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From Drift to Direction: Mission Differentiation in an Era of Demographic Change

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Introduction

By now, higher education is fully aware of the wave of demographic change sweeping the industry. What began as a ripple in New England and the Upper Midwest is now a major factor in planning and operations at institutions of all types across the country. In the 2010s, when the number of high school graduates first started to tail off, admissions staff began finding it harder to meet their enrollment targets. Alongside these demographic changes have come several years of declines in the college-going rate of recent high school graduates, the first period of sustained declines since the late 1960s. Together with reduced public confidence in higher education and tightening financial conditions, softening enrollment demand is sure to lead to more institutions being beleaguered by intensifying competition and precarious fiscal futures. It seems that nearly every month brings fresh news of another college shutting its doors or of announcements of consolidations and mergers—events that fundamentally reshape the supply of postsecondary education for, and often the character of, affected communities. Although the institutions most involved in these changes are usually privately controlled, talk of structural reform among public institutions is growing louder. In fact, multiple states are currently undertaking formal studies of how best to align their educational assets with the expected future needs of students and the state.

Higher education is at the beginning of an era of transformation ushered in by these profoundly new circumstances. Particularly for public institutions, states will play a pivotal role in shaping their postsecondary structures in response to these environmental factors. Ultimately, it will take the combined and complementary efforts of their available educational assets if states are to achieve their respective goals for educational attainment and economic prosperity, or for the nation to reach Lumina Foundation's goal of having 75 percent of adults with a credential of value by 2040.

Over the course of countless engagements, NCHEMS has worked with state legislatures, systems, and coordinating agencies to develop and implement strategies that balance the distinct roles of individual institutions against statewide and regional goals. This background has given us a unique perspective on the benefits and challenges of strategically defining institutional roles and mission in ways designed to guide postsecondary policy, organizational design, and resource allocation. NCHEMS will produce three brief white papers that discuss the opportunity and need for states to plan deliberately for the effective deployment of their own assets, the public institutions that are critical to economic prosperity and societal well-being.

This, the first of these white papers, will focus on two key features that distinguish institutional roles: the characteristics of the student audiences that institutions serve and the programs institutions deliver to those students. During the recently concluded decades-long period of sustained growth, higher education developed a habitual reliance on market forces of supply and demand, along with traditional notions of performance rooted in our broader understanding of, and affinity for, markets. This paper will reflect on why those approaches are no longer sufficient in an era of transformation. It will do so by showing how enrollments and programs have shifted in recent years, generally in ways that blur boundaries between public institutions. It will also argue that states need to adopt a more proactive approach to managing the missions of their public institutions to better ensure that students' and states' needs are prioritized as conditions grow more challenging for the higher education industry.

The second paper will build on this discussion by exploring the links between the pursuit of state educational attainment goals and the various contributions of different institution types, especially in fiscal terms. Finally, the third paper will outline how institutional policies that generally lie outside state oversight could affect the extent to which state coordinating and governing bodies can successfully achieve differentiated, aligned missions and enrollments across public institutions.

The Context

As recently as a year ago, the number of individuals graduating from the nation's high schools was still rising, providing a consistently swelling pool of prospective traditional-age students for colleges and universities to recruit. According to the Western Interstate Commission for Higher Education, this number peaked in 2025 after over 30 years of continuous growth.[1] From this point forward, the nation will experience the so-called enrollment "cliff." The cliff analogy may overstate what is actually expected to be a steady

[1] Western Interstate Commission for Higher Education (2024). Knocking at the College Door: Projections of High School Graduates. Boulder, CO: Author. www.wiche.edu/knocking.

but substantial decline for the foreseeable future. This demographic shift has major implications for the industry, many of which are obvious, while more are becoming apparent.

Some of the country's regions and some states hit their respective peaks earlier, however, and already have been confronted with major challenges. Their experiences have been early warning signs that suggest states may struggle to effectively leverage their combined assets to achieve their goals as formerly robust enrollment demand weakens and state, regional, and student needs evolve. Already, policymakers are raising questions about the relative health of the different sectors of higher education, particularly about the sustainability of regional comprehensive universities and small community colleges in rural settings. An increasingly common query is "Are we overbuilt?" followed closely by "What should we do to right-size?" and "Which institutions should we close?"

These questions are wholly appropriate amid indications that the financial health of state institutions may be weakening while they confront unfavorable future projections. But they are seldom posed against a strategic backdrop, one in which states act from a position of proactively linking their existing educational assets to the achievement of specified priorities and the satisfaction of identified needs.

Instead, the relative strength and success of state institutions are largely the product of market forces. While enrollment growth, improvements in student success and completion, and efforts to lower barriers to access for students from an array of backgrounds have all been strategic goals for many state policies in past years, intentional efforts by states to shape the distribution of enrollments among the public institutions they oversee and to ensure geographic access have been few and far between. More commonly, facilitating student choice has been the priority policy issue for state (and federal) governments to address through various policy interventions. Among the most popular such policies are state financial aid programs that students can use at a broad array of public or private institutions, along with investments in data and tools to promote better consumer information in hopes that prospective students will use it in their college choice process. The notion that the marketplace will act as the ultimate arbiter of quality—a perspective that draws from a deep shared ideological well in the U.S.—is a fundamental assumption. This was highlighted in a recent project when a state executive branch leader posed the question (roughly paraphrased), "Why shouldn't our policies support students to be able to vote with their feet? Don't their decisions tell us about the value of the institutions they choose to attend, and those they choose not to attend?"

