (d) lessons learned because of these mergers.

Recently, there has also been a serious push in Georgia for a merger of its technical and two-year colleges. Before officials in Georgia attempt this large task, additional details gleaned from other state systems can help. Lessons learned from the experiences of Kentucky and Minnesota can provide much needed information, so that if such a merger is endeavored, it can be swift and successful.

### Statement of the Problem

As in many other states, in Georgia, two distinct bodies, The University System of Georgia (USG) and The Technical College System of Georgia (TCSG), govern public postsecondary education. TCSG previously was known as the Department of Technical and Adult Education (DTAE), but on May 13, 2008, State of Georgia Governor Sonny Perdue signed into law legislation that officially changed its name (Light, 2008). The USG is composed of 35 higher education institutions, including four research universities, two regional universities, 13 state colleges and universities, eight state colleges and eight two-year colleges. The system remains under a consolidated governing board, the Board of Regents, and is led by a system chancellor (Bracco, 1997). Two-year colleges in the University System of Georgia offer the first two years of academic course work, and are the primary provider of developmental studies. The two-year colleges have never been called community colleges and are distinct from the institutions that report to the Technical College System of Georgia (TCSG). The Technical College System of Georgia includes 26 technical colleges which provide continuing education, customized training for business and industry, and technical education to the associate degree

level. Some also provide adult literacy training. The Georgia State Board of Technical and Adult Education (SBTAE) was established in the Official Code of Georgia Annotated, Section 20-4-10 (Bracco). The SBTAE selects and employs the commissioner of technical and adult education and determines his compensation, duties, and responsibilities. The commissioner provides the overall supervision and direction of the Technical College System of Georgia (TCSG) and serves at the pleasure of the State Board of Technical and Adult Education.

While current policy establishes the reach of these two governing bodies, no known policy exists to force the systems to work together in any way toward a seamless education system for the state. Given my 12-year experience in TCSG working with students, this lack of cooperation can create a confusing and often difficult process for students wishing to move from high school to a technical college to a two or four-year college. I have seen first-hand the frustration of technical college students seeking transfer to USG four-year institutions and in many cases have had to intervene to facilitate the process. Richardson, Bracco, Callan, and Finney (1999) stated that the transfer of credit between TCSG (DTAE at the time of the study) and USG institutions has not worked well. Thus, in Georgia, there is a lack of a clear pathway for students in the public educational system. This likely is true in most states where the K-16 educational system is controlled by separate educational entities that focus on different levels of education, but whose programs and services such as career education, dual enrollment/early college, continuing education and economic development often overlap and compete against each other. This separated structure causes problems with the transferability of courses. Students are often forced to retake courses that fail to transfer between institutions, creating both a financial and time burden on these students. According to Lynch (1994), “opportunities for postsecondary career student transfer have not kept up with student demand and interest,

resulting in duplication and loss of credits, time, and money when occupational students try to continue their education” (p. 4). Given these experiences and findings, there may be a stark awakening to the seamless education issues in Georgia.

In addition to the fragmentation that causes disorganization, ineffectiveness and inconsistent transferability of courses, these systems compete for a limited pool of state funds. The 50-state survey of state funding for community colleges found, for those states reporting amounts, the average expenditure for each annualized student FTE in each of the higher education sectors (community/technical colleges, four-year state colleges and universities, four-year research universities) was greater for four-year state colleges and universities and four-year research universities than for community/technical colleges in every state except Illinois (Center for Community College Policy, 2000). This disproportionate funding likely causes one or more of the units within a higher education sector to not operate as effectively as it could if adequate resources were provided. Given these limited resources and often duplicative programs and services in such areas as dual enrollment/early college, career education/training, continuing education and economic development, colleges are less likely to be as effective and efficient as they possibly could be in delivering these programs and services or their core programs and services.

In the context of this competition of resources is the fact that public financing of higher education is shrinking. According to Paulsen and Smart (2001), beginning in the 1980s, and continuing --- even intensifying --- in the 1990s, state legislatures have contended with budget shortfalls and cutbacks in --- and expanding, competing claims on --- state budgets due to the politics of federal budget-balancing and the accompanying devolution of federal programs, transferring responsibility for them to state and local governments (Zemsky & Wegner, 1997).

Furthermore, between 1980 and 1994, the share of state appropriations in total current fund revenues at public institutions fell from 44 percent to 33.3 percent, while tuition's share of revenues increased from 12.9 percent to 18.4 percent. According to Hovey (1999), over the past decade, the percentage increase in total state support for higher education has been smaller than the percentage increase in total state budgets.

Puyear (2003) enumerated several concerns specific to Georgia that may necessitate a merger between the two-year colleges of the Board of Regents and the Technical College System of Georgia. They include concerns that (a) separate systems are too expensive and cost savings could be attained by a change to a unified system; (b) separate systems are producing unnecessary or inappropriate barriers to students that could be reduced or eliminated if the institutions or systems were merged; (c) workforce preparation is disjointed and ineffective; (d) adults are not finding it convenient to continue their education; and (e) the systems are engaging in turf battles or presenting competing or conflicting budget proposals and are expecting the executive or the legislature to resolve the conflicts. According to Puyear, this is aggravated when the systems are unable or unwilling to provide consistent, believable, results-oriented accountability measures that could validate their effectiveness and efficiency.

#### Significance of the Study

This study is significant for states similar to Georgia which have fragmented postsecondary educational systems. As each public educational body in these states is faced with the continued shrinking of state-provided resources, but desire to better serve their customers, drastic and radical solutions such as merging will become increasingly compelling. It is important that states considering merging as an option take the opportunity to learn from those that have gone before them so that the positive experiences can be imitated and the negative

experiences eliminated. Such consideration is likely to lead to better and more successful postsecondary system merger processes and outcomes.

The State of Georgia has already begun the process of merging colleges within the Technical College System of Georgia. From July 2009 through June 2010, thirteen technical colleges merged into six. As pressure for increased quality and accountability interact with fewer resources being provided, the next educational structural frontier examined may likely be a comprehensive community college system through the merger of the two-year and technical college systems in Georgia. The desired outcome would be to produce better results with fewer resources.

## CHAPTER 2

### REVIEW OF RELATED LITERATURE

This chapter presents the relevant literature pertaining to the problem, a solution to the problem and specific cases where the solution has been implemented. Specifically, the literature reviewed in this chapter discusses issues of cost and articulation in higher education and their impact on the decision to merge technical and community colleges in some states. It also discusses the historical reasons behind separate state technical and community college systems, the structure of Georgia's postsecondary system, state reforms to postsecondary structures and compelling reasons for merging Georgia's technical and two-year colleges. Key success factors, reasons for failure and lessons learned relative to corporate, government, higher education and general mergers also are examined. Finally, this chapter reviews literature relative to the mergers of the technical and community college systems in Minnesota and Kentucky, and communicates the significance of these mergers to the higher education community.

States considering mergers similar to those of Kentucky and Minnesota are echoing the need for structural change. Rising education costs at the postsecondary level and lack of seamless education in most states are driving forces behind this need for change. An examination of the history of technical colleges and community colleges helps to understand how many states have come to have dual systems today. Although merger is a very enticing solution, prior to moving forward, officials in states considering a merger of their technical and community colleges should develop a true understanding of the pros and cons of merging organizations in various sectors as well as lessons learned from other states that have merged their technical and community colleges. Kentucky and Minnesota can provide key information that is important if

Georgia moves forward with plans to merge. The literature on mergers in the corporate, government and higher education sector provided the framework for lessons learned. The literature on the merger of the technical and community college systems in Kentucky and Minnesota is limited, but the literature found did provide a deeper understanding about the circumstances surrounding these mergers and their immediate impact. Searches using the topics of technical and community college mergers, lessons learned from mergers, higher education costs and mergers, and seamless transfer or articulation and transfer were used to find sources in the following databases: ERIC, EBSCOhost, electronic journals and texts, ERIC (education) and Questia.

#### Need for Change: Costs and Seamless Education/Articulation

The core problem resulting in defragmented state postsecondary education systems where merging seems to be a key solution is that our education and training systems were built for another era, an era in which most workers needed only a rudimentary education. It is not possible to move forward by patching that system. There is not enough money available at any level of our intergovernmental system to fix this problem by spending more on the system we have. We can get where we must go only by changing the system itself (National Center on Education and the Economy, 2007). While this statement by the National Center on Education and the Economy from *Tough Choices Tough Times* refers to our multifaceted U.S. educational system, key components of this system are community and technical colleges. These two postsecondary organizations are very similar in the populations they serve, but their missions, historically, have been somewhat different. However, in recent years, these missions have become blurred. An example of this is the new term, “new vocationalism,” that evolved during the 1990s. New vocationalism is a concept that requires the integration of occupational and academic courses in

order to enrich both liberal arts and vocational programs. There were a number of barriers, including faculty resistance and institutional resource deficiencies that prevented widespread implementation of this concept (Prentice, 2001).

Because of these potentially conflicting ideologies, two separate but similar state supported postsecondary entities continue to function in many states when the overall costs for higher education continues to rise. Results of a 1974 to 1995 review of the major sources of financial information available on colleges and universities in the United States clearly showed that the costs of providing higher education services outpaced the rate of inflation (Toutkoushian, 2001). The Spellings Commission Report, one of the most important reports on our education system over the past decade, also noted a concern with the seemingly inexorable increase in college costs, which have outpaced inflation for the past two decades and have made affordability an ever-growing worry for students, families, and policymakers (U.S. Department of Education, 2006). The ability for states to support separate systems with similar purposes given the rising costs of postsecondary education likely will be strained.

The Spellings Commission also noted another critical problem facing higher education, seamless education. They proposed dramatically expanding college participation and success by outlining ways in which postsecondary institutions, K–12 school systems, and state policymakers can work together to create a seamless pathway between high school and college (U.S. Department of Education, 2006). While the focus of the recommendations is on secondary and postsecondary educational levels, a catalyst to this comprehensive system could be postsecondary education. According to a 1989 study that included the survey of 408 chief executive officers of campuses, many baccalaureate degree-granting colleges and universities, particularly those with branch or regional campuses, often lack program articulation policies and

practices that facilitate student progress to the baccalaureate degree at the parent institution, sometimes even from traditional arts and science tracks (Prager, 1993). This lack of access to higher education through agreements, policies or practices that create a seamless connection from one level of education to the other, compliments the cost barrier for students seeking and states providing a postsecondary education.

Costs and articulation are two of the major factors driving the issue of mergers among technical and community colleges. Lack of resources in a sea of rising costs will be examined first. Since 1949, the price of higher education has risen more rapidly than that in the average economy (Baumol & Blackmon, 1995). Over the last few decades, the cost of attending two- and four-year public and private colleges (including tuition and other education-related expenses) has grown more rapidly than inflation, and faster than family income as well. As a result, the share of family income that is needed to pay for tuition and other college expenses has increased (National Center for Public Policy and Higher Education, 2002). Johnstone (2000) also describes higher education as labor intensive. Because higher education is dependent on many employees and therefore costly, and it can be expected to continue to increase in unit costs as much as any other very labor-intensive service--that is, at rates somewhat in excess of the rate of increase in the costs of living. Higher education's costs can increase at much greater rates if revenues increase commensurately (Johnstone). Unfortunately, current economic situations prevent such revenue increases from happening, and as a result, many states are cutting higher education allocations, forcing public postsecondary institutions to address these increased costs with limited state funding.

As opposed to Johnstone's position that the labor-intensive nature of higher education drives costs, Paulsen and Smart (2001) use another paradigm to discuss the driving forces behind

increased tuition and college affordability. This paradigm draws some strong conclusions about the rise in college costs based on both cost-side factors and demand-side factors of higher education. On the cost-side, the factors effecting the rise in tuition include (a) decreases in the share of institutional revenues from state government appropriations; (b) increases in the constant-dollar value of instructional expenditures per-student; (c) minimal or no growth in conventional measures of instructional productivity, such as the student-faculty ratio; (d) increases in the constant-dollar value of administrative expenditures per-student; (e) increases in the constant-dollar value of student-services expenditures per-student; and (f) increases in the constant-dollar value of per-student expenditures on institutional aid. These six factors reiterate other findings that conclude as state funding for public postsecondary education diminishes costs continue to rise with no applicable private sector cost-cutting strategies effectively addressing these issues.

These six cost-side factors enumerated by Paulsen and Smart (2001) are complimented by seven demand-side factors driving an increase in tuition and college affordability. Paulsen and Smart state that the most probable causes of tuition inflation based on demand-side factors include increases in the (a) job-market opportunities for college graduates relative to high school graduates; (b) numbers of potential college-bound students; (c) participation rates of students of traditional age, across different levels of income, levels of ability, and racial/ethnic groups; (d) numbers of students of non-traditional age and students attending part-time; (e) constant-dollar income of students and their families in the top income quintile, and to a lesser extent, in the next-to-the-top income quintile; (f) tuition among all members of groups of institutions that view themselves as good substitutes for one another, which initiates and sustains a mutually reinforcing pattern of tuition inflation; and (g) constant-dollar value of federal grants and loans to

students. These seven factors reiterate the focus on increased access to postsecondary education through the elimination of barriers and awareness of benefits. Such access creates greater demand that must be addressed through higher costs that help keep supply and demand in balance. Paulsen and Smart address both the cost-side and demand-side issues that lead to increased tuition and college affordability with a suggestion. They recommend that future research planners conduct comprehensive research designs aimed at advancing theory and empirical work, which will empower higher education scholars and policy-makers with the understanding and the resolve to reverse the trends of tuition inflation and reduced affordability and their destructive effects on the equity of access, choice, persistence, and attainment in higher education in the future.

While costs are rising, public financing of higher education is shrinking. The percentage increases in state support for higher education has been smaller than the percentage increases in total state budgets (Hovey, 1999). Typically, when state finances are strong, appropriations for higher education have risen disproportionately to appropriations for other functions. However, current service budgets in higher education have been cut disproportionately when state fiscal circumstances are weak (Hovey). As mentioned previously, Paulsen and Smart (2001) stated that beginning in the 1980s and intensifying in the 1990s, state legislatures have contended with budget shortfalls and cutbacks while state programs expanded, increasing the competition for state-allocated resources. Additionally, the politics of federal budget balancing, accompanied by the devolution of federal programs, transferred responsibility for programs to state and local governments (Zemsky & Wegner, 1997). In the late 1980s and early 1990s, factors unique to Medicaid and Corrections were causing rapid annual increases in spending for those programs. The gains in state allocations to these programs came at the expense of shares to other programs.

The baseline costs of those programs rose rapidly because of changes in federal mandates, workload (e.g., prisoners to be confined; parolees to be supervised; and Medicaid clients, particularly those in nursing homes), and cost factors (e.g., increasing complexity and cost of medical procedures). This increase in state funding allocation for the Medicaid and Corrections programs exacerbated the decrease in higher education funding, especially during times when state budgets contracted (Hovey).

Faced with rising medical care costs, increased spending for public schools, welfare, courts, and prisons, the share of appropriations allocated to higher education tried to keep pace with inflation but eventually decreased. According to the FY 2006 report of State Higher Education Finance, from 2002 to 2006, state appropriations increased from \$64.7 billion to \$70.7 billion. This was an overall increase of about 9.3 %. Assuming an annual rate of inflation of about 2 %, these increases were in line with inflation. However, between 1991 and 2006, the share of total educational revenue per FTE derived from state sources declined 10 percentage points from 73.9 % to 63.9 % (Gianneschi et al., 1997).

Furthermore, between 1980 and 1994, the share of state appropriations in total current fund revenues at public institutions fell from 44 % to 33.3 %, while tuition's share of revenues increased from 12.9 % to 18.4 %. According to Hovey (1999), over the past decade, the percentage increases in state support for higher education have been smaller than the percentage increases in total state budgets. The baseline projections imply that this situation will need to be reversed in order for the budget to align with actual appropriations. Specifically, annual increases in state appropriations of about 6% would contrast with annual total budget increases of about 5%. They would exceed annual increases in elementary and secondary budgets of just fewer than 5%. To fund the baseline, state elected officials would be in the position of having to defend an

apparent priority for higher education spending -- as well as defending the apparent other priority implied by the baseline, Medicaid. This development implies a significant shift in emphasis from what state officials have been doing over the past decade. Because of the focus on Medicare, Corrections, Secondary Education, and other programs, Hovey states that higher education is not competing successfully with other forms of state spending and will likely continue to share disproportionately in the adverse consequences of the structural deficits as they become more apparent in most states (Hovey). This increased likelihood that state funding for higher education will continue to diminish while higher education costs seem to rise continuously, exposes the need for some form of action by state legislatures.

A report by the National Center for Public Policy and Higher Education (2002) states that higher tuition is the principle driver of increasing costs related to attending college. According to this report, from 1992 through 2001, tuition at four-year public colleges and universities rose faster than family income in 41 states. In 36 of these states, appropriations to higher education also increased faster than enrollment and faster than inflation. McPherson and Schapiro (1998) express similar findings about fiscal pressures from state budgets. They indicate that the dominant force affecting public higher education has been state government imposed fiscal constraints. They also acknowledge that the state fiscal squeeze predates the recession of the early 1990s and persisted through the recovery. Finally, they suggest that there is no reason to expect any abrupt reversal of this fiscal pressure on public universities.

No reversal in fiscal pressure on public institutions is likely because of lack of productivity in higher education. According to Baumol and Blackman (1995), persistently slow growth in productivity relative to other economic activities contributes to the price increases in higher education because in this sector the output per work-hour rises more slowly than the

output per work-hour in other economic activities. The 1994 Digest of Education Statistics (as cited in Baumol & Blackman) indicated that during the 1869-1870 academic year there were 563 postsecondary institutions with 52,286 degree students enrolled and 5,553 faculty members (9.4 students per faculty member). These same statistics indicated that during the 1991-1992 academic-year there were 3,601 postsecondary institutions with 14,358,953 students and 826,252 faculty members (17.4 students per faculty member). Baumol and Blackman concluded that, although crudely measured, this means that labor productivity (the number of students taught per teacher) grew over the course of the past 120 years at an annual rate of one half of one percent, one quarter of the average rate of growth of labor productivity in the U.S. economy as a whole (2 % a year). Attempts to create greater efficiencies in postsecondary education through increased productivity have not been as effective in higher education as they have been in other sectors. Productivity increases in other sectors have helped to curb the costs of inflation and other factors influencing the growth in expenses (Baumol and Blackman). Productivity growth for higher education is slow because intense labor requirements are difficult to reduce through technology. According to Baumol and Blackman, computer-assisted instruction, video cassettes, interactive television, and email can complement college teaching, but live professors are still considered essential. Moreover, labor time cannot be reduced much without cutting quality. This slower productivity (graduates produced per dollar amount spent for instructors) growth leads directly to the persistent rise in real costs. A very simple yet powerful example of this point of view is that of workers in a computer plant. If the wages of workers in a computer plant rise 4 % but their productivity (the number of computers produced per worker) rises 6 %, then the costs per computer will fall. Wages rise, but output per worker rises faster. Contrasting this example of productivity in a computer plant is the example of productivity in higher education. If the salaries

of professors rise 4 % a year, but productivity in higher education goes up only 1 %, then the labor costs of higher education will rise roughly by the amount of the difference, 3 %.

Instructors' salaries rise, but output per instructor does not rise as fast (Baumol & Blackman).

Thus, even a state resource allocation in line with expected inflation of 2% would still not likely keep pace with labor expense increases.

Along with diminishing resource allocation to postsecondary institutions, the other major factor driving the consideration of mergers among technical and community colleges is the limited articulation of courses. Many states lack a clear pathway for students to move through the public educational system. This lack of seamless transition creates a confusing and often difficult process for students wishing to move from technical college to a community college or four-year college or university. During the transitioning process, students are often forced to re-take courses that do not transfer between institutions, creating both a financial and time burden for these students. This seems far more prevalent with career, technical or non-liberal arts majors. Cohen and Ignash (1994) found that a high percentage of non-liberal-arts courses transfer to four-year institutions. According to Snyder, Hoffman and Geddes's study (as cited in Palmer, 1999), in the 1994-95 academic year, approximately 57% of the associate degrees awarded were in fields outside of the arts and sciences. In studies conducted in 1991 and 1998, Palmer found that non-liberal arts accounted for slightly less than 50% of the total community college curriculum. Universities award credit for nearly all science, social science, and humanities courses taken at community colleges. However, the rest of the non-liberal arts curricula--technical, trade, and vocational courses--do not transfer as readily (Striplin, 2000).

The goal of articulation is to provide the transfer student a path across postsecondary education with minimal duplication of studies and with little or no loss of credits. The process

presumes that the transfer student from the two-year college is prepared for upper-division studies. Ideally, the transfer function also serves to establish the academic validity and credibility of the transferring institution as a legitimate partner in providing education for the transfer student. However, in reality, it has not worked that way. Barriers exist which have more to do with differences--real or perceived--in academic cultures and attitudes between two and four year colleges and faculty than anything else does (Susskind, 1996). Lynch (1994) discusses several barriers to transfer of credit courses from two-year community and technical colleges to four-year colleges and universities. These barriers are categorized as attitudinal, institutional, geographical, financial, curricular, and structural. Attitudinal barriers are related to those perceptions that the quality of a community and technical college education is less than that of a four-year college or university. Institutional barriers focus on the differing missions between the community and technical college and the four-year college or university. Community and technical colleges are committed to open and equal access. The issue of access versus excellence is one that can pose barriers for acceptance of two-year college transfer students (Lynch). Geographic and financial barriers refer to the fact that a large percentage of community and technical college students are from a lower socioeconomic status and must commute to school. For the typical four-year college, this group of students is a least desirable population to recruit for admission. Curricular barriers are relative to the labeling of students, programs and courses as either occupational or academic. The development of separate associate degrees for occupational and transfer purposes reflects the dualistic thinking that students will be prepared either for work or for continuing higher education. The applied associate degree (e.g., AAS, AAT) was developed to prepare postsecondary students for immediate entry into the job market, with only an occasional recognition of the possibility of these graduates going on to a higher level of

education (Lynch). Structural barriers focus on the statewide governance separation of technical colleges, community colleges and four-year colleges and universities in some states. Grubb's study (as cited in Lynch) argues that a comprehensive college that has bridged the gap between separate technical and community college systems minimizes problems with institutional transitions (new rules, procedures, roles, staffing, learning expectations) that can discourage continuation of education.

An opposing view to this theory is established in the findings of Paul (as cited in Lynch, 1994). Studies by Paul indicate that bachelor degree attainment was higher where adult and vocational-technical education programs were separated from two-year liberal arts or transfer programs, and where two-year programs were located either on a four-year college campus or in two-year colleges, which were part of a total university system. Although Paul's findings are compelling, contradictory findings are more persuasive. As a result, improving articulation remains a primary reason for consolidating two-year postsecondary institutions into a comprehensive system.

#### History of Technical Colleges and Community Colleges

As momentum builds for the consolidation of technical college and community college systems in some states due primarily to rising costs and lack of seamless transition, an effective analysis of the origins of these systems is important in understanding the dynamics between the two entities. The beginning of the major federal influences in molding and shaping secondary and postsecondary (e.g., sub-baccalaureate) vocational education began with the Smith-Hughes Act of 1917 (Lynch, 2000). It was enacted to prepare youth for jobs resulting from the industrial revolution and to provide them with a general curriculum alternative, which were "exclusively literary in spirit, scope and methods" (Swanson, 1951, p. 16). The Act emphasized separatism

from the classical curriculum and called for a new one that would better meet the needs of the children of the working class, who, for the first time, were attending high school but were not headed to the professions (Gray, 1991). The Smith-Hughes Act provided for a Federal Board of Vocational Education and separate state boards. According to Roberts (1957), each state was required to submit a state plan for federal vocational education funding and agree that (a) the federally aided program of vocational education would be under public supervision and control, (b) the primary purpose would be to prepare students for useful employment, (c) vocational education would be of less than college grade, (d) vocational education would be designed to meet the needs of those over 14-years old who had entered or who were preparing to enter the occupation for which they were receiving training, and (e) the state or local community would provide the necessary plant and equipment. Today, technical education most often refers to those institutions only awarding no higher than a two-year degree or diploma in a vocational, technical, or career field (Baker, Dudziak & Tyler, 1994).

As did technical education, community colleges also had an origin and historical development rooted in federal legislation. The beginning of the major federal influences in molding and shaping community college education began with President Truman's commission report on higher education. Early in 1947, less than two years after the end of World War II, the President's Commission wrote a report on Higher Education for American Democracy to help ensure a major role by higher education in preserving and enhancing the democratic ideals for which the nation's citizens had fought during the war. This report is commonly known as the Truman Commission Report. The commission asserted that 49 percent of high school graduates could profit from two years of education beyond high school and sought a way to encourage more opportunity for college attendance (Vaughan, 2000). The commission introduced the term

“community college,” suggesting that these colleges should place major emphasis on working with the public schools. They should be within reach of most citizens, charge little or no tuition, serve as cultural centers for the community, offer continuing education for adults as well as technical and general education, be locally controlled, and be a part of the nation’s and their state’s higher education system (Vaughan). Also, expressed here, is the comingling of technical education and community college education whereby the community college education includes a technical component and an academic component. This comingling is the foundation of the concept of the comprehensive community college. For the purpose of this study, I consider “comprehensive community colleges” those colleges offering credit certificates and/or diplomas, and associate degrees in programs designed for immediate employment (workforce development) or matriculation to an upper-level college or university.

Although major federal involvement in vocational (technical) and community college education did not begin until nearly the 1920s, local involvement began much earlier. Many of the first two-year colleges were primarily or exclusively technical institutes. Lewis Institute in Chicago, founded in 1896, and the Bradley Polytechnic Institute (now Bradley University) in Peoria, Illinois, founded in 1897, were established under the guiding influence of William Rainey Harper (Eby, 1927). Harper was founding president of the University of Chicago and believed that a University education was devoted principally to the advancement of knowledge and the development of new knowledge, theory, and understanding. He, along with other nineteenth- and early twentieth-century university presidents, were interested in restructuring university education by directing universities to set research as their primary purpose. As a result, they suggested that the first two years of undergraduate studies were best performed as part of pre-collegiate or secondary education, a function that could be best performed by high

schools or the small liberal arts colleges (Baker, Dudziak, & Tyler, 1994). In 1901, the Joliet Township school board of Joliet, Illinois authorized the offering of “postgraduate” education beyond high school coursework. In 1916, the postgraduate division was separated from the high school and, in 1917, was formally renamed Joliet Junior College (Vaughan, 2000). The “junior college” term is a predecessor term to “community college,” and refers to an institution whose primary mission is to provide general and liberal education leading to transfer and completion of the baccalaureate degree. Community colleges are those institutions that provide general and liberal education, career and vocational education, and adult and continuing education. Today this term is used more loosely. The community college term is used generically to refer to all colleges awarding no higher than a two-year degree. Yet, many two-year colleges do not offer the comprehensive curriculum described and therefore are not truly community colleges in this comprehensive use of the term (Baker et al., 1994). These similar, yet different missions are one of the primary reasons that in several states, technical and community college systems remain separate.

