Twenty-sixth David Dodds Henry Lecture: Higher Education and the Global Knowledge Economy: Affordability and Accountability Redefined by David Ward, Ph.D.

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President, University of Illinois

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The David Dodds Henry Lectures in Higher Education are endowed by gifts to the University of Illinois Foundation in recognition of Dr. Henry's contributions to the administration of higher education, including his career as president of the University of Illinois from 1955 until 1971. The lectures are intended to focus upon the study of the organization, structure and administration of higher education, as well as its practice. The selection of lecturers is the responsibility of the chancellors of the three campuses of the University. Presentation of the lectures is rotated among the Urbana-Champaign, Chicago and Springfield campuses.

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Welcome

Good afternoon. For those of you who don't know, I'm Richard Ringeisen, chancellor here at the University of Illinois at Springfield. In fact, I've been chancellor for exactly seven years. Carolyn and I celebrated seven years of being in Springfield a couple of days ago. And for those of you calculating, yes, indeed, that was April Fools' Day.

The David Dodds Henry Lecture is named after one of the foremost presidents of the University of Illinois. Dr. Henry served as the 12th chief executive officer for the U of I for 16 years, until his retirement in 1971. We're very pleased it's our turn to host this lecture, which rotates among the three institutions that comprise the University of Illinois. This is the third time that I've had the privilege of hosting this, and it's a great pleasure for us to have everybody here at your public university in the state capital.

There were some folks who did a great deal of work to help make this event come out as positively as it has, and I want to introduce those people to you, the committee that put the whole thing together. Cecilia Cornell, associate professor of history; Dr. Marya Leatherwood, who is our associate vice chancellor and also the enrollment manager; Dr. Will Miller, associate professor of public administration; and Dr. Chris Mooney, professor of political studies with a joint appointment in the Institute of Government and Public Affairs. Then we have Sangeeta Parameshwar, associate professor of management; Cindy Wilson, associate professor, teacher education; and then there's the wonderful and helpful community relations director and planner extraordinaire from my office, Joan Sestak, who chaired the whole thing. Thank you, everybody.

Today's format will be as follows: There will be a lecture by our keynote speaker, Dr. David Ward, who, as you know, is president of the American Council on Education. We're really privileged to have Dr. Ward here, and Dr. White will be saying more about him. I just want to mention that, the very first time I called David to ask if he would be interested in doing this, the question was never about whether he would be interested; the question was whether we could work out the schedule. And, David, I'm very grateful. It's very nice to have you here.

After David has made his presentation, we'll have responses from three people. Those will be Ms. Judy Erwin, executive director of the Illinois Board of Higher Education; Dr. Naomi Lynn, my predecessor as chancellor at UIS; and then Mr. Gary Plummer, president and CEO of the Greater Springfield Chamber of Commerce. After their three presentations, we'll have a question-and-answer session for everybody to join in. After that, we'll have a reception down in the PAC Restaurant for any and all of you who would like to attend.

Now, to introduce our keynote speaker, it's my great privilege to introduce Dr. B. Joseph White, president of the University of Illinois. Joe has been a really interesting, dynamic leader since he became president of the University of Illinois, which is just a little bit more than three years ago. He's developed a visionary strategic plan for the whole U of I system and has launched a $2.25 billion private fund-raising campaign. He's also the author of a very interesting book I'd recommend to you, *The Nature of Leadership: Reptiles, Mammals, and the Challenge of Becoming a Great Leader.*

The former business dean at the University of Michigan, he's written, taught and lectured extensively on leadership, management and organizational matters. He earned his MBA from Harvard and his doctorate in business administration from the University of Michigan. On a personal note, I should say that even though UIS is the smallest of the three institutions that Joe has the pleasure of working with, I know that Joe cares very much about UIS and has been a wonderful partner with us, a wonderful friend and great leader, Joe White.

Richard D. Ringeisen
Chancellor
University of Ilinois at Springfield

Introduction

Thank you, Richard, to you and Carolyn for your leadership and service here at the University of Illinois at Springfield. I want to extend a personal welcome to David Ward, our guest speaker this afternoon.

David Dodds Henry was a great president of the University of Illinois, and it's really wonderful to have a great president of the American Council on Education (ACE) and a former great chancellor of the University of Wisconsin-Madison as our David Dodds Henry lecturer. Thank you for accepting the invitation, David. I also want to add my welcome to my colleague and friend, Judy Erwin; Gary Plummer, whom I've met; and Naomi Lynn, who did such a wonderful job here at UIS for so many years. I want to make my introduction brief because you're here to hear David Ward, not me.

David is now retiring as president of the American Council on Education. I want to say to all of our students, this is probably not a household name for you, but ACE is the nation's leading advocate in public-policy organization for higher education in America. ACE is really a very important organization headquartered in Washington, D.C. David succeeded our very own Stan Ikenberry, former president of the University of Illinois, as president of ACE.

The one substantive thing I will do because I think it will tell you a little about who David Ward is, is to share with you what's called the Wisconsin Idea.

The Wisconsin Idea is the general principle that education should have a positive effect on people's lives far beyond the reaches of the classroom. The guiding ideal of the University of Wisconsin, the Wisconsin Idea for more than 100 years has encouraged university outreach efforts in the state and all over the world.

The genesis of the Wisconsin Idea is often attributed to former UW president, Charles Van Hise, who in 1904 said, "I shall never be content until the beneficent influence of the university reaches every home in the state." We are a public university. That is not a statement you would ever hear from the president of a private university. I think it's what makes us unique.

I've often said the great privates basically become great by exclusion. The more students they can turn away in the admission process, the more faculty they can turn down for tenure, the more exclusive they become. We in the public university pursue excellence in a completely different way. Our goal is to be excellent and to have widespread, positive impact on people's lives and on the state and nation of which we're a part.

David, welcome. I know you and I share many values. There are many of challenges facing higher education, and I look forward along with this audience to hearing your remarks.

David Ward …

B. Joseph White
President
University of Illinois

Higher Education and the Global Knowledge Economy: Affordability and Accountability Redefined

By David Ward

President, American Council on Education

Chancellor Emeritus, University of Wisconsin-Madison

For most of the period since World War II, the rapid expansion of access to U.S. higher education has been viewed as a source of social mobility and as an essential foundation of social democracy. The concurrent intensification of university research has also been recognized as a source of innovation, economic growth and international competitiveness. Higher education was especially critical to responses to the economic challenges of the 1980s when many older manufacturing industries declined and new technologies linked to information processing came to prominence.

Not only domestic students but also significant numbers of foreign students attracted initially to U.S. higher education became an integral part of the rapid innovations and applications of information technology. In contrast to most parts of the world where higher education was standardized and under the direct supervision of a central ministry of education, expanded access and research intensification in the U.S. combined to create a highly differentiated set of institutions designed to provide a set of alternative educational options with substantial support from the federal government.

With the publication of Tom Friedman's influential book on the "flat world" describing the impacts of revolutionary changes in the technology of communication and of the expansion of free-trade policies, a new public discourse was initiated concerning the vulnerability of the American economy and the competitiveness of U.S. education. The outsourcing of both manufacturing and technical jobs to countries where labor is cheaper has made access to some kind of tertiary education essential, and economic success now depends on highly trained people with the capacity to innovate and to function in a globally connected knowledge economy.

Under these circumstances, education in general, and especially the professional, scientific and technological programs of higher education, are the key resources necessary to equip people to compete in this new "flat world." Almost all countries now place a high priority on the development of highly educated human capital as the key resource for future economic security and social well-being. In addition to technical and specialized capacities, more basic competencies of effective communication, team building and the ability to define and deal with complex problems and to understand other cultures are essential components of this basic education. America's colleges and universities with students drawn from a worldwide pool of talent have for long been the dominant source of these capacities, but this competitive edge is now threatened by new realities of the "flat world."

