

# The Growing Crisis in Public Higher Education

*Sylvia Manning, chancellor of the University of Illinois at Chicago, gave this address at the Illinois AAUP's 2004 Annual Meeting in Chicago.*

I was asked to speak on any topic of my choosing—so long as it was related to the conference theme of Contingent Faculty. What I would like to do is to set the topic of contingent faculty in a wider context, and then return to some of the consequences as I see them. In the process, it is probable that I will say some things that some people here will find offensive. But among my privileges as chancellor is to serve the campus on which Stanley Fish resides (and presides) as dean of the College of Liberal Arts and Sciences. I have learned much from Stanley, including to offend honestly and without rancor, and not to swerve from the logic of my position for fear of giving offense.

The wider topic is the entire issue of public higher education. Let me begin with some data from the January, 2004 issue of *Postsecondary Education Opportunity*, prepared by Thomas G. Mortenson at the Pell Institute for the Study of Opportunity in Higher Education. Mortenson and his associates charted the change in state tax fund appropriations per \$1000 of state personal income between fiscal years 1978 and 2004. In 49 states, that change is a decline, from one half of one percent in Kentucky to 67.5% in Colorado. The one exception is New Mexico, which shows a gain of a whopping 0.2%. When they tracked the change over only three years, between fiscal years 2001 and 2004, five states showed positive, from 1.1% in South Dakota to 29.5% in Nevada; the rest are negative, up to negative 36.9% in Massachusetts.

Based on these trends, they then calculated the dates by which, if circumstances don't change, the state tax appropriations to higher education will reach zero. There are different dates for different states, as one would expect, with the first being Alaska in 2019 and the average, so to speak, being 2053. Right now, the University of California is talking about cutting back enrollment, and in Colorado the legislature is thinking about zeroing out the state appropriation to higher education right now and replacing it with a voucher system—something that is actually looking good to many in the universities.

To indulge our natural provincialism, one might ask where Illinois stands in these numbers. In the decline in state tax fund appropriations per \$1000 of state personal income between fiscal years 1978 and 2004, Illinois ranks #18 (from least to greatest decline), at 28.2%. Between fiscal years 2001 and 2004, Illinois ranks #27, at 11.3%. We can expect to reach zero in 2093. By that time I will have been chancellor for 95 years, but I worry nonetheless.

I have two additional measures for Illinois that may be of interest to you. According to the Illinois Economic and Fiscal Commission, July 2003, in per capita state and local government expenditures for higher education in 2000, Illinois ranked 41<sup>st</sup>. Thus while the Mortenson analysis puts us about in the middle of the states, the EFC approach puts us far lower.

The other measure is simply to chart state tax appropriations to higher education in Illinois in constant dollars since FY1990. In that 14-year period, it can be argued that higher education funding about tracked the CPI. But if you look at it by sector, you see that funding for the retirement system increased 126% as the state attempted to address the deficit created by prior years' failure to fund the program; student assistance commission (ISAC) funding increased by 42%; while community college funding declined by almost 8% and public university funding declined by almost 12%. The latter represent the operating budgets of the institutions.

What we see here is a precipitous and, I would argue, not thought out, retreat from the fundamental commitment to public higher education that has been part of public policy in this country since the Morrill Act. A century of progress, gradual, fitful, but ultimately powerful, in being reversed. The Morrill Act, for all its recognition of the liberal arts, had its focus upon agriculture and the mechanical and industrial arts, later to be spoken of as engineering.

Our development of public higher education, education within reach of the children of farmers and laborers, followed the shift in the economic base of the country from agrarian to industrial while it

recognized as well the importance of higher education to a democratic citizenry. In the post-Sputnik era, our cold war fears drove a significant spike in spending on higher education.

