

*In this article, the governor of Arkansas calls on universities to give more consideration to the public need, and to focus more on significant social issues. He calls for more scholarship that can prove its worth by means of the service it provides to the students, the state, and the taxpayers. He cites a number of pertinent activities of the University of Arkansas at Little Rock, and describes a new funding formula under consideration by the Arkansas legislature that contains a number of productivity factors such as student retention, and provides additional funding for new programs responding to the state's strategic needs.*

# Universities and the New Realities

Higher education today faces difficult challenges related to the new realities that face our nation at all levels of government. They are related in part to complex economic issues and a changing set of expectations of our citizens on which higher education does not have much significant influence. However, university administrators and faculty can address these challenges if they will seek to understand better the evolving expectations and needs of the society they seek to serve.

My thoughts on the relationship between higher education and the state reflect my time in public office as well as my experience in private life, establishing and operating a business, and practicing law. However, my personal experiences with higher education as a son, a father, and a husband have shaped my views. The life of my family, including my parents, siblings, and children were enhanced by the university experience. The university experience greatly enriched my life. Without the higher education that was available to my family and to me, my life would have been vastly different and vastly poorer.

I do not pose as an expert on higher education, but as a governor I struggle to understand the evolving role of higher education in our society today, so as to deal equitably with its funding. I can share with you the current reactions of governors and legislators as they consider how to properly fund public and higher education, how to assure a higher quality of education at both the public school and higher education levels, and how to persuade universities to give more consideration to the public need.

## The Issues

If you were to poll the governors of the various states, which we essentially do at each National Governors Association meeting, you would find essentially identical issues listed by all the governors as asserting a demand on the majority of their time. These issues relate to reducing violence and crime, funding and improving public primary

and secondary education and health care, achieving economic competitiveness, nurturing job growth, and maintaining the physical infrastructure of the state. The priority order of these concerns may vary, but the issues that face state government are essentially identical throughout the country. I doubt seriously you will find higher education, as such, a high priority item on the list of many, if any, of the governors. If higher education appears on the list, it is there as a corollary or as a component part of some other issue that they face. For example, we often see higher education as having a role in the transformation and improvement of public schools. However, higher education does not appear on the agenda of interests directly.

I suspect all academic leaders are keenly aware of this situation because they have faced increasingly austere funding as the states have struggled with funding demands addressing a wide range of needs. In government today, just as in business, there is increasing competition for the limited resources available, and questioning about the effectiveness of the expenditures by all governmental institutions. The public and their elected officials have a keen desire to document the efficiency of the use of public resources. They want to know what dividend results from the investment. How much bang are we getting for our bucks? Irrespective of their political party, politicians and taxpayers understand that we do not have infinite resources. The only real issue dividing political parties is how rapidly spending will decrease and which priorities will prevail. There is general agreement among the parties that we must spend better than we have spent in the past. This doesn't mean more spending; it means spending more effectively.

Governors expect to see a continued decrease in federal spending on many programs, including programs in higher education, while at the same time more and more of the responsibility for the funding of these programs is transferred to the states. As a result of this shift, other priorities at the state level will compete for the funding that previously went to higher education. Higher education will further lose whatever protected status it may have once enjoyed and will compete more for limited resources than was the case in the past.

For higher education to remain healthy and vital, the administrators and trustees from our universities and colleges must invest better the finite resources available to the state. I understand the Chinese character for crisis or danger also stands for opportunity. If that is true, and the climate of the next decade is as I have projected, the fact of the obvious danger to higher education may bring with it an opportunity as well. Whether higher education can identify that opportunity is a significant challenge for those who believe so firmly in the importance of education. I believe it is possible for a university to learn to leverage the resources available to it. Each university can develop a better sense of its niche, its particular role among the various institutions of higher education within a state, and its ability to serve the diverse priorities that exist among the people of the state. A university can choose, if it will, to focus its resources rather than seek to be all things to all people. Those of you who represent metropolitan and urban universities and who have chosen to attend this conference may already understand this opportunity and this need better than those at most institutions. You probably had to develop this understanding to simply survive to this point.

### **The Needed Response**

Perhaps you can lead the way in developing the needed new forms of scholarship for this era. I don't know whether this era of austerity is going to go on forever, but it will last through at least part of the first decade of the next century.