Security concerns following the terrorist attacks of September 11, 2001 have altered the magnitudes and directions of the international supply of human capital. Stricter scrutiny of foreign visitors has delayed entry or denied admission to the country for non-U.S. citizens, and for several years foreign student attendance fell and has only recently begun to recover. This diversion of foreign students was initially towards other English-speaking countries, but the beginnings of the kind of institutional and governmental cooperation in Europe as expressed in the Bologna Process are also enhancing the international capacities of higher education there, too.

The educational capacity of nations that have for a long time been leading suppliers of foreign science students, particularly China and India, are increasing their own domestic educational capacity and attracting many of their U.S.-trained students to return. At the same time, international comparisons of especially U.S. high school performance, as well as participation and completion rates in higher education, are a source of concern as several countries now surpass the U.S. in standardized tests and in university attendance and degree completion.

The public discourse

This new geopolitical situation and a potential decline in U.S. comparative educational performance provoked two reports from the National Academy of Sciences that raised urgent concerns about the adequacy of education in science and technology fields in the U.S. Using the metaphor of rapidly deteriorating weather, the 2007 book, *Rising Above the Gathering Storm*, raised fears about the ability of the United States to maintain its competitiveness in the world economy when comparatively small numbers of young people are prepared for careers in fields that require a scientific and technological background.

A parallel report of the National Academy linked this shortfall of technical expertise to the underrepresentation of women in science-related fields and concluded that increasing the retention rates of women in the educational pipeline would remove much of the deficit in the nation's scientific capacity. These two reports have prompted efforts to invest in the STEM (science, technology, engineering and mathematics) pipeline and to enhance the research capacities of universities. The representatives from business, government and academic life that produced *Rising Above the Gathering Storm* emerged from its task "deeply concerned that the scientific and technical building blocks of our economic leadership are eroding" and "worried about the future prosperity of the United States." Although modest in its investment, the American Competitiveness Act was one measure of presidential and congressional interest in this issue.

Two other reports have concentrated on the broader vulnerability of the national economy to global shifts in jobs, and people have stressed the contributory role of inadequate educational preparation. In particular, the diminished performance of U.S. educational attainment in the recent Organisation for Economic Cooperation and Development data is reported with alarm.

These data are also explored in a recent report of the ETS (Educational Testing Service) entitled *America's Perfect Storm*. As the title suggests, this contribution argues that global economic restructuring and demographic shifts are of a magnitude to create not a "gathering storm" but rather a "perfect storm." The most integrated view of the vulnerability of American competitiveness is expressed in a report of the National Center on Education and the Economy entitled *Tough Choices: Tough Times*. The commission explores how our education and training systems were built for a different technological era and asserts that we "can get where we must go only by changing the system itself."

Unlike higher education, the performance of primary and secondary education has for a long time been the source of much anxiety and negative discourse, and several recent reports have raised serious questions about the impact of these pre-college deficiencies on the effectiveness of colleges and universities. Some reports express frustration at the unwillingness of higher education to take more responsibility for the limitations of their entering students, and others allege that higher education is itself threatened by uneven quality and a lack of evidence of adequate performance.

These concerns were most forcefully expressed in *A Test of Leadership: Charting the Future of U.S. Higher Education*, better known as the Spellings Commission report. This commission, comprised of individuals from several sectors, was appointed by Secretary of Education Margaret Spellings to examine concerns about accessibility, affordability and accountability and concluded that higher education needed to be more sensitive to these critical issues. I was a member of that commission though ultimately not a signatory to the report. I did agree with many of the findings with respect to accessibility and affordability, but I found much of the discussion lacked a clear analysis of the problem. I particularly found the approach to accountability troubling since it did not adequately confront the diversity of missions within higher education nor did it stress the need to develop more effective methods of assessment. I was also concerned about the degree to which the recommendations were intended to be the basis of an undesirable and aggressive regulatory agenda on the part of the Department of Education, and subsequent events proved that this concern was not only justified but also shared by the Congress.

While the Spellings Commission failed to explore fully the impact of state policies in the funding of higher education, a committee of the National Conference of State Legislatures acknowledged more decisively the responsibility of public policies for diminished access and affordability. In a report entitled *Transforming Higher Education: National Imperative — State Responsibility*, the committee first called upon individual states to increase the priority of higher education in their budget allocations but then, more in keeping with the tone of the Spellings Commission, stressed the need to improve ways of measuring institutional effectiveness and student learning outcomes. To a greater degree than the other reports, this group of key state legislators recognized the need to re-think the responsibilities of states, colleges and universities and individuals in meeting the challenges of a new economic environment. For the vast majority of students, shifts in state spending priorities and determined efforts to reduce tax burdens have radically altered the funding sources of higher education, but these shifts have occurred so gradually over the past quarter of a century that their magnitude is only now fully realized.

These reports all define serious limitations in the articulation of all sectors of education with current social and economic needs, but they present a decidedly fragmented vision for action in the public-policy arena. Some stress the need for additional financial support, and others insist on the need for higher education to improve its practices. The public debate recognizes that American higher education has produced more than its share of outstanding comprehensive research universities and some of the finest predominantly undergraduate colleges, as well as some of the best models of community colleges, but does not identify specific strengths that might be amplified to respond to our challenges. Rather, the successes of U.S. higher education are viewed as vulnerable to the competition from other countries on the basis of data that compare and rank countries with little sensitivity to the size and diversity of their populations.

Perhaps the key concern of these reports is a high variability in quality within all sectors of U.S. higher education and an indifference to the equally varied quality of high school education. The lack of any accepted thresholds of minimum standards especially in the nation's schools, but increasingly within higher education, is viewed as a threat to the successful intensification of learning and research at the very best universities and colleges. To address these concerns it is necessary to focus on the points of weakness in the system rather than stressing the limitations of the entire range of higher educational activities. Most concerns appear to be related to the first two years of undergraduate education. While the deficiencies of prior school preparation are acknowledged, increasingly, universities are now part of a critical concern with the need for threshold minimum standards or competencies in key areas of general education and more particularly in the STEM fields.

These reports have created a discourse about vulnerabilities within U.S. higher education. Why, after a lengthy period of confidence, is the performance of higher education in the U.S. under scrutiny? The connection of international competitiveness and the capacity and quality of higher education has created a different setting and a wider audience for the debate about the value and effectiveness of higher education. Globalization has redefined the comparative advantages of different regions and raised public awareness of the role of education in responding to the demands of a knowledge-based economy.

At the same time that political discourse is concerned about the supply of highly trained university graduates to maintain and enhance American technological competitiveness, the relationships between higher education and government, both at the state and national levels, are also under renegotiation. Expectations of the role of higher education in the new global knowledge economy have increasingly provoked concerns about the affordability and efficiency of higher education. These concerns vary from nation to nation, but, in the United States, they are now integrated into an emerging policy discourse about the affordability and accountability of higher education. This scrutiny is not new, and there have been periodic expressions of concern about affordability and quality before, but in attempting to address these concerns today, policy discussions need to confront more directly the fiscal implications of the new demands and expectations of higher education.

While globalization has drawn attention to these challenges of access and performance, proposed solutions based on past assumptions need to be more sensitive to the new relationships of higher education and government funding and regulation. These changes have altered the proportions of public and private revenues in supporting colleges and universities, and they have also altered the context within which the issues of affordability and accountability must be framed. In many respects there is now or needs to be a new social compact defining the access of individuals and their families to higher education.