Has anything changed to make higher education less important, less critical to the sustenance of democracy or simply to our economic well-being? Obviously not. Few would disagree with the proposition to the contrary, that higher education continues to grow more important, more critical, more fundamental to our prospects for comfort, let alone prosperity. Even those who see long-range good in that current object of media hype, the outsourcing of white-collar, service industries to countries like China and India, put their faith in the new, still knowledge-based jobs to come. But what if we lose not only our technological leadership, but our supply of workers educated or educable for those jobs?

We see this condition looming in the sciences, and likely to be exacerbated by the recent dramatic decline in graduate-school applications from foreign students, propelled by the difficulties of obtaining visas and the perception that the U.S. is no longer a friendly host. We simply do not have in the U.S. the high school graduates to lead to the college graduates who can run our laboratories. We also see universities, strapped for resources, raising fees for foreign students, to the point where they become less competitive for the ablest of those students. One may understand the argument that taxpayer resources should not subsidize the education of non-residents, but the brute fact is that we need their brain-power. At the same time that we are cutting back on our preparation of domestic students, political and financial circumstances are leading us to choke off the supply of foreign students.

Let me honor my humanist background by closing this segment of my argument with some reference to the non-economic and non-technological importance of a wider and better, not narrower and leaner, higher education for Americans. Democracy is always fragile, and ours is not at a particularly strong point. We are torn by ideological strife and by the inequities of our society, especially as those inequities parallel ethnic and racial difference. While higher education is no guarantor of mutual understanding, tolerance, or peaceful coexistence, it seems to go further towards those ends, in an irreversibly multicultural society, than anything else we know or have.

Certainly we have evidence that higher education has significant effect upon lifetime earnings, and earnings, in the United States, are the markers of class. There is in reality no such thing as equal opportunity without equal access to education, be that education technological, scientific, artistic, humanist, or professional. If access to higher education diminishes, class stratification increases.

Nothing I have said is original. These things are known, and known widely. Why, then, has the decline in state support for higher education happened, what are its likely consequences, and what ought we to do about it?

The recent recession has focused us upon issues of revenue. But from what I read, it seems that in the longer term the problem will not be revenue; it will be expense. Illinois, at present, is trapped in a vise created by a governor committed not to raise the state's flat, unprogressive, 3% personal income tax, yet faced with a multi-billion-dollar shortfall. For many of us, myself included, the middle-term solution is to raise taxes. The stinker is that whereas an increase in taxes—even the suggestion of an increase—will be felt immediately, it will take some years before the effects of the current cutbacks to higher education will be apparent. And legislators generally respond to the immediate effects.

But I'm not sure that a tax increase alone would do it in the longer term. State budgets are being pressed by rising health care costs, and as the population ages and lives longer, will be even more pressed. The federal budget will reel under social security unless major reforms are enacted, and pension plans at other levels may have similar problems. States don't have the money, health care costs grow and seem unavoidable, K-12 is sacrosanct (and should be): what's left, other than higher education? And higher education has, seemingly, another option: it can raise tuition.

And we have raised tuition, dramatically, across the country. Now I happen to be a firm believer in a high-tuition/high-aid approach. If the government cannot afford to provide a quality education at low price for all, then in order to sustain quality those who can afford it should pay more, and those who cannot should not. The way to get to that condition is to set a high tuition price and then discount based on need (and need only, not so-called merit). To some extent, therefore, I am an advocate of raising tuition prices—so long as financial aid is raised commensurately. So far, we have done that at the University of Illinois. It is not clear that we can continue to do that much more, if only because at some point we reach the limit in the top price. And even so, we have only partly offset the state cuts.

So what happens then? One of two things, or some uneasy mixture of both. One, the public universities price themselves out of reach of the lower-income students, failing to provide adequate financial aid to offset the higher prices. Alternatively, the public universities keep their tuition down and allow the quality

of the education they offer to decline. Either way, what then evolves is a two-tiered system of higher education, one for the well-to-do and a lesser, poorer one for the not-well-to-do—and for some of the latter, none.