### State Postsecondary Governance Structures

Given an understanding of the history, which influenced the separate systems, it now becomes critical to understand the different structures and roles of higher education systems that resulted due to this separatism. According to Bowen et al. (1997), a higher education system is one with a collection of public and/or private postsecondary subsystems that takes one or more kinds of inputs and creates an output that has value to the larger system. A subsystem may be a single institution or collection of institutions. Each system or subsystem has specifically defined roles that may or may not overlap. Bowen et al. describe these roles as the four work processes that dominate the transactional environment of state and higher education systems. These four

work processes include information management, budgeting, program planning and articulation/collaboration. Information management involves the effective assessment of system performance. Assessing system performance in relation to state priorities provides information about the extent to which current educational inputs and outcomes reflect state priorities. Budgeting involves the negotiation with other institutions to achieve state priorities. Budget language often calls attention to priorities without changing system arrangements for financing. Program planning involves the determination and location of available quality educational programs and services. Planning done for the entire system can produce very different results from planning done by each subsystem. Articulation and collaboration involves the teaming together of higher education institutions on such tasks as student transfer and referral of incoming students. The role of structured entities, usually boards, in each system model, directly involves providing or influencing at least one of these four transactional processes.

The role of states in governing higher education has been the subject of debate in the literature for the last 40 years. Richardson, Bracco, Callan and Finney (1998) examined traditional governance structures of state postsecondary education systems and found that the primary debate during this period has been whether institutions would retain their autonomy versus conceding to the state's authority. This conflict is also seen a study by Berdahl (1971). In the Berdahl study, statewide coordination of public higher education was classified as (a) neither statutory nor voluntary, (b) voluntary and somewhat formal, (c) statewide with individual governing boards, and (d) single statewide boards. Traditionally, however, given the debate between centralization and decentralization, the three basic types of state structures discussed have been consolidated governing boards, coordinating boards and planning agencies. According to Hearn and Griswold (1994), in the decades following the 1950s, many policy experts

advocated the “establishment of strong coordinating boards or consolidated statewide governing boards in higher education states without such boards” (p. 161). A fourth type of postsecondary education governing structure would be one where states have all or some combination of the first three. These three are examined more closely.

States with consolidated governing board have legal management and control responsibilities for a single institution or a cluster of institutions (Richardson, Bracco, Callan & Finney, 1998). Twenty-three states have consolidated governing boards with a broad range of authority over their constituent institutions. This authority may include budget development, academic program review and approval, resource allocation, policy analysis, strategic planning, and appointment, evaluation and removal of system and institution heads (Oregon State Board of Higher Education, 2001). Twenty-five states have coordinating boards that assign to an institutional board or a single agency, other than a governing board, responsibility for some or all of the major functions such as planning, policy analysis, academic program review, and budgetary development (Oregon State Board of Higher Education; Richardson et al., 1998). Two states have planning agencies whose primary roles are conducting master planning for the state’s educational system and advising the legislature and/or governor on higher education issues (Oregon State Board of Higher Education).

Although planning agencies, coordinating boards and consolidated governing boards have been traditionally accepted structures for state postsecondary education systems, the Richardson, Bracco, Callan and Finney (1998) study found that these three designations were insufficient for examining the relationships between public policy and the state systems that overarch individual institutions. McLendon, Deaton, and Hearn (2007) stated that over the past two decades there has been much volatility in the governance of U.S. public higher education.

They expounded upon this by indicating that some states have experimented with higher education governance changes aimed at (a) efficiency rather than equity, (b) choice rather than standardization, (c) decentralized rather than centralized decision-making, (d) performance rather than process, and (e) outcome rather than input measures. The Richardson et al. (1998) study found the effort to provide a comprehensive classification system did not capture the full complexity of state structures during this period of change, especially relative to those structures in the more populous states. As a result, the Richardson et al. study concluded that a new conceptual framework was needed to account for the uniqueness of each state's higher education structure and public policy environment.

This new framework described by Richardson, Bracco, Callan, & Finney (1998) placed state governance structures for higher education systems into three categories: (a) segmented, (b) unified, or (c) federal. A year earlier, Bowen et al. (1997) described a similar framework that consisted of four types of higher education systems: (a) federal, (b) unified, (c) confederated-systems, and (d) confederated-institutions. In segmented systems, the first governance structure identified by Richardson et al. (1998), multiple governing boards are each responsible for one or more institutions (Richardson et al.). There is no effective state agency with substantial responsibility for all higher education. Each institution may have its own board that represents institutional interests directly to state government through the budgeting process, and identifies areas where they voluntarily cooperate with state government and with other institutional boards. State government reserves only the power to determine the appropriation each institution receives each year (Richardson et al.). The confederated-institutions model described by Bowen et al. is very similar to the segmented model. In a confederated-institutions structured higher

education system, all or most institutions have individual governing boards. There is no meaningful state agency to which the state has delegated responsibility for the work processes.

The second structural type identified by Richardson, Bracco, Callan and Finney (1998) and Bowen et al. (1997) are unified systems. Unified structured higher education systems are characterized by interdependence, common rules, and common ways of communicating and measuring. Participants feel part of both the larger system and the institution to which they owe their primary allegiance (Richardson et al., 1998). A single, consolidated governing board that is responsible for information management, budgeting, planning and articulation/collaboration manages all degree-granting institutions (Bowen et al.). The board also represents the institutions in discussions with governors and legislators (Richardson et al.).

The third system model as described by Richardson, Bracco, Callan and Finney (1998) and Bowen et al. (1997) is a federal model. In Federal systems, statewide boards are responsible for collecting and distributing information, advising on the budget, planning programs from a statewide perspective, and encouraging articulation (Richardson et al., 1998). Federally-structured higher education system institutions or systems also have individual governing boards (Bowen et al.). In the federally-structured system, powers are divided between the statewide board and individual boards. Responsibility for representing the public interest is carried out by the statewide board; the individual boards carry out responsibility for governing institutions. Additionally, safeguards are placed on the central system agency to limit its size and influence, protecting the legitimate roles of the individual institutions. The confederated-system defined by Bowen et al. is somewhat similar to a federal system. Confederated-system structures include a statewide board with planning and advisory responsibilities, but it has limited authority in the budget process. According to Bowen et al., it is important to note that all of these categories of

system design represent a continuum rather than discrete categories. Design characteristics tend to lean more towards one type of structure than another does, but there are no absolutes. See comment above; to strengthen add a couple other citations.

Because primary control of higher education rests with the states rather than the federal government, exceptions and ambiguities to these characteristics are more obvious in examining how states actually structure their higher education systems. According to Johnstone (n.d.), most U.S. public colleges and universities are governed not by single boards, but are parts of multi-campus systems. Multi-campus systems are described as groups of public institutions, each with its own mission, academic and other programs, internal policies and procedures, governed by a single board, through a single chief executive system officer. The system governing board selects the system head, sets broad system policies, allocates public resources among the constituent institutions, appoints campus heads, and establishes, reaffirms, or alters the missions and programs of the constituent institutions. The individual constituent institutions conduct operations independently within the guides of the system. Johnstone states that institution presidents or chancellors, faculty senates and/or institutional governing entities control operations. They hire and promote their own faculty, admit their own students, establish their own curricula, expand their resources by attracting donations and research contracts, and allocate these resources, along with the revenues allocated by the state and collected from tuition and fees, among the various competing departments and units. Thus, actual operations allow for overlapping roles associated with higher education structure types defined by Richardson, Bracco, Callan and Finney (1998) and Bowen et al. (1997).

This blending of categories also is seen in a specific examination of summary statistics related to state structure categories. According to McGuinness (2002), there are varied system

structures that exist among the states. Twenty-two states plus the District of Columbia and Puerto Rico are consolidated governing board states. These states organize all public postsecondary education under one or two statewide governing boards. None of these states has established a statewide coordinating agency with significant academic policy or budgetary authority between the governing board and state government. Nine of these states organize all public postsecondary education under a single governing board. The other fourteen states have two boards. Most often, these include a board for universities and a board for community colleges and/or technical colleges. Twenty-five states are coordinating board states. Twenty-one of these states have regulatory coordinating boards with academic program approval authority. Sixteen of these boards have significant budgetary authority, three have limited budget authority, and one has no role in the budgetary process. Two states have advisory boards with no program approval authority and only authority to review and recommend budgets. One consolidated governing board state, Alaska, has an advisory board with limited authority to review and make recommendations on budgets. Three states have planning/service agencies but no other boards between the governing boards for each institution and state governments. Three other states plus the District of Columbia and Puerto Rico have planning/service agencies between their consolidated governing boards and state government. In three states, these agencies perform functions such as administration of student aid and institutional licensure and authorization. In one state, a higher education council is established to serve as a non-statutory voluntary planning entity. Although many states sought new governance models capable of bringing greater order, efficiency, and coordinated planning (Mclendon, Deaton, & Hearn, 2007), this variation indicates no established ideal governance structure for higher education to which states can model themselves to insure the most effective and efficient system.

The report by the McGuinness (2002) also found that five states have state boards with formal legal authority for all levels of education (Pre-K-16/20). In two states, the state boards have significant program and/or budgetary authority related to all postsecondary education. McGuinness indicates that a constitutional amendment recently approved by voters in one state removes the responsibility for universities from the previous P-20 state board of education and creates a new board of governors with governing responsibility for the state universities. McGuinness explains that the state universities continue to have local boards, and the P-20 state board of education continues to have responsibility for coordinating the locally governed community colleges. Therefore, even within similarly structured postsecondary education systems, formal authority varies significantly. Community college systems in some states may be structured differently than community college systems in other states. The same is true for technical colleges.

Community and technical colleges, as entities within these state structures, have experienced parallel yet varied dynamics in the establishment of the higher education systems. Tollefson (2000) described five models of state community college system governance structures emerged by the late 1990s: (a) State Board of Education, (b) State Higher Education Board or Commission, (c) Statewide Community College Coordinating Board, (d) Statewide Community College Governing Board, and (e) State Board of Regents. State boards of education typically exercise minimal control over community colleges. According to Tollefson, state higher education boards often approve degree programs and recommend prioritized state legislative appropriations, and are typically found in states with local governing boards. Statewide community college coordinating boards generally exercise a moderate degree of control relative to financial aid and academic operations. State community college governing boards appoint and

terminate presidents, faculty and staff; approve academic programs and budgets; hold title to land, buildings and equipment; establish system-wide community college policies regarding employment, salaries and benefits of employees; and can sue and sometimes can be sued. State Boards of Regent typically have strong authority to govern both community colleges and state universities. Traditionally, community and technical colleges have fit into one or more of these five models with some ambiguous distinctions within each model.

In studies conducted over the last half century, summary statistics assist in the categorization of states into these models of postsecondary system structures for community and technical colleges. In 1963, Martorana reported the establishment of public two-year colleges in 38 states. In twenty-six of these states, state boards, state departments and/or state superintendents of education who also maintained control over secondary education provided authority and responsibility for supervision and coordination of colleges. In twelve states, this authority was given to state boards of higher education or state university boards. In some states, authority was given to more than one state agency or board, and six states established separate college boards or commissions. Twenty-five years after the Martorana study, Tollefson and Fountain (1992) reported that only one state had no two-year colleges and only nine were still coordinated by state boards and departments of education that also controlled secondary institutions. Twenty-one states reported coordination by state boards of regents or higher education, and 22 reported having state boards or commissions for community and/or two-year technical institutions. According to Tollefson (2000), by the late 1990s, all 50 states had two-year colleges, each with at least one state board or commission. Twenty-one states had systems coordinated by state boards of regents or boards of higher education. State education boards, also coordinating secondary education, exercised authority over community colleges. Twenty-four

states had separate state boards or commissions for community colleges. Finally, according to McGuinness (1997), by the late 1990s, eighteen states had organized their postsecondary technical institutes separately from community colleges.

#### Current Postsecondary Governance Structure in Georgia

Because of constitutional and legislative acts, this separation of technical institutes and community colleges or two-year colleges is also the higher education structure that currently exists in the State of Georgia. The Georgia General Assembly established the Board of Regents (BOR) of the University System of Georgia in 1931 with the intent of unifying and coordinating the work of the institutions, integrating the educational program, and freeing the state from wasteful duplication of efforts while still providing maximum educational opportunities to the citizenry (Assembly, 2004). Today the Board of Regents is composed of 18 members, five of whom are appointed from the state-at-large, and one from each of the 13 congressional districts. The Board elects a chancellor who serves as its chief executive officer and the chief administrative officer of the University System (University System of Georgia, 2009). The system plan adopted in 1990 defined the broad general roles of the different types of institutions in the system. Comprehensive universities are responsible for graduate education, professional education, research, and public service. Regional universities can establish doctoral programs, but they should be in specialized areas, responsive to the demands of the communities and compatible with institutional missions. Senior colleges offer baccalaureate programs that are not as comprehensive as those of universities. The research conducted by faculty at senior colleges is to be oriented toward instructional effectiveness. Graduate programs at the senior colleges are confined to the master's level in high demand areas. Two-year colleges offer the first two years of academic course work and are the primary provider of developmental studies (Bracco, 1997).

The Official Code of Georgia Annotated, Section 20-4-14, established the Georgia Department of Technical and Adult Education (DTAE) as the controlling body for the leadership, management, and operation of Georgia's technical schools, their programs, and their services. The name of the Department of Technical and Adult Education was officially changed to the Technical College System of Georgia (TCSG) on May 13, 2008 (Light, 2008). The Official Code of Georgia Annotated, Section 20-4-10, also established the State Board of Technical and Adult Education (SBTAE) consisting of 10 members representing each congressional district and the state at large with members appointed by the Governor and confirmed by the Senate for five-year terms (Bracco, 1997). Today, the board consists of 21 members, 13 representing each of the congressional districts and 8 members at-large (Technical College System of Georgia, 2010). As established in SBTAE policy I.C.1., the SBTAE shall provide overall policies for the management of public postsecondary technical and adult education to ensure that the needs of the citizenry, business, and industry are met to the highest possible degree and in the most cost-effective and efficient manner (Technical College System of Georgia, 2007). The SBTAE employs the commissioner of technical and adult education; the commissioner is responsible for the day-to-day operations of the department on behalf of the Board. The SBTAE also acts upon the membership on local boards of directors of state technical institutes and colleges to ensure the college is meeting the needs of the service area within guidelines set forth by the board (Technical College System of Georgia, 2007). The technical colleges provide continuing education, adult literacy, customized training for business and industry, and technical education to the associate degree level for the citizenry of the state (Technical College System of Georgia).

The Georgia General Assembly realized in 1931 that the existence of separate, competitive postsecondary institutions created wasteful duplication. As a result, it unified and simplified the coordination of the collegiate entities under the Board of Regents (Assembly, 2004). In addition to coordinated simplification, this integration of educational programs also helped to maximize educational opportunity because institutions began operating more systematically, allowing students better transition and access within system institutions. Similar to the 1930s, we are in an era of increased scrutiny, accountability and student focus. Thus, the existence of two separate systems that provide a very similar postsecondary education at the two-year college level is a cause for concern. Given the problem of rising costs in higher education and limitations in the transfer of courses among different postsecondary institutions, reforms in the technical college and community college system in Georgia could serve as a major step in creating efficiencies that result in a more effective two-year postsecondary education system.

#### State Governance System Reform

Historical and ongoing postsecondary structural reforms in most states have shaped the structure and role of higher education systems, maturing over the years through federal and state influence. Prior to the late 1950s, the predominant governance structure in public higher education in most states mirrored that of the private college sector where lay boards of trustees at the campus level established the policies and controlled the campus financial responsibilities, independent of larger, formal regulatory systems (Graham, 1989). Since that time, redesigns of public higher education governance systems have been consistent, with the past two decades experiencing much volatility. From 1985-2002, for example, state governments considered more than 100 measures to modify their higher education governance systems (McGuinness, 1997). In sharp contrast with the trend toward centralization of higher education systems seen in earlier

decades, the 1980s and 1990s witnessed a number of reforms initiated for a variety of reasons motivated by the desire for efficiency, choice, decentralization, improved performance, and outcomes (McLendon, Deaton & Hearn, 2007). According to McLendon et al. (2007), in the mid to late 1990s, some state legislatures decreased state regulation of campus financial management and empowered campuses by providing for additional institutional representation on statewide coordinating boards. Other state legislatures, however, strengthened central power or realigned structures typically by clarifying and strengthening the authority of boards in those states. Elsewhere, reforms involved the merging of separately governed colleges and universities into new combined systems or disaggregating of unified systems into separate ones for community colleges and four-year universities.

Despite these compelling reasons for reform, case study accounts point to conditions involving higher education or to the broader economic climates of states as strong influences on governance change (Bastedo, 2005; Leslie & Novak, 2003). Such factors as rising tuition levels, enrollment pressures, program duplication, accountability demands, concerns about the effectiveness of state boards, and ambiguities of institutional mission also influence governance change. Each explanation portrays the reforms as rational responses by state leaders to policy problems for which the redesign of higher education systems might serve as a suitable solution (McLendon, Deaton & Hearn, 2007). However, McGuinness (1997) has provided an entirely different explanation for governance change. McGuinness states that the diversity, complexity, and intensity of the changes observed in the 1980s and 1990s indicate that a different set of forces probably were at work during this period. Specifically, he points to the turbulence and instability in the political institutions and leadership of some state governments as a principal driver of governance reforms during this period.

As does the McGuinness (1997) study, a recent study by McLendon, Deaton and Hearn (2007) also offers a different explanation for governance change. McLendon et al. conclude that reforms are driven more by shifting political conditions than by economic circumstances, higher education conditions, or state policy pressures. This study found that the adoption of newer political principals over older bureaucratic and more established ones, results in a greater probability of a state changing its higher education governance system. This is primarily seen in the political principals of governors and legislatures. According to McLendon et al., new governors and legislatures, with shifting political party control, are more likely than older more established governors and legislatures to undertake such reforms. The study also found no evidence linking passage of governance legislation with the state economic climate, tuition and enrollment growth, accountability pressures, and existing governance structures. Additionally, the study results indicated no relationship between a state's decision to enact a governance change for higher education to its regional neighbors' policy behaviors. This study calls into question the primary reasons or rumors for mergers of technical colleges and community colleges.

Rumors of structural change to the State of Georgia's higher education system, specifically a merger of its technical colleges and two-year/community colleges, have been floating for over a decade. However, there have been no official mandates, executive orders or legislation from state leaders requiring such a merger. The close geographic proximity of all of the University System of Georgia (USG) two-year colleges and the Technical College System of Georgia (TCSG) technical colleges has fueled the argument for a merger. Merging organizations in such close proximity would be seen as an action to help curb the rising costs of higher education in Georgia. A specific geographic examination of two-year colleges in the University

System of Georgia and the Technical College System of Georgia reveals that each of the two-year colleges within The University System of Georgia is adjacent to or within five miles of their technical college counterpart. Additionally, one of the two-year colleges, Bainbridge College, and one of the four-year colleges, Dalton State College, in the USG system, actually have a technical college division that offers the same credentials (Associate of Applied Science, Diploma, and Technical Certificates of Credit) as technical colleges within TCSG. In late 2008, the media began publicizing information from a draft proposal that recommended merging the technical and two-year colleges in Georgia (Oswald, 2009). This report, although a complete analysis of the secondary and postsecondary education systems in Georgia, focused on only a few areas. Particularly, the report emphasized research and policy development. Data showed that having high expectations for students, engaging students in a college or career pathway of personal interest, and giving students an early introduction to college level work will produce better student achievement results, higher graduation rates (Knapp & Alford, 2008), and help prepare Georgia students to be competitive in the global economy. Given these findings, the report recommends the creation of a comprehensive community college system by merging the technical colleges and two-year colleges so there is a seamless entry point for all students. The benefit of this system would be the removal of duplications in teaching and administrative resources that currently exist between TCSG and USG institution, and the seamless transition by students into and between courses and programs that had been previously part of the two systems. Additionally, there will be significant long run cost savings from not having students waste time and resources on school work that is not productive (Knapp & Alford, 2008).

In addition to the reasons listed above, several others, specific to Georgia, are compelling reasons for a merger of technical colleges and two-year colleges in Georgia. Puyear's 2003 study

concluded that separate systems are too expensive, and cost savings could be attained through consolidation of the systems. Additionally, Puyear (2003) concluded that separate systems are producing unnecessary or inappropriate barriers to students. This is exacerbated because adults are not finding it convenient to continue their education. The study also found that workforce preparation is disjointed and ineffective. Finally, the study found that the systems are engaging in turf battles and presenting competing or conflicting budget proposals that they expect the executive or the legislature to resolve. This is aggravated when the systems to which these institutions belong are unable or unwilling to provide consistent, believable, results-oriented accountability measures (Puyear) for individual institutions or the system as a whole.

While Georgia is considering the possibility of a merger of its technical and two-year colleges, at least six other states have already merged or consolidated their two-year postsecondary institutions. Burke (2002) points out a number of reasons that organizations are compelled to join forces. He states that organizations should merge because there are opportunities to share resources that neither organization by itself has alone. He also states that organizations should consider merging because there is an opportunity to improve cost-effectiveness by reducing redundancies. Two mergers, Minnesota and Kentucky, are of particular interest. In 1991, the Minnesota legislature initiated one of the most sweeping mergers of higher education systems encountered in recent years. Seven state universities (the University of Minnesota and its branch campuses were not included), 21 community college campuses and 34 technical college campuses were merged into the Minnesota State Colleges and Universities (MnSCU) under one board of trustees (Puyear, 2003). Eleven consolidated community and technical colleges were formed as a result of the MnSCU merger (State of Minnesota Office of the Legislative Auditor, 2000) [see Appendix A]. Senator Roger Moe is credited with single-

handedly conceiving the merger plan, introducing the legislation and pushing its adoption through the Senate and House, with final passage just seconds before the end of the 1991 legislative session (Puyear). While there was no crisis in higher education in Minnesota at the time of this action, there was a history of the three systems competing for resources in an uncoordinated manner, a concern that students could not transfer easily from one system to the other, and a concern that there was an excessive number of campuses, especially in the state's rural areas where population was declining (Puyear). Each of these concerns likely drove up costs and put a significant drain on available resources.

A second state that recently completed a merger of its higher education systems is Kentucky. Kentucky developed a system of 14 community colleges under the University of Kentucky (UK). These colleges focused primarily on the transfer function, but had some limited occupational offerings. There was also a separate system of 15 technical institutes operated by the Cabinet for Workforce Development, an agency of the state's executive branch. Under the leadership of Governor Paul E. Patton, the 1997 Postsecondary Education Improvement Act joined 13 of the 14 community colleges (Lexington Community College remained with UK) and all 15 of the technical institutes (renamed technical colleges at the time of the merger) to form the Kentucky Community and Technical College System (KCTCS) (Puyear, 2003). KCTCS includes 16 districts, each of which will have a single institution and perhaps additional campuses. Eleven of the districts had a community college and one or more technical colleges. Only two districts had a community college. Three districts had only a technical college. A single CEO has been designated for each district (Puyear). On July 1, 2004, as a result of a joint resolution (HJR214) signed by Governor Ernie Fletcher, the Kentucky General Assembly transferred governance of Lexington Community College from the University of Kentucky to

KCTCS. On June 10, 2005, the KCTCS Board of Regents approved the formation of Bluegrass Community and Technical College, a merger of Lexington Community College and Central Kentucky Technical College. This final merger resulted in sixteen consolidated community and technical colleges formed as a result of the KCTCS merger (Warren, 2008; see Appendix B).

There were a number of reasons leading to the Kentucky merger. Particularly problematic was the structure of the system prior to the merger. Many community colleges and technical institutes, as they were called at that time, communicated and collaborated sporadically even though they were located close to one another (Puyear, 2003). This lack of communication and collaboration given the proximity of the institutions would suggest an inefficient utilization of resources. Additionally, the community colleges' system lacked the ability to respond quickly to the employer and other stakeholders in the community who may have needed a program developed fast in order to produce graduates in a specific field. By the time one of the UK community colleges could respond with a proposal for a program, a year had passed and the need was no longer the same. Those propagating the benefits of a merger felt these structural inefficiencies possibly could be eliminated through the merger of the college systems.

#### Lessons Learned from Other Mergers

The lessons learned from the mergers in Kentucky and Minnesota are important for states like Georgia considering merging their technical and community colleges. Lessons learned from corporate, government and other educational consolidations can be extremely valuable for merger planning and implementation purposes. Although Burke (2002) states that organizations should consider merging because there is an opportunity to improve cost-effectiveness by reducing redundancies, he also reveals that most mergers and acquisitions fail. Burke and Biggart (1997) conducted a study of interorganizational relations and found that the majority of

failures could be attributed to six key reasons. These reasons include: (a) insufficient clarity about goals and how to measure progress toward the goals; (b) imbalance of power in the two merged organizations and control between the two merged organizations; (c) imbalance of expertise, status, and/or prestige between the two parties; (d) overconfident and unrealistic notions about the future success of the relationship; (e) lack of a contingency plan; and (f) lack of perceived equity, for example, distributions of key jobs and roles. These failure reasons are related to leadership, culture and communication, three key elements that consistently have been found to be critical to any merger.

Through informal discussions with senior executives who had recently been through an acquisition, Burke and Biggart (1997) found there were seven key factors that would lead to greater success when organizations executed a merger. These factors include: (a) the importance of having a vision for the future, (b) the importance of carefully explaining the rationale behind the merger, (c) the importance of being open and honest about the change, (d) the importance of having informal relations between the two parties during the early stages, (e) the importance of addressing the need for structure and order through rapid decision making even if some of the decisions have to be changed later, (f) the importance of matching words with actions, and (g) the importance of not losing focus on conducting the business of the organization and addressing the needs of the customer even though time and energy is being focused inwardly on successfully completing the merger. Interestingly, these reasons for success also are related to leadership, culture and communication, three key elements related to failure. Additionally, successful strategies focus on the true benefactor of the merger, the customer who in the case of postsecondary education is the student. All of these factors consistently have been found to be critical to any merger.

