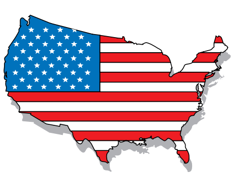
MARCH 2009

THE NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION

The Challenge to States: Preserving College Access and Affordability in a Time of Crisis

IN THIS TIME of economic distress and difficult fiscal choices, states and their colleges and universities must preserve undergraduate access and affordability. Recession cannot once again become the rationale for reducing opportunity and increasing the financial burden on students and families.



The world has changed in ways that render the traditional patterns of response to economic downturns—reducing college access and affordability—counterproductive to the economic well-being of the states and the nation. With rising unemployment, the need and demand for higher education will only increase as displaced workers seek new skills. When the nation and the world emerge from this recession, the competitive knowledge-based global economy will continue to demand more college-educated workers. As 78 million baby boomers—the largest and best-educated generation in the nation's history—prepare for retirement, those who will replace them in the workforce must equal and exceed their levels of education and skills. Yet large proportions of our young and growing populations face major hurdles in getting to and through college.

Even before this recession, the nation and most states were struggling in their commitment to expand opportunities to enroll in and complete higher education, and college affordability had deteriorated substantially for most students and families. Tuition escalated as family income flattened, and costs and prices increased significantly, sparking concern among policymakers and the public. The American people, according to recent public opinion research, believe that college access is declining; that maintaining college opportunity and affordability is a crucial issue; and that colleges and universities will drive up tuition and spending rather than look to better ways to spend the money they have.

In this environment, states and their colleges and universities will only exacerbate existing problems of access, affordability, equity, and economic competitiveness if they follow past patterns of responding to revenue shortfalls by shifting the financial burden to students and their families, and by shutting out undergraduate students. Even when economic growth returns, states will still face structural budget deficits. The long-term educational and economic needs of the states and the nation demand that this "business as usual" approach of shifting costs to students not be continued.

The recently passed American Recovery and Reinvestment Act of 2009 represents both an opportunity and a challenge for states to set priorities. A substantial portion of these one-time federal funds can be used to reposition higher education strategically to protect access and quality and to stimulate the increased cost effectiveness and degree productivity required to meet future needs for higher education. If these resources are used only to sustain the status quo rather than to leverage and seed improvements, core problems—educational and financial—will only be deferred.

Policymakers, governing boards, and campus and system leaders must approach the difficult decisions that lie ahead with a commitment to basic principles and deliberate actions that honor those principles.

Principles

- Establish undergraduate access and affordability as the highest priority for state higher education policy and support.
- Protect access. All eligible students seeking to enroll at two- and four-year public institutions should be accommodated by institutions that can meet their needs.
- Preserve the educational safety net by prioritizing enrollment capacity and affordable tuition at broad access institutions serving students from low- and

middle-income families.

■ Expect measurable productivity increases in education, both immediate and long-term, at all institutions. Do not micromanage the process, but insist on accountability for resource use and performance from governing boards and institutional leaders.

■ Use one-time revenues, including federal stimulus funds, to protect access and affordability and to leverage improvements in productivity, efficiency, and quality. Avoid using one-time revenues in ways that defer productivity improvements or create long-term dependencies that may exacerbate future financial problems.

Recommendations

Capacity

■ Admit all eligible students to higher education institutions, using pre-recession admission criteria.

■ Require colleges and universities to collaborate and share resources to assure that all eligible students are served somewhere in the system.

■ Prohibit practices that discourage college participation by at-risk students, such as changing application deadlines to limit the number of applicants.

■ Guarantee all qualified community college transfer students admission to a four-year institution.

■ Ensure that admitting qualified in-state students to public colleges and universities takes precedence over increasing out-of-state enrollment to generate additional revenues.

Finance

■ Do not reduce higher education funding disproportionately to funding reductions for other state services.

■ Ensure that any higher education funding cuts do not disproportionately harm institutions with a broad access mission, particularly if they are asked to enroll a larger percentage of students.

■ Avoid substantial increases in tuition to replace lost state revenue, and link tuition and fee-setting to family income levels in the state and to the availability of need-based aid, not to tuition levels of peer institutions and states.

■ Increase or maintain funding for state need-based financial aid programs, even if this means reallocating funds from colleges and universities or merit aid programs. Do not place the burden of expanding aid on students through tuition increases.

■ Ensure that students apply for and receive all federal grant aid to which they are entitled, but do not use increases in federal aid as a rationale for raising tuition.

Productivity

■ Develop measurable expectations for productivity increases by all institutions, and strategies for reinvesting the resulting savings in efforts to maintain and expand undergraduate access and affordability, particularly for low- and middle-income students. Institutions can meet productivity expectations by such measures as:

- Increasing teaching loads for full-time faculty;
- Freezing or reducing graduate and professional enrollments;
- Streamlining administrative functions;
- Incorporating technology into instruction; and
- Closing low-demand, high-cost programs that are not distinguished and cannot be justified by economic or labor market needs.
- Require institutions and systems to begin or continue reporting data on the performance of all undergraduate, graduate, and professional programs (costs, enrollments, degree attainment levels, and completion and attrition rates), and develop plans to increase the productivity of or suspend support for low-performing programs that are not strategically required for the future.
- Reduce student demands on the system by expanding dual enrollment and other accelerated learning options, assuring course availability for on-time completion, and by limiting credit requirements for degree programs and accumulation of excess credits.
- Review state policies and regulations in areas such as procurement, human resources, and information technology, revamping or eliminating policies and procedures when cost exceeds benefit.

Conclusion

The issues of how America will finance higher education in the 21st century will require a new framework and consensus among taxpayers, public officials, state and federal government, and students and families. But in the immediate crisis, the leadership of governors, legislatures, and governing boards is critical. They must devise and implement strategies to preserve college opportunity while stimulating innovations to prepare for a future that will require enhanced access, quality, cost-effectiveness, and productivity.

Participants

***On February 21, 2009**, the National Center for Public Policy and Higher Education assembled a small group of policy experts to address the most critical issues confronting state higher education policymakers in the current economic downturn. The participants in the meeting have continued to guide the development of this statement. However, "The Challenge to States: Preserving College Access and Affordability in a Time of Crisis" is the responsibility of the National Center.*

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See our website, www.highereducation.org, for copies of this statement and two other recent National Center reports — one offering suggestions to state officials on the best uses of federal stimulus money, the other tracing the erosion of the California Master Plan for Higher Education.