

## **IN HIGHER ED: GOOD ENOUGH IS NOT ENOUGH**

– *“In response to news articles following June HAC Meeting”* –

by

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What’s going down in Virginia higher education? From the loud screams and anxious worries splashing across your paper’s pages, a citizen might think a schoolyard brawl instead of an informed policy deliberation were underway. In such a situation it is good to remember how hard it can be to distinguish the schoolyard bully from the innocent victim in the middle of an altercation. So, let’s pause to figure out who the parties are.

In May, SCHEV introduced several innovative ideas and well-reasoned policy options for consideration by the people of Virginia and their elected representatives. Complying with the Code of Virginia, which directs SCHEV to create “policies, formulae, and guidelines” for funding higher education and (2) to publish a biennial “plan” for Virginia higher education, the Council unanimously adopted a comprehensive vision for and overview of Virginia’s system of higher education,

*The 1999 Virginia Plan for Higher Education* outlined an approach to system-wide planning involving the entire higher education constituency. SCHEV’s “Performance Based Funding Model” addressed the main uncertainty facing higher education in Virginia today – an uncertain, unstable, and fragmented funding system in crisis since the recession in the early 1990s.

We sparked debate, as we intended, and we are encouraged that the debate promises a serious deliberation during the next General Assembly session opening in January 2000. The early debate, however, offered more heat than light, reflecting several misrepresentations and misconceptions about the model’s key components. Let’s pause to set the record straight.

The Council believes the Commonwealth can and should provide our campuses with the tools necessary to manage their affairs, while at the same time ensuring that institutions are accountable for the efficient use of the taxpayer resources they receive.

Thus, the Council’s policy initiatives seek to reduce the bureaucracy and politics involved in our public universities and colleges by making those institutions more actively responsible for their improvement. Rather than increasing regulatory micro-management as some have suggested, our new model offers less, not more, micro-management, decentralizing public higher education and freeing our richly diverse institutions to maximize their potential in the context of their unique missions.

SCHEV’s strategic vision and funding model appropriately reflect the diversity and quality of the Commonwealth’s colleges and universities, because they emerged from an unprecedented series of meetings with them, on their campuses. Professors, administrators, trustees, students, government officials, and business leaders were all involved throughout months of deliberations that startled education policy veterans with their outreach, openness and candor. As our public meetings, our publications and the explanations contained in presentations of the

initiatives meaningfully narrate, this was a long, extensive, bottoms-up process. SCHEV is not the primary author of many of these initiatives. Rather, these plans speak to the needs of Virginia higher education with a distinctly Virginia accent.

The long-held consensus that Virginia higher education should be accessible, affordable, accountable, and of the highest quality now requires new means of protection.

But how do we deal with this changing environment without making the system worse, creating warped incentives, and misapplying resources by micro-managing institutions?

The Council believes that, by facilitating and encouraging efficiency and innovation in our public colleges and universities, and by stressing and rewarding performance, newly conceived performance-based funding ideas will create an incentive structure that can bring about *precisely* this kind of positive change. For example, incentive funding will be based upon common performance measures that are nonetheless institution specific. The institutions will be rewarded for exceeding their own expectations, as determined by the value they add to the education of their students. The questions to be asked will not be how one institution compares to another. Instead, is the University of Virginia doing all it can for its students, based on what the abilities of the students themselves? To what extent are the institution's educational programs actively developing students' individual talents?

This type of benchmarking acknowledges the diversity of institutional missions, which is a hallmark of Virginia's higher education system. Liberated from political meddling, SCHEV is confident that colleges and universities will adopt more business sense and common sense in their operations. Best of all, the benefits will accrue not only to the individual, but to the entire Commonwealth.

To some, this all may seem like "much to do about nothing," "a tempest in a teapot," after all, "if it ain't broke, why fix it?" Most of us, though, want each and every student to get all that they can from the public investment in higher education. We believe that "good enough" is not enough. The problem, and the reason why none of us can afford to shirk this important debate by sticking our heads in the sand, is that this truly is a critical time for higher education – both in Virginia and in the nation at large. While a college education is becoming a minimum entrance requirement into the workforce, its costs continue to rise. All Virginians have a stake in the outcome of how best the Commonwealth decides to meet these important policy challenges.

SCHEV's new performance-based funding model will continue to guide the Council's own policy analysis. We also hope that it will inform other interested parties in the run-up to the 2000 Session of the General Assembly. Lastly, by asking a good "opening question," we believe that the Council is doing its job – providing fuel to drive the higher education policy machine in Virginia, and raising the level of policy discourse above the level of a schoolyard brawl.