Along with scholars who have studied postsecondary system mergers, lessons learned from corporate organizations bring a wealth of knowledge to the discussion about how best to implement mergers. Stopper (1998) conducted a case study of the merger between First Financial Management Corporation and First Data Corporation. Findings from this case study confirmed the importance of several things that should be learned from merging two organizations. In particular, differences in cultures must be recognized and resolved before one can expect to see any benefits from the merger. Furthermore, the appointment of strong leadership with good leadership skills who can capitalize on the strengths of various components of the merged organization, synergize these strengths and effectively communicate among these components is critical. Stopper made several other recommendations:

1. There must be a common financial and performance plan.
2. There must be a willingness to be flexible.
3. There must be utilization of key senior executive staff and other team members from both organizations.
4. There must be a sense of urgency focused on improvements and it must continue after the merger.
5. There must be immediacy in making executive level staffing decisions.
6. There must be a continuous focus on assessing skills and talents and providing staff development.

Finally, Stopper points out that never losing sight of the core value of treating people with respect and dignity are fundamental to a successful merger. Focusing on the people, culture, and integration process issues pays off. This must be continually assessed and defined.

Luecal and Fricke (2001) confirm the need for data synergies and understanding the organization's strengths. However, an understanding of an organization's weaknesses is also emphasized. Steensma and Gould (1999) confirm a need to focus on management, but delve specifically into the importance of middle management as compared to senior management. This case study of the information technology groups within two large global companies that merged provides best practices for encouraging the role of middle management during the merger process. According to Steensma and Gould, best practices include: (a) providing senior management with a compelling rationale for bringing middle management into the merger integration process as early as possible; (b) providing venues for spontaneous, face-to-face, two-way communication with senior management; (c) using the joint meetings to do "real work" relevant to the merger integration tasks at hand, and design the tasks so that the work of the meeting is itself an integrating process; (d) designing structured opportunities for cross-learning, a critical dimension of the merger process; (e) ensuring that middle management learns to think multi-dimensionally about the merger process; (f) managing expectations given the speed and chaos of the process; and (g) keeping the merger process under review. Ultimately, Steensma and Gould found that when middle management gets involved early in the process, the merger integration is faster, seamless, and less stressful. The more quickly this process takes place, the more likely the goals and aims of the merger will be realized.

Obviously, mergers are not unique to corporate organizations. Several government mergers have occurred. Abramson, Breul, and Kamensky (2007) cite a study by Thomas H. Stanton who sets forth four key reasons why government reorganizations are often needed: (a) to combine related programs from disparate governmental units to provide an organizational focus and accountability for carrying out high-priority public purposes, (b) to help assure that

information flows to the proper level of government for consideration and possible action, (c) to change policy emphasis and assure that resources are more properly allocated to support high-priority activities, and (d) determine who controls and is accountable for certain governmental activities. According to Abramson et al. (2007), after the 9/11 attacks, interest in structural reform of government departments and agencies was renewed. Three prominent examples are the formation in 2001 of the Transportation Security Administration, the merger in 2002 of twenty-two agencies and 170,000 employees into DHS, and the creation late in 2004 of the Office of the Director of National Intelligence.

Experience renders some lessons about preferred organizational forms. In the search for solutions to many problems that confront government agencies and programs, elements such as leadership, quality of personnel and systems, level of funding, and freedom from unwise legal and regulatory constraints may be as important as organizational structure. Abramson, Breul, and Kamensky (2007) also discuss the findings of a study by LBJ School of Public Affairs professor Peter Frumkin in which Frumkin examines six case studies of public-sector mergers. Four of these merges are at the state level, one at the local level, and one at the federal level. Frumkin concludes that managers must focus on five critical areas in implementing mergers: (a) choosing targets wisely, (b) communicating effectively, (c) implementing quickly, (d) creating a new culture, and (e) adjusting over time. These findings for public-sector mergers are consistent with the corporate merger findings of Stopper (1998), who emphasized decision-making, and Burke and Biggart (1997), who emphasized clear communication. This reveals that there are commonalities between private and public mergers.

A key example of this public sector success based on private sector strategies for insuring a successful merger is within the U.S. Department of Veterans Affairs (VA). Manske (2006)

states that in the early 1990s, as the U.S. health care industry faced dramatically rising costs and community hospitals struggled to become more streamlined and cost-effective, some members in Congress began talking about replacing VA health care with a voucher system. From 1994 to 2000, more than 50% of VA medical centers reorganized into product or care lines, decentralizing services and reducing the number of middle management positions. In 1995 there were 171 VA medical centers, but by 2001, consolidations and mergers reduced that number to 163 (Burton, 2004). Although this may not seem like a significant reduction, it is likely significant for the public sector. Similar to the findings of Stopper (1998) who examined a corporate merger, Manske found that in the VA consolidations and mergers, the need for leadership to guide the direction of the integration was extremely important. What was also evident was the need to improve morale among workers. As also pointed out by Stopper, a focus on the people and culture of an organization during the merger process is critical. To improve morale, VA leaders made a concerted effort to communicate information about new programs, policies, and opportunities (Manske).

Desires to merge postsecondary institutions is primarily in response to numerous national or state higher education sector change initiatives which contribute to individual pressures on the operations of local colleges or universities. Diversification of the student body, decreased state funding, societal demands for accountability, and the thrust for student-centered classrooms are just a few of the catalysts pushing change (Eddy, 2003). In creating mergers in higher education, key issues that must be addressed typically surface. Locke (2007) enumerated several issues specific to the creation of a new institution in higher education. These were the need to (a) agree on a vision and mission for the new merged institution; (b) choose a name for the new institution; (c) brand the new institution without damaging the existing brand recognition; (d)

select the chief executive for the merged institution from the existing leaders; (e) pursue the funding to support a larger institution; (f) establish a new governance arrangement that balances input from both colleges; (g) in some cases, decide on the new academic structure and the portfolio of courses; and (h) avoid the perception of takeover by either partner. As has been demonstrated with corporate and public sectors, there is at least one common element, leadership, also critical to higher education mergers.

In identifying overarching issues to merging, Locke (2007) focused heavily on organizational cultures, leadership, and management. Pick (2003) stated that differences in organizational culture and staff attitudes leading to conflict and controversy are characteristic of higher education mergers. Significant levels of anxiety, stress and damage to morale are associated with corporate combinations (Cartwright & Cooper, 1996). Such differences can also create conflict within the new institution between factions who stay loyal to the identity and culture of the old institutions (Pick). A way to minimize this stress and conflict is through the sharing of information. Strydom (1999) states that effective communication strategies that will keep staff and students informed at every step of the way before, during and after the merger takes place is critical to success. Thus, it becomes critical for leadership to communicate with all constituencies and stakeholders for successful achievement of merger goals to be a possibility.

In regards to leadership, Locke (2007) states that strong, creative, adaptive leadership, capable of dealing with the turbulent environment and external bureaucratic requirements, as well as leading change and building loyalty within, needs to be balanced with the traditions that have come to characterize of both existing institutions. To Rosabeth Moss Kanter, a distinguished Harvard Business School professor quoted by Kouzes and Posner (2007, p. 165), “change requires leadership...a ‘prime mover’ to push for implementation of strategic

decisions.” Humphries and Senden (2000) also point out that change begins with self, the personal background, experience and training that individuals bring to their work. If leaders understand their preferred style of functioning and temperament, they will be better equipped to understand and lead others. Harman (2002) confirms the role of leadership by stating that effective leadership and management from the top are seen as the most important factors in assuring the success of a merger. Harman adds that the chief executive of a newly merged institution would do well to put the human factor high on the agenda if the merged institution is to grow healthily in the post-merger period. This would involve consulting widely, empowering subordinates, delegating authority extensively, and implementing strategies that will develop new loyalties, high morale and a sense of community within the newly created institution.

According to Puyear (2003), over the last couple of decades, mergers of technical colleges and community colleges within the higher education sphere have occurred on quite a few occasions. For instance, (a) in 1992, Connecticut merged its 5 technical colleges and 12 community colleges; (b) in 1997, Kentucky merged 14 community colleges and all 15 of the technical institutes the Kentucky Community and Technical College System; (c) in 1999, Louisiana merge 6 community colleges and 41 technical institutes into the Louisiana Community and Technical College System; (d) in 1995, Minnesota merged 21 community colleges and 34 technical colleges to form the Minnesota State Colleges and Universities; (e) in 1991, Washington State merged 29 community colleges and 5 vocational-technical institutes under the State Board for Community and Technical Colleges; and (f) in 1999, Indiana mandated a partnership between Ivy Tech, the statewide technical college, and Vincennes University to create the Community College of Indiana which has resulted in 10 community colleges on 23 of Ivy Tech’s campuses.

Two of these mergers, Kentucky and Minnesota, are of particular interest as Georgia considers the potential merger of its technical and two-year colleges. Both of these mergers occurred over 10 years ago, and thus have had an opportunity to mature. Kentucky is the closest southeastern state to Georgia and may have very similar cultural attributes. The Minnesota merger was seen as one of the most sweeping mergers of higher education systems encountered in recent years (Puyear, 2003). The lessons learned from these two mergers could help guide Georgia during the planning and implementation process if it were to pursue the integration of its two postsecondary systems. According to Puyear, while Minnesota Senator Roger Moe had the political power and will to cause the merger to take place, and to block the attempts to undue it, he did not have the power to assure it was properly funded and staffed in the early years. This was a problem. Additionally, Puyear provided a number of lessons learned. There was no broad based consensus within the business, education or political communities that the merger was either necessary or wise. This initiative was based on what Minnesota Senator Roger Moe believed would be superior public policy rather than a response to a widespread outcry for reform. This resulted in lukewarm support, at best, from the governor and the House. The higher education community, particularly the state university leadership, strongly opposed the legislation and resisted the implementation as long as possible in the hopes it could be undone. The governor and the Legislature did not provide adequate financial or political support for the system to move forward in the transition period. The overlapping bargaining units in the two-year colleges should have been dealt with at the time of the merger legislation. While politically difficult, it would have made future development much easier and ultimately more successful if all of the faculty unions in the two-year colleges had been decertified and a new election for a single bargaining unit conducted. The four-year transition period was too long (Puyear). It did

not create the sense of urgency that is necessary to mobilize action on the problems that should have been addressed and were not. To his credit, Minnesota Senator Roger Moe set a two-year transition period in his plan and only agreed to the extension of time as a necessary compromise to achieve passage of the measure (Puyear). The new board needed to have a much clearer mandate and more authority to bring about the merger. It probably would have been better, although perhaps not politically possible, to have empowered the new board to operate all of the institutions from the beginning, or to have put the existing boards in a subordinate position to the new board. As it was, the new board was in the position of having to beg for staff and resources from the boards it was to replace.

Somewhat similar to Minnesota's experience was Kentucky's merger experience. According to Puyear (2003), the merger experience in Kentucky was marred with mistakes that were stressful but not fatal. These mistakes, however, should provide important information for states such as Georgia that may be considering a merger. According to Puyear, one major mistake in Kentucky was the governance concessions made to the University of Kentucky (UK) in the course of the legislative negotiations. The community colleges would continue to be identified as "University of Kentucky Community Colleges," and the UK board would continue to be involved in budget approvals. The flexibility of SACS and the reassurances provided by the UK board averted a crisis that could have stopped the development of the Kentucky Community and Technical College System (KCTCS) before it got started. Puyear also indicated some things in the merger were done right. State needs dictated a clear purpose for development of the system. These needs were clearly and consistently articulated. The action taken was responsive to the stated needs. Careful study involving citizens, legislators and executive agency personnel undergirded the proposed legislation. Reports of these studies were published for all to evaluate.

The legislation was simple. It left most of the details to be worked out by those responsible for implementation. The effective date was nearly immediate. Delaying tactics were forestalled. Reconciliation was a high priority of the leaders of KCTCS. Some of the community college presidents who opposed the legislation have become effective advocates of the system. Decisions were made on an inclusive basis. Every effort was made to make the people from both of the former systems feel valued and involved. Conscious effort, time and resources were devoted to both staff and board development. The system leadership and state board based their strategic planning on information gained from local involvement. While there was a consistent statewide plan, flexibility was provided in local implementation. Real needs were identified to justify the legislation. People in the system responded positively to opportunities to address those needs.

#### Methodological Issues and Directions for Future Research

Puyear's (2003) is one of the few comprehensive studies found on the merger of technical and community colleges in specific states. There is some limited literature on mergers in higher education in the United States, but there is a general lack of comprehensive information on mergers of any type in the higher education sector. Sources from countries like England and South Africa provided valuable merger information. However, there is inconsistent data on the rationale behind postsecondary education mergers in the United States. Costs, articulation of credit and ineffectiveness are frequently discussed as reasons. Given this, there is a broad-based opportunity for detailed research on mergers in higher education. Particularly, key areas such as costs, articulation, leadership, communication, organizational culture, and human relations relative to mergers in higher education could be examined deeper.

## Summary and Conclusions

This chapter reviewed literature that focused on two key reasons why mergers occur in higher education, rising costs and lack of seamless education. The chapter then examined the historical origins of technical and community colleges to assist in understanding their current day missions and probable reasoning behind the existence of separate systems. This examination included a specific look at the structure of postsecondary education systems nationally, including the technical and community colleges in the State of Georgia, and the structural reforms that have occurred over the past 30 years. Given the separate systems in many states, merger was examined as a potential solution to the problems of rising costs and lack of seamless education. During this examination of corporate, government and higher education, lessons learned from each were revealed. Of specific interest were the mergers in Kentucky and Minnesota.

In order to conduct a successful merger, it is important to understand how historical aspects of technical and community colleges shape today's views and policy decisions. Additionally, rising costs and lack of articulation along with other factors are shaping the need to merge. Other factors are also shaping this need, but these two are seen frequently and are among the most important reasons. Georgia's current postsecondary education structure, rising costs and shrinking budget, and other external forces are demanding change in this state. To assess the feasibility of merger and the best way to accomplish it, lessons can be learned from other mergers of technical and community colleges, and specifically those in Minnesota and Kentucky. In these examinations, if Georgia were to merge, focus should be placed on certain factors such as costs, articulation, leadership, communication, organizational culture, and human relations. An understanding and focus on these issues would likely lead to a more successful integration of

the two-year colleges and technical colleges within Georgia's two postsecondary education systems.

## CHAPTER 3

### RESEARCH DESIGN

#### Design

This study uses a case study design to identify the lessons learned from the mergers of the technical colleges and community colleges in the states of Kentucky and Minnesota. Kentucky and Minnesota had separate technical college and community college systems, which contributed to the problems of inadequate resources and incoherent curriculum. Through the mergers of these two systems in each of these states, both states attempted to eliminate unnecessary service duplication and ultimately, rising higher education costs. As Georgia feels pressure to merge its technical and community colleges, the merger experiences of Kentucky, because of its geographic proximity to Georgia, and Minnesota, because of the sweeping nature of its change, can provide valuable lessons learned to Georgia and other states considering a similar merger. This case study provides an opportunity to develop a deeper understanding of the factors leading to the mergers of the technical and community college systems in Kentucky and Minnesota, the dynamics that occurred during these mergers, the impact of these mergers a decade after their initiation, and the lessons learned because of these mergers. The knowledge gained should be invaluable during the planning and implementation process of a merger if Georgia or other states pursue this strategy as an option for solving the problems of fewer resources, duplicative services, incoherent curriculum and rising costs.

### Research Questions

To deeply understand and describe the mergers of Kentucky and Minnesota, and their potential generalizability and applicability to Georgia, some fundamental issues will be examined through the following questions:

1. What were the internal or external issues driving the mergers of the technical and community college systems in these two states?
2. What happened during the implementation process? What went right? What went wrong?
3. What has been the impact of the merger?
4. What was learned that could assist officials in another state contemplating merger?

### Subjects

This study included interviews with a total of 30 faculty, professional administrative, and middle or upper level managers from college and central office administration, 15 within the Kentucky Community and Technical College System (KCTCS) and 15 from college and central office administration within the Minnesota State Colleges and Universities (MnSCU). Each individual was interviewed to assess their opinions about and experiences from the merging of the technical colleges and community colleges in their respective systems. The original objective was to divide those interviewed from each state into five categories: (a) two current or former legislators who were in the state legislature during the time of the merger, served on the Higher Education or Education Committee at the time of the merger and continued to track the progress of the merger, at least somewhat, since the time it was implemented; (b) two former or current faculty members employed at a community college at the time of the merger, and who have

tracked the progress of the merger, at least somewhat, since the time it was implemented; (c) two former or current faculty members employed at a technical college during the time of the merger, and who have tracked the progress of the merger, at least somewhat, since the time it was implemented; (d) two former or current presidents employed as the president of a technical or community college prior to the merger, became president of a newly merged institution during the merger process, stayed in this position at least five years after the merger, and who have followed the progress of the merger, at least somewhat, since the time it was implemented; (e) two former or current leaders employed in the state office of the technical or community college system prior to the merger, continued in a leadership position during the merger process, stayed in this position at least five years after the merger, and who have tracked the progress of the merger, at least somewhat, since the time it was implemented. This would have resulted in 20 participants who could have provided a variety of perspectives on the merger process.

The interview of 20 participants was the original goal for the study. However, using informants in Kentucky and Minnesota, I was actually able to identify and interview 30 participants with very similar characteristics to those mentioned above. The informant from Kentucky was someone whom I became acquainted when we both served on a self-study team for the Southern Association of Colleges and Schools (SACS). During the visit, I indicated that I may do my dissertation on the Kentucky merger and asked for future assistance if I actually selected this topic. The informant from Minnesota was a colleague who previously worked in the MnSCU system. During a conference attended by both of us, I indicated to the informant that I may do my dissertation on the Minnesota merger and asked for future assistance if I actually selected this topic. Approximately one year later, these potential requests became reality when I sent an email and made a follow-up phone call asking for assistance. The 30 participants

identified were divided into three main categories that represent their employment status at the time of the interviews: (a) current college faculty or professional staff, (b) current college mid-level and senior administrators to include presidents, and (c) current system office administrators. Each of these main categories includes the same subcategories that represent the employment status of the 30 participants at the time of the merger. Specifically, in Kentucky, I interviewed:

1. one current college staff person who was college staff during the merger process; this is Participant One from Kentucky;
2. three current college administrators who were college faculty during the merger process; these are Participants Two through Four from Kentucky;
3. four current college administrators who were college administrators during the merger process; these are Participants Five through Eight from Kentucky;
4. one current system office administrator who was college faculty during the merger process; this is Participant Nine from Kentucky;
5. two current system office administrators who were college administrators during the merger process; these are Participants Ten and Eleven from Kentucky; and
6. four current system office administrators who were system office administrators during the merger process; these are Participants Twelve through Fifteen from Kentucky.

In Minnesota, I interviewed the following:

1. Three current college faculty members who were college faculty members during the merger process; these are Participants One through Three from Minnesota.

2. Two current college administrators who were college faculty members during the merger process; these are Participants Four and Five from Minnesota.
3. Three current college administrators who were college administrators during the merger process; these are Participants Six through Eight from Minnesota.
4. One current college administrator who was a system office administrator during the merger process; this is Participant Nine from Minnesota.
5. One current system office administrator who was a college administrator during the merger process; this is Participant Ten from Minnesota.
6. Five current system office administrators who were system office administrators during the merger process these are Participants Eleven through Fifteen from Minnesota.

The case was purposefully selected. Kentucky and Minnesota were chosen based on their experiences in the merger of technical and community college systems. Kentucky is geographically close to Georgia and provides cultural similarities that likely affected the merger process and implementation. Minnesota's merger was one of the most prominent and sweeping in the country likely providing a wide range of considerations during a merger of higher education systems. Human Subjects approval was obtained at The University of Georgia prior to beginning data collection. Informants and interviewees voluntarily participated in the study; however, criteria outlined in the "Subjects" section insured the selection of appropriate participants. Key to subject selection was their knowledge of and/or participation in the activities of the mergers during the time of the mergers years ago. Informants selected participants using as a guide the original criteria outlined in the first paragraph of the Subjects section. Consequently, prior to interviewing them, I had no knowledge of participants' opinions

about the merger. Interviews took place at the local college or system office in Kentucky and Minnesota. Kentucky interviews took place over a two-day period during and after business hours based on the participant's preference and time slot availability. Because of the number of interviews scheduled over this two-day period, and length of the actual interviews, the additional time I had available on each day of the interviews and between interviews was exhausted during the visit to Kentucky. As a result, phone interviews were conducted with three of the participants with whom I did not complete or conduct in-person interviews. These participants are noted with an asterisk in Table 1, the schedule of Kentucky interviews:

<b>Time</b>	<b>November 9, 2009</b>	<b>November 10, 2009</b>
8:30 am	Participant 2	NA
9:30 am	Participant 5	NA
10:30 am	Participant 6	Participant 12
11:30 am	Participant 3	Participant 9
1:00 pm	Participant 1	Participant 14
2:00 pm	Participant 4	Participant 10
3:00 pm	Participant 7	Participant 13
4:00 pm	*Participant 8	Participant 15*
5:00 pm	NA	Participant 11*

Note. The asterisk (\*) indicates those participants whose complete or partial interview took place via telephone.

Because I realized more time was needed to conduct the number of interviews scheduled, the Minnesota interviews took place over a three-day period during and after business hours based

on the participant's preference and time slot availability. The Minnesota interview schedule is outlined below in Table 2:

<b>Time</b>	<b>December 1, 2009</b>	<b>December 2, 2009</b>	<b>December 3, 2009</b>
9:00 am	NA	Participant 11	Participant 7
10:30 am	NA	Participant 13	Participant 5
12:00 noon	Participant 6	Participant 14	Participant 8
1:30 am	Participant 4	Participant 12	Participant 2
3:00 pm	Participant 1	Participant 15	Participant 3
4:30 pm	NA	Participant 10	Participant 9

To minimize noise and maximize focus, the conducting and recording of the interviews took place in a designated boardroom or the participants' offices so there was little chance for interruptions. Prior to the interview, a review of the informed consent form took place with each participant. After indicating an understanding of the informed consent's content, each participant completed the form. For this case study, this form provided an overview of the research project, explained all known risks and benefits, and indicated the strategy for protection of the individual's confidentiality. There were no known risks or benefits to the participants. Maintaining of confidentiality occurred by not disclosing participant names or responses in this report or any other information. It also occurred by insuring the non-identification of interviewees during interview transcript coding.

## Data Collection Methods

Data collection was completed through a review of a limited number of previous studies and reports on merger of the technical and community college systems in Kentucky and Minnesota. Puyear (2003) conducted the most comprehensive study of merged state postsecondary systems. This study focused on the merger of postsecondary systems in six states, Connecticut, Washington State, Kentucky, Minnesota, Indiana, and Louisiana. The study examined what led to the merger of colleges, what worked well and what did not work well during the mergers, and what was learned as a result of the mergers. The State of Minnesota Office of the Legislative Auditor (2000) also completed a program evaluation report on the mergers. This report examined the background leading to the merger, academic issues such as transfer of credit, consolidation of financial and technology systems, labor relations, progress toward the goals of the merger and relationships within the system and with the legislature. Additionally, on each of the system's website, limited information exists about the background for the mergers, legislation enacted and future directions.

During the visits to Kentucky and Minnesota, review of available unpublished documentation also occurred. These documents were primarily helpful in validating assumptions, providing discussion points and developing a better understanding of current structures and operations. Finally, data collection consisted of one-on-one interviews with each of the thirty participants discussed above. Twenty-seven of these interviews occurred in person with the other three occurring over the phone. Each participant was chosen based on their different perspectives as employees in particular college-level or system-level positions during the merger and at the time interviews were conducted. Because of these perspectives, each participant revealed subtle differences in their answers to the interview questions. The use of the one-on-one interviews

allowed for the development of a more in-depth understanding and description of the merger process and post-merger impact in Kentucky and Minnesota based on each of these perspectives. Given the nature of this case study, the desired level of data needed for an in-depth understanding, and the timeframe to conduct the study, no other data collection methods were appropriate or practical. Interview questions are listed below:

1. What do you believe led to the merger of the technical colleges and community colleges? How have these issues been resolved as a result of the merger?
2. What merger barriers did you face in Kentucky/Minnesota? How did you overcome them?
3. From your perspective, what was Kentucky's/Minnesota's experience with the integration of people, data and systems during the merger?
4. Describe the performance of state and college leaders during and after the merger process. Describe their involvement and comment on the effectiveness among those at various leadership levels. What was communication like? Explain.
5. What changes at the system and college level in organizational culture have you seen since the merger? How have the faculty, staff, and leaders of the merged institutions and systems adjusted to any organizational culture changes?
6. What do you see as the results of the merger?
7. Since the merger, how have the new colleges been viewed and accepted by the community-at-large, including the four-year colleges and universities?
8. Given your experience in Kentucky/Minnesota, what would you recommend to another state considering a similar merger to insure that it was successful?
9. What were your general feelings about the merger in Kentucky/Minnesota?

10. Given that it has been over a decade since the technical and community colleges in Kentucky/Minnesota merged, what changes/tweaks to the system or the colleges do you expect as a result of what has been learned since the merger was initially implemented?
11. What is your general opinion about the merger, then and now? What do you believe is the general opinion of others?
12. Is there any other input you would like to provide relative to the experience in Kentucky/Minnesota prior to, during and after the merger?

#### Data Analysis Procedures

Analysis of collected data focused on the identification of common or recurrent patterns in the form of themes or categories. Analysis occurred throughout the collection process. After each interview, I reexamined the interview questions to determine if I could rephrase them for better understanding by the interview participants. This examination time also allowed me to determine if there were additional questions to ask on the next interview to assist the interviewee in opening up and sharing more about the subject matter. This systematic review was done throughout the interview process.

Upon conclusion of the Kentucky interviews, I hired a transcriptionist to transcribe the interviews. After this was completed, each transcription was reviewed for accuracy. Once the transcriptions were determined to be accurate, I conducted a systematic review to identify themes and subthemes. As part of this process, I linked themes and subthemes to specific statements within the interview transcript. I also compared these findings with other documentation, records reviewed and the literature reviewed in Chapter 2 of this dissertation. After completing the last Minnesota interview, the themes and subthemes identified from each individual interview were

compared to the ones identified during the Kentucky interviews. An examination of outliers from each of the interviews also occurred to compare them with specific demographic and situational data relative to the interviewee who provided the information. The subtle differences between the merger events that occurred within each state contributed to this examination. This comparison allowed for some understanding of why some information was inconsistent with other findings. As with Kentucky, the Minnesota findings were compared with available documents and records about the Minnesota mergers. This assisted me in better understanding why the mergers happened, what happened during the process, and what has been learned as a result of them happening. Ultimately, this transcript review and examination process assisted in my development of recommendations. The utilization of these recommended strategies may guarantee a greater potential for successful execution of a merger of the technical and two-year colleges in Georgia.