However laudable it may be to facilitate student choice, the extent to which thousands of students' independent decisions affect progress toward state educational attainment goals is inherently at least somewhat unpredictable. At best, a state can anticipate trends and build projections of how student enrollments among its institutions will pan out, given past indications. Doing so may even prove accurate, but such an approach cannot be characterized as strategically aligned with state priorities, which include outcomes such as expanded degree production, talent development in certain fields, closing gaps in access and success among targeted populations, and so on. **Meeting these public policy goals requires states to make choices that do not exclusively optimize a market, but rather optimize a set of public services and goods that ensure state workforce and development needs are reachable**.

During a period of abundance, facilitating student choice has little downside. There are enough students to go around. Institutions of all types can opt to grow or become more choosy; this does not necessarily mean "selective" in the academic rigor sense, but rather in a broader sense that simply conveys their ability to craft their student body to fit the ways they want to evolve in terms of culture, programs, reputation, and so on. Even if it was unlikely, institutions could also narrow their program array in an effort to carve out a distinct niche for themselves.

As we enter a new reality with stagnant or declining enrollment demand, the limits of this approach start to become apparent. Institutions that enjoy widespread brand awareness and broad market penetration, as well as ample resources to attract students with scholarships, have a clear advantage. Not surprisingly, these tend not to be the institutions that serve high proportions of students from low-income backgrounds, students who are racially/ethnically minoritized, adult learners, first-generation students, students living in rural areas, and other populations of interest. And the results are predictable: state resources and tuition dollars flow toward those institutions that are better resourced and more favorably positioned to attract enrollments, particularly among the traditional-age population. The needs of institutions that have seen their enrollments decline—and the underrepresented students and communities they serve—can be neglected, with that neglect justified by simple calculations based primarily on enrollment counts. Honed in a national culture that venerates the role of the market in determining organizational excellence, and cultivated over three decades of steadily rising enrollment demand, this default to the market threatens to erode the strategic calibration of state policies to state needs and to the state's own priorities in the current climate.

Even worse may be the case that growth remains the real fundamental marker of high performance and institutional success. This is despite all the efforts of states, funders, policy entrepreneurs, and others to create incentives that focus on other priorities, such as student access and success, particularly for those from underrepresented and low-income backgrounds, improved ROI, or efficient operations. For evidence, one can survey the announcements of presidential departures, which almost invariably speak to the level of enrollment growth the retiring president oversaw during their tenure, or the amount of money they raised, the number of buildings put up, or new schools created. Or simply take in the words of the president of a research university during a recent visit on an NCHEMS project, who argued, "If we're not growing, we're dying." In this institution's state, which is among those facing a sharp decline among the traditionally college-age population, this perspective simply cannot be shared by the leaders of other public institutions. For one thing, it can tempt policymakers into a bias in favor of institutions that are growing, regardless of whether they are meeting state or local needs as their primary priority, and against institutions that are constrained in their ability to grow but can demonstrate strong performance in serving the needs of important student populations (such as an institution that predominantly serves a set of nearby rural communities). And a bias toward growth, if it continues to motivate decisions at the largest and best-known institutions in the state, implies profoundly distressing questions ahead for the state's other public institutions and for the students who are at risk of being left behind along the way.

Furthermore, the higher education industry is replete with market failures, particularly when it comes to public institutions. First among them is that, as nonprofit enterprises, often created through public policy actions such as the adoption of constitutional amendments or statutes, public institutions all "sell" their "product" below what it costs them to produce. Generous subsidies from state and federal government, as well as donor-generated institutional wealth and (in some cases) tuition revenue from nonresident students, make this possible. But this means that the market is extremely hierarchical: institutions do not compete with one another on a level playing field. Operating on its own, the market will reinforce the strength of already well-positioned institutions.[2]

Second, within the academy, cross-subsidies allow institutions to offer relatively more expensive programs, which are often those that policymakers increasingly point to as important for economic prosperity and that students and their families look to for a strong immediate return on investment. Third, from a consumer information point of view, and

[2] Winston, G.C. (1999). "Subsidies, Hierarchies, and Peers: The Awkward Economics of Higher Education. The Journal of Economic Perspectives 13(1), pp. 13-36.

despite considerable effort in public policy to make information about student outcomes more widely available, there are few established and commonly agreed-upon measures of institutional quality. In addition to significant information asymmetries—colleges know much more about the value of the education they are providing than students, who are likely only going to buy education once in their lifetimes—the usual functioning of markets to signal quality reliably is severely compromised. In an environment of predictable growth, these distinguishing characteristics of the higher education market are unlikely to threaten the viability of institutions that are at a disadvantage on a tilted playing field. But under the conditions of demographic duress, these same characteristics compel analysts, postsecondary leaders, and policymakers to reflect on the ways in which public higher education will evolve without state intervention. As observed by the eminent higher education economist George Winston, "Standard economic intuition…[is] likely to be a poor guide to understanding higher education and to making predictions and public policy. One who thinks a college is like any other business will look in all the wrong places."[3]

Yet, until recently, as yearly increases in the pool of prospective students tempered the risk of making unsustainably inefficient investments, the need for a disciplined approach to maintaining a "cooperative" and "integrated" collection of institutions was less obvious than it is now. With this risk amplified by stagnated demand, state policymakers can opt for a more deliberative, proactive stance that steers their systems through these evolving conditions toward the state's strategic objectives, rather than simply permitting the market to magnify the divergent fortunes of institutions. To do so, one of the most consequential tools states can use is to refine and clarify the missions they expect their public postsecondary institutions to pursue.

