

A Whole New U

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With its blessed regularity, fall has come again to New England. Despite concerns among college and university leaders about the impact of the economic downturn on admissions and student decision-making, the students have come again to New England, as well. Though many institutions had to increase the level of “tuition discounting” needed to help students and parents commit, a small sense of relief is apparent—a collective sigh to acknowledge making it through another period of uncertainty.

The reality, of course, is that the admissions cycle never ends, so colleges are back to work quickly. And while the chairman of the Federal Reserve recently pronounced the “technical end” to the economic recession, higher education leaders know that significant challenges linger. With no more federal stimulus funds to back-fill higher education appropriations, many observers agree that if the FY10 state budget cycle was bad (and it was), the next cycle will be worse.

Higher education will make it through another round of budget cuts, staff reductions and tuition increases to welcome another fall and another generation of students, young and old.

Year-to-year and budget-to-budget survival must not overshadow the need for significant reinvention however. The imperative facing higher education leaders is to look at the major trends confronting us—fiscal, demographic, financial and other—and to question whether the enterprise as we know it can be sustained. Moreover, state and federal govern-

ments must give institutional leaders greater cause and incentives to look beyond annual survival to the critical role of generating degree-holders. Consider these key challenges:

First, for the region to maintain its higher education attainment advantage and for the U.S. to regain its leadership role in having the highest percentage of 25- to 34-year-olds with postsecondary degrees, New England would have to generate an additional 665,000 college degrees by 2025—41,500 additional degrees on an annual basis. This must occur despite having 20,000 fewer high school graduates during the same period due to demographic shifts. Moreover, even projecting significant increases in high school graduation, college-going and postsecondary completion rates, over 65% of new degree-holders will have to be adult students.

Second, given economic realities, New England will likely remain at the lowest end of public investment in higher education and the highest end in terms of tuition prices and cost-per-completion. In education and related spending per student completion, New England spends well above the national average at nearly all types of institutions, according to the Delta Project on Postsecondary Education Costs, Productivity and Accountability. At community colleges, for example, New England spends in excess of \$52,000 per student completion—nearly \$9,500 more than the national average. Even with \$9 billion in proposed new federal money to spur community college completions, assuming an additional 5 million community college degree-

holders, such funding amounts to an additional \$1,800 per completion.

Significant resource misalignment and a tendency to tinker with full-cost, traditional models are significant threats to our success. Only significant reinvention of the New England and U.S. higher education enterprises will suffice. There are innovative and quality- and success-driven approaches to increasing efficiency and productivity. Technology continues to offer compelling and student-centered alternatives that can enhance new academic calendars, innovative program formats, course delivery and counseling and online learning.

New England has numerous pockets of innovation in both public and independent higher education. Student populations are willing to participate and experiment, but a new attitude among higher education leaders, trustees and faculty is needed. Much can be learned from agile independent and for-profit institutions, as well. Lastly, it will require significant reconsideration of the structure of state higher education systems and of the mission, role, function and admissions requirements of two-year institutions.

In political, educational and economic change, New England has often been a leader. As far as higher education is concerned, we must reignite that innovative heritage and recapture our leadership role.

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