#### Trustworthiness of the Data

Trustworthiness is the degree to which we can depend on and trust given research findings (Shank, 2006). Lincoln and Guba (1985) saw trustworthiness as the sum of dependability, credibility, transferability and confirmability. Dependability refers to our ability to know where the data in a given study comes from, how it was collected and how it was used (Shank). Credibility refers to the degree of believability of the research findings (Lincoln & Guba). Transferability refers to the degree which results of a given study can be transferred to a different setting or used with a different population (Lincoln & Guba). Confirmability addresses whether enough methodological details are provided to evaluate data gathering and analysis (Shank). I used the strategies of peer examination and debriefing, member checks, audit trail and triangulation to ensure dependability, credibility, transferability and confirmability. Debriefing

with peers occurred as an ongoing process for discussing the research design, data interpretation, and study results. Peers were asked to examine the data and to comment on the plausibility of the emerging findings. Completion of member checks occurred after the study was complete. I shared my findings with the participants to allow them to critically analyze the findings and affirm or deny that the summaries reflect their views, feelings, and experiences. An audit trail was established by keeping meticulous records of the research steps taken from the start of the case study to the development and reporting of the findings. This included a chronological collection and review of all raw data, written field notes, documents, summaries, findings, related literature, methodological notes, procedural notes, personal notes, interview questions, interview answers, and interview schedules. The goal was to provide extensive details about the data gathering and analysis process. Data triangulation consists of data collection through interviews of various individuals with similar characteristics (i.e., faculty, state system leadership, college administrators and college presidents) and a comparison of these findings with comprehensive studies, program evaluations, legislation, published documents, websites and other unpublished documents about the Kentucky and Minnesota mergers. A comparison of responses from similarly grouped individuals (i.e., faculty, state system leadership, college administrators and college presidents) in Kentucky and Minnesota was also helpful. Although in different states with different circumstances regarding the mergers, it was expected that some common issues and lessons learned would be shared among those in similar groups. The use of peer examination and debriefing assisted in the accomplishment of this task.

Finally, in developing recommendations, I attempted to ensure that each recommendation and strategy was linked directly to information provided from the interviews. Coded themes that were linked to specific statements within the transcript served as the information source for this

validation of recommendations. This direct linkage also served as a strategy to reduce any research bias or reactivity. During the interview, I posed questions in a manner to solicit unbiased responses as well as refrain from interjecting opinions or biases about the subject matter. The strategy of asking open-ended questions while avoiding direct responses or confirmation of my own experiences elicited meaningful responses from the participants rather than confirm particular theory or belief. Probing of interviewees to provide additional details or explain their answers further, assisted in validating my understanding of their responses. In writing the report, I attempted to state the findings in a way that only revealed the true opinions of the respondents. Findings did not include any of my personal interjections. This was done only during Chapter 5, the discussion and implications chapter. Given these steps, the fact that the prior opinions of participants are unknown, and participants were assured anonymity to entice their complete honesty and openness, I believe there should be greater confidence that any conclusions drawn from the data collected are reliable and valid.

#### Researcher Subjectivity

Since 1999, when I first became an employee of the Department of Technical and Adult Education (DTAE), now the Technical College System of Georgia (TCSG), I heard rumors that the technical colleges and the University System of Georgia (USG) two-year colleges may merge. As a DTAE employee, I traveled throughout the state to the technical colleges. I saw the co-existence of the DTAE technical divisions on the USG campuses of Coastal Community College, Bainbridge College, Dalton State and Clayton State College and University. I saw the sharing of adjacent premises between DeKalb Technical College (a TCSG college) and Georgia Perimeter College (a USG college), and between Atlanta Technical College, a TCSG college) and Atlanta Metropolitan College (a USG college). When I began working at Atlanta Technical

College, I saw the duplication in services and curriculum between this technical college and its adjacent two-year USG Board of Regents institution, Atlanta Metropolitan College. I also saw the lack of resources allocated to both institutions compared with other four-year colleges in Georgia. My undergraduate experience at a major four-year university made me more aware of this disparity in resources. Seeing this lack of human resources and often, financial resources, on the campuses of both Atlanta Technical College and Atlanta Metropolitan College, I began to feel strongly that this separation of similar institutions was senseless. As a taxpayer, I was again concerned. I saw several institutions across the state that could be combined to reduce the overall resources allocated to both as separate institutions while increasing the resources available to employees and students of each entity.

An often-overlooked aspect of practical business decisions is the personal experiences of those who endure the change that occurs because of the decision. In talking to others who have also heard the merger rumors, there are varying degrees of opinions and emotions. Personal needs and concerns seem to drive the opinions and emotions of most faculty and staff who work at schools that could be merged. The needs of society as a whole seem to drive the opinions and emotions of most leaders, employees in the system office and faculty or staff at colleges that would likely not be merged. As a result, I have conflicting opinions about whether a merger in Georgia should or should not take place. My interest in this case study is driven less by an academic goal and more by my personal desire for a better society, and my strong belief as a government employee and taxpayer that government is inefficient at times, primarily because of political reasons. Thus, I believe Georgia should merge its technical colleges and Board of Regents two-year colleges. However, I believe that an organization's people and culture are important, and therefore, should be given consideration as merger implementation decisions are

made. Ultimately, my assumption is that the Georgia technical colleges and Board of Regents two-year colleges will merge to create a more effective and efficient system of comprehensive community colleges; however, I also believe that to assure a successful outcome, consideration must be given to how the merger is implemented. Regardless of my personal preferences, beliefs or passion about the subject matter, I remained objective throughout the data collection and analysis processes.

#### Design Appropriateness

This case study design is appropriate because the need of the project is to understand and describe the mergers of the technical colleges and community colleges in Kentucky and Minnesota from the conception and planning stages through the implementation and follow-up stages. The case study will allow a deeper understanding of the circumstances surrounding these mergers, the dynamics necessary to initiate and implement these mergers, and lessons learned from the mergers after a decade of existence as merged entities. This understanding of the complexities of these postsecondary institutions, driving forces behind the merging of the institutions and perceived value of the changed organization will provide some generalization and applicability as leaders in the State of Georgia consider the potential merger of the technical and two-year college systems in Georgia, including the best way to implement it.

## CHAPTER 4

### FINDINGS

#### Introduction

An analysis of the data found several common themes and core concepts that were indicative of the responses provided by the interviewed participants. Appendix C includes the coding scheme for the interview data. Common themes were identified for each of the four research questions. Research question one asked, “What were the internal or external issues driving the mergers of the systems in these two states?” Four common themes to research question one surfaced through an analysis of the Kentucky and Minnesota interview data. The prevailing answers to what drove the mergers of the systems in these two states dealt with inadequate resources and funding, workforce development, student barriers, and political desire, power and will.

Research question two asked, “What happened during the implementation process? What went right? What went wrong?” Four common themes to research question two also were revealed through an analysis of the Kentucky and Minnesota interview data. The most common answers on what happened during implementation of the mergers of the systems in these two states related to cultural resistance, administrative process integration, integration of people and multilevel broad-based involvement.

Research question three asked, “What has been the impact of the merger?” The analysis of the Kentucky and Minnesota interview data also produced four common themes related to research question three. The most frequently provided answers about the impact of the mergers

of the systems in these two states related to system culture, student access, political and corporate presence, and overall positive impression.

Finally, research question four asked, “What was learned that could assist another state contemplating merger?” The analysis of the Kentucky and Minnesota interview data uncovered six common themes related to research question four. The most frequent answers about the lessons learned from the mergers of the systems in these two states related to cultural resistance and integration, implementation timing, leadership and communication, marketing and branding, and openness to change.

Common across all four research questions were three core concepts: (a) cultural resistance; (b) communication need; and (c) stakeholder importance. The remaining content in this chapter will provide details about the common themes for each research question then briefly discuss the core concepts that are interwoven into the findings of most research questions.

## Research Questions

### *Driving Forces*

#### *Inadequate Resources and Funding*

Research question one asked, “What were the internal or external issues driving the mergers of the systems in these two states?” There were several recurring findings revealed through the interviews in both Kentucky and Minnesota relative to this question. The first finding is that in both Kentucky and Minnesota, there was inadequate funding and inefficient resource allocation to the technical colleges and the community colleges within each system. Interview statements revealed there was a strong belief that one motivation for a merger between technical colleges and community colleges was the inequitable funding models and the elimination of duplicative services. Interviewees said that a fair appropriations model would

allocate more resources, and the streamlining of programs and services would reduce costs to produce cost savings.

When I interviewed participants in Kentucky about the merger of the technical and community colleges, the lack of sufficient resources was stated as a key reason why the mergers happened. Statements from participants indicated they felt there was inadequate funding of both technical and community colleges. According to these individuals, the technical college system, a component of the Cabinet for Workforce Development, probably was not seen as a comparable postsecondary entity, and thus, not deserving of the same level of funding as the universities within the state. According to those interviewed, because the community college system, a component of The University of Kentucky (UK), was seen as a second tier entity, it was only given funding indicative of a secondary contributor to the organization. One participant described it this way:

Both these organizations of the colleges, the fifteen technical colleges and fourteen community colleges were the stepchild of both organizations. They weren't Monday through Friday. They were the Saturday. You know what I'm saying? Get to them when you can.

Another participant focused specifically on the community college situation, stating, "...so you'd have all the funding go down to all of the four-year universities and then the community colleges would get the funding sort of filtered through UK down into the thirteen community colleges."

Related to this lack of sufficient resources was the inefficient use of resources. In essence, deficient resources existed because of inefficient allocation. Primarily, this is indicative of duplicative resources provided by both the technical and community college systems. These

were two similar systems, but one was under state governance and the other under The University of Kentucky System. Additionally, there were technical and community colleges in close proximity, in the same communities and, in some cases, across the street from each other providing the same or similar programs and services. It was described this way by one person I interviewed, "...you have two people doing the same thing or are responsible for the same thing, when really, if you could make some changes there and have one...some schools had two Deans of Student Affairs, two Deans of Academic Affairs..." Another participant stated that, "...duplication of services was certainly a part of it. We had technical schools that were wanting to be colleges. We had colleges that had technical programs."

Respondents in Minnesota communicated the same issue of inadequate funding and inefficient resources as a driving force behind the mergers of technical and colleges in that state. In Minnesota, however, the situation was somewhat different. Prior to the 1995 merger, Minnesota's postsecondary educational system included The University of Minnesota, the community colleges, the technical colleges, and the state universities. Unlike Kentucky that only merged its technical and community colleges, Minnesota merged its state universities, community colleges and technical colleges. As a result, participants felt that streamlined administrative and facility costs were key in the decision to merge these postsecondary institutions. According to a respondent from Minnesota:

The Legislature saw two things happening. One, all of the systems (i.e., the major universities, the four-year colleges, the community colleges, and the technical colleges) were fighting with each other about funding, about bonding, about everything. And so they didn't come with a united front and they were getting tired of hearing us vie for funding power and everything else.

This respondent went on to say that:

[The legislature] believed that higher education was very hierarchically structured with the technical colleges on the bottom, community colleges in the next rung, state universities at the next rung, the University of Minnesota at the next rung, private colleges at the next rung. They didn't know where the [for-] profits fit. They just fit all over.

Other respondents heavily commented on the duplication. One other respondent stated:

We used to have to maintain three different computer systems. We had to maintain three different finance systems. All those kinds of things. Now we only have one. There were also some efficiencies made by consolidating some institutions. You know, we had situations where there was a technical college and a community college located across the street from each other. Two different administrations.

#### *Workforce Development Focus*

The second finding common to research question one was workforce development. In Kentucky, participants felt strongly that the need to be more responsive to the community drove the decision to merge. Participants reported that legislators needed to focus more on workforce development and industrial training that met the needs of the community. The technical colleges seemed to do an excellent job in providing this service to the state. However, community colleges did not have this as their focus. A more comprehensive strategy utilizing both the two-year technical and community college postsecondary institutions would likely produce better results. One Kentucky participant explained that:

[Legislators were] sold on the fact that we were not doing a good job of, for lack of a better term, industrial training. At that point, in time, the big push was to get factories, to

get businesses [in the State]. You know, if you use all, if you look at all the communities that were building specific buildings and getting in these small industries that have thirty, forty, fifty employees that was a State initiative all over the place. And, so, the intent was to make some changes in terms of our orientation.

According to the participants in Kentucky, this desire to utilize the technical and community colleges as a key engine in the economic and workforce development of the state was a critical reason behind merger of the two postsecondary entities. Thus, merging the systems would place more emphasis on “the mission of employability skills.” Another participant simply stated a feeling “that the real push to combine technical education in the community colleges was to bring forth a better workforce for the State of Kentucky.” Another respondent confirmed this perception through a belief that “economic advantages or opportunities for Kentucky citizens led to the merger. That’s what we heard and I really do want to believe that.” This same respondent later added to this belief that “there was some concern about us not being able to respond to community needs as far as workforce training and development and that kind of thing. So I believe that that was the reason why it came to be.” Although pervasively mentioned in Kentucky as a driving force behind merging, workforce development was mentioned only once by one respondent in Minnesota as a reason for the mergers. This particular respondent stated generally, “I think the legislature has been responsive to what students, student parents have wanted, to what, how can I put this, to what business needed, to what the community needed in educating our citizens.”

### *Student Barriers*

A third finding to research question one centered on student barriers. Interview responses indicated that transfer limitations and bureaucratic policies hindered student matriculation

through all levels of postsecondary education. In Kentucky, participants indicated that students from technical colleges experienced significant problems attempting to transfer credit to senior institutions typically because the general education courses or academic core at the technical colleges did not meet regional accreditation standards for collegiate-level general education courses or academic core. The Kentucky community colleges functioned primarily as transfer institutions to the four-year institutions and The University of Kentucky, but students attempting to transfer frequently encountered situations where courses were not accepted. One of the study participants stated, “Governor Patton saw that there was an issue with, number one, transfer credits [not being accepted among technical colleges, community colleges and four-year colleges or universities]. It was very difficult for the technical colleges to get any recognition at the regional universities in developing transfer agreements.” Later on, this same participant expounded upon this statement, adding, “It was also equally difficult for the community colleges...But the technical colleges even had more of an issue because they were not SACS accredited.”

In Minnesota, transfer from the technical colleges to the community colleges and four-year senior institutions, and transfer from the community colleges to the four-year senior institutions were equally problematic. In fact, in Minnesota, this may have been the primary reason for merger. Legislators “were frustrated with transfer.” According to one respondent:

We had a technical college that was a mile away from the community college. The technical college had an accounting program that was very practical, and we had a community college program that was more theoretical. At the same time, they both used the same books. They both used the same instructor who went back and forth and the community college wouldn't accept the credits from the technical college.

Frustration in Minnesota also existed with bureaucratic and limiting policies and procedures that often resulted in students facing time wasting barriers. Both the academic affairs and student services divisions felt this way. One participant described the chaotic situation at three institutions located in the same area. This participant stated:

You were able to go to Rochester Community and Technical colleges, where we also had a State university presence. It was so confusing that you could pay different fees. You could take one class, and if it was a State university class or a technical college class or a community college class, you would have three fee statements, of course. You would have three sets of fees. And the worst part was, because we didn't have a common policy and we didn't have a law on residency, you could actually be a non-resident at one of those schools and a resident at another one because we had different policies for residency.

### *Political Desire, Power and Will*

A final common finding to research question one on reasons for the mergers of the systems in these two states was political desire. A very necessary and complementing component of political desire is political will and power. Although the political desire for the mergers were strong, it was evident in the discussions with the participants that they never would have happened had certain political figures that wanted them not had the political will and power. In both Kentucky and Minnesota there was a state political figure with the political desire, will and power to make the mergers happen. Each of these individuals placed emphasis on improving education in their states, and indicated that education was a priority.

In Kentucky, Governor Paul Patton held the political desire, will and power. According to one of the Kentucky participant's, "Governor Patton came in, and I think he established fairly

early on that education was going to be his legacy....So I think politically, it was what the Governor wanted.” In mentioning Governor Patton, another one of the Kentucky respondents stated:

I think he had quite a bit of power, and I think he had a great amount of will...there’s no way to prove it, but I think you could say that there were some very powerful forces at work that had a strong desire to divest some of UK’s power into a different entity, and the merger of the community colleges and the technical colleges was, on paper, a very smart move, but at the time, it was a very politically volatile move with the masses.

Another respondent added, “We had a very strong Governor. Governor Patton ran on the ticket, Education Governor. Without him it wouldn’t have happened.” This same respondent added to these comments by repeating a story about the night before the final vote on the bill that merged the technical and community colleges in Kentucky. This respondent revealed:

When House Bill One passed, and I’ve heard the Governor speak about that, the night before he really wasn’t sure it was going to pass and he called one person in his office who was against it and got assurance they had to vote and when it passed, it passed by one vote.

Ultimately, Governor Patton was seen as someone who was “politically savvy” and “put everything on the line that needed to be done” to ensure passage of this merger bill.

In Minnesota, the merger “happened primarily through one individual, and that was the State Senate Majority Leader, Roger Moe at that time.” He held the political desire, power and will to accomplish a merger. Senator Moe was the “proponent and the sponsor of the legislation.” According to one of the Minnesota Respondents Senator Moe “really wanted it to happen, and so he was a very powerful Senate Majority Leader, and it happened.” Another

respondent also indicated, “Roger Moe was powerful at the time.” One other participant described the night before the passage of the legislation:

It was after midnight and so the Legislative sessions in Minnesota, you can only be in a Legislative session for a certain amount of days in a year and so when the time’s over, when it reaches midnight on the last day, what they sometimes do is they just put a black cloth over the clock and so as the story goes, that’s what happened here. And Roger Moe said we need to pass a merger bill. And it passed, kind of in the dark of night.

### *Implementation Experiences*

#### *Cultural Resistance*

Research question two asked, “What happened during the implementation process? What went right? What went wrong? As with research question one, a number of general concepts or underlying themes were revealed from respondents in Kentucky and Minnesota. The first concept is what I call “cultural resistance.” Based on interviews from participants in Kentucky and Minnesota, cultural resistance was a major issue during the implementation process. In each state, technical colleges and community colleges were so engrained in their own organizational cultures, they resisted the perceived change in institutional mission. There was a battle between what I call “Technical Practicality” and “Academic Prestige.” Technical colleges strongly believed that technical education provided the practical skills necessary for those in the community to find a job. Workforce development defined the purpose of technical colleges. Participants from both Kentucky and Minnesota indicated that those from community colleges believed strongly that those in the constituents needed an academically infused education, and merging the community colleges with the technical colleges would diminish this academic focus. In fact, those from community colleges felt they would lose a level of prestige by merging with

the technical colleges. This resistance to the other's mission or culture, created an antagonistic atmosphere that hindered the pace of merger progress.

Heightening this tension and sense of inferiority or superiority because of differing missions was the fact that technical colleges in Kentucky were not regionally accredited by the Southern Association of Colleges and Schools (SACS), and the technical colleges in Minnesota were not regionally accredited by the North Central Association of Colleges and Schools (NCA). SACS and NCA are two of six regional institutional accrediting associations in the United States. Because of this, a number of the technical college faculty did not have Associate Degrees, Bachelor's Degrees or Master's Degrees. It was really a qualifications issue. According to statements made in the interviews, community college faculty did not feel that their technical college counterparts were qualified to teach at a collegiate level.

According to interviews, the community college connection to The University of Kentucky exacerbated this elite image of community colleges over technical colleges. The people in Kentucky "bleed blue." One community college participant stated, "I think we lost some of our academic standing... Prior to the merger, the community college was seen as a continuation of UK. Our primary responsibility was to transfer students into four-year institutions." Another participant indicated that community colleges "had a prestige kind of thing that doctors and lawyers that had graduated from UK sent their children here [community colleges] before they went onto UK." The proposal to merge technical and community colleges in Kentucky would remove this direct connection between The University of Kentucky and the community colleges. No longer would the community colleges be part of The University of Kentucky system.

Although respondents indicated that prior to the mergers most of the leadership at the state level assumed technical colleges would eagerly desire the opportunity to join forces with the community colleges, the facts did not indicate this. Technical colleges were just as resistant as their counterparts. They did not want to alter their fundamental purpose. According to a respondent from Kentucky, the technical colleges “didn’t want to, in their minds, be pulled into doing all of that academic stuff... They wanted the real hands-on training and not to lose that.” This same respondent also stated that technical colleges “didn’t want to be a part of that whole university thing...They would lose contact hours with their hands-on programs and worried about getting all wrapped up into that.”

In Minnesota and Kentucky, because of this resistance on both sides during the implementation processes, a general lack of trust and suspicion developed between technical college employees and community college employees. In Kentucky, one participant talked about the anxiety that developed about what the future would hold. A lot of individuals in Kentucky were saying, “We gotta keep [it], you know, technical education is important in Kentucky and we’ve got to make sure that it stands.” As a result, some of the transition meetings held with groups from both the technical and community college side were “very contentious because there was a lot of turf protection going on.” Another Kentucky respondent described this tension:

[Faculty] did not understand, and in many instances, did not appreciate each other... Plus I think there was sort of a general disrespect among the academic liberal arts faculty toward the technical faculty. They were viewed more as like proprietary types of programs and then on the technical side, there was sort of disrespect towards the liberal arts faculty that these people don’t live in the real world and don’t understand what it means to actually have a world of work.

According to one other participant, coming from such different cultures, one system career focused and the other academically focused, “I heard one of our persons say it was like a shotgun wedding.”

The resistance to the perceived culture of each other’s counterpart also led to lack of trust and suspicion during the Minnesota implementation. According to one of the Minnesota respondents, this resulted in “a lot of tension between the two groups.” Another Minnesota respondent described a personal situation that demonstrated the level of tension that developed between technical college, community college and university faculty. According to this respondent, the faculty did not adjust in the beginning. There were arguments between community college instructors and technical college instructors in the committee meetings held to develop common instructional practices for newly merged institutions that had operated differently. Arguments revolved around instructor course assignments, room assignments, class times, and other scheduling issues. They were “picky things” according to this respondent. Because the faculty from each of the systems was use to a particular type of instructional practice or process, they expressed their desire not to change. Neither side wanted to compromise. The participant describing these events added:

Even today I notice when we have large meetings and we have them as big as 1500 and we have them once a year for community colleges and universities. They’re called ‘I Connect’ or ‘I Teach’ conference. I notice that the people that were in the technical colleges before, they sit all together. They’re no longer in the technical college anymore, but they don’t sit with the people in the community college. I still see the little clique over there from the technical college, and I still see the clique from the community college even today! It’s been fifteen years!

The resistance to the perceived culture of each other's counterpart pervaded both the Kentucky and Minnesota merger implementation processes.

*Administrative Process Integration.*

Another common finding relative to the implementation process during the Kentucky and Minnesota mergers was the intricacy in integrating administrative services. The integration of administrative services such as the information technology, human resources and payroll systems was time consuming and complex. In Kentucky, the administrative integration process took about three years. According to one participant, they spent two years selecting an administrative servicing system and one year implementing it. This participant indicated, "Most people did not understand the difficulty. The average instructor or even administrator at the time... the average knowledge and data processing was limited." They eventually selected the PeopleSoft human resource management system that also provides software solutions for financials and student administration. At the time, PeopleSoft was a new company still experiencing growing pains with its products. Because of this, according to one participant, Kentucky was "one of the early systems that, you might say, flushed it out." Working through the bugs as well as the tedious efforts to insure a complete and quality installation complicated the process. Methodically placing then testing every component of the system became critical. As stated by one Kentucky participant, they "spent a year integrating how a central database would be used at each institution...all the way from records, admission records to financial records to fees to how students changed their passwords." This participant further explained that it was "a very, very involved process...we took a module and got that module on line and then we went module, then module and module." Additionally, because of the complications with PeopleSoft, and to insure the integrity of data, Kentucky also maintained the old system during the first year of operating

the new system. As a result, they really “had to maintain two systems” because of the difficulty merging the old records into the new one. This was critical because of the time it may take some students to complete. Some students previously enrolled decided to come back to complete their degrees or take additional courses. One respondent indicated that some students would come back to reenroll, but “we had no records of them” in the new system. According to this participant, however, “with the old system...in place, we could go and find them, print out their transcript and then integrate them into PeopleSoft.” Given these dynamics, the implementation “really took three or four years.”

Complicating this process even further in Kentucky were the logistics of personnel issues. As part of the administrative processes, Kentucky had to determine what to do about payroll and retirement benefits. There were two separate payroll systems, one for the community colleges and one for the technical colleges. The new Kentucky Community and Technical College System would create a third payroll system and a second retirement benefits system requiring the colleges to run “three different types of payrolls and two different types of retirement systems during the time.” One of the Kentucky respondents believed to insure passage of the merger legislation the “decision was made that you will not hamper any employee that is there. You’ve got to protect all of the benefits that they have.” New employees were required to join the new KCTCS payroll and retirement systems, but existing employees were given a choice between maintaining what they had and switching to this new system. Additionally, some were allowed to retire from their respective systems, keep their benefits and become KCTCS employees. Thus, the institutions and the system office were required to maintain these separate administrative processes. Although most employees are now under the new personnel system,

KCTCS and its local institutions still maintain these separate systems to accommodate previous system employees who have not retired, resigned or left for other reasons.

In Minnesota, the integration of administrative services was equally prolonged and complex. As in Kentucky, there were multiple systems. According to one participant, “I think we had three very different systems and we paid the price, and we’re still paying the price for the fact that it took so long to get agreement on how we merged data systems.” Included in these administrative processes was the alignment of policies and procedures. A Minnesota respondent explained:

At the System level it took a while, I would say a decade almost to get all the policies and procedures aligned. We added new ones. What we do is we bring policy and committees together and we look at the three and we’d come up with a policy that attempted to address all the issues that the prior systems had, then revoke the old one and add the new one, and we went through broad processes.

The length and complexity of the systems integrations were exacerbated because there was no uniformity among the systems to be merged. A seemingly still frustrated respondent indicated that data and systems integration was “one of the areas we were least prepared in.” This respondent went on to explain the setup of the technical colleges, community colleges and state universities data systems. It was explained:

They weren’t always necessarily identical at each campus. The technical colleges were the exact opposite. They were highly decentralized... there was no centralized computing...each one built their own or bought their own student system, finance system, HR systems... the community colleges were probably the most centralized. Their accounting was centralized.

Integrating multiple systems that themselves were fragmented became “a huge undertaking.” Another participant who stated, “You think payroll would be up and clean and neat and running and nothing would change there,” reported one example of this disarray. This participant continued by adding, “...payroll would just send your check...The quote that I remember is about ten percent of people’s paychecks were being paid out of...a handwritten checkbook because the systems were not there to handle the data and the people.” It got so bad, according to a participant that “IT people would say stories during the summer after the merger. They’d be working probably six hours per day, ten, twelve hour days, and they’d be so exhausted, some of them were moved to tears.” In Minnesota, this frustration and tedious effort was consistently indicative of the attempt to merge the HR systems, the student systems, the finance systems from the three postsecondary entities.