Access and affordability redefined

The sheer magnitude of the investments necessary to sustain mass access and to support the research intensification of colleges and universities is far greater than was anticipated a generation or so ago. These demands and expectations have begun to outrun the capacities of traditional public funding. For a long time, low tuition in the public sector was an "entitlement" for all students and a source of opportunity and social mobility. This entitlement has diminished as the proportionate magnitudes of public support for higher education have been slowly and relentlessly reduced. This shift is linked to the need to meet other governmental obligations or to permit low-tax fiscal policies. Clearly, if college populations are disproportionately drawn from middle- and upper-income families, low tuition based upon high state subsidies might be viewed as a redistribution of public revenues from the poor to the wealthy while moderate tuition graduated by means of need-based financial aid might be viewed as a redistributive policy in which higher tuition becomes an affordable personal investment for many more affluent families.

As tuition has increased, often as a substitute for state support, the access agenda of higher education is increasingly based on need-based financial aid. As education is valued as a private good, reflected in the increased income expectancy of college graduates, so students and their families are asked to bear an increased percentage of college costs, whether in immediate outlays or loans to be repaid after graduation. In some respects this model of tuition discounted on the basis of need is more responsive to the fiscal demands of mass access to higher education, but the policy shift has been so gradual that until recently the magnitude of the shift from state subsidy to tuition was not transparent.

Over the past decade, the impact of increased financial aid from the federal government, states and the institutions themselves has resulted in only small increments to the revenues of individual students primarily because of the increase in students eligible for financial aid and the continued increases in tuition. In any event, increased need-based financial aid is difficult to sustain in a political environment in which growing middle-income concerns about a lost entitlement of low tuition has more traction than the underrepresentation of low-income students in higher education.

For a long time, this debate was directed at the failure of student financial aid to keep pace with rising costs of college attendance, but more recently the focus has shifted to increased tuition, often at rates that are much faster than the rate of inflation. Obviously, a significant proportion of this increase in tuition is a direct result of a decrease in state subsidies to public higher education, and universities and colleges do not derive any increased revenues from these shifts. Moreover, those institutions with historically low tuition are disadvantaged by percentage measures of increases when relatively small absolute increments create relatively high percentage changes. Differences between independent and public institutions also complicate the tuition issue since many independent colleges and universities use their endowment revenue to discount their tuition on a need-based basis, but many also use that same source for merit-based aid.

Assignment of responsibility for increased tuition continues to differ. All acknowledge that tuition has in part substituted for proportionate reductions in government financial support for higher education. Governments complain that tuitions rise much faster than the cost of living and that universities do little to contain costs. College and university representatives stress that reliance on data based on stated tuitions or "sticker price," not on what students actually pay after discounting and institutional scholarships distort and amplify the increased cost of tuition.

For a long time, it was the highest tuitions at the most prestigious private institutions that attracted most public attention, and recent publicity about the growing size of the endowments of many prestigious institutions was clearly based on resentments based on their high "sticker prices" for tuition. In response, many of these institutions have expanded their commitment to need-based aid to include significant proportions of middle-income families, but it remains unclear whether these actions will radically increase the enrollment of low-income families. For most families, however, it is the high-percentage increases in tuition on the relatively low tuition levels of many public institutions that are now a source of popular concern, and answers to this predicament are increasingly directed at the efficiency and effectiveness of higher education rather than on diminished state subsidies.

These concerns about the legitimacy of rising tuition and eligibility for financial aid have also influenced efforts designed to increase access to higher education by underrepresented ethnic groups, particularly African-Americans, Hispanics and Native Americans. Court rulings have curtailed some affirmative-action programs that attempted to create a representative ethnic profile of states and the nation among those who attended college. These concerns were primarily focused on the most selective institutions, since throughout the vast array of institutions, relatively open admissions did not necessarily resolve the problems of underrepresentation of several ethnic groups. Differential eligibility for financial aid as well as admission quotas provoked concerns about affirmative-action policies.

The increasing flood of illegal immigrants poses another controversial access and funding issue. Whereas the children of illegal immigrants have often attended American public schools for many years, federal law prevents states from considering them legal when it comes to paying public college tuition. The higher out-of-state tuition is often prohibitive for these students, with the result that students with perfectly good high school records cannot afford to attend college. Regardless of federal law, a few states have passed laws that treat these students like any other residents of the state or district, but clearly the issue of eligibility for need-based aid at a time when many middle-income Americans feel that they have lost an entitlement to low tuition makes the political resolution of this problem extremely difficult.

A new geopolitical environment demands both an increase in the numbers of students starting programs in higher education and stronger efforts to reduce the serious losses in the pipeline to degree completion. At the same time, higher education is expected to meet broad national goals of increasing the proportions of students choosing to study in the STEM fields and also address the underrepresentation of minority and low-income students in higher education. While higher education must confront the growing public concerns about the price and cost of higher education, the resolution of this need will depend on a well-defined social compact or contract that sets the relative responsibilities of individuals and the government for the cost of higher education by means of a graduated needs-based discount of the proportion allocated to individual families. In addition, if human capital is critical to success in the global knowledge economy, that resource will need to be drawn from all segments of the population and will require a national consensus on how to engage those who are currently underrepresented within higher education.

Accountability redefined

While there is an inconclusive but continuing debate about the causes of rising tuition for higher education, there is also an additional and more critical debate about the current and future benefits of additional public and personal investments in higher education. Paradoxically, pressures to identify alternatives to public funding are combined with pressures for greater public accountability. The exponential increases in the personal costs of higher education have also increased the demand for more transparency in the documentation of the claims and expectations of institutional efforts. Despite a significant reallocation of the cost of college from the government to individuals and proportionate reductions in direct state subsidies of institutions, there are increased demands to define institutional effectiveness and student-learning outcomes. Measurements of institutional effectiveness, such as time to degree and cost per student, have for a long time been used at the state level and present relatively few problems to higher education beyond the cost of data management.

Proposals to measure student-learning outcomes by means of standardized tests to ensure comparability are more intrusive and represent a direct engagement of government in academic issues. Accountability will increasingly include the development of evidence-based learning outcomes rather than rankings based on inputs and resources. The debate about how to enhance accountability involves many constituencies. At one extreme are those, mostly policymakers, who would like some way of comparing institutions to each other on the basis of their success in enhancing student learning by means of some measure of the "value-added" of any specific program or curriculum. Presumably, these measures would not only determine what students know at graduation but also how much they have advanced from the time of their entry into higher education. Unfortunately, there are currently few appropriate measures that will adequately represent what skills and knowledge students have acquired, and certainly many experts believe that standardized scores will provide an incomplete, if not misleading, measure of advancement.

Some existing measures do provide the basis of strategic improvements at the institutional level and can define attributes that might serve as a reference for prospective students and the general public. But the enormous range of missions of higher-education institutions, colleges and universities does require that assessment methods and standards capture a wide range of student learning. It is hard to imagine the value of performance measures that would describe a research university, an elite private institution, a state college, a military academy and a Native American tribal college that have different goals and different standards for admission and performance.

The concern about learning outcomes will continue to attract legislative interest, and it is critical that colleges and universities recognize more completely the critical role of the organizations that accredit higher-education institutions and especially CHEA, the Council for Higher Education Accreditation. For many years, these associations, both those that accredit entire institutions and those that accredit specific programs, have focused more on inputs than outcomes. More recently, these organizations have begun to put serious pressure on the institutions and programs they accredit to specify and measure student outcomes. Most have expectations for some kind of outcomes assessment, though they vary widely in how they enforce these standards. Institutions vary enormously in their commitment to outcomes assessment, and perhaps the best example of a national approach to outcomes is that for programs in engineering.

