



# Essays in Perspective

A Crisis in Higher Education  
in America

by Dr. Harry C. Stille

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The Institute for Effective Governance is a nonpartisan membership and service organization founded by college and university trustees—for trustees. It is devoted to enhancing boards' effectiveness and helping trustees fulfill their fiduciary responsibilities fully and effectively. IEG offers services tailored to the specific needs of individual boards, and focuses on academic quality, academic freedom, and accountability.

## INTRODUCTION

The College Board reports that average tuition and fees, in constant dollars, have climbed about 175 percent since 1980. In the last decade alone, average tuition and fees have grown by 47 percent and median income for those families most likely to have college-age children has grown only a fraction of those amounts during the same time periods.

According to Robert C. Dickeson, senior vice president for policy at Lumina Foundation and author of a recent report entitled *Collision Course*, “a combination of forces has created the problem: an increased demand for postsecondary education, diminished capacity at some of our nation’s higher education institutions, state budget shortfalls and increased calls for accountability.” “The college cost issue is complex, with no single cause and no single solution,” says Dickeson. “Solutions will require shared responsibility among all stakeholders: secondary and postsecondary institutions, state and federal governments, the private sector, and students and families.”

In response to Lumina’s recent report—and its call for solutions—Dr. Harry Stille offers some reasons for and solutions to the unbridled growth in higher education spending today. In this essay, he brings the perspective of former legislator and college professor to the growing cost issue.

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Through its quarterly *Essay in Perspective*, the Institute for Effective Governance seeks to stimulate discussion of key issues in higher education. The opinions expressed are those of their authors.

# A Crisis in Higher Education in America

By Dr. Harry C. Stille

With tuition increases reported at nearly every institution nationwide, the public cries out for explanations. “Does it have to cost so much?” “Are we really getting our money’s worth?” In most cases the answer is NO. Too often, colleges and universities tragically overlook beneficial ways of limiting spiraling costs and improving the efficiency and quality of their institutions. In failing to do so, they hinder their ability to meet the states’ higher education mission and the needs of students, parents, and the taxpaying public.

If the students and taxpayers are not getting their money’s worth, then why are these questions and problems not being addressed? The answer is plain and simple—it is not in the best interest of the higher education bureaucracy. College and university campuses are like medieval fiefdoms, minus the moats. They are self-contained and self-directed. They rarely answer to the public; however, they constantly ask the public for money through state budget allocations, student tuition revenue, and financial aid funds.

In addition, many associations or groups defend

the higher education status quo. These “cheerleader” organizations merchandise, promote and encourage the need for more funding. They rarely wish to inform the public of their dismal institutional results. When they defend what goes on within the system, they defend—and fund—themselves.

How do we effect change in institutions of higher learning? This essay offers several recommendations: 1) adhering to a state mission for higher education; 2) demanding more selective academic standards for freshman and transfer students in admissions; 3) controlling unbridled growth and unfocused policies allowed by the Boards of Trustees; 4) ensuring the effective use of the faculty; 5) ensuring academically sound courses in the core curriculum; 6) controlling duplication of programs in the system; and 7) controlling athletic costs and programs. By addressing these issues, a state can make real strides toward ensuring greater efficiency on behalf of students, parents, and taxpayers. This will also create a focus on the fulfillment of institutional goals within the overall vision for higher education in the state.

## **Adhering to a State Mission for Higher Education**

Every state should have a mission statement for its institutions of higher education focused on public welfare and public accountability. This mission would direct the various institutions to set specific goals in the context of statewide needs. In the absence of such a statement, institutions, through their boards of trustees, too frequently focus on parochial goals without consideration for the welfare of the state.

A state higher education mission should set standards for each sector of institutions—the research, comprehensive, two-year community colleges and/or technical education colleges, private non-profit and for-profit institutions—reflecting their value to the states’ educational goals and aspirations. This mission should establish feasibility and affordability of programs and degree offerings. Certain institutions can easily meet the needs of a particular program because of location or size while others can enhance special programs because of faculty promise or expertise.