#### *Integration of people.*

With the integration of people, tough choices were necessary related to duplicative personnel at merging colleges. As mentioned earlier there were technical colleges and community colleges in close proximity. It was logical to merge these institutions into one organization. This meant difficult decisions needed to be made about those in duplicative positions. As stated by one Kentucky participant, “we really didn’t need two Presidents and two Deans of Business Affairs and two of everything. So, if one was going to be the leader, what does that make the second person?” Fortunately, some individuals retired or resigned and others took different jobs at other colleges or at the system office. As stated by a Kentucky respondent, “If you weren’t committed to this organization and committed to work hard, you didn’t stay here.” However, appointments occurred in other situations, but no layoff or firing of individuals occurred because of the merger. A respondent indicated, “Generally what would happen is

someone would be transferred to another department.” According to this person, these decisions hinged on who was perceived as stronger in the position or what system, technical college or community college, seemed stronger in a particular area. At the system office, this duplication remained in place for a while. One participant reported:

There was actually two branches. There was a technical college branch of KCTCS and a community college branch... So for the first year, maybe two years, we actually kept that same kind of working relationship where we said okay, we'll not duplicate efforts where we can, but administratively, we're still different and we recognize [that].

The fact that such decisions became necessary caused additional tension during the implementation of the merger. One participant indicated the “fear that if there are duplicate positions, that people would lose their jobs.” Another participant described the contention during a joint meeting between technical college and community college representatives, “It was like the Hatfield's and the McCoy's. The community college on one side, technical on the other.”

In Minnesota, as in Kentucky, officials had to determine what to do with individuals in similar positions at merging colleges. One key determining factor in deciding leadership of merged institutions in Minnesota may have been the sophistication of the leadership. As one participant described:

The sophistication level of the leaders at the campuses was so divergent. Here you have all these Ph.D. prepared leaders at the State University System. A little bit of a mixture, hodgepodge, if you will at the community colleges and you have a group at the technical colleges of people who maybe might have their Baccalaureate degrees.

Another factor, personal acceptance of the merger, contributed to the decision-making process relative to the integration of positions. Those leaders who were not personally in favor of the

merger eventually resigned. Even the Community College Chancellor at that time, who reportedly was opposed to the merger, resigned. Other leaders, who were not necessarily personally in favor of the merger, but cooperative or apathetic, attained other positions within the newly formed MnSCU (Minnesota State Colleges and Universities) system; however, some of these leaders eventually found new positions in other state systems. At the system office, some individuals decided to seek employment at the local colleges “because they wanted to get out of the System Office.” Ultimately, as explained by one of the Minnesota participants, because “it wasn’t clear what the plan was in terms of the merged Central Offices or the systems...I think all of us felt threatened. Clearly, everybody felt threatened. “

In Minnesota, the existence of unions made the integration of people even more chaotic. There were multitudes of collective bargaining agreements. Technical college faculty had collective bargaining agreements. Community college faculty had a collective bargaining agreement. Staff had a collective bargaining agreement. Even students were unionized. According to one participant, it was a “huge mess... We had three separate faculty bargaining units... service professionals that bargained at the State level... Secretaries, clerks...we had a group in the State universities...the group of people who manage student residential housing, student centers...” Another respondent provided further details about the collective bargaining issues that arose during the merger implementation. “Employees of the community colleges were State employees and they were all represented, with the exception of upper administration, by collective bargaining groups and collective bargaining contracts.” These contracts existed “nearly twenty years” prior to the 1991 merger legislation. In contrast, this respondent indicated:

Technical colleges were not in that situation. Their employees were employees of the school districts, and they were employed by the school districts...So consequently, while

they had collective bargaining agreements when they were part of local school districts, when this merger happened, one of the main things was it made the technical college State employees, State of Minnesota Employees.

Thus, for technical college employees, the provisions of these local collective bargaining agreements were no longer valid, leaving only statewide agreements in tack. The bottom line for the non-faculty with collective bargaining agreements became “how to count their seniority relative to the people who are already State employees and clerical and maintenance and middle management positions.” Now according to this particular respondent, the biggest issue was with the faculty bargaining agreements. The Minnesota Community College Faculty Association (MCCFA), an affiliate of the Minnesota Education Association, represented community college faculty. This organization “had lobbyists...lawyers...bargaining teams...grievance reps.” It was a “fairly mature organizational structure.” Because the technical college faculty were starting from scratch, in a way, the MCCFA felt that they needed to help the technical college union, the United Technical College Educators (UTCE), “be better representatives of their faculty” in order to prevent the MCCFA from being weakened. As a result, they joined forces, signing a memorandum of understanding to fight for their interests relative to faculty schedules, workloads, hiring and termination procedures, and other perceived rights of the faculty. This newly developed bargaining union helped to reduce the chaos of dealing with multiple unions during the merger implementation process.

#### *Multilevel broad-based involvement*

The final finding common to the merger implementation processes in Kentucky and Minnesota was the involvement by all levels and breadth of positions within the system and individual colleges. In both Kentucky and Minnesota, transition teams formed to develop

policies, update curriculum, integrate data systems, and complete a number of other tasks aimed at achieving a successful merger. These teams or committees consisted of individuals from the state system offices as well as the local technical colleges, community colleges, and in Minnesota, the state universities. These teams were also comprised of individuals from all levels of the local institution and system office. In Minnesota, they even included students on the team because there was a clear understanding that this was about them. A Minnesota participant indicated that there were “three students on all of our committees...Sometimes six...Because we had three systems, you either have three or you have six. One from each or two from each. And so they were a big part of this.” According to most in Kentucky and Minnesota, the transition teams or committees were one of the things that went right during the implementation.

In Kentucky, those interviewed indicated that transition teams or committees were needed to align curriculum from technical programs and community college programs. As a result, there was a need to bring both technical and community college faculty together in the transition committees to develop a newly aligned curriculum. During the first meetings, as explained by a Kentucky participant, “I think a lot of the initial stab was in gaining trust of one another because one did not trust that the other was not going to tear their curriculum up and make it a lot different than what they thought it should be.” Another participant stated, “There was a lot of fear in the early days,” reiterating the lack of trust among technical and community college employees. The transition teams, according to participants, helped individuals from different areas and different systems get to know each other as they worked together on a common goal. As reported by one Kentucky participant, “it was a lot of give and take for the faculty.” However, over time, fear and trust issues began to diminish.

In Minnesota, heavy utilization of multi-level broad-based committees also occurred. One participant stated, “We created a huge operational transition work plan with transition teams on every area, operational area, that you could think about...Finance and Accounting, Business...You had academic...You had Student Affairs...comprised of representatives from each of the three distinct systems.” The importance of these Minnesota teams in reducing the tension among the three merging systems was evident. One respondent simply said, “I think, as I say, those transition teams were invaluable.” Most people felt threatened by the uncertainty. The service on the teams helped bring clarity to what this new system would look like and provided an opportunity for individuals to get to know each other. Another participant explained, “as the thinking and the work of the transition groups matured...I think people started to get [a] comfort level with each other...Because now you’re talking...Presidents meeting with Presidents. Chief academic officers across different systems meeting.” These multi-level multi-representative meetings of those within the three postsecondary institutions during the merger implementation process were a positive experience that balanced the difficult experiences with cultural resistance and complex administrative integration.

### *Merger Impact*

#### *System culture*

To the third research question, “What has been the impact of the merger,” a number of themes common to Minnesota and Kentucky emerged. The first was that of a system culture. The technical and community colleges in Kentucky, and the technical colleges, community colleges and state universities in Minnesota began to act and function as one entity instead of a multitude of individual units. Participants said the culture focused more on the systematic operations of all colleges within the system as compared to the autonomous operations of single institutions

within the system. After the mergers, although there were several individual institutions throughout the state that comprised the Kentucky Community and Technical College System (KCTCS) and the Minnesota State Colleges and Universities (MnSCU), because of the system culture that developed, these multiple institutions functioned as a single institution. Prior to merging, even though there were state agencies with authority over the former postsecondary systems comprised of these institutions, there were no reports from interviews or documents reviewed that these former institutions actually functioned as a single postsecondary system or institution prior to merging. Before the mergers, there may have been some semblance of this with the technical colleges in Kentucky and the community colleges in Minnesota, but no true system-wide culture existed at the time. Most institutions functioned autonomous to a system.

One person interviewed in Kentucky described this new environment as a corporate culture, stating, “I find our culture, I think, is less academic. More corporate.” This person further explained, “... we have this central, we have this pyramid power structure and the power is at the top. It’s not at the bottom and it used to be at the bottom. The faculty [body] used to run the institution.” Because there was this shift in power from the local level to the central office, a mild tug of war developed between local autonomy and system standardization. Another person interviewed stated, “The system sees themselves as the KCTCS. KCTCS is the institution.” What this has meant is that there are times when an institution wants to reap the benefits of being a system, but does not want to relinquish local control or identity. As described by one respondent:

You had this big system and there’s always this pull and tug of when is it good to be a system...and you could have some benefits from being statewide... And then when do you need to be an individual institution where you have your own? And if you’re sharing

a student database and you had one subtle policy difference from one of the sixteen colleges, but you're using the same student database and our students flow back and forth among the colleges, it's not a clean separation anymore.

Therefore, this system culture definitely took over after the merger. However, there is a consistent balancing act between when it is best to be a system and when it is best to be an individual institution. A respondent in Minnesota described the system culture in the following manner:

I think it's been a greater emphasis and emergence of collaboration. I think...we've become a more system-oriented culture. The cultural change that McCormack brought by creating the Leadership Council where he's got the Presidents and the cabinet both sitting and dealing with each other on a very key issue and then the President of the chairs, co-chairs a committee with a cabinet member frequently then also presents at the committee meeting at the Board. So in Academic Student Affairs, it's the co-chair. It's the Senior Vice Chancellor for Academic Affairs and whatever President is chairing the Academic and Student Affairs Committee, sitting together at the Board's Academic and Student Affairs Committee meeting, doing presentations together, managing the agenda with the Board chair of that committee. So you've gotten a larger, a better understanding of the collaboration.

According to respondents, prior to the merger, each of the merging Minnesota postsecondary entities, operated differently. The state universities operated on more of an autonomous platform where there was more local control over curriculum, policies, data systems and other operational tools. The community colleges operated as a system, but according to respondents, lacked the resources to function entirely as a system. The technical colleges had once been under their local

K-12 school systems, so even though they were now under state control, they functioned somewhat systematically and somewhat individually. Therefore, the transition to a system culture, though beneficial also came with some resistance as each institution fought for some local control. One example of this in Minnesota is relative to marketing. The system effectively marketed the Minnesota State Colleges and Universities brand using the acronym MnSCU. They did this so well that those in the community began easily recognizing the MnSCU name. Officials at the local colleges felt, however, that this successful marketing of MnSCU came at the expense of marketing the local colleges. Regarding the successful branding of MnSCU, one respondent explained:

I think it's also fair to say our colleges and universities would rather that we not market that. They just want to be known for who they are independently... They'd like to probably be seen as more independent and have more marketing clout for their institution rather than a system of institutions... So that's a little bit of a dance of how much do we create System wide publications and market that name and System wide websites versus getting people in touch with their local institution.

This same tension exists with IT systems, financial systems and other operational tools. The local institutions appreciate the benefits the system brings, but also want more local control.

*Increased Efficiencies from System Culture.* In both Minnesota and Kentucky, though no one was able to state definitely that there has been cost savings, numerous respondents indicated that the culture of a statewide system helped to create processes that are more efficient. A respondent from Kentucky explained that the merger produced a “better organizational and government structure.” Commenting on the system approach, this same respondent indicated that the system culture resulted in “a cohesive two-year community college, community and technical

college system that...I think with it came efficiencies in some areas and streamline in some areas.”

This belief that the creation of a system culture produced a more efficiently operating organization was prevalent within the Minnesota system as well. According to one person interviewed in Minnesota, “We are hugely more efficient. We have saved a ton of money. We have higher quality in many ways. We certainly are less duplicative.” This belief that the new way of operating, stimulated by the system culture, was reiterated by another participant who stated:

I think it would be fair to say we’re getting cheaper, not only in the amount we spend as a percent of State government spending, or the amount we spend per capita...Our administrative expenditures. If we took a portion of all of our thirty-two colleges and universities, their administrative overhead and added our administrative overhead to it, that we’d still be cheaper than other systems.

### *Student Access*

The second theme evident about the impact of the mergers in Kentucky and Minnesota is the focus on the student, and particularly, their access to broader postsecondary options. Because each institution is truly a comprehensive community college now, there are more academic and career technical offerings at a single institution. For the student, that means more opportunities in developing a postsecondary educational career that fits their individual needs. A student may enter a short term track so that they can improve their skill set enough to immediately go into the workforce upon completion, but also continue to take courses toward a credential that will allow them to transfer to a four-year institution if they choose. Based on the perceptions of those interviewed and documented system initiatives, in both states, students’ access to more

postsecondary options has improved their career opportunities and transfer capabilities.

Additionally, this increased access has focused board, administration and faculty attention more on the needs of students.

A Kentucky respondent indicated, “in terms of an overall well-rounded student, I think we’re probably doing a better job with that now.” This respondent added to this statement by explaining, “on the technical side students do have to have some of these gen ed classes and so it’s not all about training, necessarily, it’s about life-long learning, information, literacy, being able to think critically...” Another Kentucky respondent indicated, “But I do see the advantages of having the technical colleges merged with the community colleges to give students all access in one place.” This expansion of student opportunities is also seen in the fact that transferability has gotten better. According to one Kentucky participant, prior to the merger technical colleges did not offer associate degrees. “They could only offer certificates and diplomas.” As a result, this participant stated:

[The merger did] allow our students in the technical side...to be able to offer degrees where they had not been able to before. Our students had the ability to articulate their programs into post-secondary education easier. And again, this has occurred over time. So, I think it helped transfer, although there are still many issues and problems with transfer.

Two other respondents echoed similar results. The first of these respondents indicated that the outcomes for students had evolved into options that are more comprehensive, stating that there have been a “lot of new programs” added over the years resulting in “several hundred new certificates and diploma programs.” The second Kentucky participant verified this, simply

stating, “Students have much more access to the variety of educational offerings than they’ve ever had before.”

In Minnesota, this focus on students was just as evident as in Kentucky. This increased focus has resulted in better service to underrepresented students. According to one participant, “we do an excellent job with veterans [and]...we have higher levels of students of color than we’ve ever had.” This same participant indicated, “the Board has made access and opportunity our number one goal.” Because of this broadening of opportunities and focus on students, transfer issues, as in Kentucky, have improved in Minnesota. Another Minnesota participant simply stated, “I think transfer is better today. That’s one of the big issues that merger was meant to solve, so I think policies and practices have improved it. But I think there’s still room for improvement there.” In Minnesota, overall improvement of student services continues to be a focus to this day. A number of respondents commented on Minnesota’s *Student First Initiative*, a current initiative to remove barriers related to student access to college services. One respondent indicated that through this initiative:

Students will be able to register at more than one institution easily. It breaks through the barriers of having separate ID codes for each layer of what you’re trying to do. And we know, because there are eleven, well, ten colleges and one university right here in the Twin Cities metropolitan area and students take courses many times at more than one institution.

Based on participants’ comments, this multiple registration location strategy from the Student First Initiative has been extremely important because of the number of students combining online learning with on-campus learning. Students may want to take an online class from one college and an on-campus class from another college. For situations like these, this respondent stated that

students “can much more easily register, pay for, get their grades in a much more integrated fashion.” This respondent added, “There will always be one home college for the transcript and accreditation purposes and all of that, but we’re working on that as we speak.” The Student First Initiative is just one realization resulting from the merger after fifteen years.

*Political and corporate presence.*

The third common concept between Kentucky and Minnesota relative to the impact of the mergers was that of political and corporate presence. The realization that the KCTCS and MnSCU are two of the largest state agencies in their respective states, geographically touch every corner of their respective states, and have a student/constituent/consumer base in the hundreds of thousands have caused politicians and corporate entities to pay closer attention and provide more support than ever before. This attention created more political influence and corporate interest.

A Kentucky participant explained that the KCTCS system is “the largest provider of higher education in Kentucky with over 100,000 enrollments this year... You could add up all the enrollments of all the other eight institutions, the four-year institutions and that would not equal the 100,000.” These sheer numbers have raised greater awareness of KCSTC by the political and corporate establishment. As the largest postsecondary system in the state of Kentucky, it has a very powerful voice when it comes to public policy and funding for higher education. Prior to the mergers, the technical colleges had a direct line to the Governor through the system office, the Cabinet for Workforce Development. The University of Kentucky (UK) who also advocated for their own needs and issues indicative of a major four-year research institution, however, represented community colleges. According to a Kentucky interview respondent, with the formation of the community college system, the UK community colleges

are “no longer the red headed step children. We have an equal seat at the table.” Equally important as political influence is corporate support. Therefore, with these larger numbers has come, not only greater political presence, but better corporate recognition. One of the Kentucky participants indicated seeing “more and more private involvement with the diminishing state funds... There was a discussion the other day when Dr. McCall was down here about the naming of buildings for endowed chairs.”

The political and corporate impact has been equally visible in Minnesota. One Minnesota respondent stated:

[The Minnesota State Colleges and Universities System] is a known quantity at the Legislature. We’re a large public sector organization with a separate Board and so we’re, I don’t know how many employees we have, but we’ve got 25,000 employees and so it’s just a huge system...So I just think that it provides much more political power.

According to another Minnesota respondent, the result of this political power is “more effective advocacy for System positions in relationship to the Legislature.” This respondent described how each system “used to...submit three different budget requests. We’d have three different lobbyists advocating for three different things. Now we go in with one Legislative agenda, we have one voice. Essentially, we speak as one voice.”

Also in Minnesota, terms such as “acceptance,” “image” and “appreciation,” expressed this new sense of influence. One respondent stated, “I think our college is well accepted by the community, including individuals and community leaders and employers.” Another respondent indicated a belief that “in general, if people think of state higher education, they think of MnSCU. I think it’s probably got a pretty good image.” Finally, another respondent talked about appreciation among politicians, business leaders and those in the community, stating that in

Minnesota there was “much more connectivity to all the Chambers and Lyons and Rotary and advisory committees for all the programs, and all that has made the institutions better partners in the community, I think, at this point in time.” This has also resulted in a “growing appreciation for two-year colleges.”

*Positive overall experience*

The final theme common to the impact of the merger in both Kentucky and Minnesota was the general feeling that it was a positive experience. Regardless of initial fears and heartaches, the time and chaos it took to make it happen, and current lingering issues or negative opinions, at the time of their interview, the majority of those in both states felt the merging of technical and community colleges was the right thing to do. In Kentucky, the participant who best expressed feelings about the merger stated it was “painful and it was messy, but given that it had to be done in the way that it was done... It was definitely successful.” In Minnesota, the participant who best expressed feelings about the merger stated, “The system is clearly a better place to work and way more functional than it was in the beginning but it’s got its own challenges.” In general, most were happy that the mergers occurred. Those interviewed indicated that some still might not agree, but felt this was the minority. A participant in Kentucky stated, “I think you’ll find most people see it as positive...you may find some that have these personal...that they’ve been wronged. That they’ve been excluded. That you may find negative but, overall...” Some also admitted their original apprehensions with the plans to merge. A few even felt that keeping things the way they were would not have been all that bad. However, everyone saw some benefit from the merger. Most saw more benefits than problems, and agreed that the mergers were best for students, employees and the state as a whole. A Minnesota participant stated, “I wasn’t a fan of the merger. I was happy with where I was... I think now

we're fourteen years into the merger. It's working." Ultimately, the keys to merger acceptance are time and the realization that the change was not as drastic or damaging as some felt it would be initially.

### *Lessons Learned*

#### *Cultural Resistance and Integration*

The final research question asked was, "What was learned that could assist another state contemplating merger?" Responses in Kentucky and Minnesota revealed several common themes about the lessons learned. The first common lesson was that integrating people and postsecondary systems is difficult. Relative to people, this difficulty may be experienced through resistance to the change that is taking place. This ultimately results in a resistance to the organizational culture. Although this seems simplistic, it is significant because in each state the most time and effort spent implementing the merger was likely related to dealing with these issues. Both Kentucky and Minnesota seemed to underestimate the time it would take to accomplish these integrations.

*Integrating systems.* As stated earlier, data systems and processes differed among postsecondary education systems and in some cases among local institutions. From those interviewed it was clear that once a decision was made to merge, plans to integrate existing data systems or purchase new systems should have begun. According to one of the Kentucky participants:

I think you have to do an awful lot of groundwork ahead of time and that's politics as well as talking about what your opportunities would be if you merged... you can't formulate policy and do all of those things, but you could start talking about, you know, how would we do this, or how would we do that? How many personnel systems are you

working with?...If you could map it out ahead of time and look at how many technical colleges using the same kind of employment policies that community colleges are using, which one would be best? Would you merge the two together? Those kinds of things. Both states also seemed to underestimate the resistance from those at all levels of the local colleges and in the system offices.

In essence, a key lesson learned is that it is extremely important to place a high level of emphasis on integrating data systems. Although it may not be the most glamorous aspect of the merger or the reason that the merger occurred, a huge amount of attention is necessary for this particular aspect of the process. One of the participants in Minnesota expressed the importance of paying attention to the routine things during a merger. This participant stated:

I think it would also help if people are prepared, just on their day-to-day business practices if somebody says hey, you're going to wake up tomorrow and you won't know which form to fill out? And that's true. You know, we have fifteen or seventeen thousand employees and they don't know which form to fill out to get a travel reimbursement. Somebody ought to be talking about that and making decisions and that goes across silos within the existing organizations, but of course, across the three merged systems. And it takes time to work that out.

Simple and reliable data systems play a huge role in managing the day-to-day operations of an organization. Thus, purchasing systems or integrating systems for the newly merged entity are valuable steps to insuring a successful merger.

*Integrating people.* As stated earlier, from the beginning, there was distrust between technical college and community college faculty and staff. Although interaction and time eventually helped to ease the tension and bring the groups together, most of the individuals

interviewed believe that any state contemplating a merger of technical and community colleges should focus proper attention on uniting the groups up front. One participant from Kentucky indicated:

It's not a perfect situation yet by any means but I think, hopefully, there's a little bit more respect from both sides. The liberal arts folks appreciating the technical faculty and what they do and the technical faculty respecting what the liberal arts transfer folks do and I think that's healthy and it's probably one of the biggest benefits, I think, of the merger.

Those interviewed also suggested taking the time to help each group understand the other's culture and educational perspective or philosophy. Key to this occurring is an open line of communication between the parties. Another Kentucky participant stated:

You know, there was dissent voiced strongly...Vocal kinds of things is all I can recall. And the only way that that was overcome, if you will, is through communication...Even then, and when I say that I mean, you know, at these meetings and every opportunity that I can recall hearing, people would just try to talk to others rationally....You know, and lay out the facts and lay out the arguments.

Ultimately, the immediate development of open dialog between the merging parties is critical. Part of this dialog includes the development of an understanding about the operations, culture and philosophy of both sides. As on Minnesota participant stated, "...get all the parties that were going to be part of the merger together and start talking about the similarities...Do not focus on the differences. Focus on the similarities and building on the similarities." This will help to foster the integration of people.

### *Implementation Timing*

The second lesson learned about the mergers was that issues revolved around the timing of implementation. Respondents consistently and prevalently talked about the length of the merger process, stating that it took too long or it happened too quickly. In Kentucky, the seemingly unanimous conclusion was that it happened too quickly. The phrase I heard consistently was “we’re going to build that airplane while we’re flying it.” One Kentucky respondent expressed, “I felt like it was heavy-handed... he ram-rodged it through, in my opinion, too fast... And I don’t know how many times I heard somebody say we’re making it up as we go along.” In recommending the response of other states considering a similar merger, this respondent stated:

One thing is don’t try to go too fast. Advanced planning and...that would be, I think, the main thing is just stand back and look at other models and see what’s happened in other places and learn from those mistakes, basically. But just the planning thing is...the whole thing about we’re making it up as we go along. That was just frustrating for everybody concerned.

However, some in Kentucky felt that this fast-paced approach was necessary. One other participant stated:

I don’t know what you would do any slower. I mean, would it be better if you...I mean, we did things that needed to be done... You know, the first...one of the prime tenets of business school is that every institution or every enterprise has its phases. We were in the startup phase. Startup phase goes fast. I mean, it’s intense. You don’t get ahead by sitting there rationally and calmly planning where you’re going. You’ve got to get on the bus and go... Sure, we made some mistakes, but... You will never make everybody

happy. I may not be happy with everything else we've done, nor would you or everybody else. But it's worked. And if you ask me effectively, absolutely! Without questioning anything!

Regardless of whether interviewees thought the merger went too quickly or too slowly, according to participants, the implementation process is ongoing, and in some ways today, it is still occurring. One Kentucky respondent explained:

It will evolve. Again, I use that word but that's what it is. You can have a good...you definitely want a good plan. You definitely want to have a good insight. You know, the lack of goals...if you don't have goals, you won't know when you've achieved them, you know. And so certainly go in with goals but understand that it's not going to be all sunshine and lollipops. Especially if you've got two competing entities that are being merged into one big happy family. And really, that's what they were. They were competing entities. A lot of people don't want to think that but, you know, that's what was happening, so. Just be aware of what you're getting into because it's going to be a long haul.

In Minnesota, the feeling seemed the exact opposite. The experience there was that the process took entirely too long. A participant in Minnesota suggested to other states considering a similar merger, "I would work at it not as slowly as we did. Not four years, but not super abruptly." This participant advocated for balance, realizing that Minnesota likely took longer than needed, but understanding that such a complicated venture is not something that should be done overnight. Another Minnesota participant who stated, "I think obviously getting buy-in from the systems beforehand would be a good idea," reiterated this same opinion.

This same participant added:

On the other hand, I'm not sure that there ever would have been buy-in in the State of Minnesota...In Minnesota, I think that it was probably a pit fall to allow four years before the actual formal merger. I don't know how that would work. I mean you just can't merge three large systems but maybe if there were somehow or another a better plan or yearly outcome that were expected and funding tied, maybe funding would be tied to it, but I don't know...I think no matter what, it's probably not an easy thing for three large systems to do, and it takes time to make one system successful.

One important issue brought out by this participant was the need to provide adequate funding to implement the merger. Another participant suggested that lack of upfront planning and implementation resources may have been the reason why the merger process took so long. This Minnesota respondent explained:

There was no extra money that was put in...The System became pretty stagnate because we were afraid to make any expenditures. That is, we were afraid to make any improvements until we knew what kind of funding we even had. So a lot of the things we needed to do, we couldn't do because we didn't know what money we had to do them.