While institutional leaders are convinced that policymakers are serious about the need for improved institutional accountability for student learning, resolution of these difficulties will first require that colleges and universities, particularly their faculties, develop a greater interest in assessment. Those closest to the learning process are skeptical about standardized-testing regimes. And to a considerable degree it is an inability to imagine even a series of outcome measures, let alone a single one, that will adequately reflect the complexity of collegiate learning. Developing such measures requires support for research leading to the development of appropriate instruments and strategies. On the other hand, those looking for a standard measure applicable to all students and all institutions must face the reality that in American higher education, one size can never fit all. Inevitably, institutions with different missions and student bodies will have to develop outcome measures and standards that fit their situations. What the general public and policymakers can insist on is institutional transparency in making their institutionally specific methods and standards known.

The accrediting agencies, which were created by and for their member institutions, are trying to define more clearly their role in serving the public interest. They were originally created to assure standards of institutional functioning, not to certify outcomes. In other words, their purpose is to determine whether institutions have thorough and credible programs of outcome measurement and use the results to improve their practices. As these various controversies suggest, the contending parties have different ideas about the audience for outcome assessment. Is it for the students themselves so that they may know where they stand? Is it for the institution and its various components so they may know where they need to concentrate their efforts? Is it for policymakers so that they may apply pressure where it is needed or withhold support in cases of poor performance? Is it for students and their families to help them in choosing the institution to attend? Each of these audiences would benefit from a different kind of assessment, with results reported in a particular way and by different means.

While legislative interest in accountability and accreditation is critical to the public interest, the execution of these processes ought not to be a direct government function. The process needs to balance the direct engagement of institutions with representatives of the public interest, and unless we clarify and stipulate more specifically how we intend to represent and respect that interest, a more regulatory government engagement seems inevitable. Already the U.S. Department of Education, which relies on accrediting agencies to establish institutional eligibility to receive federal funds, has signaled its intent to raise the issue of outcomes and to question the current balance of responsibility among institutions, accrediting bodies, the states and the federal government. That balance is critical, but a regulatory government process is not an ideal way to serve the public interest in an accreditation process that increasingly examines assessment practices.

Apprehensive about preemptive government proposals to address accountability, several national higher-education associations are currently working on voluntary systems of Web-based information with a standard format: the National Association of Independent Colleges and Universities as well as experiments in developing appropriate learning outcome data by the National Association of State Universities and Land Grant Colleges and the American Association of State Colleges and Universities. The American Association of Colleges and Universities has recently initiated a related effort to engage the entire academic community in the necessity for institutionally based assessment. This effort aims to further research and application of best practices in outcomes assessment and to engage institutions individually or in groups in the process of advancing more reliable and creative measures and approaches to student learning. These efforts will need to be accompanied by a clarification of how the accreditation process balances self-declared institutional mission with sensitivity to the public interest in quality outcomes.

Access, capacity and transfer

While making college affordable is basic to matters of access, and some degree of accountability is essential to government funding and public support, changes in the age and mobility of students have also changed the meaning of access and accountability. The institutional context of access and accountability has changed dramatically over the past generation as adults and part-time students have now become the largest proportion of total student enrollment if not of total credit-based enrollment. Many institutions do value their own individual approach to higher education and believe that excessive mobility and transfer undermine curricular coherence and collegial benefits of their education, but the “classic” college experience of four years in residence full time engages a diminishing minority of students.

Lifelong learning with short-term segments of full-time enrollment or long-term, part-time enrollment results in both sequential and concurrent enrollments at different colleges and universities. The mobility of students among institutions has increased as individuals and families move within the U.S. Many students, reliant upon uncertain financial aid, move into and out of higher education at irregular intervals in order to raise funds to continue their college educations. Indeed, many so-called "drop-outs" from higher education are actually only temporarily in that status as the vast majority later return to complete their studies.

Transfer among institutions is a great strength of American higher education, but the opportunities for migratory patterns of participation in postsecondary education are not achieved without some inconvenience and frustration. Institutions have made great advances in making the process of transferring academic credit from one institution to another as transparent as possible. Some states have systematized the process so that undergraduate students may know exactly which courses they take at their first institution will be transferable to which other colleges in the state and what requirements they will meet. Bilateral-transfer agreements between neighboring institutions often supplement these more general agreements. With more than one-half of all students receiving credits from more than one institution, colleges and universities will necessarily face the reality that they are part of an informal network in which they collectively and not individually provide the complete higher education.

Improvements in transfer are also necessary as education is increasingly recognized as a lifelong process, not a phase of life that ends with the completion of an undergraduate degree. People across the age spectrum are aware that further education and training are always available and hopefully easy to access, either in a classroom or online. Students can come and go, reentering the system at whatever level makes sense and for which their earlier educational achievement qualifies them. Approaches to access and accountability will necessarily have to recognize the radical changes in the demography and mobility of students.

Although U.S. higher education was highly differentiated into small colleges and large research universities by the end of the 19th century, the rapid expansion of access and the intensification of research have further extended the range of missions. In California, a tripartite structure of comprehensive research universities, predominantly undergraduate institutions and community colleges provided for mass access, but in view of the enormous costs, access to a relatively small number of comprehensive research universities would be by means of transfer.

While at one time there were expectations that most four-year institutions would support extensive graduate programs and expensive research facilities, in most states both state policies and the availability of research funding have restricted the number of comprehensive research universities. Almost 40 percent of all undergraduate students initially enroll at two-year community colleges and must transfer to four-year institutions to complete their degrees. In many respects this rich diversification of missions far beyond the tripartite California plan defines U.S. higher education in contrast to that of much of the rest of the world where most institutions are uniform in mission and supported and regulated by a central ministry of education.

Over the past decade the demands for mass higher education and for world-class comprehensive research universities have spread throughout most parts of the developed world and in some parts of the developing world. Under these circumstances, issues of mission differentiation will have to be faced because there is no tax base in the world robust enough to sustain mass higher education exclusively to comprehensive research universities. If the future configuration of higher education is in the direction of greater differentiation of mission, and if the majority of our students are likely to be older and to attend more than one institution, our approaches to access and accountability will also need careful adjustment.

Efforts to define a specific mission niche within higher education are also linked to increasingly entrepreneurial approaches of colleges and universities and of their faculties to raise revenues to meet their needs, but these responses have raised serious questions of conflicts of interest and of values. At the same time that we hear advocacy of entrepreneurial efforts to improve the effectiveness of our institutions, we also hear questions about the propriety of some new revenue sources. Unfortunately, each of these issues — increasing tuition, access and financial aid, accountability and accreditation, new student profiles and conflicts of values and interests — is often considered independently when they are all linked to a new and completely different environment to which higher education has had to adapt.

Actions and prospects

We do need to find ways of addressing issues of college cost, especially for qualified low-income students and connect more strategically with primary and secondary education to define college preparation. At the other end of the undergraduate pipeline, institutions will need to recognize that future government funding and continuing public support will increasingly depend on greater transparency in communicating and assessing our effectiveness. While globalization has strongly influenced the discourse about the future of higher education, universities have themselves become instruments of globalization.

Many of their most entrepreneurial activities are funded by contracts for research and services and by philanthropic gifts rather than by direct government subsidies. Market processes strongly influence tuition policies, especially in those professional schools sensitive to the potential gains in lifetime incomes of their students.

Indeed, some institutions may attempt to diminish their exposure to government assessment by becoming independent of public support. Precisely because of accountability, it is difficult for institutions to take risks with public money, and much innovation within higher education is funded with private sources of revenue. Some observers believe that the advantages of independent over public universities are already apparent in the rankings of the leading research universities in the United States.