Private institutions, whose students receive state assistance grant funds, should be included and be obligated to show some form of accountability for the funds they receive as well.

## **Implementing Selective Academic Admission Standards**

Proponents of higher education remind us all the time that the U.S. higher education system is the best in the world, while K-12 is in serious need of overhaul. How can the former be true if so many of our four-year higher education institutions receive poorly prepared students? In a recent study by American College Testing, data shows only 22 percent of 1.2 million high school students tested in

2003-04 were ready for college-level courses in all three areas of English, Mathematics and Science.<sup>1</sup> About 50 percent of students tested were prepared in two of the three areas. Poorly prepared students make up about 12 to 15 percent of freshmen at most institutions with a higher ratio of poorly prepared at the comprehensive/teaching institutions than at research institutions. The report found that the U.S. has made little progress in the past ten years.

Despite these sorry results, the prevailing thought is “bigger is better.” More students translate into more faculty, staff and facilities. Indeed, since the end of World War II and the influx of former service members under the GI Bill, institutions of higher education have experienced unchecked growth with little oversight. In their book *Faulty Towers*, Ryan C. Amacher and Roger E. Meiners<sup>2</sup> show how administrators have, for years, ignored rising costs and spending in order to avoid internal fights inevitably precipitated by any effort to change the status quo. Internal control has been ineffective, making legislative oversight inevitable.

Quality performance of undergraduate students should be a major focus of all institutions of higher education. Notwithstanding, it is the *number* of full-time and part-time students that drives the higher education system, not the *quality* of the student. Undergraduates provide a funding mechanism for graduate students, faculty, staff, and research expenses by generating funds through tuition and fees. The longer a student stays on campus, the more money the institution receives. Consequently, the institutions pay relatively little attention to student performance so long as the classroom seats are filled.

Not surprisingly, when we review *U.S. News and World Report* data, we find both selective public and private institutions have very high re-



tention and four-year graduation rates. Examples are: the University of Michigan, University of California-Berkeley, University of California-San Diego, University of Virginia, The College of William and Mary, Harvard University, Princeton University, Yale University, Massachusetts Institute of Technology and California Institute of Technology.<sup>3</sup> Dr. Alexander Astin and Leticia Osequera's at the Higher Education Research Institute clearly demonstrate that higher quality grades (GPA) and higher test scores for students entering college contribute significantly to their success in college.<sup>4</sup>

But, in the U.S., too many under-qualified students attend public four-year colleges and universities. Of the about 3.5 million first time freshman that attend the 492 public four-year institutions in the United States, four and six-year graduation rates respectively are about 26 percent and 49 percent. Another two to five percent will transfer and graduate elsewhere after six years. These data show about 40 percent likely will not graduate at all. If current trends continue, nearly 1.4 million of the 3.5 million students will not graduate. That translates into a cost of about \$10 billion each year to the states combined for these non-graduating students. Seventy-five percent of all non-graduating four-year students are in the state comprehensive colleges and universities. These poorly prepared students increase the cost of administration, faculty, staff, facilities, and student services. Increasing academic admission standards would screen out students before the state and the student incur substantial costs.

Is there a place in higher education for students who cannot meet four-year college standards? The answer is an emphatic YES! Many of these students would benefit by attending a community or a technical college at considerable savings to students,

parents, and taxpayers. At the two-year college, some would acquire skills to address their academic weaknesses and enable transfer to and completion of a four year school. Others could obtain expertise needed to fill the growing number of highly skilled jobs across the nation. In too many states, economic development is hampered because a sufficient number of technically skilled and trained people are not available to meet the employment demand. Thus, ensuring the vitality of the technical education system and promoting its use can be of critical importance to the economic welfare of the state. Based on experience, policymakers might conclude that the state's higher education goals would be better served by more two-year institutions and fewer four-year institutions.

### **Ensuring the Effective Use of the Faculty**

Unbridled growth has created a bloated system requiring additional faculty, staff and facilities. It seems that faculties and administrations have become ends unto themselves. Before any funding is given, the public and legislatures need to ask: "What is the true mission of an institution of higher education? Is it research or is it to provide an education for undergraduates?" Whatever the answer, should this not be the determining factor in any funding decisions for higher education?

