**Position Paper**

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**Summer One**

**EDHE 6760**

1. Public Financial Contribution

The higher education system in our country is unique because we do not have universal higher education. As a result, we have non-profit private and non-profit public institutions, online institutions, and technically based institutions as well as the emergence of proprietary institutions. Therefore, if higher education is the choice and not the requirement of those that attend, should we require public financial support for it? Should we subsidize private or even proprietary institutions because it is cheaper than funding a public college with tax dollars? I believe the benefits to society far outweigh the costs, financially, culturally and socially in supporting our higher education institutions. Higher education’s purpose should be not to acquire wealth and make money but to educate its students for entrance into society. Over the past several decades, there has been public pressure, however, to force government to look at ways to meet society’s needs without spending too much of taxpayer-generated money (Liefner, 2003). Higher education currently receives funds from multiple sources including: government, students, industry, and private philanthropy (Salerno, 2004).

Colleges and universities are social institutions that do not exist in a vacuum; instead, they play a vital role in their community both politically, socially and financially. In turn, the outside forces place constraints and limits on higher education and help establish policies, procedures and rules and regulations to help in governing higher education. Because of the two-way relationship between higher education institutions and society, I believe in the societal benefit theory. Of course the individuals obtaining their education are receiving a financial, intellectual and social benefit, but what they can contribute to their society during and upon completion of their education will benefit their community more. This theory goes beyond the basic belief that those with an education are less likely to be unemployed if educated in the appropriate fields of study (i.e. we have shortage of trained workers in engineering, math and science teaching). Students will receive training and instruction to better prepare them for pursuing a career, and with increased income and stability, they can enjoy a better standard of living and have the ability to contribute to their public community and society

American society aims at the greater good, and, therefore, higher education’s goal is to benefit society by promoting general welfare and helping all individuals achieve their pursuit of happiness. Students will gain empowerment through their education and will constantly challenge change and growth in our society; this will America’s democracy to grow stronger and more productive and effective. Higher education helps bridge the gap between knowledge and the desire to- getting more out of life. The university helps contribute to society’s growth. John Dewey believed that education has two sides that affects a student- the psychological and the sociological. He believed, and I strongly agree, that civilization and social learning in an environment such as a college or university contributes to one’s learning more than studying alone can do. We all learn every day of our life, and higher education’s role is to contribute to the continued growth of the individual in order to help democracy become stronger. I believe that our government was primarily founded with the intent to recognize that all individuals have the potential for a good ethical, moral life and that institutions were established to promote that goal. Our founding fathers probably didn’t think about universal support for college, although they were generally supportive of education and would probably appreciate the current support for education. With educational institutions that are often strongly tied or incorporated into communities and organizations, society can obtain its full potential and a strong democratic system can be established.

Additionally, students benefit from the social interaction between themselves and other students as well as between themselves and faculty. Although students focus on technical skills such as engineering as their main focus, a well rounded education includes the exploration of different cultures, ideas and freedom of speech and helps shape a student’s education and, in turn, their preparation to contribute to society. I believe that more than ever the marketplace will depend on universities to supply qualified students not only for research and jobs but also to be a leading force in the struggles and changes in society. As philosopher Boyer and Bowen also believed, one’s higher education experience should teach students to be socially and civically engaged.

Financial assistance is available to students attending higher education in various methods. Students can borrow to pay for their own education through multiple banks, credit unions and privatized and alternative lending agencies if they do not have the funds readily available when they first begin their time of study. The institution itself might have aid available for students that receive scholarship via performance based or academic based as well as discounts for alumni or endowments set aside for specialized fields of study or expertise and other private gifts earmarks for specific programs in the school. All of the funds listed above are forms of financial aid, but they do not directly come from our federal, state or local government.

Other funds are allocated through government grants, contracts, and other federal, state or local sponsored programs paid for by the taxpayers. The National Association of College and University Officers (NACUBO) classify the revenue that institutions receive into three levels of government appropriations: federal, state and local. How much then should the government give to institutions to allocate to students’ needs for their expenses for college? How much do you determine that a student or institution benefits society and warrants local, state or federal tax allocation? I believe that the public contribution for higher education should be split evenly with the student- 50/50. The public community will be receiving just as much benefit from higher education as the student-not only by obtaining educated, socially aware individuals but also by the economic and social benefit society receives as well. Higher education provides jobs, service, research and instruction to the community through programs, graduates, recognition and revolution. The value of college not only helps in the education of its students but also in its research as the Carnegie Council states. “Scientific and technological advance is highly dependent on our research universities.” (Baier, 2008)

1. Student Financial Contribution

Tuition and fees are an important revenue source for universities, specifically private institutions more than public because of the allocation of funds received from federal, state and local agencies. Students are paying for a service and a product (their additional learning and certification of degree) when they pay for their educational costs. Because higher education should be a mix between both the societal benefit theory and the individual benefit theory, why shouldn’t the students pay for a portion of the benefits they are receiving if the public and society is supporting their education as well? Our nation has a growing student population and while it has become more diverse, it is also more difficult to be able to pay for college, at least entirely without assistance.