Our response to these challenges should be to recognize and rely on the best practices and current experimental efforts in U.S. higher education. Statistical comparisons based on average performance with no sensitivity to variation in both directions from that average and no recognition of the scale and diversity of national populations provide only the most abbreviated summary of educational resources and outcomes. A preoccupation with learning outcomes also tends to emphasize minimum or average performance, and for the talented many tests simply delay or deflect their precocity. Many innovations in U.S. higher education are institutionally specific, and they have rarely been scaled at the interinstitutional level. Indeed, many innovations are experimental, and the variable efforts eventually become a source from which best practices are derived. A clearinghouse of best practices may facilitate the rapid diffusion of innovations, but clearly some degree of variability in program delivery is a strength rather than a weakness in any system. Many innovations are linked to academic disciplines, and any real changes in assessment will depend not only on institutional commitments but also some level of acceptance by the scholarly communities that create the content to be assessed.

It is also clear that increased access to higher education results in higher variability in the time it may take students of different aptitudes to complete a program. For many students completion of a program may occur within the context of adult education. While minimum standards are critical to establish appropriate preparation for higher education, we should be seeking multiple models of delivery that meet a widening variety in the pace of and kinds of learning. Indeed, increased access of the magnitude proposed to meet the demands of the knowledge economy will depend on our ability to deliver high-quality education in multiple ways. Unfortunately, a myopic focus, a single standard may squeeze much of the creativity and flexibility that has defined the strength of U.S. higher education. We do need some acceptable threshold levels of competencies, but we also need to reaffirm the value and necessity of diverse approaches to higher education.

In the United States the cost of mass higher education was initially faced by the gradual introduction of tuition graduated by income and by the differentiation of tuition based on institutional and even departmental missions. Today, those responses may have reached the limit of their effectiveness. Tuition at one time was viewed as an obstacle that denied the poor access to higher education, but today the political impact of increasing tuition is rooted in middle-class concerns. Consequently, a new social compact will be needed to apportion the appropriate division of financial responsibility for higher education between the student and the government. It is this growing awareness of the need to create a more responsive and transparent financial-aid system that also sustains a corresponding interest in measuring the cost-effectiveness and learning outcomes of higher education.

The prospect of greater regulatory interest on the part of the government will certainly provoke legitimate resistance not only from higher education but also from those in government skeptical of the capacity or appropriateness of regulatory measures. Government and higher education will need to work together to negotiate and specify more clearly our respective responsibilities in what has been a successful partnership. Critical to this debate is a clearer understanding and definition of the public interest. If the limitations of higher education appear to ignore the public interest, it should not be assumed that the public interest will be served by direct government action. A neutral political space for negotiation and decisions, especially where academic judgment is valued, is necessary for the public interest to be served.

The future beyond 2010 will necessitate a continued confrontation with the full costs of mass access and the magnitude of investments needed to sustain comprehensive research universities. It is also clear that a legitimate preoccupation with affordability and accountability must be accompanied by an awareness of the kind of experimentation and innovation that will be needed to provide for lifelong learning on a large scale.

Increasingly, formal and informal networks of similar institutions worldwide resemble multinational enterprises of the private sector. Both local and global collaboration will increasingly define the capacities and potentialities of higher education. In short, public policies designed to connect investment in higher education with precise and standardized levels of accountability may inadvertently drive more innovative and customized approaches to learning to the independent if not to the for-profit private sector.

I will end my discussion by raising a question that is rarely confronted in policy debates. Is the future of higher education beyond 2010 entirely dependent on our responses to global political economy and to public policies designed to renegotiate the relationship between the state and higher education, or do universities themselves have an independent and direct role in their own destiny?

Our future cannot be left to reluctant and reactive responses to public policies but must also be a proactive outcome of our own creative aspirations. In some respects, discussions of our future would be more stimulating if we ourselves could be more systematically self-critical of our current practices and more forceful in our advocacy of innovation. It is also critical that our advocacy of these changes is as closely linked to social justice and citizenship as to the knowledge economy and to discovery as well as application.

RESPONSES

Chancellor Ringeisen: Thank you very much, David. What did you tell me? In 28 days, we're not going to have that voice in Washington? I know your successor, and I know she is wonderful, but we're going to miss your voice in Washington.

Now we have three Illinois leaders who are going to respond to Dr. Ward, and after their responses we'll have questions. First, we'll hear from Judy Erwin, who is the executive director of the Illinois Board of Higher Education. What that is, for those of you who might not know, is the coordinating board for all postsecondary education in the state. Among other things, for example, she and her board approve budget requests from all public universities and submit requests to the Legislature. That budget, by the way, for Illinois exceeds $2.2 billion.

She came to the IBHE after serving as an Illinois state representative from 1992 to 2003. In the General Assembly, she was one of the Legislature's most fervent supporters of higher education, and one of the most knowledgeable, for which we have always been grateful. She has a bachelor's degree from the University of Wisconsin-Whitewater, and a master's degree from the former National College of Education. She's also had extensive graduate work at the University of Illinois at Chicago in public policy analysis in postsecondary education. So it's a pleasure for me as the chancellor of UIS to welcome this leader of education in Illinois, Judy Erwin.

Judy Erwin: David's comments were daunting. He laid out, really, a terrific landscape, if you will, of the challenges that all of us face, but it is daunting. I think he did a terrific job of looking at these many issues and from whence we've come in terms of where we need to go from interesting vantage points.

Not surprisingly, I'm going to respond briefly from a state vantage point and, not surprisingly, the state's vantage point is very different. Whether it's from ACE or any of the distinguished associations or public or private universities, there is a tendency to be look at the world from where one sits. And if you're sitting in a university or higher-education system, that's how you view the world.

A very different vantage point is looking at it as a state of the union of analysis. And I will tell you, whether it's in the Legislature or even from where I sit now at a coordinating board, it is the wont of the higher-education community to always view everything from an institutional perspective. It is, I am discovering, harder to convince those who hold the purse strings and many other decision makers and policymakers when we keep repeating: "Just give us more money, and there will be peace and harmony in the world."

Trying to look at higher education from the vantage point of the state as a unit of analysis is something that the Board of Higher Education is trying to do. David mentioned the National Council of State Legislatures report. In Illinois, that report drove a number of legislators to demand of the Illinois Board of Higher Education that a public agenda for higher education be developed for the state of Illinois. Now, interestingly, it happens to be one of our statutory responsibilities, but the last time it was undertaken was 1976.

So if you think about it, not surprisingly, we are still dealing, as David said, with the paradigm of the Baby Boomer population. And it's all capacity issues. But it's a very different world today. I will invite all of you to be a part of the development of the public agenda for Illinois. And, really, although we are saying a public agenda for higher education, planning for career and college success, it really is planning for the future of the state. Because, as David also mentioned, we really have to be looking at this in a very integrated perspective.

If you go to the IBHE Web site, you will find the first phase of the public agenda, which is a public-needs report. If you think of the wonderful context that David laid out, we are looking at this for the state. What do we look like, and what are the trends? Do we like what we think we are going to look like in 10 years? "I think not" is what I think most of you will conclude. So, together, and just as the distinguished panelists here today will point out, it will require the business community. It will require, obviously, the higher-education community. But it also really requires the public buy-in, and that includes legislators. And I can say, having been in the Legislature, as dysfunctional as that institution can be, nonetheless, it does require their buy-in. And deciding what the state's future will look like requires a buy-in from the community level.

So we will be going through regional hearings and meetings, drilling down on the emerging trends and solutions. I invite all of you to be a part of that. It is essentially taking David's good words and trying to say, "Okay, let's say as a state we accept this challenge." What we have to begin understanding is that the institutions — and we're so blessed in this state with fabulous public institutions, a well-developed community-college system and remarkable private institutions that frankly play a much larger role in higher education in this state than they do in many. We are very blessed. But those institutions, as good as they are, are means to an end.

So looking at it from the economic or the state perspective is something that I think we have to do if we are to try and have a conversation that requires more than just people in higher education at the table. So I look forward to all of your assistance and help with that.