While only about 30 percent of institutions are classified as research universities, these schools typically receive significant state support because of their perceived value to the state's economic welfare. Economist Dr. Richard Vedder, in his book *Going Broke by Degree*<sup>5</sup>, however, debunks this perception, citing data to support his position.

Yes, good quality research at the university level has value to the state. But equally important is the quality of teaching and efficient use of resources.

Inefficiency results in higher than necessary costs to the institution and to the students. What makes this problem difficult to explore is the manner in which faculty teaching loads and performance are reported. The data may be distorted because it includes full-time faculty, part-time faculty, graduate and teaching assistants. Combining these instructional groups into the same data pool makes it very difficult to disaggregate the groups and determine the actual teaching load. Reporting data by specific groups would create a truer picture of who is teaching and exactly how much time is devoted to teaching.

It is more than likely that such data will reveal that longtime tenured faculties teach fewer classes per semester than non-tenured track and part-time faculty. While it seems obvious that an institution would want its students to receive instruction from the most qualified faculty, data suggest that it is those faculty who spend little time teaching. Demanding more substantial teaching loads of all faculties would diminish the need for the multitudes of part-time faculty and teaching assistants found on the payrolls of four-year institutions.

In addition, legislatures might consider separately funding graduate education and research, rather than relying on undergraduate student tuition and fees to subsidize it. Research institutions could receive a separate allocation based upon the current ongoing research projects and prospective research and its value to the state. This would allow universities' research efforts and graduate education to be self-sustaining by putting the cost on the research faculty for research grants and graduate students for tuition. Doing this would lower the cost for the undergraduate student who subsidizes research now.

## **Unfocused Policies Caused by the Institution's Boards of Trustees**

Boards of trustees need to focus more clearly on their roles as stewards of the public interest. Too often trustees see their roles as institutional “boosters” and care little about how their institution fits into the state's overall educational needs. There is in turn much data to suggest that trustees don't do their homework—failing to solicit additional material or data concerning the institution prior to meetings, or, for that matter, to review material closely. Usually, the only information they are aware of is what the administration provides prior to meetings. Executive committees meet in advance and set the agenda. No one wants to upset the apple cart. The status quo is fine and the administration is satisfied.

## **Ensuring Academically Sound Courses in the Core Curriculum**

Meanwhile, there is ample evidence that boards ignore the core focus of the academic enterprise—namely what students are learning. From all indications, in recent years, the core curriculum has been diluted by allowing students to satisfy its requirements by studying any number of narrow and often trendy subjects; in some cases, the core requirements have been reduced to accommodate more course work in the student's major area of concentration.

Traditionally, the general education curriculum has been the foundation of a rigorous liberal arts education, introducing college learners to fundamental areas of knowledge and enhancing their thinking and analytical skills. But now there are numerous studies showing that pretty much anything goes. *The Hollow Core*, a study by the American Council of Trustees and Alumni (ACTA), shows that

the core curriculum has been supplanted by hundreds of frivolous courses trying to meet individual faculty or departmental wishes.

At the same time, there is troubling evidence of pervasive grade inflation. Grade awards of A and B have gone from about 45 to 50 percent of all awards to 65 to 75 percent of grade awards on average. Grade awards of C have declined from 30 to 35 percent of grade awards to 16 to 20 percent of grade awards on average today. And since grade inflation is not in fact uniform, it may be subtly encouraging a student shift away from the more difficult fields (math and science) towards those fields with easier grading (the humanities and social sciences). The problem of grade inflation thus has a direct bearing on the supply of students with higher math and science skills—a serious national need acknowledged by the U.S. Congress.