### *Leadership and Communication*

The third element common among Kentucky and Minnesota respondents commenting on lessons learned is that leadership and communication are critical to a successful merger. Particularly, respondents indicated that "strong leadership" was necessary to meet the challenges of the merger as well as direct the troops along a single path headed to a known and broadly communicated destination. Thus, they believed that a state considering a merger of the technical

and community colleges should have strong state and local leaders who effectively and consistently communicate the purpose and vision of the new system.

In Kentucky, it seemed to be the consensus of those interviewed that even though there were difficulties during the implementation process, and in some cases, a feeling of unilateral decision-making, strong leadership or lack thereof played an important role in how successful they thought the merger went. According to a Kentucky interviewee, during “those first five years there had to be that top down management style just to get it done and like I said, you couldn’t sit around the table and philosophize...They needed to make a call...” Whatever image of leadership the participants maintained, it was always clear in Kentucky that they appreciated the leadership delivered, and credited the success of the merger to strong effective leadership. As stated by another participant, “I would say that considering what was accomplished during the period, that they did a heck of a job pulling it together.” Also revealed in Kentucky was the importance of this relative to both educational administrators and political leaders. Governor Patton was the driving political force behind the merger. As a result, faculty and staff emphasized the importance of his leadership in directing the merger implementation. They felt this was instrumental to the merger’s success. A Kentucky participant expressed, “I will give Governor Patten his due on this. He went around the state and he took his lumps... He had forums and he had town meetings and people were all over him.” This communication by the state political leadership was a contributing factor to the perception of a successful merger by technical and community college employees. At the state system level, Dr. McCall, the current president of the Kentucky Community and Technical College System, has been that force. College presidents have to be that force locally. To insure local dissemination of information, consistent communication between the state system and local entity is mandatory. This shared

information must come with an appropriate timeline. Another Kentucky participant explained, “I would say that once you just decide you’re going to do it, just say that’s what you’re going to do.” Another Kentucky participant elaborated:

Once the system decided to go ahead and call a President or CEO, Dr. McCall came in and some greater structure started taking place, allocating different people to different entities...There was a weekly report of this is what is happening and it was given to each one of the teams that was working. There would be an update on it until, you know, actually, I think people were overwhelmed with communication because...professors just wanted to go into their classroom and teach... We communicated and communicated and communicated again...So the leaders were strong that we had. They’re still strong leaders.

Strong leadership also was viewed as critical to a successful Minnesota merger.

According to those interviewed, during the early stages of its merger, Minnesota experienced ineffective leadership. Because of this, respondents truly valued subsequent leadership they viewed as strong and effective. As response to a previous administration, there were several during the early merger years, according to one participant, “the new Chancellor had to come in and then reorganize, restructure or not reorganize. Organize and structure.” In explaining the importance of good positive leadership, this same Minnesota participant explained, “Leadership is just critical, and watching negative leadership in one system and the damage that did compared with what I would call positive leadership in the other two systems.”

Positive leadership was also associated with providing effective communication, particularly because it “rarely happened,” according to one of the Minnesota participants. Effective leaders communicate, plan and prepare. Another Minnesota respondent suggested that

the lack of communication from leaders and the chaotic way in which the merger occurred were interrelated. According to this participant, one day there were three separate systems and then the next day there was one system with no orientation from leadership or discussion with leadership about the organizational structure or operations of this new entity. This participant described how this lack of leadership communication led to chaotic integration at the system office:

[The leaders of the organization] took people from the three former systems and put them into a System Office. We did no preparatory training for any of this. It's like one day you just moved your office to a different place. Hi, I used to be in charge of...I was the Finance Vice Chancellor and now I'm the Associate Finance Chancellor.

In addition, this participant felt that states interested in merging their technical and community colleges should provide additional support to cope with the transition, stating the need for "organized professional development around the transition before it happens...and...maybe the appointment of who the actual employees are going to be at the initial phase of the new organization so that they can assert meaningful authority..." Similarly, at least one other Minnesota respondent commenting on leaderships handling of the merger stated:

I think on a scale of one to five, I rate them as a one...It seems like they were not prepared. They were not prepared to deal with two groups that had a big gap in the middle that needed to be brought to the table...I think you need preparation. You need to be told this is what's gonna take place, and this is what might happen. But like I said, you needed a person like an arbitrator that can say ok stop both sides. This is the issue. We're not gonna talk about whose got more degrees than who. What is the real issue here, and how can we come together to solve it. We were not told that, and I think if you did that, it would be so helpful.

This participant was adamant about the need for strong leadership and communication, recommending outside consultation or intervention in cases where existing leadership did not provide these critical skills. Such sentiment about leadership and communication was consistent across both states and levels of employees interviewed.

In discussing leadership, the importance of board leadership was also conveyed by respondents. One Minnesota participant stated:

The other thing is that the Board is critical... But it's just the assurance of a quality Board, which is an issue with any Board, is critical. And so how you determine the governing Board, whatever it's called at the start is a critical part. They're going to hire the Chancellor. They're going to do the other things, and you have to be able to appoint people of highest integrity and quality, and in my opinion, that didn't always happen in the beginning when we needed it. When we needed it the most. Over the years, we've had pretty good Board appointments, but at the beginning, it was a very difficult struggle.

The respondents clearly indicated that strong leadership (internal or external to the organization) capable of effective preparation, planning, communication and even arbitration is necessary to insure a successful merger.

#### *Marketing and branding*

The fourth common response to the question about lessons learned and what states considering a similar merger could do to be successful was branding and marketing. One of the advantages of being a system is the ability to brand and market the system as a whole. Such efforts have assisted both Kentucky and Minnesota establish positive images of their newly formed postsecondary educational systems.

One of the Kentucky participants described these marketing efforts, "...everything you pick up is the same and everything's marketed the same. The Marketing Department has done a wonderful job. We have logos that everybody uses the same across the System. All manuals, everything's the same across the System." In Kentucky, the branding and marketing of the system also has been an opportunity to educate the community, and even the employees about the concept of a comprehensive community college. In fact, Kentucky has implemented an advocacy campaign that has this as one of its goals. These branding and marketing efforts have also called for others who see the benefits of system-wide efforts to advocate for balance. As explained by another Kentucky participant:

What we're doing this year is an advocacy campaign because I think there's an awful lot of either misinformation or lack of information about what a comprehensive community and technical college really does... So I think that part of the issue of merging is either before, during and in our case, ten years later, is continuing to talk about what is a comprehensive community and technical college.

This participant further described this campaign:

The advocacy campaign is to simply get out there and tell folks, hey, yes, we're doing remedial and developmental education. Yes, we're doing adult education. Yes, we're doing hard skills, vocational skill kinds of things. Yes, we're doing university parallel to try to get students to transfer on into professional programs. Yes, we're doing nursing and allied health training. There's just so much that goes on at a comprehensive community and technical college campus that folks don't know about. Yes, we're doing international studies. Yes, we're doing service learning. They just don't get it and I think the

more...what we've tried to do is to get out into our communities that we serve and say, hey, do you know we do this and feature that stuff.

While it is necessary and effective to create this statewide knowledge of KCTCS, it is equally important to help the local colleges develop their own identities within the community. Another Kentucky respondent explained the benefits of system-wide marketing but balancing this by focusing on the local institutions. The respondent stated:

I think things like marketing and brochures and things like what we do with the website. I think some of that couldn't be done at the local level. It would be either too expensive to try to do that or it's hard in a rural area to find those services and do them with some kind of quality...I think this new website project is probably an example of how they had to try to balance all of those issue.

To create and brand itself statewide while reducing cost, KCTCS hired a company to create a unified look for each of the sixteen colleges and the system office. The company created seven or eight different templates with similar designs but different color palettes from which each of the local colleges could choose. When completed, each of the college's websites will have a similar look, yet a local flavor, creating a balance between the systems desire for unified marketing while maintaining the local colleges' individual identity. This same participant who described the website efforts also used the analogy of YUM Brands, the company that owns Taco Bell, Kentucky Fried Chicken, Pizza Hut, A&W and Long John Silver's, to help comprehend this need for balance. The participant stated:

YUM Brands is the corporate name for all these other restaurants... Well, if you go into a Taco Bell or you see a Taco Bell commercial, you don't see a Taco Bell commercial for YUM Brand... You see a commercial for Taco Bell and its product. And so I think that's

the challenge of the system is not trying to market YUM Brands, it's promoting and marketing sixteen Taco Bells because the product is unique and for the local community and all that. But there's still obvious benefits from YUM Brand being a sponsor, let's say of the Super Bowl... because that little Taco Bell in rural Kentucky is not going to be able to do a sponsorship for the Super Bowl.

Finally, in Kentucky, the effects of the branding and marketing campaign have transcended the state borders, creating a broader positive image of the technical and community college system.

Another Kentucky participant explained:

I think external to Kentucky, KCTCS has a pretty good reputation. I think in the community college world, we've been able to kind of emerge as a very viable model. Of course, Dr. McCall's vision was that we would be the premiere community college system. I don't remember if it was the country or the world, but you know, probably from a world domination standpoint, it's probably the world. But, and I think we're certainly up there with the systems that are out there.

In Minnesota, a view that the state office is focused more on branding and marketing is prevalent. In fact, this focus has resulted in a better reputation than in the past. One of the Minnesota respondents explained, "So I think there is a much more organized marketing campaign." This exists not only because of statewide campaigns, but also because of local emphasis on involvement in chambers of commerce, secondary institutions and civic organizations. According to another Minnesota respondent:

I think that we've been able to lift up some of the marketing kinds of things that we do as a system with all of the high schools and really advertise all of us and what's the program mix at each one of the colleges... I think that we have a pretty good reputation.

Another respondent who not only recognized the influence of the system office, but the contributions of local presidents reiterated this sentiment of improved image and reputation. A different participant added:

I think people look positively upon MnSCU system. Certainly MnSCU has done a lot to talk themselves up, saying that they educate X number of students and that X percentage of those stay within Minnesota. So I think they're thought of now as probably a little bit below the University of Minnesota. It's hard to beat the University of Minnesota when it comes to image. But I think MnSCU has improved the image quite a bit.

This same participant continued, "I think the individual part of it. I would have to give credit to somebody like [my college president] being out in the community." Therefore, there has been a greater emphasis on statewide and local marketing and branding.

#### *Openness to Change*

The last theme found in the responses to lessons learned from the merger of technical and community colleges in Kentucky and Minnesota was that those who participated in the merger seemed more open to or accepting of future organizational changes. This may even be characterized as a greater ability to manage or handle organizational changes. Although not mentioned as frequently as some other issues, openness to new ideas, different opportunities and future organizational changes was something I heard repeatedly. This openness likely has allowed these state systems to take on new projects, and move forward with less resistance from individuals within the system because a culture of change has been established within the organization. The probable result of this is that each of these systems is capable of charting new ground far easier and quicker than they believe they could have in years prior to the merger.

In Kentucky, a respondent described this new openness, stating:

[One of the results of the merger] is to not be afraid to step out and try something different because always with adventure comes a lot of good thought processing in the background and a lot of different ideas about how something could work. I think when you put that many people together with a mission of wanting to make something work, you're going to come out to be successful.

Kentucky is embarking upon a number of new projects that will help transform the community college educational system over the next few years. The fact that individuals within the system seem more open to new ideas and change should make these implementations easier. According to one of the Kentucky participants, the merger “moved us all out of our comfort zone in a big way... if you don't change, you die.” In discussing better adaptation to change, this participant indicated:

One of the things that's happening right now is all this modularization of classes where if somebody only needs to learn a particular part of a class, again, being responsive to business, but if some of their folks can come and do an eighth of a class as a module, then that's one of the things that's happening right now and so that's one of the tweaks that's going on. So I'm sure whatever we need to do, and I think there'll probably be some more tweaks in terms of distance education... You know, there's KCTCS online anywhere, and so I think that's probably where we might see more changes in the next few years.

After going through the merger, faculty and staff in Minnesota also seemed more open to new ideas and change. Similar to this openness experienced in Kentucky, is the inspiration and creativity experienced through a shift in the previous paradigm of higher education in Minnesota.

One of the participants in Minnesota described the transformation felt as the realization set in about the role of the average employee in shaping what this new system would become. This participant believed that this realization has shifted the paradigm about higher education in Minnesota and created a more open employee body. This respondent described:

I think of being able to brainstorm. What is it that we want from this new system and being able to be inclusive in that to get people to start dreaming. I think the critical element there is the ability to get people to dream. Why are we doing this? Yeah. But what does that mean? What could that mean? And inevitably, you're going to create dreams that are not able to be fulfilled, but at the same time, you're going to create some dreams that might just work. And if you can get people excited about this... And if you can wrap your mind around the importance of the systemic change that you're in the middle of, it's heavy stuff. It's really motivating stuff.

According to this respondent, through a greater acceptance of new ideas, internal collaborations and information sharing, the system experienced a paradigm shift. Another Minnesota participant explained how the different postsecondary representatives who were once fearful of each other or threatened by each other came together amicably to discuss issues, share ideas and collaborate. Openness and acceptance among these groups seemed to be the result. This was a new experience. This participant explained, "We sit at the table together and talk about opportunities. That makes it a whole lot easier and they understand, I think, more about what we do through the partnerships that have evolved over the years." Ultimately, this newly established culture is beneficial to the systems as a whole.

## Core Concepts

Throughout these findings to the four research questions are three core concepts. These overarching findings seem to lay the framework for all themes discovered through the analysis of the interviews. These concepts are discussed below.

### *Cultural Resistance*

The first common concept found was that the mergers of technical colleges and community colleges in both Kentucky and Minnesota prompted several types of cultural resistance. There was resistance because each entity felt their core identity or mission would be lost if it were to merge with the other entity. Technical colleges felt that the workforce mission would be lost while community colleges felt that the academic mission would be lost. With the establishment of state systems, tension has developed between the individual college and the system to which it belongs. Finally, fueling this cultural resistance was a common distrust of each other by both technical college and community college faculty and staff.

### *Communication*

The second common concept was the importance of communication prior to, during and after the mergers. It was very important to communicate to all stakeholders the reasons for a merger, whether that reason was cost reduction, student access to better postsecondary education or something else. Communication among all levels and between both sides became critical as Kentucky and Minnesota planned and implemented their mergers. Finally, state and institutional administrators and leaders were pivotal to the communication process during the planning and implementation stages of the merger.

*Importance of Stakeholders*

The final common concept revealed was the value placed on stakeholders who were part of and/or affected by the Kentucky and Minnesota mergers. Students were the primary stakeholders. The importance of their success because of the mergers was evident. In addition to students and staff, politicians were also a key stakeholder group. There were those who really wanted the merger to happen and those who were not as excited about it happening. Faculty and staff seemed to have the loudest voices, so their issues seemed more paramount than those from any other group. Finally, the community-at-large seemed to be the beneficiaries of the final product, the merged technical and community colleges.

## CHAPTER 5

### DISCUSSION OF FINDINGS

#### Introduction

This study explored the mergers of technical colleges and community colleges in Kentucky and Minnesota to better understand the driving forces behind the mergers, experiences during the implementation of the mergers, the impact of the mergers after the implementation and lessons learned from these mergers that could assist other states. In particular, officials in Georgia may be interested in utilizing the merger strategy to address rising higher education costs and lack of seamless education. Several common findings were revealed relative to each of these four areas. The interpretation of these findings lead to a few specific conclusions and implications about driving forces behind, experiences during implementation of, impact of and lessons learned from the mergers. Relative to driving forces, three conclusions were revealed: (a) there is no indisputable evidence that institutions have reduced costs or gained resources post merger, (b) the system structure resulting from a merger is critical to addressing the workforce needs of the community, and (c) validation of transfer as a driving issue behind merger was inconsistent between Kentucky and Minnesota. Relative to implementation, my results showed that the major barrier to merger was the human factor. Relative to merger impact, three conclusions or implications were revealed: (a) a benefit and hindrance to future success may have resulted because of the system culture created from the merger, (b) most believe the mergers were positive for the state's higher education system, and (c) the influence among political and corporate leaders was an unintended yet beneficial consequence of the mergers. Finally, lessons learned from the mergers revealed six conclusions: (a) the new system name of

the merged postsecondary systems needs to be branded well, and thus, well known; (b) implementation of mergers should not take too long or occur too quickly; (c) effective leadership and communication are critical to achieving a successful merger; (d) states looking for guidance on how to successfully implement a merger of technical colleges and community colleges should look to these two states as references not models; (e) states looking for guidance on how to successfully implement a merger of technical colleges and community colleges should look at other private and public sector mergers; and (f) any state embarking upon a merger of technical colleges and community colleges will likely face some opposition. Table 3 provides a summary of these main points.

<i>Table 3. Summary of Main Points</i>	
Research Questions	Implications and Conclusions
Driving Forces	<p><b>Insufficient Resources: Insufficient Resources was a Key Reason for the Mergers Occurring; however, there is No Indisputable Evidence that Institutions have Reduced Costs or Gained Resources Post Merger.</b></p> <p>Insufficient Data on Cost Reduction: Although the desire to merge was driven partly by the desire to reduce costs, there is insufficient data to prove that cost reductions actually occurred.</p> <p>Perception of Increasing Resources: Although there is insufficient data to prove cost reductions occurred, there is plenty of anecdotal data that suggest resources increased to previously neglected colleges.</p> <p>Perception of Increased Efficiencies: In addition to the perception of increased resources, many also felt there were increased efficiencies after the merger.</p> <ul style="list-style-type: none"> <li>▪ Labor consolidation and reduction: The perception of increased efficiencies came from the fact that duplicative positions were eliminated.</li> <li>▪ Data systems integration: Multiple data systems operated during the initial years of the merger were eventually eliminated creating additional perceptions of cost savings and efficiency.</li> </ul>

	<p>Higher Initial Costs: Any state considering a merger and advocating cost reduction as a reason should realize that initial costs will likely be higher, and as a result, additional resources may be needed in the earlier years.</p> <p><b>Workforce Development Focus: The system structure resulting from a merger is critical to addressing the workforce needs of the community.</b></p> <p>Kentucky prevalence: Workforce Development was mentioned more often in Kentucky as a likely reason for merger probably because Minnesota’s technical colleges and community colleges seemed to have a better collaborative relationship prior to merger.</p> <p>Comprehensive community college commitment: Those states with workforce development as a priority should consider the benefit of a comprehensive community system.</p> <p>Georgia comprehensive community college initiatives: A number of positive steps have already been taken by Georgia Technical Colleges that could minimize the barriers to creating a comprehensive community college system in this state.</p> <p>Structure of merged system: The structure of the system can strengthen or weaken its ability to address the workforce development mission.</p> <p><b>Student Barriers: Improving Transfer was a Heavily Touted Reason for Merger; however, Validation of this was Inconsistent between those Interviewed in Kentucky and Minnesota, and between Faculty/Staff and Administrators</b></p> <p>Advocating the student benefits: Regardless of any advocated reason for merger, those reasons focused on the benefits to students are most likely to get favorable support. The student is the customer and the impact of the merger on students must be the major focus.</p>
Implementation	<p><b>Cultural Resistance: Ultimately, a Major Barrier to Merger is the Human Factor.</b></p> <p>Personal and political resistance: Political preservation and self-preservation tend to drive the resistance to merger.</p> <p>Resentment and fear: During implementation, personal preservation manifested in resentment and fear between new colleagues from the technical colleges and community colleges.</p> <ul style="list-style-type: none"> <li>▪ Mission understanding – understanding the mission of the comprehensive community college system can begin the process of minimizing resentment and fear.</li> </ul> <p>Creating a new system: instead of one system taking over the other, resentment and fear may be mitigated through the creation of a new comprehensive</p>

	<p>community college system.</p> <p>Multilevel broad-based involvement: working together on common issues such as the integration of data systems and policies creates opportunities for an engaging atmosphere that can break down barriers based on resentment and fear.</p> <p>Integration of people: Insuring the preservation of jobs, not necessarily positions, and creating salary equity can reduce the fear experienced by people during a merger. Cost savings from integrating people can be realized over the long term rather than the short term.</p>
Impact	<p><b>System Culture: A Benefit and Hindrance to Future Success may have Resulted because of the System Culture Created from the Mergers</b></p> <p>Corporate culture: the focus on accountability, efficiency and standardization are prevalent in the new systems. This may not be completely a result of the mergers; however, the system structure has allowed these entities to respond better to this new focus.</p> <p>Balancing system and local goals: while benefits of functioning in a system have been realized, there remains a conflicting balancing act between what the system wants and what the local institution wants.</p> <p><b>Positive Merger Experience: Negative Perceptions and Expectations are Less Likely to be Realized. As a Result, Most Believe the Mergers were Positive for their State Higher Education Systems.</b></p> <p><b>Political and Corporate Presence: The Influence among Political and Corporate Leaders has been an Unintended yet Beneficial Consequence of the Mergers.</b></p> <p>Growth and visibility: the growth and visibility of these systems in their respective states has led to the establishment of this influence.</p> <p>Private funding: this influence has manifested in an increase in private funding for the system.</p> <p>Student groups: this influence has transcended faculty, staff and administrators to student groups within the system.</p>
Lessons Learned	<p><b>Branding for Benefits: For any state merging technical and community colleges into a comprehensive community college system, a key focus should be on systematically branding the entire system. The potential to reap benefits that were not necessarily driving forces behind the merger is great.</b></p> <p><b>Balanced Implementation Timing: Merger Implementation should not take too Long or occur too Quickly. A Balanced Approach that includes</b></p>

	<p><b>Milestone Achievement is most likely Best. Additionally, Adequate Resources must be allocated to the Implementation Process.</b></p> <p><b>Leadership and Communication: Effective Leadership and Communication are Critical to Achieving a Successful Merger.</b></p> <p>Communicating a clear vision: a successful merger is contingent on leadership's ability to communicate a clear vision of the merger's purpose.</p> <p>External leadership: In some cases, effective leadership may be found in external individuals or consultants</p> <p>Creating a shared vision: Ultimately, this vision must become one that is shared among all in the system.</p> <p><b>Reference Not a Model: Any State Looking for Guidance on how to Successfully Implement a Merger of Technical Colleges and Community Colleges should look to these Two States as References to be Relied Upon and not Models to be Duplicated.</b></p> <p><b>Similarity to Private or Public Mergers: In addition in referencing other mergers in higher education, for states considering a merger of technical colleges and community colleges, looking at other private and public sector mergers is also important.</b></p> <p><b>Merger Opposition: Any state that decides to take this course of action and embark upon a merger of technical colleges and community colleges will likely face some opposition not only prior to and during implementation, but far after the merger is complete.</b></p>
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### Driving Forces

#### *No Evidence of Reduced Costs or Gained Resources*

Based on interviews and documents analyzed, insufficient resources was a key reason for the mergers. While corporate literature on mergers also validate cost savings and revenue enhancements as realizations from mergers (Luecal & Fricke, 2001), unfortunately, based on the information received in this study, there is no indisputable evidence that institutions in Kentucky and Minnesota have reduced costs or gained resources post merger. The data I reviewed and received via interviews to support this claim is insufficient. The perception of those interviewed, however, is that resources and inefficiency have increased. The reality, according to the

literature, is that initially mergers are likely to drain resources. Higher short-term costs are produced from equipment (capital), labor and technology, with more efficiencies occurring over the long-term (Picard, 2005; Khoury, 2002).

*Insufficient data on cost reduction.* The most interesting information provided about insufficient resources being a driving force for merger was the fact that officials in neither system could provide me with any definitive data to prove that merging technical and community colleges reduced costs. In a recent study on the trends of college and university mergers, Leslie McBain (2009) of the American Association of State Colleges and Universities revealed there is “no single example to point to regarding cost savings or efficiency” (p. 3). This same study states, “Finding cost savings in the public and private not-for-profit higher education sectors requires close scrutiny of institution and system operations to understand what might be consolidated and what might appear redundant at first glance but is actually necessary” (p. 3). These statements are validated by Puyear (2003), who, in his study of mergers within the higher education sector, pointed out the costs of structural change during the initial stages of a merger. Puyear stated:

Even when cost savings are the reason for the merger, it must be understood that there are costs associated with a structural change of this sort. Principal among these costs is the expense of converting the data and personnel systems to a common basis. (p. 18)

One of the major reasons advocated for merger is cost savings derived from eliminating duplicative services. Unfortunately, neither system mandated a study, scientific or otherwise, that would determine short-term or long-term savings. Although some post-merger studies have been conducted by the states of Kentucky and Minnesota, none has definitively determined that cost savings were produced. One of these studies was a program evaluation report about the

Minnesota State Colleges and Universities (MnSCU) merger conducted in August 2000 by The Office of the Legislative Auditor for the State of Minnesota. This report indicated:

It is unclear whether (or to what extent) the consolidations resulted in net savings.

In 1997, MnSCU's central office estimated that the consolidations initially resulted in a one-time additional cost of \$3.8 million. This estimate included additional costs such as remodeling, marketing related to institution name changes, and changes in institution signage and telephone systems. MnSCU also estimated that the consolidations produced annual "savings" of about \$4.0 million, based largely on staffing reductions. MnSCU no longer has detailed documentation on the components of these estimates, and its financial information system reliably cannot be used to analyze institutional administrative costs before and after the consolidations. (p. 34)

*Perception of increasing resources.* The simplest baseline to utilize in determining potential cost savings is overall spending from each system at the time of the mergers. Assuming this had stayed flat or just adjusted with inflation and greater productivity achieved, there may be an argument for cost savings. Another conclusion that may be drawn if cost savings were truly the outcome is that the baseline amount stayed flat or adjusted with inflation while funding shifted to provide more resources to those needs that may have been lacking attention prior to the merger. It is interesting that although there really is no definitive proof of cost savings, the resulting perception is what may be called a "resource benefit." By this, I mean although no scientific or other studies produced results that concluded elimination of duplicative services led to cost savings, there is anecdotal data that strongly concludes a perception of increased resources within the system. Actual data does show that that the overall amount allocated to

higher education began to decline a few years before the merger and continued to decline for several years after the merger. The Program Evaluation Report from the State of Minnesota Office of the Legislative Auditor (2000) stated, “After using the consumer price index (CPI-U) to control for inflation, state appropriations to the institutions that currently make up MnSCU have risen 24 percent since 1981, but they have fallen 1.5 percent since 1991” (p. 10). However, anecdotal stories by study participants indicate that local institutions began receiving long-needed funding for new equipment and capital projects, funding that had been lacking in the past. Although no data was found to show a definitive increase in the amount of equipment and capital funding, especially to community and technical colleges, which were perceived to be the most inequitably funded, there is evidence that efforts were made to improve the funding allocation model among Minnesota colleges and universities. In 1996, the Minnesota State Colleges and Universities Board of Trustees approved implementation of a single system-wide allocation system. Their vision was of a single model, which equitably recognizes the diversity of Minnesota State College and University students' needs and adequately supports the unique educational goals of each institution (Minnesota State Colleges and Universities Board of Trustees, 2004). The goal was to transition from a “Base-Plus” allocation method to an allocation “Framework” that balanced simplicity and institutional complexity as well as stability and institutional responsiveness. According to the Minnesota State Colleges and Universities Board of Trustees, the allocation Framework would include:

1. Responsiveness to changes in enrollment, program mix, facilities size and other factors;
2. Institutional allocations based on a combination of factors characteristic of a higher education institution;

3. Consideration for enrollment's indirect impact on most of the framework;
4. Incentives for increasing efficiency, but few incentives for increasing quality;
5. Priority funding based on collaborations;
6. Incentives for maintaining or supporting high demand technical programs;
7. Incentives for initiating high cost and high demand programs (e.g., nursing);
8. Predictability on how the "plus" portion of the allocation will be distributed each year; and
9. Annual allocation changes.