Nearly all states assign the authority for approving missions to a SHEEO agency—either a governing board or a coordinating board.[4] Statutes charge those agencies with the authority to "determine the role and mission of each state-supported institution of higher education within statutory guidelines"[5] or "review, revise, and approve the missions"[6] of the state's colleges and universities. The statutory boundaries of these authorities often

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[3] Ibid. p. 33.

[4] There are exceptions, most notably Michigan which invests its public institutions with autonomy through its state constitution; in such cases, it may be only through the legislature's power of the purse that the state can exercise influence over institutional missions.

[5] Colorado Statute 23-1-108.

[6] Kentucky 164.020.

extend well beyond the approval of a mission statement to require the agency to "establish and ensure that all postsecondary institutions… cooperatively provide for an integrated system of postsecondary education… [and] guard against unnecessary conflict and duplication…"[7] or to set "differentiated admission and program standards that are consistent with institutional roles and missions."[8] Commonly captured in sections addressing the need for statewide postsecondary planning, these statutes are also where program review and approval authorities reside.

State agencies have typically exercised these authorities with considerable restraint. Much of the time, they rely on a combination of legislative language that authorized or chartered public (and sometimes private) institutions in the first place, along with periodic reviews or approvals of revised mission statements. But the authority granted these agencies is not just to react to proposed changes in mission statements, but should be read as encouraging more proactive reviews of institutions' broader missions. Mission statements like the ones prominently featured on institutions' websites and in their catalogs are essential, but they are designed to give voice to the institution's aspirations, be inspirational, and create a unifying creed for students, faculty, employees, potential donors—literally anyone with any inkling of joining or aligning with the institution. Among the things that a typical mission statement rarely does is clearly express what the institution does or does not do. Indeed, institutions craft most mission statements to permit as much flexibility as possible in pursuing its ambitions as those ambitions evolve. These attributes often make it difficult for a layperson to match the revealed behavior of an institution to its officially adopted mission statement.

As states craft policy environments under more stringent demographic and fiscal constraints, they will be better equipped when they strategically invest in institutions according to how those institutions distinctly work to address state and regional goals. That likely necessitates a more robust exercise of state agencies' authority to proactively define missions, guiding how they engage in the higher education market. In assigning more differentiated missions, states can provide greater specificity around four key characteristics:

[7] Kentucky.
[8] Colorado.

01.

Who is being served?

What characteristics should define the audiences for each institution? Are students unusually well or poorly prepared academically? Is there a narrow geographic setting that provides a majority of students? Are they commonly recent high school graduates, incumbent workers, other adult learners, or current secondary students earning dual credit? Beyond students, does the institution work especially with specific industries or employers? Does the institution operate programs that include the care of patients or otherwise provide services that meet state or local needs?

02.

What is being served?

What are the programs, at what levels, does the institution provide? In what programmatic areas does the institution, by virtue of its location, history, or unique capacity, have a comparative advantage; in other words, what programs of distinction should it offer? What commitments to research activity does the institution maintain, and do they tend to be more theoretical or applied?

03.

How is service provided?

Through what mechanisms or modalities, such as online delivery, low-residency programming, evening and weekend programming, on-campus residential housing, and so on, does the institution engage with its audiences?

04.

What are any special characteristics or elements of mission that are vital to the institution's identity, culture, or history?

For example, this includes status as an HBCU, a land-grant university, or others.