For higher education to maintain a firm foundation, change is necessary. Your challenge is to find a way to meaningfully address the broad range of scholarship that Boyer and Rice have defined as discovery, integration, application, and teaching. Most faculty primarily appreciate the scholarship of discovery that we normally call research. However, universities can broaden scholarship and the associated reward structure in a way that will address the large-scale systemic challenges our society faces. Faculty can, if they will, make connections between the disciplines and deepen their appreciation of the application of existing knowledge to the solution of significant societal problems. Many faculty have not viewed this type of scholarship, sometimes called applied research or professional service, as serious scholarship on par with the scholarship of discovery. Let me assure you that my colleagues in state government and I do see professional service and applied research by faculty as significant and serious, and the people who benefit from these services certainly consider it significant and serious. We currently do not have the luxury of valuing only scholarly pursuits that focus on the esoteric and pure, not because these are not good and important things to do, but simply because the pressures today do not allow us this luxury. We need scholarship now that can prove its worth not solely on its own terms and beauty, but also for the service it may provide to the students, the state and the taxpayers who are currently supporting these scholars. These are the consumers of the higher education marketplace.

Almost all public office holders will respond well to a renewal of appreciation for teaching, particularly at the undergraduate level. Teaching is, after all, a scholarly enterprise. Aristotle said that teaching is the highest form of understanding. I hope you are willing to give a much broader interpretation to the definition of scholarship than university faculty and administrators have tended to give to it in recent years.

The faculty of our universities represent an immense intellectual resource, which, if combined with what is available external to the campus, can help define new approaches and achieve the solutions that we desperately need. If we can learn to focus this intellectual resource on significant social issues, the credibility of higher education and the appreciation of its value can absolutely soar. Pooling their expertise and knowledge, faculty across the campus can work together with community leaders to propose changes that state and city government may consider and adopt as significantly effective public policy. Faculty in our business schools and in our colleges of education could join to propose better approaches to the funding of our public schools and efficiencies in the use of our dollars in public education. Economists can work with public administration faculty and civic leaders to propose alternatives to funding and maintaining our basic infrastructure. Faculty in the arts and sciences can join with those in education and those in the public schools to create the improved schools we need for the next century.

Our universities can form meaningful partnerships with other institutions in our society. In forming these partnerships, I do not suggest that the university only give and that the other institutions only receive. A partnership is meaningful only if both parties contribute and both have something at stake. Only the skilled leadership of those of you at this conference [of metropolitan and urban universities] can create the transformation of our universities so that they are a more direct resource for resolving the strategic challenges of our cities and states. You can assure that our universities help us meet the needs of tomorrow and the demands of the public. State leadership has a legitimate and important right to better utilize higher education to meet its current critical needs. The talented minds of faculty and administrators

should seek to understand the needs of the state and the city that their university wishes to serve, and work to transform the institution to address those needs.

The university must transform itself into a partner to assist the state and our public education system to assure that we prepare our students to engage in college-level studies when they enter a university, or to function well if they enter the work force. Though we have no choice but to offer developmental courses to a large number of entering students now, we must set a goal to assure that fewer and fewer of our college-bound students require developmental or remedial courses. Teaching high school courses is not the business of a university. Indeed, there is not enough money in the world to do in college what we should have done in primary and secondary school, not enough money in the world. This is not just a challenge solely for colleges of education. This is a challenge that all colleges in the university face as we attempt to restructure our public education system and educate teachers and students for the future.

We need universities to help us in the necessary debate to find solutions to our most difficult social challenges. Universities are neutral ground where the debate between diverse persons with varied and divergent views on a given subject can come together to form the needed compromises for the formation of plans of action. This debate will happen best if based on solid facts gleaned from valid research, and if this discussion occurs with the skilled and rigorously focused cross-examination for which the faculty of the universities are so well-trained and prepared. From such encounters, solutions, real solutions, can emerge, not just rhetoric. During the past eight months, the University of Arkansas at Little Rock (UALR), a metropolitan university, was host to several forums where citizens could focus on specific issues and develop proposals for action. For example, this past July UALR hosted the Governor's Law Enforcement Summit on Crime and Violence. Hundreds of law enforcement officials, together with social service workers, juvenile judges, case workers and young people, came from all over the state. We spent 2-1/2 days here, with the benefit of the research done by the UALR Criminal Justice Institute, focusing on the real day-to-day problems that law enforcement officers face in the state, the sort of things that you hear them gripe about on television and to legislators, the sorts of things that frequently result in reactive legislation that serves no good long-term purpose. After 2-1/2 days of discussing and arguing with each other, they had a much better understanding of the kinds of problems that existed between county law enforcement and city law enforcement, between the juvenile judges and the criminal courts, and between the social workers and the law enforcement officers. The conference resulted in a report with a large number of very specific suggestions, each recommendation with an identified cost and an indication whether the recommendation required legislative action or administrative action. I called a special session of the General Assembly to consider the proposals from this summit. The General Assembly wrote these recommendations into law.