Some will argue that the solution is for public universities to become more efficient, to eliminate waste, cut down bureaucracy, etc. We have been doing that, arguably for 25 years, except where federal and state legal requirements forced us in the other direction. And if we haven't yet found every possible saving, at some point we will have done so. For most of us, cuts have already reached the core mission. We can be leaner, but our best faculty and staff will migrate to the less lean. It has already become, in some quarters, a recruiting field-day for the better-off private institutions.

It is not only that a two-tiered system of higher education based upon family wealth is inequitable; it is also that it is not in the public interest. By failing to provide first-quality opportunity to all our children, we fail to mine all the talent we have. For quality of life, for economic competitiveness, for justice and health, we need all that talent. Those who are denied opportunity are not the only ones who suffer: the entire society loses the benefit of their development as members of that society.

Now, let's get to contingent faculty. I want to say a few things. One should be obvious by now: I believe that the rise of contingent faculty—excepting always those professionals who teach part-time by choice and who bring the special value of their professional lives to the classroom—has been neither more nor less than one outcome of the financial squeeze on higher education.

I recognize that not everyone here today works at a public university. But public universities, nationwide, drive the statistics: almost 80% of students are in public institutions, and probably a similar percentage of faculty. And in Illinois, and some other states as well, the cutback in state tax-based support of higher education has affected private institutions as well, if only through the student financial aid program.

Because contingent faculty are not eligible for tenure, and because they participate much less, often not at all, in university governance, their employment in large numbers negatively affects not only their lives, but the institutions that employ them. Joe Berry's lead article in the Spring 2004 issue of *Illinois Academe* describes these effects in detail, and I won't repeat them. Basically, the employment of large numbers of contingent faculty saves money—and does nothing else that is good, and a number of things that are bad for students and bad for the institutions.

On the matter of governance, however, I do want to quote Mr. Berry. He writes, "An even more insidious impact is the collective disempowerment of the faculty as a whole. With the majority now contingent, the power of faculty to impact administrative decisions is greatly reduced." I agree with that statement, though it may make a difference to some that I am concerned about what it says less as a matter of faculty power per se than as a matter of good governance. That is, I don't think a university reaches good decisions without a lot of strong faculty input, and even when it reaches good decisions, it can't implement them without preferably enthusiastic, and at any rate willing, faculty cooperation.

But then Mr. Berry writes two further sentences: "That is not accidental. It is part of a conscious administrative strategy with the abolition of tenure as a major part." Those two sentences—and don't say I didn't keep my promise to offend—are nonsense. Unlike most of the other statements in the essay, they are offered without any evidence, and I suspect there's good reason for that.

That the growth of contingent faculty results in the weakening of tenure must be true, at least at some undetermined tipping-point in that growth. But that there exists some administrative strategy to destroy tenure, either among a smaller group of unnamed administrators at unnamed institutions, or uniformly nationwide, or in some Platonic meta-reality, is a ridiculous and, I would submit, dangerous proposition. Let me say why.

First, it is useful to keep in mind that those administrators who make the critical decisions, including the decision to hire contingent and part-time rather than tenure-track and full-time faculty, come, at about 98%, from faculty ranks. (I must confess: I made that number up, but I'd bet on it.)

I have always been bemused by the apparent belief that as these people move from their full-time faculty positions into administrative roles, a profound change in their values takes place. People have various ideas as to which administrators make those decisions. At the lowest level, it's the department head or chair. I've never met one who wouldn't rather get a tenure-line from the dean than some one-year or one-semester cash. The same goes for the dean's preference with regard to the provost. And it is usually the provost who is stuck having the balance the checkbook.

Certainly there is pressure upon presidents and provosts to balance that checkbook. Usually, in fact, there is no possibility of imbalance. Contingent faculty, I would argue from what experience and knowledge I have, is a contingent decision, forced by unpleasant circumstances.