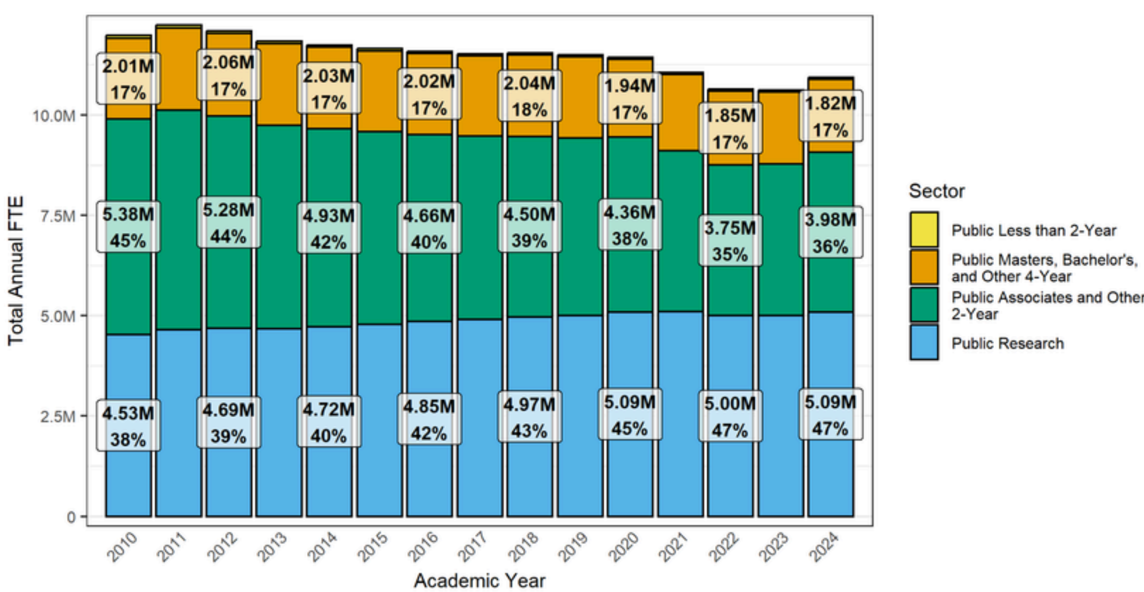
Trends in Enrollment

Recent data show a gradual but evident recalibration of enrollment in the public sector toward research universities, generally away from regional comprehensive institutions and community colleges. Community colleges are well known to be susceptible to counter-cyclical effects of enrollment, and the strong economic conditions and low unemployment that the nation has recently experienced have surely helped contract enrollment in that sector, especially among working-age adults.

Regional comprehensive universities are also vulnerable to competition over dwindling prospective student populations. As shown in Figure 1 through Figure 3, **the only public sector with sustained increases in student enrollments since 2010 has been the public research universities**. Breaking these data down by level is instructive. While regional comprehensives show substantial losses among undergraduates, they have grown their graduate enrollments by nearly the same percentage as public research universities have over the same period.

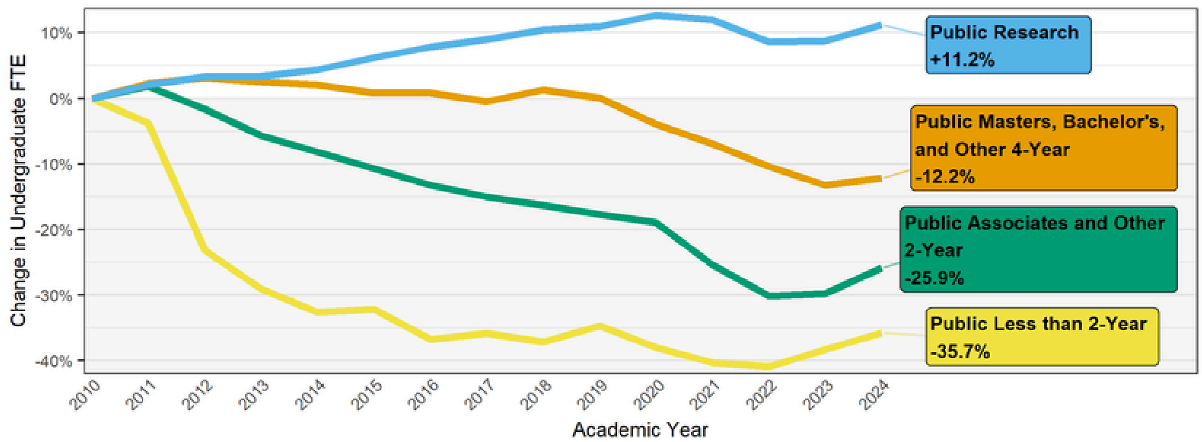
Growth in graduate students at comprehensive universities pales in comparison to research universities, but the shift in emphasis is notable. Given the concurrent drop in undergraduates, the ratio of undergraduate to graduate students at these institutions has shifted remarkably over the past 15 years. This is a clear sign that regional comprehensives are expanding their missions to serve more graduate students, possibly in more graduate programs (more on that later). Outside of a few professional fields, especially education, graduate-level education has not been a prominent historical feature of most regional comprehensive institutions' program array. That it is rapidly growing may be a consequence of responsiveness to student and labor market demand. Or it may be the result of a predictable market response among institutions facing rising threats to their revenue base. Most likely, it is a little of both.

Figure 1: Total Enrollment FTE by Sector



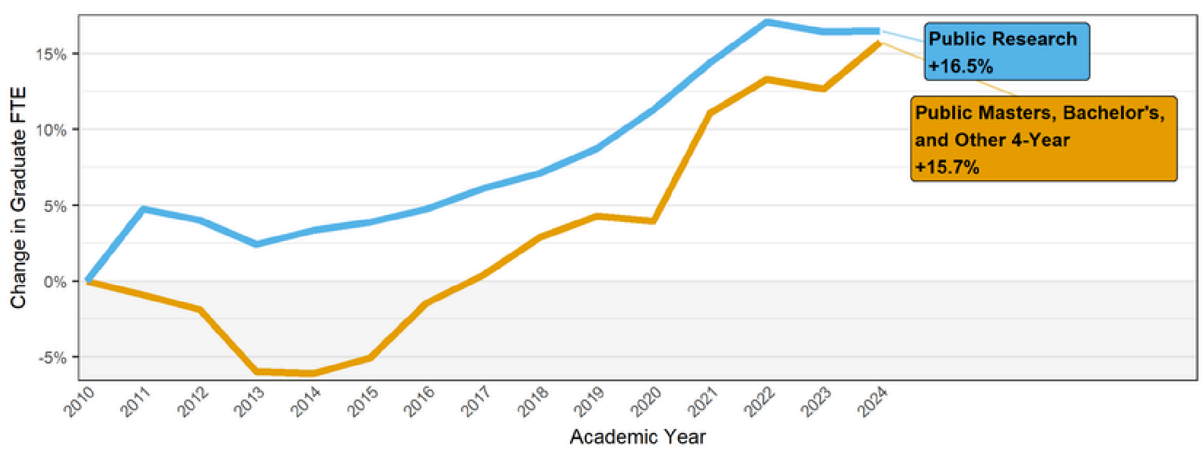
Source: NCES IPEDS 12-Month Enrollment Survey, files efiaYYYY, 2010-2023 final release files; 2024 provisional release.