In December, UALR hosted, at my request, a Summit on the Prevention of Crime Among Young People. Those who came to that summit, and about a third of them were young people, again examined specific problems, looked at cost, looked at practicality, looked at political reality, and made specific proposals that are being considered currently by the General Assembly. We expect to see the Assembly enact these recommendations.

UALR will also host a Summit on School-to-Work Issues to consider how to improve the transition of public school graduates into the workplace. This summit will bring together business leaders from around the state to help us try to break

through the barriers that have stymied the conduct of effective programs in the past. The university atmosphere and the willingness of faculty to prepare and participate will provide the neutral ground where the participants can reach consensus and move toward action .

Two years ago, UALR conducted research on Medicaid waiver policies in other states to help us prepare for the special legislative session that dealt with this challenge. UALR Law School professors have served as my legal advisors in the governor's office for the last two years. UALR and other universities around the state have worked directly with state government to develop a wide range of other programs targeted directly at the needs of our state, our citizens and our taxpayers who are footing the bills for these universities. The potential for productive interaction between government and universities is unlimited.

As another simple example, our state Department of Pollution Control and Ecology has had a difficult time attracting and retaining environmental engineers. The industrial demand for environmental engineers is so great that newly graduated engineers work for the state only 6 to 18 months at the most before industry hires them at higher salaries. The state must then resume the cycle, finding another new graduate to administer and interpret the immensely complex laws and problems that surround environmental issues. In response to this challenge, we have created a state-funded program that provides a significantly higher scholarship for engineering students who are willing to study environmental engineering in the form of a forgivable loan. If the recipients will work for the Department of Pollution Control and Ecology upon graduation, we will forgive the loan over a period of three years. We have paid for their education and developed a core of skilled talent, not just for the Department of Pollution Control and Ecology, but also for industry in our state. At the same time we have helped the university to develop a strong new area of expertise.

Simply pick the problem in your city or your state and design similar approaches to these problems, approaches that use public dollars to solve societal problems while at the same time building your university or college in a highly effective manner. If the state or the city has an identifiable problem and must spend money to resolve it, you have the opportunity to strengthen the university and gain credibility and value for your university. In other words, with imagination you can do well while doing good.

How does higher education prepare for this new task? How can the universities take on all these new challenges and still do all that it does now? This may be a question on your mind. I ask you to consider a different set of questions. Is all that you are doing now really needed? Is it all really of equal importance?

Our experience indicates that universities almost never eliminate courses and degree tracks unless we place pressure on them from outside, and then the progress is always less than one hoped at the beginning. This is a time for our universities to examine critically what they do and ask of themselves the hardest of questions: what programs and activities can be eliminated so as to be able to begin new projects that will strengthen the university and enhance its appreciation within the community and state? If universities adopt solely a defensive mode and take on a bunker mentality, the pressures from outside the university will only increase. Legislators will continue to impose more restrictive laws and more restrictive funding measures in order to assure that universities spend their state funds on the issues that are important to the legislators. In some cases they will bypass the universities altogether and invest money previously intended for the university in other programs and other institutions.

## A Changed Environment

I understand many faculty and administrators would prefer to see a continuation of the increase in base funding for universities each year that has allowed the cost plus philosophy to reign. This type of thinking is out of touch with reality today. A change has come; it's not coming. The question now is, who's going to write the rules for the continuing change? Who's going to lead? Governors and legislators want higher education to invest in areas of critical societal need and that provide greater efficiencies. Because universities have had difficulty in responding to this change, state legislators in state after state are making independent decisions to cut general funding for the universities in order to fund specific educational programs. This will continue unless universities become more than mere passive participants in the process. To assume an active role, universities must acquire an understanding of the challenges the cities and states face, and assist in shaping the responses. In the vernacular, they need either to lead or get out of the way. They must hold themselves accountable today and eliminate outmoded or ineffective programs, seeking constantly ways to improve.

In Arkansas, we have proposed a new funding formula for higher education based on productivity measures that leaves much flexibility to the universities. I hope the General Assembly will adopt it as we formulate our final state budget. The formula focuses on several key areas. We have an equity measure that tries to keep the universities in the state system essentially on a par with each other, more so than I like, but I think it was a good compromise. We have an inflation element that recognizes the increase in cost.

We have recently converted our state government to so-called generally accepted accounting principles (GAAP) and have begun to measure depreciation of all of our capital base. The funding formula contains a depreciation factor. Now I have to convince the legislature to put money for capital needs aside on a yearly basis as the depreciation occurs, instead of having a periodic crisis every 5 to 10 years when buildings are finally about to fall down, lab equipment is totally outdated, or other major capital needs are at hand.

