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Our Universities: Declining State Resources

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Our Universities: Declining State Resources

First in a series on state funding for higher education

A fear held by many is that decreasing state support will lead effectively to privatizing state universities. And while a few million dollars is a pittance to a large research university, the \$9 million granted to Baylor by the Texas legislature is evidently appreciated.

We are deeply grateful to the Governor and the Texas legislature. We are especially thankful for our Baylor alumni who serve in the Texas Legislature and who fought on behalf of our students to ensure that the TEG (Texas Equalization Grant) program was not compromised.

Ken Starr, President, Baylor University, July 6, 2011

On August 23, 2011, Alex Friedrich, of Minnesota Public Radio, chronicled a list that he titled *10 Consequences of State Cuts to Public Higher Education*.

Some of his observations are on target. It is inarguable that the billions of dollars in reduced funding at the state and national level takes many forms, and impacts universities and students in dramatic ways. Cuts approach 25% in some states, and, in the instance of Vermont, are reportedly as high as 48% at some institutions. The flat or slightly increasing commitments from a few state houses seem lavish. The nationwide trend is clear: Students are paying more and getting less of what they pay for.

Among the impacts that reduced state funding has had, Friedrich cites a number of current trends.

Tuition increases are occurring to offset reduction in state funds.

Less financial aid is available in many states that have experienced significant reductions in state appropriations. Need-based grants have been reduced by half. In Illinois the tax-payer funded \$400 million Monetary Assistance Program was split like this: 47% followed students to private and for-profit universities, 13.9% to community colleges and public universities drew the left over 37% in 2010.

Are we privatizing publics, or publicizing privates?

Out-of-state students are being heavily recruited to attend state universities because of the premium tuition rates they pay.

Many top students are giving up on public universities altogether. The declining value proposition of state schools is driving them to private institutions, particularly from public schools where standards have suffered for the sake of increasing head count.

In some states, students are paying premium tuition rates for any courses that exceed degree requirements. This is meant to encourage students to finish their degrees and clear the way for other students, but it leads to students having limited exposure to

subject areas that could provide them with the unique perspective needed to become truly innovative members of their chosen field.

Traditional ratios of tenured faculty to adjunct faculty are changing with a greater percentage of classroom instructors coming from the adjunct ranks.

Non-state sources of funding, contract research and service work, auxiliary and gift dollars are making up an ever-increasing portion of the budgets at state universities.

According to Friedrich's report, Mark Yudof, University of California Chancellor, claims that states are becoming "unreliable partners," because there are no rewards for the entrepreneurship that brings in funding from new sources. Innovation is discouraged if statehouses reduce state support as a consequence of a successful fundraising initiative.

There is a sense that, as government funding from all sources decreases, public universities are becoming effectively private, directing energy towards resource generation instead of teaching and scholarship.

Graduation rates and degree production rates are falling, and the scarcity of state resources is blamed for that.

In assessments of our universities, many costs are neglected completely or overlooked. For example, at some state institutions the costs of providing health insurance and fringe benefits to employees are not recognized as part of the tab providing educational opportunity to students. This is unfortunate.

A useful exercise might be a careful assessment of the increasing costs of day care over the past forty years compared to university costs. We might see alarming parallels between the two as reported recently in a study by the National Association of Child Care Resource & Referral Agencies. The study claims the cost of one year of college is exceeded by the cost of one year of infant day care in 36 states, and the District of Columbia.

Imagine the economic impact of tenured faculty members changing diapers and cleaning up poop, on top of teaching reading, writing and arithmetic to the academically untrained, unprepared, or unmotivated.

In reviewing these and other issues related to reduced state funding in coming weeks, the goal is to make transparent the real costs of higher education, as well as the real value, and how each has or has not changed in the past forty years.