Figure 2: Percent Change in Undergraduate Student FTE by Sector



Source: NCES IPEDS 12-Month Enrollment Survey, files efiaYYYY, 2010-2023 final release files; 2024 provisional release.

Figure 3: Percent Change in Graduate Student FTE by Sector



Source: NCES IPEDS 12-Month Enrollment Survey, files efiaYYYY, 2010-2023 final release files; 2024 provisional release.

Enrollment data also indicate changes in who is attending public four-year institutions. Even as their student enrollments slipped, regional comprehensive institutions largely maintained a steady level of enrollments among underrepresented students. Among public research universities, underrepresented students grew in number, largely matching growth among total students. The share of students from low-income backgrounds among undergraduates, defined by receipt of a Pell Grant, fell more at regional comprehensives than at public research universities, even while those students were substantially more concentrated in the former sector.[9]

[9] Pingel and Torres Lugo.

Public institutions also differ quite a lot in terms of how dependent they are on the geographic proximity of their students (Figure 4). The typical student attending a community college traveled about 10 miles to campus in 2020, and almost nine out of 10 students lived within a 50-mile radius. A student at a regional comprehensive institution typically studied only 13 miles from home, and nearly 80% of enrollees came from within 50 miles of campus. At public research universities, that distance was three times larger at 39 miles. Still, over half of their students hailed from not more than 50 miles away.[10]

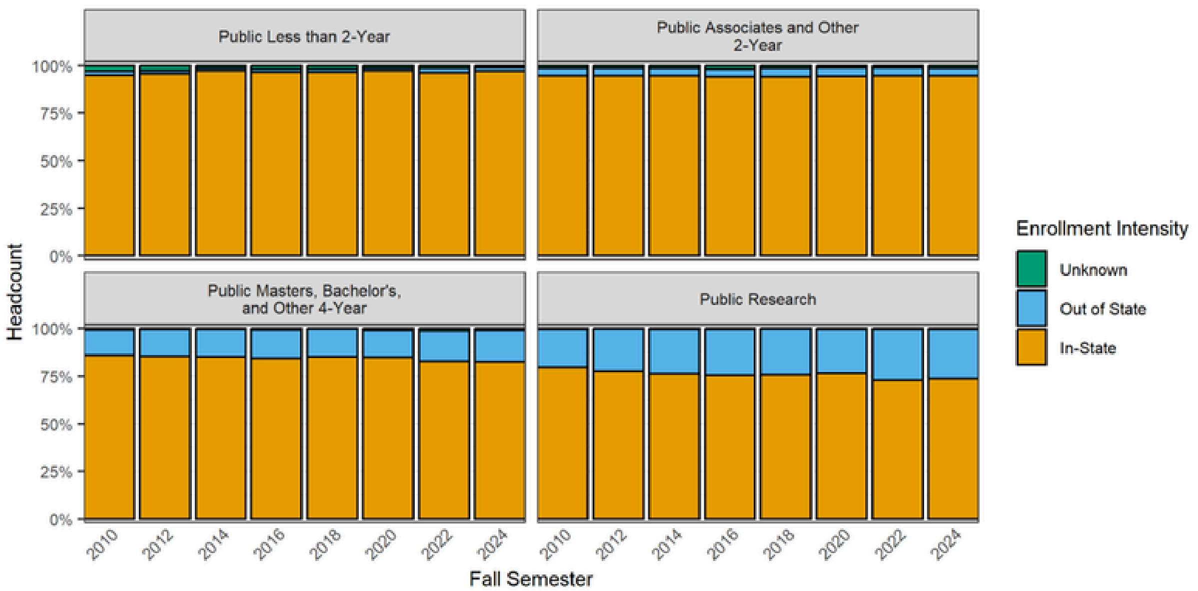
Figure 4: Distance Students Traveled to College, by Sector, 2020

	Mean Distance	Median Distance	% Within 25 Miles	% Within 50 Miles
Community College	54	10	79%	89%
Public Bachelor's/Master's	82	13	67%	79%
Public Research	145	39	42%	54%
Private Nonprofit Bachelor's/Masters	285	58	36%	47%
Private Nonprofit Research	392	75	35%	45%
Total	**141**	**17**	**57%**	**69%**

At the same time, regional comprehensive universities also grew bolder in seeking to recruit nonresidents (Figure 5). By 2024, nonresidents among their first-year student bodies collectively amounted to a proportion that was just a little shy of what public research universities enrolled in 2010. With even faster growth in the shares of nonresidents at public research universities, in-state students consistently comprised a larger proportion of enrollments at public comprehensives.

[10] Hillman, N. (2023) How Far Do Students Travel for College? TICAS. Retrieved June 9, 2026 from https://ticas.org/wp-content/uploads/2023/11/HIllman-Geography-of-Opportunity-Brief-2_2023.pdf.

