

Funding Higher Education: The Search for Possibilities

*Working papers on ways we can ensure the people of the U.S.
have access to good quality higher education.*

INTRODUCTION

Over the last 15 years or so, quality public higher education has become much less accessible and affordable for most Americans. The way it used to work was simple—taxpayers funded public colleges and universities sufficiently so that students who were prepared to work a few hours a week could complete their degrees in a relatively short time with a minimum amount of debt. For those with even greater need, government provided state grants and Pell grants.

This system worked well for decades and opened the door to opportunity for millions of Americans, including an increasing number of students of color.

Now, we are told we can no longer afford this. Leaders and policy-makers are giving up the dream of affordable public higher education for Americans. The door into the middle class is slamming shut and the position of middle-class Americans and their children is shaky, at best.

Perhaps most dramatic indicator of this change is the steep decline in public investments in public higher education across the country. Between 2006 and 2007 the rate of public investment dropped by 12.5%. In place of public financing, we are substituting sharp increases in tuition that disproportionately affect those least able to pay. For example, between 2006 and 2011 tuition increased by 98% in California, 67% in Washington, 44% in Illinois and 101% in Arizona. These hikes hurt the opportunities for poor and middle class students and have an especially harmful impact on students of color.

It is within this context that corporate reformers are calling for privatization, higher tuition, and even shuttering traditional colleges for middle-class and working Americans.

Instead of tested and successful state colleges and universities, the solution will be some form of online certification in which students may never see a faculty member or meet one another to network and grow as people, intellectually and professionally.

In the meantime, enormous debt will shackle millions for the rest of their lives, threatening our national economy on a scale equal to the home loan debacle.

Saddest of all, few who are calling for this brave new world of higher education are considering a lesser education for their own children. Harvard, Stanford, Yale, and many flagship public universities will remain in place for elites to enjoy. Rather, this lesser education will be reserved for those who cannot afford an increasingly rationed liberal arts curriculum. Among those most severely affected will be students from historically disadvantaged backgrounds. This represents a step in the wrong direction.

IDEAS TO OPEN UP OUR NEW POSSIBILITIES

As a nation, we have arrived at our current position for a variety of reasons. One is surely a failure of imagination, a set of assumptions that profoundly limits our ability to think about possibilities.

These three working papers released by the Campaign for the Future of Higher Education aim at stimulating a more thoughtful, fact-based, national conversation about paying for higher education in this country.

CFHE takes no position on any particular possibility outlined in these papers; and we do not pretend to have exhausted all possibilities with these papers. But we firmly believe that until we as a nation entertain options other than privatization of public higher education, which has reaped gigantic profits for edu-businesses but massive debt and dashed dreams for millions of Americans, we will not solve the problem.

We must provide the advanced education needed to sustain our economy, to ensure equal access for the most disadvantaged among us, and to undergird our democracy. America is not broke, and these creative ideas show that we can afford to keep the doors of opportunity wide open. Indeed, we cannot afford to shut them.

Two of the papers in this series address the common assumption that funding higher education through public means rather than through skyrocketing tuition is simply impossible. One explores the notion of free higher education and examines what the actual cost to provide such an ideal would be. The other, using the state of California as a test case, looks at the real magnitude of returning to recent, more adequate levels of state funding for higher education.

The third paper explores a currently unused tax revenue source that could be tapped if there were the political will to provide adequate public funding for higher education.

These working papers are meant to encourage discussion and foster debate. We invite you to add your thoughts about these models and your ideas about others through the comment section of the CFHE website. The papers can be found at www.futureofhighered.org/workingpapers.

CONCLUSION

While CFHE takes no position on these proposals, we do believe that the current trend of publicly defunding higher education is an educational crisis that needs our attention.

If as a nation we want to continue growing our economy and sharing broadly in the fruits of that growth, we must rethink our financing of public higher education. A renewed commitment to public financing of higher education is more than an economic necessity: it is essential for the development of an informed citizenry and a robust democracy.

Therefore, much is at stake. We urgently need a national conversation about 1) whether we want to head in the direction that “new normal” politics is taking us, and 2) what better ideas can help us do the best possible job as we address changes in our society and our nation.

And yes, the need is immediate and urgent. Consider this report published in the February 2012 issue of *Postsecondary Education Opportunity*, ominously titled “The Race to Zero.” This report takes historical data on state spending and projects future state expenditures for higher education based on that data.

The study finds that if current trends in funding public higher education continue, in 2022 Colorado will be the first state to hit zero funding for higher education. Alaska will follow in 2027. More than a dozen other states will hit zero by 2050. California will reach zero funding for public higher education in 2052. By 2100, state support for higher education will zero out in 24 other states, leaving roughly 10 states with continued support.

The “new normal” myth driving this trend is based on the lie that there is no money to fund public higher education and the misguided notion that students should be responsible for their own education because they benefit the most from it.

In reality, everyone benefits from an educated population and America has prospered more when excellent public higher education was affordable. These papers, we hope, will start a discussion about alternative models to fund higher education in our nation.