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For academic excellence, someone has to pay

Virginia higher education is suffering vertigo from roller-coaster funding. Two William and Mary economists have a plan for ending the ride.

In its erratic underfunding of higher education, coupled with its political-pander caps on tuition increases, Virginia is failing its public colleges and universities and thus itself. Academic quality is undermined; long-range institutional planning is made difficult if not impossible to perform well.

On that point, David Feldman and Robert Archibald are absolutely correct.

In thinking the problem is here to stay, the two economists from the College of William and Mary are quite likely correct. Even assuming economic recovery and a tax reform that yields additional revenues, Virginia has much catching up to do. If past is prologue, higher education will not be a top priority on the catch-up list.

But is their proposed remedy, a "New Compact" for Virginia higher education, a good solution?

Maybe.

At the heart of their proposal - outlined in their essay on the Commentary page Friday, available in fuller detail at <http://faculty.wm.edu/dhfeld/NewCompact.pdf> - is this idea: Virginia's colleges and universities should stop being "state-supported" and instead become "state-allied."

Instead of providing operating funds directly to the institutions, the state should provide its higher-ed money (currently an average of \$8,500 per student) to Virginians attending those institutions. The institutions' governing boards should no longer be entirely state-appointed. Tuition should be set at an institution's discretion, and the institutions ought to be able to hold tuition steady or raise it regardless of the size of the state's in-state student subsidy in any particular year.

In exchange, each college should agree to enroll a specified number of in-state students and to guarantee need-based financial aid for any student who, even with the general subsidy, could not otherwise afford to attend.

At a minimum, such a public-private partnership would (a) more accurately reflect fiscal reality (that is, the steadily shrinking share of higher-ed operating costs that the state pays for) and (b) smooth out some of the roller-coaster effects of state budgeting to which institutions now are held hostage.

Yet, we wonder. Some of the blame for the state's higher education difficulties may lie with the financing system. But much of it is the result of just plain bad policymaking in Richmond, of the kind that can make a mighty mess of things in virtually any system.