The legislature mandated a modified implementation of this new framework by Fiscal Year 2002 with full implementation in Fiscal Year 2006. During the transition period, the legislature also imposed the execution of a modified Base Plus allocation method for Fiscal Year 1998. Thus, although overall allocation to state institutions of higher education was shrinking, allocations among the institutions began to shift because of this modified model. What this means for my study is that although no definitive data has been found to support the perceived increase in resources, it is highly likely that through the modified Base Plus allocation method adopted in Fiscal Year 1998 and the allocation Framework method adopted in Fiscal Year 2002 actual increases were achieved at previously underfunded institutions.

*Perception of increased efficiencies.* In addition to the perception of increased resources, many also perceived increased efficiencies after the merger. Although there were inconsistent opinions about whether or not costs were reduced because of the merger, most participants interviewed felt that it did create greater efficiencies. For example, in both state systems, technical college employees earned less than their community college counterparts. As a result, salary adjustments were made after the mergers to equalize salaries for technical and community

college personnel. Thus, the overall payroll for the Kentucky and Minnesota systems increased. Although the positions eliminated may have offset some of this increase, it likely was not enough to create a balance; no data was found to make a definitive determination. However, the report from the State of Minnesota Office of the Legislative Auditor (2000) did validate this conclusion. This study reported:

Consolidated college administrative officials whom we interviewed were divided on whether the consolidations have resulted in net savings or efficiency gains so far. Officials noted that savings from consolidation-related staffing reductions were partly offset by initial consolidation costs and by increased costs that resulted from the broader MnSCU merger (notably, increased salaries for some technical college administrative staff). (p. 38)

In both state systems, there were significant initial costs related to purchasing or creating new data systems, and then integrating the existing data into the new system. This data system integration had to occur as the old system stayed on line to address the needs of current students and employees. In essence, in the early years of the merger, there were two and, in some cases, three systems running simultaneously. Existing data systems needed funding to insure continuation of support services such as student registration and employee payroll while new data systems were being installed. Again, there was no data found that analyzed the impact of this particular cost on short-term or long-term cost savings. Ultimately, however, the perception of increased efficiencies was prevalent in both state systems.

*Higher initial costs.* Any state considering a merger and advocating cost reduction as a reason should realize that initial costs will likely be higher and, as a result, additional resources may be needed in the earlier years. In the previous section, the cost of salary

equalization because of disparities between systems and the costs of purchasing new of integrating existing data systems contribute to these initial costs. As a result, lean economic times may not be the ideal time to implement a merger to address rising higher education costs. However, with the reduction of state funding allocated to higher education becoming more prevalent, many may believe that potential cost savings can be realized through a merger, and thus succumb to the temptation to consider one merger during economic times that are less ideal for such an undertaking. While the corporate literature validates cost savings and revenue enhancement as positive results from mergers (Luecal & Fricke, 2001; Bragg,2010), and those interviewed in this study *perceived* increased resources, greater efficiency and cost savings, the reality is that there was no empirical data found to substantiate these as outcomes of the Kentucky or Minnesota technical and community college mergers. Higher initial costs from the integration of data systems, the creation of parity in salaries, and the rebranding or marketing of the new organization are the primary reasons that cost savings may not have been realized (Puyear, 2003; State of Minnesota Office of the Legislative Auditor, 2000). However, given no scientific studies were conducted, there is no way to definitely determine whether savings resulted from the mergers. What is known, at least in Minnesota, is that the allocation model was changed to a model that likely benefitted those institutions that had been previously underfunded (Minnesota State Colleges and Universities Board of Trustees, 2004). As a result, it is important for a state embarking upon a merger of its technical and community colleges to have available the necessary resources during the merger and its initial implementation. The appropriate allocation of these resources should prevent or mitigate potential barriers to the process.

*System Structure Critical to Addressing Community Workforce Needs*

Workforce development was cited as another reason driving the merger of the technical and community colleges in Kentucky. Although mentioned as a reason for the merger in Minnesota, the prevalence of it as a reason for the Kentucky mergers was overwhelming compared to comments made by those in Minnesota. Based on comments revealed in my interviews, I believe the reason for this difference is that Minnesota community colleges already had a better working relationship with the Minnesota technical colleges than that between the Kentucky community and technical colleges. In Minnesota, a number of the community colleges already had relationships with complementary programs such as Practical Nursing and Registered Nursing. Kentucky participants did not share with me the prevalence of such preexisting relationships.

*Implications for Workforce Development in Georgia.* Many administrators interviewed in Kentucky felt the combining of a workforce-focused system, the technical colleges, and a transfer-focused system, the community colleges, would serve as a catalyst for workforce development and demonstrate to local communities its commitment to supporting the businesses in the community. For a state like Georgia that has a strong commitment to workforce development and houses the ninth largest metropolitan area in the country, metro Atlanta, it is important to begin moving toward the formation of a comprehensive community college system through the merger of the technical and two-year colleges to strengthen workforce development efforts. Over the past six years or so, there has been a national recognition and emphasis on community colleges. Particularly related to this is President Obama's Community College Initiative announced in 2009 (American Association of Community Colleges, 2009). During the President George W. Bush II administration, the response to the issue of job losses was the

president's *Jobs for the 21st Century* initiative (Office of the Press Secretary, 2004). This initiative focused on enhancing the skills of American workers, and identified the nation's community colleges as the educational institutions providing the training to enhance these skills. Specifically, the initiative proposed \$250 million in additional federal funding to community colleges that partner with local employers to provide training in high-demand skills (Leigh & Gill, 2007). Georgia is the only state in the country other than Idaho, without a comprehensive community college system or at least one comprehensive community college. For the purpose of this study, I consider "comprehensive community colleges" to include those colleges offering credit certificates and/or diplomas, and associate degrees in programs designed for immediate employment (workforce development) or matriculation to an upper-level college or university. These colleges will typically offer both the A.A.S. and A.S. or A.A. degrees. Typically, they also will offer various services and activities for students as part of their educational foundation. Two states, South Carolina and Wisconsin have at least one community college, but are dominated by systems labeled "technical college systems" that seem to be primarily comprised of institutions that function as comprehensive community colleges. Three states, Kentucky, Minnesota and West Virginia have systems or colleges within the system labeled "technical and community colleges." The trend has been toward these comprehensive community college models. Because of this, Georgia should really examine its current postsecondary structure and consider forming a comprehensive community college system.

*Georgia and Comprehensive Community College Initiatives.* Although no formal action to create a merged or comprehensive community college system in Georgia has occurred, recent (as of this writing in October 2010) initiatives have laid the foundation (intentionally or unintentionally, no one has stated openly) for an easier implementation of this possible future

state endeavor. In April 2009, Governor Sonny Perdue announced the final recommendations of the *Tough Choices or Tough Times* working group, a committee tasked with investigating innovative ways to create long-term, comprehensive education reform to make Georgia more globally competitive. A key recommendation in this report addressed the need for a comprehensive college in Georgia; however, it did not mandate the creation of such a system. The report recommended that the State of Georgia:

Either (a) create a comprehensive community college system by merging the technical colleges and two-year colleges so there is a seamless entry point for all students, or, if the two systems are to maintain their separate identities; (b) create and enforce pathways for student transfer between institutions and systems by forming comprehensive articulation agreements that clearly establish procedures governing the transfer of credits from one institution or system to another; and (c) ensure that all duplication of teaching and administrative resources between TCSG and USG institutions has been removed (Knapp & Alford, 2009).

This recommendation also comes at a time when the Technical College System of Georgia (TCSG) is undergoing structural changes that I believe, based on the findings from this study, would ease the process of integrating TCSG and the two-year USG institutions into a comprehensive community college. In March 2010, the State Board of the Technical College System of Georgia, the state governing body for Georgia's technical colleges, approved the conversion of technical colleges from a quarter to semester system. In August 2011, all Georgia technical colleges will begin operating under the semester system. This aligns with the structures utilized by both the secondary and four-year college and university systems in Georgia. An unfortunate barrier that likely lengthened and complicated the Minnesota merger of technical and

community colleges was its simultaneous conversion from the quarter to semester system. Because Georgia's technical and two-year colleges will be on the semester system, Georgia should not experience these complications experienced in Minnesota if its technical and two-year colleges were to merge. Another initiative within the TCSG that should lessen barriers if the State of Georgia decided to merge the technical and two-year colleges is articulation agreement signage. A system agreement for the acceptance of certain freshman-level core courses in English and mathematics from regionally accredited institutions has existed between the Technical College System of Georgia and the University System of Georgia since 2002. Within both systems, the "mini core" is the commonly recognized name for these courses. Recently, because of the *Tough Times Tough Choices* recommendations, each Georgia technical college also was charged with establishing broader articulation agreements with all public two-year and four-year colleges and universities within a thirty-mile radius of the technical college. The *Tough Times Tough Choices* (Knapp & Alford, 2009) final recommendations include the signing of articulation agreements between technical and community colleges as a strategy to make transfer easier and position Georgia's educational system as one of the best in the world. While both Minnesota and Kentucky have made great strides with transfer, they both continue to struggle with perfecting it. Course numbering is one of those remaining issues. One of Kentucky's participants indicated there had "been some talk of some common course numbering and some changes that, again, will decrease the autonomy that we all have, but will probably work out better in the long run for our students." In 2009, Georgia's technical college system began a four-digit course code and numbering initiative that has resulted in a significant number of identical course codes and numbers for colleges within the Technical College System of Georgia and two-year and four-year colleges and universities with the University System of Georgia.

These common codes and numbers should allow a simpler and quicker establishment of articulation agreements. In Minnesota, the conflict with the A.S. and A.A.S. degrees has risen fifteen years after the merger and slowed progress toward complete elimination of transfer problems. According to a Minnesota respondent, "...the A.A.S. has become an alternative transfer degree or the new transfer degree and there aren't these very clear pathways like there are in the A.S. degree or the A.A. degree..." At its August 2010 meeting, the State Board of the Technical College System of Georgia voted to allow the offering of the Associate of Science (A.S.) degree at three institutions, Augusta Technical College, Columbus Technical College and Savannah Technical College. This degree differs from the Associate of Applied Science (A.A.S.) degree currently offered at all of the technical colleges in Georgia. The A.S. degree should allow more students to transfer courses from their two-year degrees to applicable four-year degrees because the A.S. degree requires more general core courses and fewer program courses than does the A.A.S. degree. This makes the A.S. degree more similar to the first two years of a four-year degree. The A.A.S. degree is designed to offer more program courses so that students are prepared to work in a particular field of study upon graduation. These additional program courses within the A.A.S. degree may be similar to or the same as upper level program courses at four-year colleges and universities, but because they are offered at a lower level (i.e., 100 or 200-level as compared to 300 or 400-level), they typically do not transfer easily or at all to four-year colleges or universities. The benefit to Georgia is that if there is ever a decision to merge the technical colleges and two-year colleges some of the barriers faced in Kentucky and Minnesota would have already been resolved.

One last element that may make transition and integration in Georgia easier than that experienced in Kentucky and Minnesota is the choice and use of a data system. Most of the

institutions in both the Technical College System of Georgia (TCSG) and the University System of Georgia (USG) use Banner for student information management and PeopleSoft for human resource and financial management. While both Banner and PeopleSoft offer the possibility of consistent data elements across schools, a potential problem is the current lack of common data elements and definitions and ability to access data across systems. Because both TCSG and USG have the same student information, human resource and financial management systems, the physical integration of these systems would not be as difficult as integrating the information that is stored in the system. TCSG schools, with some slight local variations, store data the exact same way. There are common data fields with the same criteria for these fields. USG schools are more autonomous so data fields and criteria for those fields may differ from school to school. To rectify this, there would have to be a systematic mapping of existing fields among all institutions and the redefining of the criteria for these fields.

Other characteristics of Georgia or factors that exist in Georgia that would make a merger in this state far easier than the ones experienced in Kentucky and Minnesota. In particular, the Georgia Technical Colleges have already undergone internal mergers. In December 2008, the state board of the Technical College System of Georgia (TCSG) voted to reaffirm the system's plan that merged the administrations of thirteen of the state's technical colleges into six new technical colleges. This has lowered the total number of Georgia technical colleges from thirty-three to twenty-six. According to the board Chairman at the time, the purpose of the merger of technical college within the existing system was to achieve a more efficient use of college resources, greater cost-effectiveness in campus administration and improvement of student opportunities in an effort to build a strong and talented workforce in Georgia (Light, 2008). These mergers have likely conditioned faculty, staff and administrators at these particular

colleges, and those at the system office with a greater propensity for enduring a merger.

Additionally, the individuals at these colleges and the state office have already experienced what worked and what did not work, and may have begun a list of successful merger strategies. It is important to note however, that these mergers were between and among thirteen existing technical colleges only. This is different from the mergers in Kentucky and Minnesota. In these two states, existing technical colleges, with workforce development missions, and existing community colleges, with transfer missions, were combined into comprehensive community colleges. However, the experience gained from the TCSG internal mergers would likely be very beneficial if Georgia pursued a comprehensive community college system, similar to those in Kentucky and Minnesota, through the merger of technical colleges in the TCSG system and two-year colleges in the USG system.

Another characteristic of Georgia that would make a merger in this state far easier than the ones experienced in Kentucky and Minnesota is regional accreditation. In both Kentucky and Minnesota, the technical colleges were not regionally accredited. This resulted in lower academic requirements for technical college faculty, differences in curriculum requirements and other differences that created the perception that one system was superior to the other, an issue that led to resentment among employees, especially faculty. According to the TCSG 2008-2012 Strategic Plan FY 2010 Update, in FY 2009, 22 of the 33 technical colleges maintained regional accreditation from the Southern Association of Colleges and Schools (SACS) Commission on Colleges (COC). This strategic plan calls for all technical colleges to be SACS-COC accredited by 2015 (Parsons, 2009). Although the primary mission of technical colleges in Georgia is workforce development, a number of students enter into programs where employment after one to two years is a strong possibility, but continuation of their education at the four-year level is

also a desire. For SACS accredited technical colleges, faculty members are required to possess the same level of qualifications required of their four-year faculty counterparts teaching related baccalaureate programs. This focus on accreditation likely influences the issues with culture, especially as it relates to faculty credentials, because each entity has to meet the guidelines for qualified faculty established by the regional accrediting agency. The benefit in Georgia, compared to Kentucky and Minnesota, is that the possession of the same accreditation by technical colleges and two-year colleges in Georgia adds to their similarities, and reduces the number of barriers or issues that would need to be addressed during a merger to create commonalities between the two entities. These changes within Georgia's technical colleges may also be seen as incremental steps to address those issues that might achieve similar results to an official merger of its technical and two-year colleges. Incremental steps that assist in a shift toward data and personnel integration or other identified issues would strengthen the system as it currently stands, thus perhaps eliminating the need to seek a full merger.

*Structure of a merged system.* The structure of the merged system can strengthen or weaken its ability to address the workforce development mission. Thus, shaping what that merged structure looks like is a key issue for a state to address if merging technical and community colleges within a state. Kentucky and Minnesota merged local technical and community colleges to create a statewide system comprised of individual entities linked through a statewide central office. Some states, including California and Texas, have embraced the local district model whereby a major city like Los Angeles or Houston coordinate the efforts of several community colleges within the area. In Louisiana, individual community colleges function systematically as an arm of the Louisiana Community and Technical College System. The technical colleges, however, are clustered into regional centers comprised of several technical

college campuses. A campus leader, known as a Regional Director, serves as the head of the multi-campus region. Given these examples, a centralized, regional or local model may be tempting as structural changes are being considered. However, in considering a new structure if a merger were to occur, Georgia may want to consider embracing a hybrid board model similar to that already utilized by the Technical College System of Georgia. A number of states and the University System of Georgia embrace the statewide board model whereby a state board member represents a region of the state with a number of colleges within that region. The Technical College System of Georgia utilizes this statewide board structure, but also has local institutional boards and local program advisory boards. This hybrid structure is very important in maintaining a connection to the local community and, as a result, giving institutions the ability to respond quickly and comprehensively to the workforce development needs of the community. As Georgia considers a new structure, the best result may come from utilizing attributes from the board structures of both the community and technical college systems.

*Validation of Transfer as a Merger Reason Inconsistent*

*Kentucky vs Minnesota.* Those interviewed heavily touted improving transfer as a reason for merging technical and community colleges. Puyear's (2003) study provided a view that was consistent with those interviewed. This view is that separate systems produce unnecessary or inappropriate barriers [e.g., lack of acceptance of transfer credit] to students that a system merger may assist in reducing or eliminating. However, validation of this as a reason for the mergers in Kentucky and Minnesota was inconsistent. In Kentucky, although a stated reason for merging, participants infrequently mentioned transfer or seamless education as a driving force behind the mergers of the technical colleges and community colleges. In Minnesota, however, transfer was mentioned repeatedly as one of the top reasons for the merger. Additionally, there was

inconsistency in the responses from system administrators and local faculty members and staff. Ultimately, however, for any state considering merger, the focus should be on the educational needs of the students.

*System administrators vs local faculty and staff.* In Kentucky, those participants who did mention merger as a reason for merger were all from the system office, not local institutions. When interviewing those at the local college level in Kentucky, only one employee mentioned transfer, a student benefit, as a reason for the mergers. This intrigued me because transfer was mentioned repeatedly as a driving force behind the merger when I interviewed individuals at the system office. Additionally, the literature indicates transfer as a major student barrier. Puyear (2003) suggested that in Georgia, the merger of technical and two-year colleges might eliminate such student barriers. Striplin (2000) indicated that universities award credit for nearly all science, social science, and humanities courses taken at community colleges; however, the rest of the non-liberal arts curricula--technical, trade, and vocational courses--do not transfer as readily. Although all those interviewed at both system offices stated that transfer or seamless education was important, they said it never received the same emphasis at the local level as it did at the system level. More people interviewed at the local college level indicated that transfer was a present day issue rather than an issue that led to the merger. I believe the underlying reason behind these differences in the perceptions of local employees and system administrators is publicity. Local faculty and staff in Kentucky consistently mentioned issues that were highly publicized like duplication of efforts and responsiveness to the community as reasons for the merger. System administrators, on the other hand, seemed to have a broader view or knowledge of why the merger happened. As a result, they were able to provide a number of other merger reasons like transfer and seamless education. In Minnesota, transfer as a reason for merger was

prevalent throughout the system, but this also seemed driven by system administrators. As mentioned above in the Findings, the Minnesota system office was advocating a number of initiatives that really addressed their apparent concern for the students. As a result, the focus of system administrators in Minnesota and Kentucky was on the importance of addressing student concerns and needs relative to the merger.

*Advocating the student benefits* The main point here is that the many benefits to students really was or should be the driving force behind the mergers of technical and community colleges. Thus, to get broader support initially, those advocating such a merger should vehemently express the benefits for students. As expressed by one Kentucky participant, we must be “grounded and not lose touch with the students who we’re really here for.” According to Warren (2008):

If campus faculty and administrators perceive merger as simply efforts to please outside stakeholders, they will likely perceive lower levels of importance for the merger and will probably remain less supportive of the endeavors. If they perceive merger as a positive impact on the mission of the college - such as educational access and attainment - they will likely be more supportive of merger and reform initiatives. (p. 144)

For a state like Georgia considering such a merger, I believe it is imperative to discuss the impact on students with employees and to sell it as a benefit for the students if initial broad-based support is desired. As confirmed by the literature, successful mergers focus on conducting the business of the organization and addressing the needs of the customer even though time and energy is being focused inwardly on completing the merger (Burke & Biggart, 1997). Specifically, merger advocates should provide reasons for the integration, including transferability, comprehensive options and quality instruction. Such a carefully constructed and

articulated decision in Georgia would be communicated as best for students, and thus, an obligation of elected officials as representatives of the people.

### Implementation

#### *Major Barrier to Merger is the Human Factor*

Humanness means that individuals are unique combinations of talents, aspirations, desires, beliefs, histories, and faults (Rowley & Sherman, 2001). Rowley and Sherman state that this concept is the best explanation for understanding why some individuals and groups may counter or resist the actions of the organization, for rational as well as irrational reasons. The human factor, which could be easily overlooked, is a very important consideration when faced with an organizational change of such magnitude as a merger of statewide postsecondary systems. Although other issues arose that challenged the implementation of the mergers in Kentucky and Minnesota, consistently and prevalently were issues driven by the human factor. In an investigation of merger concerns specific to Georgia, Puyear (2003) presented competition and conflict as concerns for dual postsecondary systems of two-year and technical colleges. This competition and conflict is fueled by the human factor, and has the potential to spill over into the implementation process if the two systems merge. Hay and Fourie (2002) state that perceptions of unfairness and symptoms of depression, stress, fear of change, loss of commitment, demoralization, unwillingness to do anything beyond the required minimum, feelings of not being well informed and a loss of confidence in oneself and in management, co-exist during the merger implementation process. According to Hay and Fourie, merging of organizations almost inevitably implies the downsizing of staff and various types of organizational changes that require staff to make certain paradigm shifts. This mandated paradigm shift manifests itself through cultural resistance. Cultural resistance is exhibited or addressed in several ways: (a)

personal and political resistance, (b) resentment and fear, (c) creating a new system, (d) multilevel broad-based involvement, and (e) integration of people. Each of the implications of cultural resistance found during this study of the Kentucky and Minnesota mergers is discussed in detail over the next few paragraphs.

*Personal and political resistance.* Based on the data collected via interviews and document analysis, it is my conclusion that political ploys by state politicians and college employees drove the resistance to change in both Kentucky and Minnesota. Employees tend to focus on their own individual survival. Fortunately or unfortunately, this may be one of humankind's most basic instincts. According to Dickey (2008):

Change is resisted mostly out of a misguided sense of self-preservation. Human beings are programmed for survival and most tend to think that changing the way things are done may make them less valuable or put them out of a job. (p. 1)

State politicians supposedly advocate the desires of the people. However, their basic instinct tends to be that of political survival. As a result, it may be extremely difficult for politicians and individuals to focus on the needs of the overall group if they believe they are making a personal sacrifice. Thus, an individual may resist the merger if they believe they may lose their job or the identity or culture of the organization they helped build and shape. A politician may resist the merger because they believe most people are against it, and if they support it, the people may not re-elect them. Often, in my opinion, the politician fails to delve into why the people are against it. History has showed us that just because there is an enormous amount of individual support for societal structures, that particular structure, for instance, segregation, is not what is best for society as a whole. In the context of the current study, other states like Georgia which are considering a merger of technical and community colleges is that the focus has to be on what is

best for society as a whole, and particularly the population these services are suppose to help, the students, not necessarily the short-term needs of political leaders.

*Addressing resentment and fear through mutual understanding.* Unfortunately, during the technical and community college mergers in Kentucky and Minnesota, self-preservation of workers trumped the concern for students, and individuals within these systems responded with resentment and fear. Because these are issues that will likely arise during any merger, a goal of a state considering merger should be to create among the organizations a better understanding of both entities. Community college employees need to understand more about the mission and operations of the technical colleges and vice versa. Getting each to understand the other prior and during the merger is critical. This can be influenced not only through communication and professional development, but also by having each to work with other on committees and implementation teams prior to and during the merger process. According to most individuals interviewed, this was the only way to address and overcome this resentment and fear.

Additionally, it may be important for those who will be part of the new system to understand the concept of the comprehensive community college. For example, many technical college faculty and staff members in Kentucky and Minnesota felt that merging the technical and community college systems diminished the value and role of a technical education. Technical colleges provide options to many citizens who do not believe that college can be a reality for them. This opinion also reinforces the findings of Edleston (2007) who found that limitations or concerns relative to a merger of technical and community colleges include the belief that the merger will dilute the mission of a technical education and emphasize the mission of a general education. This indicates how little each system is likely to know about the other. A true understanding of a comprehensive community college may eliminate the perception of academic

inferiority of technical college faculty by community college staff and eliminate the feeling of loss of technical (vocational) mission among technical college faculty and staff.

*Creating a new system.* The establishment of a new organizational structure or entity also may mitigate resistance and fear because it reduces or eliminates the perception of one system taking over the other. In creating a new institution of higher education, one of the specific issues enumerated by Locke (2007) was avoidance of the perception of takeover by either partner. A takeover creates the perception that one system will have to adopt the mission, standards and policies of the other, resulting in a perceived loss of identity. These differences lead to conflicts within the new organization between those who stay loyal to the identity and culture of the old institutions (Pick, 2003). In Kentucky, the merger legislation created an entirely new entity, the Kentucky Community and Technical College System (KCTCS), to coordinate systematically the mission and goals of the merged institutions. In Minnesota, they created the Minnesota State College and University System (MnSCU). A state considering a technical and community college system merger would want to reduce or eliminate the appearance of a takeover, and instead seek a true merger of shared mission, identities, policies, standards, and governance through the creation of a totally new entity.

*Multilevel broad-based involvement.* Working together on common issues such as the integration of data systems and policies creates opportunities for an engaging atmosphere that can break down barriers based on resentment and fear. Multi-level broad-based teams or committees consisted of faculty and staff from each of the postsecondary entities, and the teams worked hard to develop a comprehensive set of policies and procedures relative to a specific aspect of the organization. Stakeholder investment to the merger mission resulted from this service and interaction by faculty and staff, and slowly helped diminish the mutual resentment

exhibited between technical and community college faculty and staff. This conclusion is validated by the literature. According to Bradt (2008), it is important to engage all those employed during and after a merger in meaningful activity around executing the change. Doing this minimizes their time to worry or complain about it. Additionally, according to Bradt, getting these employees involved on teams and focus groups will not only help administrators make better decisions, but achieve employee buy-in and commitment to the decisions that are made.