Figure 5: Percent of First-Time Degree/Certificate-Seeking Undergraduates by Residency and Sector



Source: NCES IPEDS Fall Enrollment Survey files efYYYYc. 2010-2022 final release files; 2024 provisional release, even years only. Includes First-time degree/certificate-seeking undergraduate students.

Even where there are relatively few other large employers or industries to drive the economy in the community, public research universities are often big enough to create their own "urban gravity" that attracts investment and population. That is far less true of regional comprehensive universities and, especially, community colleges. Such institutions in rural settings experiencing population decline[11] are especially threatened by weak demographic conditions and fiscal challenges.

The enrollment shifts toward public research universities and away from other public sectors, as seen at the national level, were evident in nearly every state across the country. The extent of these shifts is depicted in Figure 6, which shows the numerical change in undergraduate enrollments in each public sector by 2023-24, expressed as a percent of the number of undergraduate enrollments across all public sectors in 2013-14. This approach allows for comparisons in the magnitude of any apparent shifts across states that vary in size. It indicates that the **undergraduate enrollment in the public research sector expanded in 36 states**. Among them, only six also saw increases in the public

[11] U.S. Department of Agriculture Economic Research Service. Population and Migration. https://www.ers.usda.gov/topics/rural-economy-population/population-migration

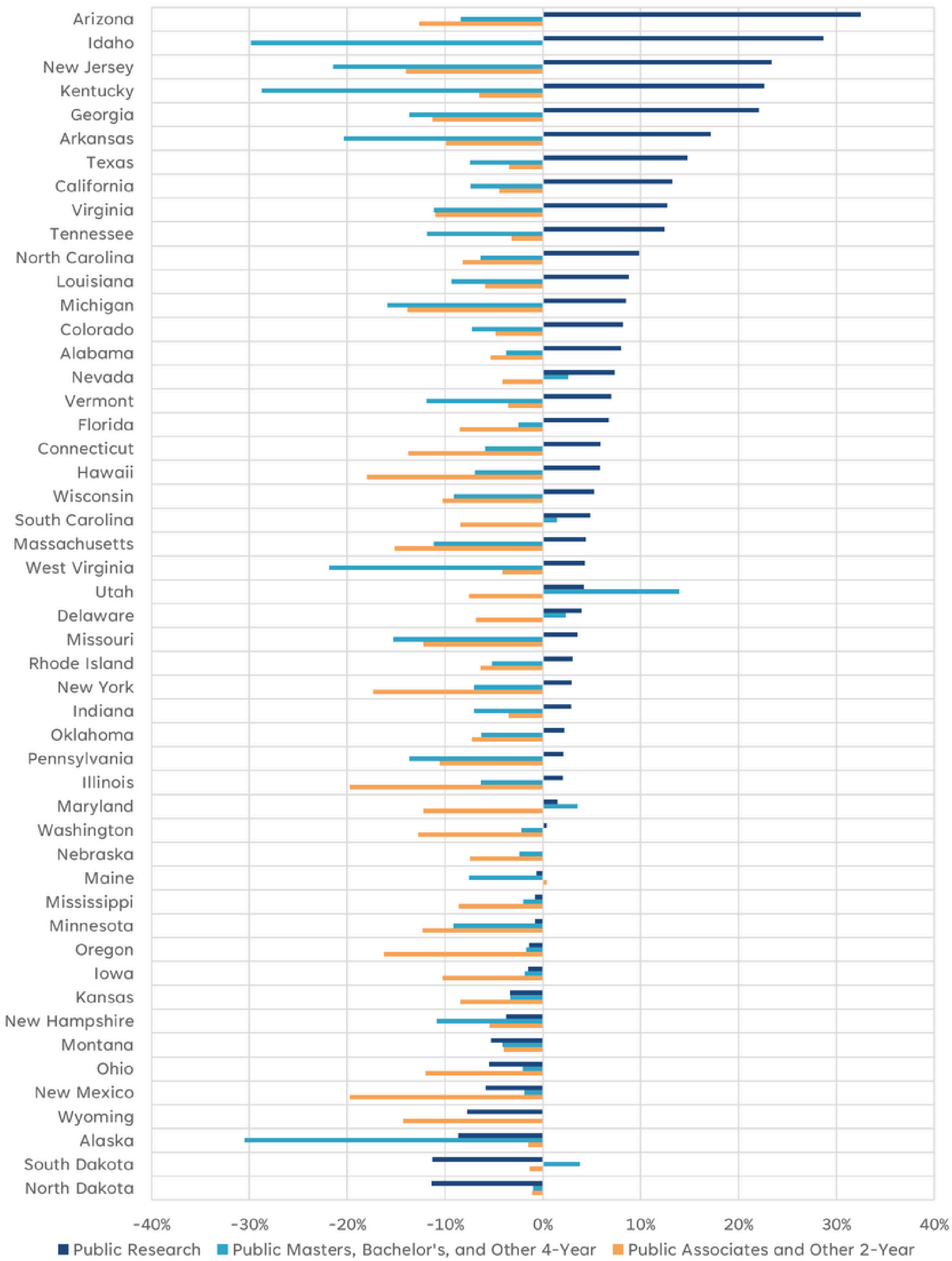
comprehensive sector, and only in Utah did that sector grow more than public research universities. Of the 14 states where public research universities experienced declines in enrollment, only in Maine and South Dakota were those declines (partially) offset by an increase in the public comprehensive category.[12]