As mentioned earlier, financial assistance refers not only to how much assistance the government or scholarships contribute to a student’s expenses but also how much the student will pay out-of-pocket for their education. When students finance their education through subsidized, unsubsidized, alternative, private and other sources of loans, they are still paying for their education themselves; they are just deferring the costs until after graduation. They are counting on their education to provide them with the tools and benefits to make a future income in order for them to pay off the cost of that education. How much should they be responsible for if the completion of their education results in them contributing to society via the workforce? I believe they have the tools and opportunity to contribute to half of their education through their own abilities.

Besides the opportunity to apply for loans to finance their education, other programs exist for students to help themselves finance their education. Many states have programs similar to Texas’ Tuition Guaranteed Program. This program allows students and their parents to put money into a fund at an early age in order to “borrow” from it to pay their higher education tuition bills. The rates are based on in-state tuition but can still be used at private institutions. Many schools offer payment plans for students if they do not wish to borrow or cannot afford to pay their bill in one lump sum at the start of each semester. These plans are often more affordable than any loan interest students could accrue, and they help students budget for their education in an economically efficient method. There are so many financial opportunities available to students when attempting to finance their education either on their own or through scholarships, grants and donations that higher education is no longer a place for the elite upper class of our society. Our population has become more diverse in our colleges and universities compared to previous centuries, and this diversity is reflected help reflect the diversity in our society.

1. Private v. Public Institutions

It is true that in general private colleges and universities will receive more of their income from the individual student than their public counterparts will. State universities and private universities are vastly different in some areas because of the accountability they have regarding enrollment verifications, state funding and state rules and regulations. Private universities still must follow federal guidelines for financial aid (the dreaded FISAB reporting) and government regulations such as the new Red Flag rule, but they do have some flexibility with their enrollment, admission processes, curriculum, and financial distribution. Private schools must report to their board, and usually there is a finance review board that must approve fees, etc, and a board of trustees. The trustees could be local business leaders, alumni, or those with a vested interested in the university and community.

There is a misconception that private school students pay more for their education because of high costs of attendance. In actuality, 84 percent of students at private institutions pay less than the published tuition and room and board costs. Private colleges also provide more student aid to their students; in 2003-2004 they provided 12.3 billion in student aid. Therefore, should a private institution receive the same contribution for the local, state and federal government as public institutions? If they do not, is that the price the student will pay for not choosing a public institution?

Public institutions obviously want to keep all funding to themselves and do not want the government to allocate proportionally as much funding to private institutions because they believe private institutions can remain self-contained and self-sufficient through endowments, private funding and student tuition and expense payments. There is also the principle of separation of church and state that is in our country’s constitutional law, and because most private institutions have a religious affiliation, there is a resistance to establish the relationship with the state. The competition for students remains fierce, especially with tough economic times when students look for the best “deal” for the completion of their degree. Because of this healthy competition for students, public institutions are not willing to give up any of their funding to private colleges. I think the government should evaluate how to make the contribution to private institutions proportionally fair-based on the additional funding private institutions receive from other sources but not allocate the exact funding to the institutions.

Private institutions traditionally charge more for tuition and fees because of the additional benefits such as personal attention or name recognition, and students should have to pay the difference for the added perceived benefit they are receive. Students have free will about which institution they wish to attend and, therefore, should be willing and expected to pay any additional cost one institution might cause them to incur over another. I don’t think that private institutions should be completely shunned by the government’s appropriations, however, because these students still provide a benefit to society and the community where they are located.

In conclusion, I believe it is both the government’s responsibility and vested interest to invest in higher education institutions because of the product they are producing- financial, intellectual and socially stable individuals in society. Without the higher education enterprise, we would lose an entire labor intensive industry of instruction, social services and entertainment as well as the best method of educating future leaders. I strongly believe in the institution of higher education and remain committed to help all students become the best individuals they can be through learning, socialization, self exploration and personal achievement. They say nothing is free, and yes, students are receiving a benefit through their education, but in turn so is society; therefore, we should share in the costs as we share in the benefit of education.

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