

Guest columnist

Overcoming the inertia of higher education

Posted: Friday, May 23, 2014 10:30 pm | Updated: 7:28 pm, Mon May 26, 2014.

BY JAMES V. KOCH

Despite a recovery in taxpayer funding, this spring has witnessed another round of tuition increases at Virginia's colleges and universities — and those increases once again have been considerably in excess of the increase in the Consumer Price Index.

For some time, I've tracked the annual growth of household incomes in Virginia versus annual increases in tuition at our publicly assisted institutions. Tuition increases have been growing much more rapidly than median household income in the commonwealth, and it's increasingly difficult to avoid concluding that the growing gap between the two is unsustainable. For example, between FY 2008 and FY 2014, when median household incomes were hardly growing at all, tuition at Virginia's public institutions of higher education rose 31.6 percent, after inflation (The Center on Budget and Policy Priorities, 2014). This has placed students and their families in a financial bind and predictably has led to dramatic increases in student debt — almost \$500 million since 2008, according to the Federal Reserve Bank of New York. It's no surprise that this has resulted in a sharp increase in student debt defaults. The bank says that huge student debt now constitutes a major drag on the economy; indebted graduates with diminished job prospects can't pay rent, buy cars or houses or even television sets.

I am a former college president and therefore understand internal university politics that make saying “no” to earnestly presented funding requests from faculty and administrators a very difficult task. Even so, caving and saying “yes” to tuition increases that clearly exceed both growth in household incomes and the Consumer Price Index diminishes the very purpose and integrity of publicly funded higher education. It closes higher education doors and impoverishes students and their families. For the first time in many years, we've experienced declining enrollment in U.S. public higher education. Students have begun to send us a message.

Economic realities argue for change and the support of change-makers in higher education. This might be especially true in Virginia because the commonwealth's rich history and traditions, a guiding star for us in many circumstances, nonetheless sometimes constitute a heavy burden that frustrates meaningful innovation.

To overcome the inherent inertia of public higher education, we need nothing less than the emergence of a wave of courageous innovators who are dedicated to fulfilling the true public mission of public higher education. They must encourage change that provides affordable academic excellence to more citizens.

As families, students and lawmakers come to understand the growing disconnect between the costs and benefits of a college education, governing boards will face public pressure to moderate tuition increases and to evaluate more rigorously the benefits and costs of all programs and initiatives. Presidents, with the support of their boards, need to have the courage to implement new models of assessing, delivering and administering higher education.

Suppose the commonwealth of Virginia, for example, were to move gradually in the direction of giving a significant proportion of its financial support to students instead of to institutions of higher education. This would push our colleges to become student-oriented and to moderate their price increases. Lest you think this is nonsense, remember that this is how the very successful G.I. Bill worked after World War II: It encouraged colleges to pay attention to students and exercised discipline on their price increases.

The salient point, however, is that we need to stimulate new thinking. Toward that end, I've been working with a committed group that includes current academics, former college administrators, university trustees and others interested in helping our public higher education system become more flexible, more accepting of change, less expensive, more cost-conscious and more focused on students.

I'm not yet certain where our discussions will take us, but I do know from my time as a college president that significant changes are not likely to occur without a significant amount of institutional and intellectual discomfort. However, the stakes are too high for us not to take up the challenge.

James V. Koch is a member of the Board of Visitors, professor of economics and president emeritus of Old Dominion University. Contact him at jkoch@odu.edu.