These changes may be due to a shift in preferences among students. But some are also the consequence of institutions that moved upward into the public research category from the public comprehensive one between 2013 and 2023. In total, 54 institutions moved in this direction, including Alabama State, Arkansas State, five campuses of the California State University, Missouri State, and the University of Northern Kentucky. At the undergraduate level, this shows up as an abrupt rebalancing of enrollments between the two categories, while simultaneously (and misleadingly) diminishing the extent to which public comprehensive institutions appear to devote energy to graduate education. Yet the mere fact that this shift occurred is further evidence of the blurring of the lines between institutional types. Even without controlling for institutions shifting between sectors, growth in graduate enrollments in the public comprehensive sector exceeded (both in numbers and rate) growth in the public research sector between 2013-14 and 2023-24 in Kansas, Maine, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, and Utah.

Public research university enrollment expanded in **36 states** — but **only six** of those also saw growth in the public comprehensive sector.

[12] Wyoming does not have any institutions in the public comprehensive sector.

Figure 6: Change in Undergraduate FTE Enrollment by Sector by 2023-24 Relative to Total FTE Undergraduate Enrollment in 2013-14



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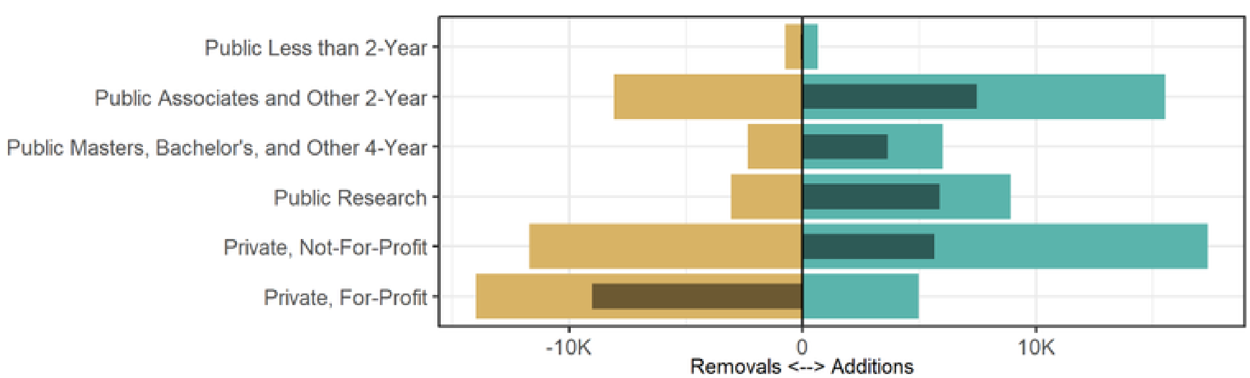
This recitation of enrollment facts helpfully depicts how the audience component of public institutions' missions has shifted across different sectors. It does not tackle important questions about audience from a state-level strategic perspective such as: Who needs to be served? What gaps in service exist? Which institutions should bear the responsibility for addressing those gaps in service? And how should state policy respond to support those institutions in doing so?

Trends in Academic Program Arrays

Institutions certainly create new programs for reasons other than student recruitment. Still, program development is a tactic that institutions also use to broaden their appeal to prospective students in an increasingly competitive environment. In recent years, program development has clearly proliferated, and it has done so in all sectors except among for-profit institutions (Figure 7).

Figure 7: Program Additions and Removals by Sector, 2014-2019 [13]



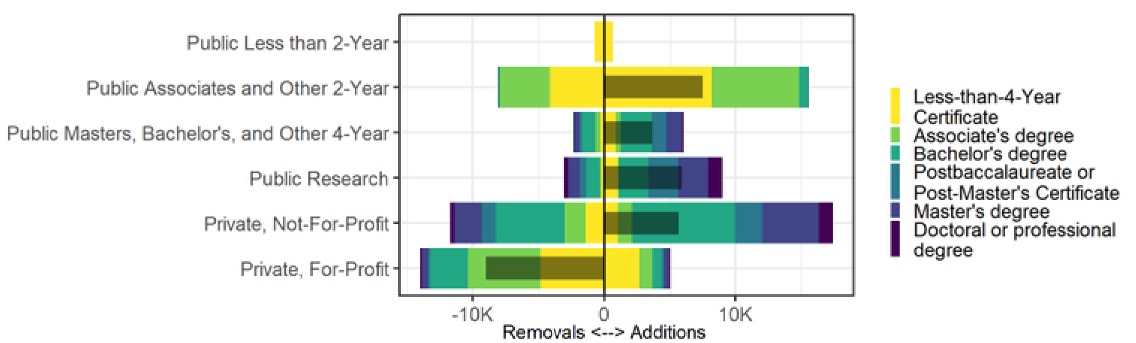
Source: IPEDS. Note: Dark bars represent net program change.

[13] Data shown in these charts covers a period when CIP codes were consistently defined, which helps avoid spurious results that suggest the creation of a new program that actually just reflects a change in the code. Such instances are still captured in the data when an institution determines that an existing program should be categorized under a different code. Thus, these charts almost certainly overestimate the number of new programs created, but given the magnitude they are likely to be directionally accurate.

