

Costs of Higher Education

The cost of college has risen dramatically in the last few decades while state support has been reduced. Here we explore three myths of higher education funding.

Myth #1: Administrative bloat

Some have argued that there is a large number of highly paid administrators doing the work that used to be done by far fewer. It is true that there are more administrators on college campuses than before, but “bloat” has a connotation not just of bigger, but grossly and wastefully bigger.

However, universities face more state and federal regulations than ever (Title IX, the Federal Education Rights and Privacy Act, the Americans with Disability Act, and many more). From 1997 to 2012, federal requirements for universities increased by 56%. A 2015 task force commissioned by the US Senate found that, in 2012, a new directive or clarification was sent to universities by the Department of Education at the rate of one for every working day of that year.

The requirements of accreditation, assessment, criminal background checks, crime and sexual violence disclosure put further data collection and reporting demands on universities. The examples here are just the tip of an iceberg that consists of tens of thousands of pages of federal and state regulations with which colleges must comply. Title IX, the ADA, and privacy rights are good things, but no complex organization could absorb such administrative demands without increasing personnel.

Myth #2: Universities get lots of State funding

In 1992, Illinois State University received 39% of its operating revenue from the state. In the decade prior, there had been a steady increase in State funding, but since then funding levels have been flat or reduced so that we currently get only 17% of our funding from the State of Illinois. Universities increase tuition to offset the reduction in state funds, but increasing tuition any more can put a university education out of reach for many families.

As state universities lay off staffs and some may make it through the year without a budget, it is clear that we cannot cut our way out of the problem. The problem is not waste, inefficiency or a bloated administrative class but rather a steady 25 year decline in revenue.

Myth #3 We already pay a lot of taxes.

You may pay high property taxes or sales taxes, but Illinois has a flat income tax of 3.75% and this is where universities and many other state-wide entities get their funding. Of the 44 States with an income tax, only two States have lower income taxes than Illinois. There have been proposals to generate more revenue that include the Illinois Fair Tax, which proposes a graduated income tax. Most states (33) already have such a tax.

We tend to think that every State must be having the same fiscal crisis. Not so. We have colleagues in Minnesota, where there was a tax increase for the top 1%, who have seen almost a half-billion dollar increase in funding for education. If Illinois had Oregon’s graduated income tax our state’s revenue would double. A graduated income tax simply means that those making

less money per year would be taxed at a lower rate and the millionaire class would be taxed at a higher rate. Illinois is the 5th richest State in the Union but our General Fund expenditure per person is 28th. It is simply a myth that we pay a lot of state income taxes.

There is a constituency that thinks this trend for less public spending is a good idea, which for us means a pay-as-you-go higher education system. The problem is that such a system excludes many who then cannot afford education or it saddles them with debt. An affordable high-quality education for all who qualify benefits the common good and it is up to all of us to make it happen. As John F. Kennedy once said, “For of those to whom much is given, much is required.”

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http://www.pantagraph.com/news/opinion/columns/guest-commentary-myths-about-the-costs-of-funding-higher-education/article_db82666e-c556-5a5a-9437-a295b8b9f4b2.html?utm_medium=social&utm_source=facebook&utm_campaign=user-share