*Integration of people.* Insuring the preservation of jobs, not necessarily positions, and creating salary equity can reduce the fear experienced by people during a merger. The fact that no firings occurred simply because of the mergers was the most important element about the integration of people. One of the main reasons employees experienced anxiety during the merger process was the uncertainty about future employment, especially when cost savings and duplicative services seemed to be one of the most prevalent reasons stressed for merger. While cost savings may not be realized in the short run, mitigating employee discontent may be more important especially if long-term cost savings can be achieved. For Georgia and other states considering merger, it is extremely important to communicate the plans related to labor, both initially and throughout the merger implementation. Generally, this plan should not include any elimination of current employees. Only the elimination of existing positions may be needed. For current employees with duplicative responsibilities, job reassignments will be necessary. The number of employees can be reduced over time through retirements and resignations.

Also important to the integration of people into a new system is addressing salary disparities that are likely to exist between faculty, staff and administrators in the technical and community college systems. While the establishment of salary equity is necessary for existing

employees, a new fair and affordable salary scale should be established for new employees. This will help reduce long-term costs as well as provide salary consistency in the new system.

As mentioned earlier, a state considering merging the technical and community college systems must recognize that a major barrier to merger implementation is the human factor. There is a natural tendency by employees within these systems to hold on to the past instead of moving forward and embracing change. Because of these natural tendencies, Bradt (2008) states that merger leaders are typically less comfortable in addressing the people part of the process. However, addressing the emotions and the needs of employees is necessary for a successful merger. According to Bradt, being a leader of change means sometimes stepping out of your comfort zone to help employees re-establish their feelings of comfort. This suggests that the resistance to a merger is not simply a resistance to change but a lack of desire to operate outside of that to which they have become accustomed.

### Impact

#### *System Culture a Benefit and Hindrance to Future Success*

One important result of the mergers in both Kentucky and Minnesota was the development of a broad system culture. While a corporate culture of efficiency, accountability and standardization developed and proved beneficial to local colleges, less autonomy impeded the ability of local colleges to act independently on some matters key to their success.

A number of the respondents classified the new culture of efficiency, accountability and standardization as “corporate.” This corporate culture was viewed as one that is not as academically focused. While I do not believe that academics are less of a priority, I believe some of the traditions associated with being a faculty member have been minimized. For instance, in this new environment, performance-based evaluation seems to be emphasized more than tenure.

A program's cost-benefit was stressed over perceived quality. Programs were being asked to show their value to society as measured by enrollment and job placement. These results must be constantly improved even though fewer resources were being allocated. However, I believe this is just the nature of times in which we currently operate where accountability and even performance-based funding are pervasive, and state-allocated resources are limited. Higher education officials note that the increase in the number of the states using funding formulas in the resource allocation process for higher education has increased because of the use of performance indicators (Chaikind & Fowler, Jr., 2001).

*Balancing system and local goals.* Despite the benefits of a system culture, the disadvantage to its implementation is the balancing of system goals and initiatives with those of the local institution. Richardson, Bracco, Callan and Finney (1998) indicated that traditionally there has been a debate about whether institutions would retain their autonomy or concede to the state's authority. The question arises, "How do you integrate the existing practices and culture of the local institution into a system culture while also maintaining a sense of individuality or autonomy?" It is important that those in the newly created system recognize this. Balancing a system focus with institutional autonomy is also important in establishing the structure of the system. In most instances, state administrators design the system. For it to be effective and practical, those at the local level must have input into the design. Typically, a large number of staff and administrators at the central office have not had experience at a college, and thus their perception of operations does not always match the reality. Thus, placement of local faculty, staff and administrators on committees and teams is an important element in insuring balance is attained as the new system is formed.

*One Opposing View to the Positive Merger Experience*

Generally, those interviewed felt that the merger experience was positive. Of all the individuals interviewed, only one did not seem very positive. This interviewee indicated no personal excitement about the merger. In addition, comments made by this individual represented all negative comments collectively mentioned by others. This interviewee suggested the merger was political, approached in an awkward manner, lacked input from those most affected, and done too fast. This respondent indicated, “that ninety-five percent of it was political and nothing else.” Additionally, the approach was “not the best it could have been.” For me, this opposing view was notable given that it was extremely remarkable that everyone else I interviewed seemed so positive about the merger. The implication of this is that for any merger, no matter how positively it is received by most, there are likely those who will never agree that it was beneficial.

*Political and Corporate Influence an Unintended yet Beneficial Consequence*

The newly created postsecondary systems’ influence among political and corporate leaders was an unintended yet indirect benefit of the mergers. The growth of both the MN and KY systems increased the visibility among politicians and corporate leaders, and thus contributed to this newfound influence. Additionally, private funding has increased. Finally, as mentioned before, even the influence of student groups has also grown because of this growth and visibility. This growth and visibility allowed these two systems in Kentucky and Minnesota to have far more political and corporate influence than ever before.

*Public Funding.* For states considering merging their technical and community colleges, the potential of increased political influence for a new comprehensive entity may serve as an incentive to merge given the competition for state funding among all educational systems. In

Georgia, and most states, two-year college and technical college appropriations from the state have been far less than their K-12 and four-year college/university counterparts have. The components of total state spending for estimated fiscal 2009 are elementary and secondary education, 21.1%; Medicaid, 21.0%; higher education, 9.8%; transportation, 8.2%; corrections, 3.3%; public assistance, 1.6%; and all other expenditures, 34.9% (National Governors Association and the National Association of State Budget Officers, 2010). Additionally, as indicated in Chapter One, the fifty-state survey of state funding for community colleges found that, for those states reporting amounts, the average expenditure for each annualized student FTE in each of the higher education sectors (community/technical colleges, four-year state colleges and universities, four-year research universities) was greater for four-year state colleges and universities and four-year research universities than for community/technical colleges in every state except Illinois (Center for Community College Policy, 2000). Additionally, this survey indicated that unlike universities that generally have far greater resources, 80% to 85% of the average community college budget typically must be allocated to fixed personnel costs. As a result, two-year colleges perhaps are more influenced by fiscal incentives and disincentives in the budget process than their four-year counterparts.

*Private funding.* The number of students and constituencies served by the Kentucky Community and Technical College System (KCTCS) and Minnesota State Colleges and Universities (MnSCU) systems, resulted in increased private funding for the system. For a state like Georgia, that has been forced to reduce overall education funding allocations, alternative resources, especially from the private sector is greatly needed. The number of states experiencing revenue shortfalls increased in fiscal 2010 as revenues from all sources which include sales, personal income, corporate income and all other taxes and fees are below original projections in

46 states, are on target in two states, and are above projections in two states. So far, 40 states have made mid-year budget cuts to their fiscal 2010 budgets totaling \$22.0 billion. In Georgia, this amounted to \$1,253,400,000 in budget cuts made after the Fiscal 2010 budget passed. This included \$618 million from K-12 and \$257 million from higher education (National Governors Association and the National Association of State Budget Officers, 2010). The success of Kentucky's fundraising efforts for its community and technical college system has provided access to alternative resources that assist the state in dealing with budget shortfalls. Since initiating the Fulfilling the Promise Campaign in 2001, Kentucky has acquired \$86 million in private funding for the community and technical college system. For a state like Georgia, with existing dual postsecondary systems of technical and two-year colleges, potential private funding opportunities would likely be an enticing benefit of creating a comprehensive community college system.

In Minnesota, student groups have also realized their potential power because of the heightened visibility of the system. Student associations have organized and begun to exert their influence. In Georgia and other states considering a merger, similar student organization and power development may become a realization of the process. As a result, preparation for the potential consequences of such power in the hands of students is an important issue to anticipate.

### Lessons Learned

#### *Focus on Branding the Entire System*

In shaping how other states interested in merging their technical and community colleges could respond if given the opportunity to take such actions, lessons learned from Kentucky and Minnesota can be very helpful. One particular lesson learned was that community and brand awareness improved because of the merger. Based on what I learned in the interviews and my

professional interaction with the national community and technical college population, the benefits of this awareness for both MnSCU and KCTCS have been more political and corporate influence, better partnership development and maintenance, and increased acquisition of external resources. For Georgia and other states considering merger, branding a newly formed comprehensive community college system should be a key focus because of its potential to reap benefits that were not necessarily driving forces behind the merger.

### *Balanced Implementation Timing*

The time devoted to implementation of the mergers in Kentucky and Minnesota was mentioned repeatedly as a lesson learned. In Kentucky, participants felt that the merger happened far too quickly. In Minnesota, participants felt that the merger took far too long. For any state considering such a merger, both of these extremes have their merit. Quickly implementing the merger insures that the perceived effects of change will not linger; however, based on dialogue with the study participants, this also adds to feelings of incomplete and unconsidered actions or strategies. Longer implementation of a merger may add to the perceived feeling that actions and strategies were well thought out and complete; however, based on dialogue with the study participants, it contributes to the perception of a long drawn out process that ultimately wears down those within the system during implementation. Given this, my recommendation is a more balanced approach where the merger does not occur too slow or too fast. This balanced process should include opportunities to achieve short-term successes or milestones. One often-overlooked component is not just the setting or stating of the milestones and overall goal, but acknowledging and celebrating the accomplishment of these as they occur. As validated by Kotter (1996), change processes often result in loss of momentum prior to the accomplishment of long-term outcomes. Because of this, it is important to generate short-term wins to continue the

initial momentum throughout the process. Additionally, as part of this balanced implementation, the necessary resources should be provided to insure that certain desired actions or strategies occur when planned. Many in Minnesota felt that one of the contributing factors to the lengthy implementation period was the lack of adequate resources allocated for implementation. Thus, a focus on balancing the time it takes to accomplish a merger should include milestones to continue momentum and resources to achieve objectives.

### *Effective Leadership and Communication Critical*

Another important finding was the critical influence of leadership during the implementation process. In order to successfully implement a merger and establish a unified system culture, leaders must communicate a clear vision. In developing this vision, however, input from others is critical so that the vision communicated is one that is shared. States embarking upon a merger similar to the ones in Kentucky and Minnesota should stress this to the leadership implementing the merger. For Georgia or any state embarking upon a merger of their technical and community colleges, insuring that leadership broadly and consistently communicates the vision is extremely important.

In some cases, effective leadership may be found in external individuals or consultants. The concept characterized by Collins (2001) as getting the right people on the bus is noteworthy. Collins stated that company executives who transformed their companies from good to great did not first figure out where to drive the bus and then get people to take it there. They first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it. For a potential future merger of state technical and community colleges, this may mean bringing in experts to focus on things that you may not have time to focus on. There should be a clear focus on what needs to be accomplished, and at least a general concept of how it needs to be

done, but if existing full-time staff does not have the time to focus on it, consultants may be necessary to insure success. Otherwise, there may be gaps in actions necessary to accomplish the ultimate goal and thus, momentum lost.

Creating a shared vision was also critical. Effective leaders must understand that not only their communication of the vision and direction of the merger implementation is important, but also the input of those within the system to help shape this vision is also important. Locke (2007) noted that leaders and managers should utilize communication and consultation to achieve the social integration of staff, students and relevant stakeholders within the newly merged institution or system. Leaders must understand the importance of two-way communication. It is important as leaders create the vision, it becomes a shared vision through feedback and input from the community, and college and system employees.

#### *Use Other States as References Not a Models*

One of the most profound recommendations about what to do to insure a successful merger was not to look at any one state and simply repeat what they did, but to use them as a “reference not a model.” I think this very important as Georgia or other states look at potentially merging their technical and community colleges. Although some states such as Kentucky and Minnesota may have been viewed as very successful in merging the colleges, as shown in this study, there are obviously good and bad experiences from both states. The advantage to a state that has not yet merged these two entities is that the state can review such implementations in various states to learn what worked best and what did not.

#### *Referencing Private or Public Mergers Important*

For states considering a merger of technical and community colleges, officials will benefit by examining merger processes at other private and public sector organizations. There

were minimal differences between the mergers in Kentucky and Minnesota and those that occur in the private or public sector. In a study of mergers by Burke and Biggart (1997), there was a presentation of findings and conclusions congruent with many of those mentioned in my study. Burke and Biggart suggest that when merging entities there is a need to create a vision with goals and objectives, communicate this vision, and acknowledge accomplishment of the goals and objectives. They also indicate that to insure success no one organization should be perceived as being taken over by the other, and because of this, a new organizational structure with a shared comprehensive mission should be formed. Another recommendation of Burke and Biggart is to utilize the expertise of organizational members on multilevel broad-based teams or committees to achieve specific goals and objectives of the merger, and utilize these teams to mitigate the resistance and barriers among different organizational cultures. A key tactic in mitigating resistance and barrier, according to Burke and Biggart is to create a merged system utilizing a process that equitably allocates existing jobs without the release of any employee who wants to remain in the newly merged system. Ultimately, Burke and Biggart state that successful mergers maintain a commitment to the student customer as the primarily beneficiary of the newly merged entity.

#### *Merger Opposition Likely*

As in Kentucky and Minnesota, any state that decides to take this course of action and embark upon a merger of technical and community colleges will likely face some opposition not only prior to and during implementation, but far after the merger is complete. In these states, opposition continues in the form of divesture bills introduced in the legislature ten years later in Kentucky and fifteen years later in Minnesota. Hearn (1996) indicates that because colleges and universities are among the oldest forms of social organizations, “they often exhibit deep,

institutionalized resistance to fundamental change” (p. 141). What I believe will lessen this opposition throughout and after the merger process, are some of the strategies mentioned above including focusing on students, communicating project goals and establishing representative implementation teams.

### Limitations

The major limitation for this study was the timeframe used to collect data. It was extremely short. In Kentucky, I dedicated two days to conduct interviews at one of the local community and technical colleges and another day to conduct interviews at the state office. In hindsight, this was not enough time to conduct the types of in depth interviews I wanted to conduct. I found myself rushing from interview to interview all in an effort to try conduct all of them within this two-day period. All interviews enabled me to collect comprehensive data and learn nuances that could not be achieved through other collection methods. There were some great interviews conducted and comprehensive information collected, however, a few interviews had to be swiftly completed in order to insure I interviewed everyone while I was in Kentucky. To give myself more time, I added an extra day for the Minnesota interviews. This did help in that I was able to visit a specific number of local community and technical colleges, but one additional day may have allowed me to collect a more diverse set of interviews. In each state, I was able to view a couple of current members of faculty and/or staff, middle management, and senior management. I was able to interview a number of individuals from the system office. Therefore, the mix of individuals based on current positions was not as diverse as I would have preferred. However, the mixed was diverse based on previous and current positions held by those interviewed. Also on the positive side, everyone I interviewed was in the system at that time of the merger, and a number of individuals had worked themselves up the career ladder. This

comprehensive nature of the project also may be seen as a limitation since I was not able to hone in on one particular finding or issue. There could be multiple studies conducted on individual issues or findings presented in this dissertation. As the data was examined closely, much more information was revealed that could have led to a number of different targeted studies. Had the focus been on one of these specific areas, a vast amount of additional questions could have been developed to hone in on these issues. Additionally, a larger number of specifically focused studies may have given deeper insight into these specific areas. Another limitation of the study is the fact that human recollection of events that occurred ten and fifteen years ago is limited. During interviews, some respondents mentioned they could not remember all details as explicitly as they likely could have years ago when the mergers were actually occurring. Another constraint related to time lag was that of personnel turnover. A number of employees who were employed during the merger are no longer with the systems due to resignations, retirements or terminations. This historical limitation is exacerbated by the fact that no study to document the merger in order to track its implementation and impact was commissioned at the time of the legislation enactment. For Georgia or any other state considering such a merger, I would highly recommend that such a study be legislated in the merger bill so that sufficient data can be collected to provide viable feedback on the pros and cons of the merger. Because no such study exists for Kentucky or Minnesota, it limits the available data that may validate the historical recollections of those interviewed.

#### Recommendations for Future Research

Although the majority of the individuals I interviewed said they believe the merger was a good idea, even if they came to this conclusion over time, there remains a minority of those I interviewed who believe the merger was a mistake. Future research could focus on this

population to attempt to understand why there is still a lack of acceptance among this group ten to fifteen years after the mergers. Related to this focus could be additional research that examines the resistance to the merger from the standpoint of employees, politicians and the community. As part of the future research that investigated employee merger perspectives, specific research could target the Minnesota union and nonunion employee perspective of the merger. Based on conversations with various Minnesota respondents, the unions were and are very powerful. Without their support, the mergers likely would not have occurred especially given the fact that similar unions merged, each acquiescing some of their power. Also, as mentioned briefly in the limitations section, the comprehensive nature of my study provided several areas for which individual studies could be conducted. For example, studies could examine the effects of transfer after a merger of technical and community colleges or on the resentment of faculty and staff during the merger of technical and community colleges. I also believe that given the realization by both states that ultimately it is about the students, other future research could focus on a parental or student analysis of the impact or effects of the merger.

#### Merger of Thirteen Georgia Technical Colleges

As mentioned above, the Technical College System of Georgia (TCSG) conducted an internal review process whereby it examined the potential merger of existing technical colleges with other technical colleges within the TCSG system. In January 2008, TCSG Commissioner Ron Jackson announced the creation of a seventeen-member task force of business, education and community leaders from Cobb, Paulding and Bartow counties who he charged with the examination of the feasibility of merging Chattahoochee Technical College (CTC) in Marietta, Georgia and North Metro Technical College (NMTC) in Acworth, Georgia (Light, 2008). In August 2008, the State Board of the Technical College System of Georgia approved the merger

of CTC and NMTC. By November 2008, a third technical college, Appalachian Technical College (ATC) was added to this merger, forming the largest (by enrollment) technical college in the State of Georgia. Subsequently, an additional ten technical colleges were approved to merge, and all thirteen officially merged by July 2010:

1. In July 2009, Chattahoochee Technical College in Marietta, North Metro Technical College in Acworth, and Appalachian Technical College in Jasper formed the new Chattahoochee Technical College.
2. In July 2009, West Central Technical College in Waco and West Georgia Technical College in LaGrange formed the new West Georgia Technical College.
3. In July 2009, Coosa Valley Technical College in Rome and Northwestern Technical College in Rock Spring formed Georgia Northwestern Technical College.
4. In July 2009, Southeastern Technical College in Vidalia and Swainsboro Technical College formed the new Southeastern Technical College.
5. In January 2010, Griffin Technical College in Griffin and Flint River Technical College in Thomaston became the new Southern Crescent Technical College.
6. In July 2010, Valdosta Technical College in Valdosta and East Central Technical College in Fitzgerald became the new Wiregrass Technical College.

While these consolidations have truly been monumental, and have afforded the Technical College System of Georgia (TCSG) and those participating technical colleges to acquire a wealth of knowledge, best practices and lessons learned about merging institutions of higher learning, the examination in my study focuses on the merger of technical colleges and community colleges, two separate systems with two separate cultures. Although Georgia does not have a

group or system of postsecondary institutions labeled “community colleges,” the two-year colleges within the University of System of Georgia function similarly (primarily as transfer institutions to four-year colleges and universities) to those Minnesota and Kentucky community colleges examined in this study that merged with technical colleges. The University System of Georgia (USG) has eight two-year colleges that meet this criterion. They are: (a) Atlanta Metropolitan College in Atlanta, (b) Bainbridge College in Bainbridge, (c) Darton College in Albany, (d) East Georgia College in Swainsboro, (e) Georgia Highlands College in Rome, (f) Georgia Perimeter College in Clarkston, (g) South Georgia College in Douglas, and (h) Waycross College in Waycross. Two USG colleges, Bainbridge College and Dalton State College (which offers four-year and two-year degrees), have technical college divisions that award the same credentials (A.A.S., Diploma, Certificate) as the TCSG colleges. If Georgia officials continue to consider the merger of technical and two-year colleges, the merger experiences of TCSG (internal mergers) and Minnesota and Kentucky (technical and community colleges mergers) will provide valuable insight.

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## APPENDIX A

*MnSCU Listing of Consolidated Colleges*

<b>MERGED COLLEGE</b>	<b>TECHNICAL COLLEGE</b>	<b>COMMUNITY COLLEGE</b>
Central Lakes College	Brainerd/Staples Technical College	Brainerd Community College
Century College	Northeast Metro Technical College	Lakewood Community College
Hibbing Community College	Hibbing/Eveleth Technical College (Hibbing Campus)	Hibbing Community College
Lake Superior College	Duluth Technical College	Duluth Community College Center
Mesabi Range Community and Technical College (Eveleth, Virginia)*	Hibbing/Eveleth Technical College (Eveleth Campus)	Mesabi Community College (Virginia)
Minneapolis Community and Technical College	Minneapolis Technical College	Minneapolis Community College
Northland Community and Technical College	Northwestern Technical College	Northland Community College
Ridgewater College	Hutchinson/Willmar Technical College	Willmar Community College
Riverland Community College	Riverland Technical College (Austin Campus) Mankato/Albert Lea Technical College (Albert Lea Campus)	Austin Community College
Rochester Community and Technical College	Riverland Technical College (Rochester Campus)	Rochester Community College

\*Mesabi Range was further “consolidated” with Vermilion Community College (Ely) in 1996 to form the Laurentian District. However, the Laurentian District was recently replaced by the Northeast Higher Education District, which also includes Itasca Community College.

## APPENDIX B

*KCTCS Listing Consolidated Colleges*

<b>MERGED COLLEGE</b>	<b>TECHNICAL COLLEGE</b>	<b>COMMUNITY COLLEGE</b>
Ashland Community and Technical College	Ashland Technical College	Ashland Community College
Big Sandy Community and Technical College	Mayo Technical College	Prestonsburg Community College
Bluegrass Community and Technical College	Central Kentucky Technical College	Lexington Community College
Bowling Green Technical College	Bowling Green Technical College	
Elizabethtown Community and Technical College	Elizabethtown Technical College	Elizabethtown Community College
Gateway Community and Technical College		
Hazard Community and Technical College		
Henderson Community College		Henderson Community College
Hopkinsville Community College		Hopkinsville Community College
Jefferson Community and Technical College	Jefferson Technical College	Jefferson Community College
Madisonville Community College	Madisonville Technical College	Madisonville Community College
Maysville Community and Technical College	Rowan Technical College	Maysville Community College
Owensboro Community and Technical College	Owensboro Technical College	Owensboro Community College
Somerset Community College	Laurel Technical College Somerset Technical College	Somerset Community College
Southeast Kentucky Community and Technical College	Cumberland Valley Technical College	Southeast Community College
West Kentucky Community and Technical College	West Kentucky Technical College	Paducah Community College

## APPENDIX C

*Example of Coding Scheme*

<b>CODE #'s (Common Themes)</b>	
<b>100 – Driving Forces</b>	<b>300 – Merger Impact</b>
110 Insufficient Resources/Funding	310 System Culture
111 Inefficient Resource Allocation	311 Increased Efficiencies
120 Workforce Development Focus	320 Student Access
130 Student Barriers	330 Positive Overall
140 Political Desire, Power and Will	340 Political and Corporate Presence
<b>200 – Implementation Experiences</b>	<b>400 – Lessons Learned</b>
210 Cultural Resistance	410 Cultural Resistance and Integration
220 Administrative Process Integration	420 Multilevel Broad-based Involvement
230 Multilevel Broad-based Involvement	430 Marketing and Branding
240 Integration of People	440 Implementation Timing
	441 Implementation Resources
	450 Leadership
	451 Leadership Communication
	460 Openness to Change

<b>State</b>
<b>1</b> – Kentucky
<b>2</b> – Minnesota

<b>ID</b>	
<b>1</b> – Participant One	<b>9</b> - Participant Nine
<b>2</b> - Participant Two	<b>10</b> - Participant Ten
<b>3</b> - Participant Three	<b>11</b> - Participant Eleven
<b>4</b> - Participant Four	<b>12</b> - Participant Twelve
<b>5</b> - Participant Five	<b>13</b> - Participant Thirteen
<b>6</b> - Participant Six	<b>14</b> - Participant Fourteen
<b>7</b> - Participant Seven	<b>15</b> - Participant Fifteen
<b>8</b> - Participant Eight	

Code	State	ID	Line#	Data	Notes
110	1	5	37	...both these organizations of the colleges, the fifteen technical colleges and fourteen community colleges were the stepchild of both organizations. They weren't Monday through Friday. They were the Saturday. You know what I'm saying? Get to them when you can.	
110	1	11	31	...so you'd have all the funding go down to all of the four-year universities and then the community colleges would get the funding sort of filtered through UK down into the thirteen community colleges.	
140	2	9	79	...there became a Legislative push to merge the systems and...it happened primarily through one individual, and that was the State Senate Majority Leader, Roger Moe...	
210	1	3	90	Totally different. Coming from different backgrounds. You had career and technical education coming out of the technical system. You had the academic arena more so coming from the community colleges. So, it became difficult...	
210	2	4	120	Well I think the major barriers were the big cultural differences between the stand-alone technical colleges in the State, which was all about work, preparing people for jobs.	
220	1	7	233	...the decision was made that you will not hamper any employee that is there. You've got to protect all of the benefits that they have...They could stay under the policies that they had for the workforce, or they could stay under the policies they had under the Community College System. Now we were going to have a third system so we ran three different types of payrolls and two different types of retirement systems during the time	
220	2	7	317	I think we had three very different systems and we paid the price and we're still paying the price for the fact that it took so long to get agreement on how we merged data systems...At the System level it took a while, I would say a decade almost to get all the policies and procedures aligned.	
310	1	1	681	I find our culture, I think, is less academic. More corporate... part of it is also because we	

Code	State	ID	Line#	Data	Notes
				have this central, we have this pyramid power structure and the power is at the top. It's not at the bottom and it used to be at the bottom. The faculty used to run the institution. Now it doesn't.	
311	1	14	737	The result is a cohesive two-year community college, community and technical college system that, I wouldn't say it decreased costs. I think with it came efficiencies in some areas and streamline in some areas. But I'd say...I wouldn't venture to say it all but the cost decreased.	
330	2	8	447	I wasn't a fan of the merger. I was happy with where I was... I think now we're fourteen years into the merger. It's working.	
340	2	9	275	And one is just politically. MnSCU is a known quantity at the Legislature. We're a large public sector organization with a separate Board and so we're, I don't know how many employees we have, but we've got 25,000 employees and so it's just a huge system...So I just think that it provides much more political power.	
430	2	5	630	So I think there is a much more organized marketing campaign. Much more connectivity to all the chambers and Lyons and rotary and advisory committees for all the programs and all that that have made the institutions better partners in the community, I think, at this point in time.	
451	2	13	522	Leaders were not prepared to deal with resistance to merger...I suggest bringing the two groups together...Deal with the real issue...maybe bring someone from the outside...an arbitrator or mediator...	
460	2	11	939	I think of being able to brainstorm. What is it that we want from this new system and being able to be inclusive in that to get people to start dreaming. I think the critical element there is the ability to get people to dream. Why are we doing this? Yeah. But what does that mean? What could that mean?	
460	1	12	681	It moved us all out of our comfort zone in a big way... if you don't change, you die.	