Colleges must address shortfalls creatively

By Leo I. Higdon, Jr.

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As state revenues dry up even more, public colleges are facing a crisis. Even when the economy improves, more cuts to public higher education may occur, and reductions already implemented might not be recovered.

At the same time there are still thousands of additional students attending college due to a boom in the college-age population, estimated to increase 13 percent by 2010. And although there have been measures to deal with this, such as mid-year tuition hikes and removal of enrollment caps to handle the influx of students, the bottom line is the same: There is not enough money to support public higher education.

In a 1999 report published by the Center for Public Policy in Higher Education, analyst Harold Hovey predicted this crisis: Paying for other important public services such as K-12 education, roads, prisons and police would not only strip money away from colleges, but force states to curtail even current levels of service.
Colleges have always responded to past budget shortfalls by reducing costs, replacing full-time faculty with adjuncts, increasing class size and raising tuition. Then, if that failed to do the trick, they escalated to cutting programs and people.

But these measures can be counterproductive to the purpose of higher education, especially in light of today's knowledge economy. More than ever, we need an educated workforce to deal with increasingly complex business and social problems, and right now 80 percent of that workforce is educated in public institutions.
So this time, the way in which colleges are funded must undergo reform. The universities themselves and the legislatures must share the onus to ensure that both this and future generations receive the best education possible.

The universities can lead by focusing on the institution's mission and the core academic programs necessary to support it. Any programs extraneous to that mission should be re-evaluated for possible elimination or curtailment; so, in some cases, this means moving away from the "academic supermarket" mentality of the 1990s.

This also means asking tough questions: Is a program within our mission, key to our future, and, if so, is it affordable? Is it a duplication of an existing program at another institution? Truthful answers may mean that the university's aspirations need to be tamed.

Financially, too, universities must ask the tough questions: Where will they be in five or 10 years? How can they plan for prosperity as well as the lean times? How much in reserves do they require to weather the downturns?
Fund-raising must take on more importance as well, and partnerships with alumni and the private sector must be increased. Above all, universities must communicate to the legislatures how their particular mission as distinct institutions affects the education and economic goals of the state.

The states, on the other hand, can begin by having a dialogue about the distinctive role of each of their universities, and then tailor accountability measures based on these missions. Also, states must demand administrative efficiency from their public institutions. A conversation must take place to remove duplication among programs, eliminate bureaucracy wherever possible in reporting and compliance procedures, and provide regulatory relief.

States can further give universities greater tuition flexibility while eliminating unfunded mandates for increased enrollments. For example, the Virginia House of Delegates recently proposed a 9-percent tuition ceiling for in-state undergraduates. Yet state funding for public colleges in Virginia is down more than 22 percent since 2001.

Flexibility in tuition needs to be viewed differently, if not based more on market, then at least in a way that would raise funds in stable times to create a financial cushion in a downturn. For example, the State University of New York was unable to raise tuition during financially sound times in the '90s. Now that it is facing a severe downturn, however, the tuition increase has had to be much higher ($1,400) to absorb the shock after tuition restrictions were lifted.

Since the budget crisis is shared by all of us, the obligation to keep K-16 education on the agenda is shared by all of us as well. And because this problem is not going away, we are in critical need of a dialogue between the states and universities that will set the stage for true reform. Getting through will require creative solutions and nontraditional thinking, but aren't those the very skills we want to instill so that our children continue to prosper?

Leo I. Higdon, Jr., wrote this article while president of the College of Charleston from 2001-2006.