### **Controlling Duplication of Programs in the System**

Many state institutions duplicate subject majors. It would be in the state's best interest to consolidate where possible and to examine whether it makes fiscal sense to continue courses with few students and large number of faculty. Under-enrollments add to the cost of operations, but few institution's boards or administrations want to tackle this assignment and ruffle the established faculty. If institutions can offer a concentration of faculty and students in certain fields, there may be tangible benefits such as comprehensive coverage of the discipline and more extensive departmental research. Meanwhile, it is possible for institutions to satisfy student's desire for other subjects by entering into arrangements with other public and private institutions which offer the course work needed.

### **Controlling Athletic Costs and Programs**

Another area of growing cost is athletic programs. Institutions have been motivated by a desire to keep up with the Jones' as one athletic program copies another. It seems to be a race to oblivion.

Student populations are clearly unaware of the burden of athletic costs to them. At least 95 percent of all (public/private) institutions operate their athletic programs through tuition and fee costs. In these institutions, very little income is derived through gate receipts, athletic fund raising, or athletic endowments. Instead, athletic scholarships, coaches' salaries, equipment, facilities, etc. are borne for the most part by the cost to students.

Only a few (maybe 20 or less) of the flagship research institutions can operate all their athletic programs in the black. And Dr. Murray Sperber in his book *Beer and Circus*<sup>6</sup> cites many abuses in athletics that have an adverse effect on campus academic life and go uncorrected because of cover-ups by coaches, administrators and boards. This is all in the name of loyalty to the alma mater.

### **Conclusion**

The cost of attending college has dramatically increased in the past few years. This increase has been greater by percentage in the public institutions than in the privates because of the downturn in the economy and reduced state funding for these public institutions.

This reduced funding should have been an ideal time for the state and institutions to do some self-evaluation in higher education to find areas of efficiency and inefficiency. However, this did not happen. What really happened was a reliance on student tuition and fee income to supplant and supplement the loss of state revenue.



The cheerleaders of higher education continue to promote the theory that more students need access to the four-year system since these students bring in the money. With admissions standards low, institutions admit many academically unprepared students who will have a poor chance of graduating in a reasonable time. It is numbers, not quality.

It's therefore no surprise that the taxpayer must then bear the cost of large numbers of poorly prepared students who are enrolled, but fail to be progress and graduate. The vast majority of these academically under qualified students become dropouts.

This process needs serious review, starting with a refocus on K-14, rather than K-16. Let weaker students flow from the K-12 secondary system to the community college/technical education system and complete all student remediation within the high school or the two-year institution. This would then leave the four-year system for those students who are academically prepared—either by high school or community college/technical education institutions. Weaker students enrolled in the two-year system who are not academically ready can find suitable employment opportunities in business or industry. Directing weaker students to community/technical schools will result in reduced costs in the four-year institutions as the number of faculty, staff and facilities declines.

Flagship universities should also receive separate state or private funding for research. First, this makes the research program and associated graduate programs stand on their own financially. Secondly, other state funding can then be directed to undergraduate teaching. It is time the undergraduate tuition and fees stop funding the research areas. This will take time to transition.

Quality of instruction with honest grading practices is essential for the higher education institution to meet its educational quality mission. A weak or easy grading system severely cheats the good student whose achievements go unrecognized as well as the poor student who is allowed to progress with minimal work and effort. We must challenge students to do their best.

What will all of these changes accomplish? Accountability in higher education would be the net result, saving the state, taxpayers, students and parents money while creating a system that offers educational quality and efficiency. Students and taxpayers getting their money's worth...it can be done. ■

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## END NOTES

1. American College Testing, Inc., *Crisis at the Core: Preparing All Students for College and Work* (American College Testing, Inc.: [Iowa City, Ia.], 2005), 3.
2. Ryan C. Amacher and Roger E. Meiners, *Faulty Towers: Tenure and the Structure of Higher Education* (Oakland, Calif.: Independent Institute, 2004).
3. "America's Best Colleges," *U.S. News and World Report* 139, no. 7 (29 Aug 2005).
4. Alexander Q. Astin and Leticia Osequera, *Degree Attainment Rates at American Colleges and Universities* (Los Angeles: Higher Education Research Institute, 2002).
5. Richard Vedder, *Going Broke by Degree: Why College Costs Too Much* (Washington: AEI Press, 2004).
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