And, David, of the things I would love to comment on is the collaborative culture. I think for many of us in Illinois collaboration is analogous to herding cats. The political scientists in the audience will tell you we have very strong silos and deep divisions in education. So we really have to work to bridge that collaborative gap and develop a collaborative network.

In addition to the challenges of simplicity and transparency, we hope through developing this public agenda to create a clearinghouse of best practices. As a state-level administrator in coordinating higher education, coming to terms with some of our challenges seems almost impossible. You faculty and students here today, think about just keeping up in your specialized research discipline. Then, stop and think about adding the daunting task of trying to figure out what is the best way to improve Latino retention and degree completion in community colleges or what are the best evidence-based practices.

I would argue there is a huge need for that best-practices clearinghouse of problem solutions, and if there is anything we can do, David, on that account, please count me in. I think you will find that legislators and my other colleagues around the country also feel the strong need for a best-practices clearinghouse.

As I said originally, as daunting in many respects as it is, there's just no question in my mind that we have a moral imperative to change the paradigm to make higher education inclusive, to transform our system into one that welcomes all our citizens. We cannot leave them behind.

Thank you. I look forward to your questions.

Chancellor Ringeisen: Thank you. You know, I'd mentioned earlier the willingness with which David took on this role, and I should also say that about our other three guests. It was marvelous to talk to them and to see how quickly they wanted to help us. Our second respondent today is Dr. Naomi Lynn, my predecessor in this position. Leading this university as president and then chancellor from 1991 to 2001, she, among other things, oversaw the transition from Sangamon State University to the University of Illinois at Springfield, certainly a major accomplishment for her and for our community. Also, she found her way through the political waters that resulted in our first honors program with freshmen on campus.

Naomi is a scholar, a professor of political science in public administration. She has a master's degree in political science from the University of Illinois at Urbana-Champaign and a Ph.D. in political science from the University of Kansas. She also has extensive teaching and administrative experience at Georgia State University and Kansas State University. It is really a personal pleasure for me to be able to welcome Naomi to the podium and listen to what she has to say on higher education today. Let's welcome Dr. Naomi Lynn.

Naomi Lynn: I will expand on three themes discussed by Dr. Ward that I find especially intellectually stimulating. The first is economic reality; the second is reality and academic change; and the third is globalization and reality.

I have listened to the recent presidential debates through the filter of one who cares deeply about higher education. I have not been surprised, but I have been disappointed at the scant attention paid to this issue. The longest segment I can recall was when a candidate was chided for supporting the awarding of merit scholarships to honors graduates of high schools because their parents were undocumented workers.

It is difficult to convince the public of the urgency of education at a time when its attention is focused on recession, layoffs, home mortgage crises and credit-card debt. As a nation we are becoming increasingly aware that current fiscal policy is resulting in large, escalating and persistent deficits that are economically unsustainable over the long term. The General Accounting Office warns us that we will not be able to grow ourselves out of the problem and that tough choices will have to be made. In this environment it is unlikely that higher education will surface as a high priority.

In a recent broadcast of the *News Hour*, David Brooks observed that "At a time when people are scared they become more selfish and self-absorbed, and so the chance of getting solutions to acute social problems becomes less likely." In a convocation speech at Carleton College, Harvard economist Benjamin Friedman asserted that "economic growth is a prerequisite for the creation of a liberal open society. Economic stagnation and insecurity, by contrast, usher in distrust, retrenchment and reaction as well as tightfisted callousness toward the poor and scapegoating of immigrants and minorities."

The rewards of higher education in a science-based technological society are vast. The number of low-level jobs is vanishing. This means that those who get a higher education will get more for their investment than those who stop at lower levels. This is a formula for increased inequality leading inevitably to the creation of an alienated subclass.

Dr. Ward accurately points out that for upper middle-class and wealthy families, higher education may be perceived as an investment in the future. Low-income families cannot afford such an investment.

Last month, I heard the president of the University of Texas-Pan American use a statistic that was so surprising I checked its accuracy with her. Pan American has an enrollment of 18,000, and she mentioned that 42 percent of these students come from homes with less than a $20,000 annual income. These are students who really want an education and are making significant sacrifices to improve their lives and their futures. I realize how out of touch we are with their reality when we suggest so casually that those students apply for loans. For middle-and upper-class students graduating with an average debt of $19,000 may seem like a sound investment, but to these low- income students a debt of that size is a formidable barrier.

In his book *Microtrends* Mark Penn writes: "Not only are college dropouts a waste of American potential — but it's about to get worse." He adds: "Between 1995 and 2015 the number of undergraduate students in America is predicted to increase by 19 percent, to 16 million. If the drop-out and stop-out rate merely stays constant, there will be something like 1 million additional Americans every year prepared to do college-level work but not doing it." Penn concludes: "College graduation rates will probably be the most important indicator of whether the U.S. will be able to keep up with emerging Chinese and Indian economies that are turning out millions of competing graduates."

It is commonly assumed that enrollment is countercyclical. When the economy is bad and there are few jobs, more students decide to go to college. Today's cost of education makes it less likely that this pattern will follow in the future. These are the economic realities that confront American higher education.

We are seeing a massification of higher education. It is estimated that there are 80 million students in the world. In *The World is Flat*, Thomas Friedman says that when he was growing up, his mother told him: "Finish your dinner. People in China and India are starving." Now Friedman tells his daughters: "Finish your homework. People in China and India are starving for your job."

The Spellings Commission has identified the challenges facing American higher education. Most are problems for which we have been seeking solutions for a long time. Critics of the report are either disappointed in the lack of remedies discussed or relieved that no serious attempt was made to find solutions. The ghost of No Child Left Behind hovers in the background.

In fairness, the higher-education culture has a difficult time accepting suggestions or control from outside. We love federal and state funds, but we prefer to receive them with as few strings as possible. Ideally, the federal government should come at night and leave the resources behind a rock where we can find them and use them at our discretion. Clark Kerr (the 12th president of the University of California system, a friend of David Dodds Henry who presented the first David Dodds Henry lecture in 1972) was not entirely wrong when he observed that "Few institutions are as conservative as the universities about their own affairs while their members are so liberal about the affairs of others."

In this wary environment it is not surprising that reservations about the Spellings Report would emerge. Many of these concerns are legitimate. From my perspective the most serious was identified by Dr. Ward when he shared his apprehension that the commission's recommendations could be used as the basis for an "undesirable and aggressive regulatory agenda."

Dr. Ward is also concerned that the data collected could be used to compare institutions without acknowledging that the strength of American higher education is in its diversity. I would add that one of our challenges is that while we acknowledge the need for mission differentiation, we compete to move up in academic status. We know we cannot all be Research 1 institutions, but we do not like to be put in our academic place. We do not seek benchmarks made by our peer institutions. The only comparisons we value are those with institutions of aspiration.

We know that our financial-aid programs have some serious flaws, but when the Spellings Commission suggests gutting them and starting anew, we are hesitant because we do not know what will replace them. Our inherent conservatism leads us to echo Lord Salisbury's lament: "Change! Change! Why do we need change? Aren't things bad enough already?"

The Spellings Commission justifies its report partially in terms of the need to compete in this new global environment. Unfortunately, so much of the discourse is focused on economic rewards that we sometimes neglect the public-good value of higher education. I am also troubled when students tell me that because of debt they cannot afford to enter public service. Today we need the smartest and the superior in government, but public policy discourages these careers choices.