Research suggests that distressingly few programs launched actually develop into sustainable offerings over the long term.[14] This is despite the substantial upfront investments required for program development, as well as the longer-term implications of committing resources to new faculty lines, equipment, or other expenses.

Furthermore, some new programs are sure to create opportunities for conflict among institutions. State agencies that are expected to monitor the boundaries between missions, especially with respect to avoiding unnecessary duplication in programs, are caught in the middle. Their authority to address this effectively is becoming especially challenging, both in interpreting what constitutes unnecessary duplication and in enforcing it. These issues may be most acute regarding the creation of sub-baccalaureate certificates (as well as non-credit programming and dual enrollment) at four-year institutions and the proliferation of graduate programs at public comprehensive universities (Figure 8), but there are also instances that raise questions about what limits public research universities should be subjected to when it comes to program development.

Figure 8: Program Additions and Removals by Sector and Level, 2014-2019



Source: IPEDS. Note: Dark bars represent net program change.

As with mission approval, it is common for states to maintain authority for program review and approval. The degree to which the mechanisms states have established to carry out this function are highly varied. However, a major reason for their existence is to reduce "unnecessary duplication" among institutions. At one end of the spectrum, some states apply a rigorous, highly defined process to program review, while at the other end, states rely on voluntary bodies that meet to discuss new program proposals. A minority of states

[14] Burning Glass Technologies (2020). Bad Bets: The High Cost of Failing Programs in Higher Education. Retrieved June 14, 2026 from https://4906807.fs1.hubspotusercontent-na1.net/hubfs/4906807/BGT-reports/BGT_BADBETS.pdf.

subject both private and public institutions to the jurisdiction of state-managed program approval processes.

Until recently, states generally have applied a light hand in denying program proposals. There are many reasons for this, including the difficulty of defining unnecessary duplication. Just as significant a barrier is that any time the relevant agency declines to endorse a new program that an institution has spent considerable resources developing in response to what it maintains is critical to its service area, it risks being labeled a bureaucratic barrier to innovation. In the past few years, however, legislative intervention in several states has jolted the processes of program review and approval. Mandates in legislation (as in Indiana and Utah) have required state governing and coordinating boards to identify programs for closure based on the number of degrees produced, workforce alignment, and return-on-investment, or some combination. So far, these requirements have focused on cutting underperforming programs and have not explicitly directed states to alter program approval processes (though the implications for new programs are obvious). Nor has legislation directly required a top-to-bottom review of institutional missions. The closest state legislatures have come to doing so has been in the creation of commissions or task forces to study higher education’s performance or to create statewide strategic plans for postsecondary education. In any case, the aggregation of individual decisions about programs produces a reshaping of important features of institutional missions, but the result is not the same thing as taking a strategic view of how the state’s assets can best be leveraged and combined to address identified, geographically specific needs.

Implications

While this paper contends that states have exercised their authority to approve missions and to review and approve programs with great restraint, the result is that important distinctions between institutions are becoming blurred in an increasingly competitive environment. Yet mission approval and program review and approval are not the only policy tools at states’ disposal to differentiate the roles of their public institutions. Use of these other tools, which include performance funding, financial aid program design, statewide admissions policies, and transfer policies, varies across states. Historic and cultural contexts also play a critical role. For example, some states take pride in being home to elite, highly selective public institutions. Others consciously take the opposite approach and trumpet how widely accessible their own public flagship institutions are.

As higher education ventures deeper into this era of intensified competition, and as the evidence mounts that enrollments are consolidating at public research universities, there are important strategic questions that states cannot treat with the same detached attitude they could afford to during the recent period of sustained growth. The institutions that tend to serve the populations for whom college attendance and success are least assured face magnified disadvantages and possibly even existential challenges without state intervention in the higher education marketplace.

Although it may seem obvious, the first step states can take is to recognize the obligation they have as owners of each of their public institutions and to care for them as public assets. This requires states to take an active role in determining how to make the most effective use of each individual institution to meet state and regional needs. This may include divestment in extreme cases. But politics and demonstrable local needs for educational access, workforce and economic development, and community vitality are realities that states cannot ignore, even when a straightforward business case can be made for the closure of an institution. Instead, ownership of a public asset like a postsecondary institution requires the state to build clarity about the varied roles that its institutions play, followed by the adoption of policies that reinforce those roles.

The assignment of roles can best be done by states that have developed a clear profile of the kinds of students being served by each institution in terms of geography, income, race/ethnicity, age, first-generation status, and academic preparation. With those audiences clarified, states can pull up a level and identify gaps in service—are there populations or locations that are unaddressed or that cannot access particular programs?—and determine which institutions are best positioned to address those gaps. In seeking to close those gaps, states will be deliberately putting students', regional, and state needs at the center of a policy that leverages all of their assets, often in combination. In the process, states may find it necessary to become creative in directing or otherwise encouraging one or more institutions to work in new ways that reshape their respective missions or the underlying business model. Additionally, states will also need to assess the vulnerability of each set of students to service disruptions (also known as loss of educational opportunity) caused by the relative weakness of any given institution, and both plan for how to resolve such issues and also, more proactively, to support those that are best equipped to meet the needs of specific populations. All of this begins with a state taking a more proactive stance in deploying its assets, rather than simply accepting the drift toward precarity for some public institutions and the populations they serve.