We have an item in the formula for special programs and enhancements. These funds focus on some of the programs such as already mentioned. If a university starts a new program to respond to one of our state's strategic needs, we will provide funding for that program beyond the general funding base. We are trying to identify what the strategic needs for the state are and assure that we provide money to universities to address those strategic needs.

Finally, we have provisions for productivity funding. This type of formula funding is already in place in some states. We attempt to measure productivity characteristics we feel are important and then plan to apportion funding based on the year-to-year improvements a university makes.

We will measure such things as the retention of students from the first to second year, with particular attention to minority retention. We know already that our universities are not very effective in retaining students. Large numbers of students drop out between their freshman and sophomore years. There must be a problem either with the remedial courses themselves or with the decision process by which we admit students needing remediation. We should bear in mind that the investment in higher education constitutes a major decision for the vast majority of low-income families in this state to divert meager financial resources so as to give their children a chance to have a better life. If we lure these young people and those families into spending significant resources on the first year of college, knowing that

our remedial programs are inadequate to keep them there, or knowing that their skill levels are simply inadequate for them to have any type of reasonable opportunity to survive, we have not done a favor for these families. We may wreak economic havoc on the family. Thus, the university shoulders a great responsibility in deciding to admit students who have high remedial needs. Indeed, the university meets its first major responsibility in the admission process. If a university elects to admit a student then we will hold the university responsible to provide the student adequate tools with which to succeed.

The productivity formula also measures graduation rates, both for the student body overall and specifically for minority students. We want to increase the graduation rate of minorities, not simply to recruit them into our universities.

We will also look at quality measures of existing programs through the use of out-of-state peer review panels. In addition, we will reward improved performance of graduates on licensure or exit examinations in specific disciplines where these exams exist. We will undertake employer surveys of alumni performance. We will administer a rising-junior examination, as some states already do, to measure whether the student finishing the sophomore year is still on track towards graduation and, if not, to intervene with the student while there is still time so we can better assure their prospects of graduation. We will measure and reward administrative cost efficiencies, program productivity, including the measurement of teaching loads.

We also seek to direct attention to contributions to work force development. We measure and reward, for example, credit as well as non-credit business and industry training provided by universities and colleges. We seek to measure diversity and reward it among both faculty and staff.

This is a brand new approach for Arkansas. We will begin funding productivity in our universities in the next fiscal year. It is an example of a state government trying to respond directly to the types of issues that I have outlined for you today. Now in saying all of this, I do not suggest, and would not want anyone to interpret me as suggesting an abandonment of the historical values and principles that define all universities. I do strongly suggest that universities are in and of the world and must respond to its needs. Universities should be our partners. They should provide an education for their students to become productive persons capable of informed and critical thought, one of the key objectives of a liberal education. The universities should also apply their resources, their collective knowledge and talent, in interdisciplinary ways towards achieving the solutions for the most demanding and complex problems we face. By responding to this need, the universities will produce graduates better prepared to play a more significant role as citizens in an increasingly complex world.

I understand that much of what I have said is not popular on some campuses or among some faculty or administrators, but I believe this conference brings together people who understand the importance of dealing with reality. No doubt many of you are already far beyond my limited thinking on these issues. I am confident that you and others like you will lead our universities in addressing these challenges, and while doing so will preserve and enhance the value of universities and a liberal education to our society.

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**Note:** This article was adapted from a transcription of a speech given by Governor Jim Guy Tucker at the Third National Conference of Metropolitan and Urban Universities, March 19-21, 1995, at the University of Arkansas at Little Rock.

# Declaration of Metropolitan Universities

*We, the leaders of metropolitan universities and colleges . . .*

- reaffirm that the creation, interpretation, dissemination, and application of knowledge are the fundamental functions of our institutions;
- accept a broad responsibility to bring these functions to bear on our metropolitan regions;
- commit our institutions to be responsive to the needs of our communities by seeking new ways of using resources to provide leadership in addressing metropolitan problems through teaching, research, and service.

***Our teaching must:***

- educate students to be informed and effective citizens, as well as capable practitioners of professions and occupations;
- be adapted to the diverse needs of metropolitan students, including minorities and underserved groups, adults of all ages, and the place-bound;
- combine research-based knowledge with practical application and experience, using the best current technology and pedagogical techniques.

***Our research must:***

- seek and exploit opportunities for linking basic investigation with practical application, and for creating interdisciplinary partnerships for attacking complex metropolitan problems, while meeting the highest standards of the academic community.

***Our professional service must:***

- develop creative partnerships with public and private enterprises that ensure the intellectual resources of our institutions are fully engaged in mutually beneficial ways;
- include close working relationships with elementary and secondary schools aimed at maximizing the effectiveness of the entire metropolitan education system;
- make the fullest possible contribution to the cultural life and general quality of life of our metropolitan regions.