Finally, we come to the reality of globalization. Universities have always been proud of their international perspectives; we are used to making decisions on the extent of internationalization on our campuses. What makes this period so different is that globalization and the knowledge economy are gigantic shifts of technology, people, resources, ideas and values across borders. These are tsunamis that we cannot control and to which we must respond. But we don't always know how or when we should respond. Most universities are expanding their Internet courses to serve students around the world. Faculties are finding global colleagues with whom they can share research and publications. *The Chronicle of Higher Education* seems to have an endless list of universities planning to franchise their degrees to other countries. From the community college to the research university internationalization is in, parochialism is out. If you are not global, you are second class.

Richard Florida writes that "the world is both flat and spiky at the same time." He observes that in terms of "sheer economic horsepower and cutting-edge innovation, today's global economy is powered by a surprisingly small number of places." Florida contends that the main change "is not that the whole world has become flatter but that the world's spikes have become more dispersed … and the industrial and service centers have proliferated and shifted." A great deal of this shift has been away from the United States.

As Dr. Ward points out, we are in a period in higher education when we are vulnerable to competition from other nations (or as Florida says other peaks), and we need to use and develop all the human capital available to us. This does not appear to be a propitious time to limit access to higher education to any group in our society.

A degree from an American university is still prized, but it now has to struggle to maintain its cachet. Everyone still wants what we have, but for the first time they are convinced they can attain it without American hegemony. Florida contends that it is "the ability of other countries to attract a greater share of the global talent that will alter the competitive landscape." This new competition comes at a time when unfriendly immigrant and visitor rules are making it more difficult for students and professors to come here to study and teach.

Universities are responding by putting more emphasis on developing the science, math, engineering and technical skills students need to function in the global economy. This is a positive move, but we also need to emphasize the education and skills that build and sustain democratic institutions.

I have shared with many in this audience my belief (some might say my mantra) that everyone graduating from college should speak and write clearly and grammatically, should have an understanding of other times and other cultures, should appreciate the sources of our institutions, beliefs and values and should apply them humanely in their daily lives. They should gain from their education a willingness to explore the human experience in all its richness and ambiguity. For those of us who come from a liberal-arts tradition these are not original, but frequently quoted values. I will conclude by observing that this is still the kind of education that provides the creative responsive skills required to compete successfully in a rapidly changing world.

Chancellor Ringeisen: Thank you, Naomi. It's nice to have you here.

Our final respondent today, before we get to the questions, is Mr. Gary Plummer, president and CEO of the Greater Springfield Chamber of Commerce. He's been in Springfield since 2005, but he's been in chamber works, really, since 1979. He was CEO of chambers in Cheyenne, Wyo.; Jefferson City, Mo.; Waterloo, Iowa; and Modesto, Calif. And to top it all off, he was named the Executive of the Year from the Western Association of Chambers in 2007.

It's been a great pleasure for UIS over these last couple of years to get very involved with the chamber and to experience Gary's leadership firsthand. He launched the $4.5 million economic development initiative you've heard so much about. It's hoped that it will ultimately create 4,500 jobs in the next five years. He understands that our educational institutions are a vital part of the community's economic structure. He's formed a business-education partnership and, something you'll also be hearing more about, a Continuum for Learning Center, in Sangamon County. He's trying to get all of us — business, elementary, secondary schools, social service agencies, all of us in the entire county, not just the city — to understand how important it is to work together for education. His ideas relative to education and business are bold, and they're wonderful.

We're eager to hear how Gary responds to Dr. Ward. Let's welcome Gary Plummer.

Gary Plummer: Thank you very much. I appreciate the invitation to be a part of this. I had the good pleasure earlier today of having lunch with our speaker and other members of the panel, President White and, of course, the chancellor. We had a very interesting discussion, and, because of that discussion, I've completely reworked my remarks today.

It also kind of reinforced the feeling that I had when I stepped on campus accepting this invitation that I didn't know, really, whether or not I belonged here. Certainly the credentials of our speakers and other members of the panel far outweigh my B.A. from Northwest Missouri State University.

Dr. Lynn mentioned the presidential debates. It reminded me, I felt a little bit like a gentleman in a vice presidential debate a few years ago: "Who am I? Why am I here?" You remember Admiral Stockdale, who was running with Ross Perot. Now I know how he feels. (Laughter)

I do want to acknowledge, though, the chancellor's comments about a Quantum Growth partnership (Q5) development initiative in the greater Springfield metro area. And I really believe that relationship that we recognize between higher education and the economic development corridor is probably the primary reason why I'm here. Of course, the business community is a consumer of higher education's products, and I think that's important as well, too. But we certainly enjoy the working relationship we've had through the Q5 initiative with UIS and look forward to many more years of that.

I want to acknowledge another gentleman who helped me kind of craft some remarks for this talk, the former UIS staff person, Dr. Allen Woodson, who's with us in the audience today. He, along with Brad Warren, who is our executive vice president, helped me dissect this very complex issue that, Dr. Ward, you handled very well today — higher education and some of the challenges that are facing it. I want to thank Allen and Brad for their help in doing that. Certainly, education has a profound impact on a community's competitive position and on the nation's capacity to generate wealth.

Innovation is the key ingredient to competitiveness in a knowledge-based economy. The world has become smaller, and the proximity of international relationships and transactions has created a demand for greater understanding and communication. You know, just a generation ago when I got into this business of economic development and chamber work, the primary factors in domestic economic development were inexpensive land and low-cost labor. Today, more and more, the No. 1 criterion for business expansion is the educational attainment and the characteristics of the work force.

The desire to demonstrate a strong education and work-force development environment here in Sangamon County has prompted the business community and social service organizations to team up with K-16 education on a project or initiative called the Continuum of Learning; I saw the diagram being passed out in the audience. I'm pleased to report that UIS Provost Dr. Harry Berman is chairman of that effort; and Lujean Finley, who is chairman of our business-education partnership, is with us today, too, are very involved in that continuum concept. The partnership's vision through the continuum is to ensure that every person in our community is ready to learn, ready to work and ready to succeed.

The secondary objective is to send a message to prospective employers of the value that we place on education in this community. You know, one of the things I came away from our luncheon discussion today with was a sense of encouragement from President White and Dr. Ward and others in the discussion that we're on the right track in trying to address educational attainment from birth through — almost to the grave — and that's what the continuum is about. It will foster linkages between education stages from birth to adulthood by encouraging a new collaborative approach to solutions and outcomes.

I'm very excited about the Q5 concept: It's not a new committee, it's not a new organization, it's a new vision. It's a new way of trying to get the community, public sector, private sector, education, business, social services all engaged in collaborating for some real solutions and outcomes. There are many elementary school teachers, for example, who maintain that a college student's success can be traced back to the student's early mastery of the basic skills of reading, writing and mathematics. U.S. Secretary of Education Margaret Spellings on her Web site says we cannot prepare students for the global economy if we don't get them at grade level first. I think that kind of sums it up.

While educational attainment and measurable outcomes may be important to measuring the effectiveness of a community-wide initiative like the Continuum of Learning, I would join Dr. Ward in his rejection of the notion that national standards of testing for higher education are the way to go. As the public sector funds education, it needs to be reminded from time to time that the best evaluator of those outcomes is not standardized tests but, rather, the voice of the business community, who is the end user. Success of an institution's graduates on the job is a far better measure of educational success than a standardized comprehensive exam. As you were describing some of the outcomes of the Spellings Commission, it started to sound a little bit like No Sophomore Left Behind, and that's a little bit scary, I think, for higher education.

We think, rather than centralization of educational policy and design, we would be an advocate for the freedom of educational institutions to be as entrepreneurial in their delivery as our complex marketplace demands. Innovation, rather than uniformity, should be the goal in higher education. The public, otherwise, we think, places far too much emphasis on the process of education, rather than on its purpose.