Do the provosts and presidents want to satisfy those who require the balanced budgets? Certainly. Can they lose their jobs if they don't deliver balanced budgets? Often. But is that their highest aspiration? Rarely. How do we know what their highest aspiration is? I'd suggest, by listening to what they brag about. They don't brag about their balanced budgets, and they brag about their cost-savings only to audiences that require cost-savings as a condition of further funding. They do brag, incessantly, about the quality of their institutions. The quality of true higher education depends upon academic freedom, and the safeguard for academic freedom is tenure.

You might wonder why I am going on about this. It is because the belief that there is a malevolent force at work here against the contingent faculty is part of a stance that can do us yet more harm. Higher education, and especially public higher education, is up against some formidable forces. In various quarters we face postures of hostility bred of political opportunism, genuine hostility, enormous competing social needs, indifference, suspicion as to both our motives and our competence. We face these things together. We may see ourselves in numerous parts—faculty, staff, administration and students; or scientists, humanists, artists and health professionals—but most of the world sees us as monolith: universities. I'll get back to this point in a minute.

First, I want to give a bit more time to the question of what we should be doing. It has become fairly common wisdom that we in public higher education must "privatize." To privatize apparently means to start acting more like private institutions, to be less dependent on state government funding. The question is, which private institutions should we, and could we, be more like? I would like UIC to be more like Harvard. If you're old-time Chicago you may recall the moniker for Navy Pier of "Harvard on the Rocks." I'd like to just drop the Rocks. But I'll compromise: we'd only be a bit like Harvard, just the bit that would trade off our state tax revenues for endowment income revenues.

UIC has been getting about \$300 million from the state. To get endowment income of \$300 million, you need an endowment of about \$6 billion. Yes, philanthropy has a role to play, but it isn't going to replace lost state revenues any time soon. Harvard recently announced with pride that it would no longer charge tuition to students from families earning less than \$40,000. That's admirable and enviable. But at UIC, it is already the case that 34% of our undergraduates receive Pell grants and about 35% receive Illinois MAP awards. I found myself wondering what percent of Harvard undergraduates actually come from families with incomes under \$40,000.

We could also privatize by raising tuition as high as the market would bear. For our student demographic, we would also have to raise financial aid at a somewhat faster rate than we raised tuition, if we were going to sustain access. Or we could privatize in the sense that we could decide that full access is someone else's problem. Access has been the problem—and the privilege—of the publics, but if the publics privatize, whose will it be?

There are other things we can do, and most we will do. We will seek more philanthropic assistance, and invest in doing so. We will raise tuition somewhat. We will encourage the patenting and licensing of our intellectual property that has commercial potential, in the hope of payoffs that can support our mission, of which advanced research is a major part. We will pursue greater administrative efficiency, trying at the same time not to cut the services that make our environment attractive to faculty and students. We may even figure out how to make more money through self-sustaining continuing education enterprises.

But at the end of the day, I believe that if we cannot recapture the public confidence in what we do and the public commitment to the social value of what we do, we will not be able to sustain our mission of access to quality education. And I also believe that we will not succeed in that recapture if we do not act together. Against the array of circumstances and forces threatening the very nature of our mutual enterprise, our only hope is to stand together. We need all our collective resources. If we are divided, we will be conquered.

And that is why I said a few minutes ago that Mr. Berry's hypothesis of an adverse administrative intention is dangerous. In some dimensions, the structure of universities puts administration and contingent faculty in a relationship of conflict. I have \$10,000 and I need to cover two courses and so I want to hire two people at \$5,000. The two people want \$6,000 each and probably both need and deserve it. Now what?

I'm not going to try to answer that, at least today. But if the answer drives us into opposing camps, if the opposition created on this particular issue becomes generalized, so that we no longer see ourselves as

fighting essentially on the same side of the larger issue, then it won't matter who wins the battle between us, because together we will lose the enterprise itself.

We need to work together not only to ameliorate the employment conditions of contingent faculty and to return the large preponderance of faculty positions to regular, tenure-track positions, but to preserve that fundamental nature of our institutions that draws us to work for them.

Thank you for listening.

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