

Symposium Key Issues

Fundamental questions posed by panelists

- How much higher education do we need? What do we need from higher education?
- Who are we trying to serve?
- What can we do better with the money we now have?
- Where can strategic investments help us get the results we need?
- How can we get public support for more funding for higher education?

1. Appropriate Share of Higher Education Costs

Fair share model – consensus is that it does not work – instead benchmark to percent of State budget or percent of income

High tuition/high aid model – consensus is that you can never generate enough aid

Funding models – need flexibility

- No magic formula exists
- If formula is used, it must be able to weather difficult financial times
- Do not be too focused on formulas
- Must have equity/perceived fairness in model or will revisit every year

Funding models – the institutional peer group model and the peer state model recommended by Dr. Van de Water are compatible but are not necessarily the answer

- Don't abdicate decision making to other states
- What states or countries perform at a certain level Maryland wants to emulate? Set benchmarks to those states or countries.

Two basic funding models for institutions

- Formula based on costs analysis
- Base plus budgeting

Need to look to federal government for help with higher education funding but the answer to funding problems is not with the federal government alone

2. Balancing Quality and Access/Affordability

Focus higher education on those who can least afford it

- Is it fair for low income families to subsidize higher education when only 25% will participate in higher education?

Affordability discussion

- Need to increase financial aid for the neediest students and control tuition or you never make progress on affordability
- “Sticker price” shock of tuition discourages participation
- Need to be able to tell the parents of a 6 year old approximately how much they will need to pay for college

Access without quality is a waste of resources

Quality should exist at all levels of higher education, not just at research or elite institutions

3. Accountability

State goals – set a few, high priority, widely shared state goals

- Focus on the three legged stool
 1. preparation;
 2. capacity (both quantitative and qualitative); and
 3. affordability

- Roller coaster budgets are destructive to achieving State goals
- How can we translate State priorities into a funding model?

Set concrete State goals and tie funding to performance

Lack of preparation in PreK-12 is costly for higher education

Allocate responsibility for educating

4. Other Issues

Maryland is moving toward a knowledge based economy – consensus on this issue

Need better communication between workforce development and higher education

Demographics are very important

- NCSL Blue Ribbon on Higher Education concluded that in strategic planning for higher education, demographics must drive the debate.
- The baby boomers, who are the best educated population in the United States, are reaching retirement age. There is a need to educate the next generation because without education beyond high school they are not likely to achieve even a middle class income.
- College going rate has declined slightly in Maryland since the early 1990's.
- Maryland's demographics are similar to Connecticut – high wealth/low income.

What would success look like for Maryland?

- Senator Hogan's response was that success is developing a model of affordability and other factors that will move the State toward a knowledge economy, while moving away from the higher education funding model that resembles a "roller coaster."
- When asked if "smoothing the road" was the key goal, Chancellor Kirwan responded that it is only one part of the goal – the other parts are ensuring the quality and capacity of institutions.

Constitutional amendment re: higher education – strong interest in exploring

- Most constitutional provisions establish a system of higher education and some provide autonomy and protection to higher education but most provisions do not address level of funding.
- Connecticut has a constitutional provision but it does not help much
- North Carolina has a provision that says higher education should “as far as practicable, be extended to the people of the State free of expense;” this provision has impacted the priority of higher education in North Carolina
- Even if a constitutional provision does not lead to tangible results, it is a good statement of the value placed on higher education
- However, if a constitutional provision does not lead to tangible results, is it worth the amount of political capital that will be expended?