Finally, I want to say that we couldn't agree more with Dr. Ward in his assertion that higher education must control its own destiny rather than simply wait for state policymakers for 20 solutions. We believe the University of Illinois at Springfield has already proven under the leadership of Chancellor Ringeisen that they have a vision and a plan to be one the top five small public liberal-arts universities in the country, and we applaud them for having that vision. We think that they, by establishing that vision, are taking charge of their own destiny and charting their own course for the future. And we think, because of that vision, that Springfield and the entire region will be a much better place.

Thank you, and I look forward to your questions.

QUESTIONS AND DISCUSSION

Chancellor Ringeisen: You know, there was a reason Gary was named Chamber Executive of the Year by the Western Chamber Association. Gary, when you talk about a continuum of learning, I know you and I think back when we started talking about all that, and I just really want to take this public moment to congratulate you on the way this idea has developed. It's great.

Now for the fun part of the afternoon when we get to your questions. You may question any one of the distinguished panel members up here, and I'll try to give those questions out to those who might want to answer them, and I'll repeat the questions so that we make sure everybody hears. Let's see if somebody has something to ask right off the bat.

Yes, sir.

Audience member: My question is for, really, anybody. They're talking about affordability and private funding versus state funding and all these different entrepreneurial things we're trying to do. It seems to me that the best way to talk about the private-public good is not to ask what you get out of it but what you wouldn't get out of it if higher education wasn't affordable.

It just seems to me that while an individual person with no higher education might have less money in his lifetime, the actual societal harm of not having teachers or social workers or police officers, not having increased tax base that comes along with increased wages, not having people with these skills, seems to be just overwhelming that higher education is a public good. I mean, there have been reports from the Illinois Student Assistance Commission that in terms of affordability for higher education, we're 49th in per capita funding.

I don't really have that much of a clear question, but where do we go from there, seeing how little the states perform and how much we'll expect in the future compared to, Dr. Ward, when you said in the beginning that sort of entrepreneurial behavior requires capital to start with. So as we look for new sources of income because we're not getting it from the state, how can we do that without some sort of state help?

Chancellor Ringeisen: And, folks, that question comes from our Student Government Association president. And I think we probably all heard the question that deals with what do we lose from not having higher education, and if we can't depend on the state, whom do we depend on?

David Ward: It's a great question, and I think it's the frustration that I feel when dealing with Congress or even dealing with Wisconsin Legislature, almost everybody agreed to the value-added and the public value of higher education. And so it's a bit like the visa issue, too. If you talk to any congressman, they really believe it's great we have foreign students, and they return home and yet we have visa problems.

Sometimes the problem we have in the political system is an agreement not about the vision or the goal, but how you get there, how you execute that vision, is the problem. So the first thing is: Can we help them figure out how to get there? One of the issues, I think, is resource deprivation, whether the resource deprivation is tax policies that assess our public investment too low, or whether the feeling is that there are different ways of apportioning the value of something.

That's why I kept saying can we find a way that apportions a public and private benefit if, in fact, there is no hope whatsoever of creating low tuition for everybody and if there's just utterly no chance of having 60 percent, 70 percent, 80 percent of an age group go to higher education without some tuition. So we need to introduce tuition very gradually and let it ratchet up without ever deciding how we want to do it.

So I'm a great believer in transparent, simple need-based aid that guarantees that those who otherwise would be denied access to higher education can get there. Now, again, everybody likes that idea. But, in fact, those in the Congress who represent upper middle-income constituents are the people who are most opposed to this, frequently, because they think it's an entitlement for everybody. And my problem is — I'm not sure in any nation in the world because I see what's going on in Europe and see what's happening in Latin America with the growth of for-profit institutions because the public sector is so overwhelmed by students — can we find a way of having a redistribution mechanism in our tuition policy that's rational and understandable by the public? And can we make financial aid simple enough so the very poor can access it without real problems?

I was part of a group in Washington that suggested there should be surtax for the Iraq War. We run our country in such an unbusinesslike way. There's no specific allocation and transgenerational inequity in this, just as our parents never thought through what the cost would be for their children and grandchildren to access higher education. We never said how much the Iraq War is going to cost our children. There is no transgenerational structure to political decision-making, typically, in the federal government.

So your question is right; I mean, ideally, free tuition for everybody. But if you're going to have the sheer scale of access that we have we've got to figure out some other way that protects those who need protecting while charging those who can afford to pay. And how we get there in a civil, reasonable way is the challenge right now because I don't see the resources to get there any other way.

Judy Erwin: Can I just add something? It really is a good question. Affordability, first of all, is one of the emerging themes if you look at our public-needs report. What I find is that it almost always is in two categories. One is the amount of need-based financial aid. Illinois has had, traditionally, very generous, compared to other states, need-based financial aid that goes to poor students going to public and private institutions and a few proprietaries. Then there is also the cost of going to school. Actually, there's a whole group of other things that significantly impact affordability.

We know today that the single biggest barrier to success in college or career is the lack of academic preparation. So to many people the barrier is money. Stick with that for a minute. What we see, particularly in Illinois, is two-thirds of the students graduating from high school go on to community colleges. So they're self-selecting a less expensive model, not all for the same reasons, but cost is certainly part of it.

The lack of academic preparation causes significant increases in the percentage of students in remedial postsecondary education. So now, again, if you think about that and you think about the question of affordability, how much more expensive is it to not just academically preparing students once but also to keep having to pay for it again and again and again? So the neediest Illinois students who are using the Monetary Award Program grants are using up their need-based financial aid on remedial education, getting zero college credit towards a degree or certificate.

With that kind of scenario, along with the issue of better articulation between two-year community colleges and four-year colleges and universities, we're finding a sort of swirling of students. They may, for instance, be at UIS and simultaneously taking some credits at Lincoln Land Community College and maybe online someplace else, even at a proprietary school. In Illinois, the fastest-growing segment of higher education in Illinois is for-profit proprietary education. It has a huge percentage of minority students. So there are lots of different things that impact affordability. But, in fact, it doesn't tend to improve academic preparation unless you focus on it.

I will lastly just comment that there is a piece of legislation that State Representative Dave Miller is sponsoring that uses as its model a program in Indiana called 21st Century Scholars. It leverages need-based financial aid with improved academic preparation. The program is almost 12 years old, I think, with very good results: Free and reduced lunch if you're in sixth, seventh, eighth grade and you agree to take more rigorous curriculum and if you agree to participate in mentoring and after-school programs and so on. If you complete the more rigorous curriculum with A's, B's and C's, you are guaranteed free tuition at any Indiana public university or college and a similar amount in a private institution.

Those students, all low income, outperformed the average of all college students in Indiana. So that leveraging need-based financial aid with improved academic preparation, as opposed to, as David said, how we sometimes try and pretend that a one-size-fits-all will answer all of the challenges.

Chancellor Ringeisen: Thanks, Judy. David's bill will pay for all that free tuition, right?

Judy Erwin: Actually, these are all students who qualify for math grants now, and let me give you an interesting number — $150 million a year in state general revenue funds, not Pell grants, fall off the table annually because of low-income students with math grants who drop out. So, again, it goes back to the cost for lack of academic preparation. It's very significant. Not only if you're in remediation and you're not earning a college credit, but there's also the $150 million a year we lose from kids just dropping out. So I think it would behoove all of us to just try to be more strategic on how we approach these issues.

Naomi Lynn: Well, I agree with that, and I think it gets back to our earlier luncheon conversation about the importance of early education and so forth. But there are still hundreds of thousands of students who are college-prepared but who can't compete in college, who cannot stay in college and have to either drop out or stop out because they cannot afford to continue. I think we would both agree on that. So we need to keep both perspectives in focus because this is one of the big issues and one of the big challenges facing education.

Chancellor Ringeisen: Thank you. I would like to thank the audience and each of our distinguished speakers before we adjourn.

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