WHY THE HIGHER EDUCATION BUDGET IS VULNERABLE IN THE LEGISLATURE

by Andy, Lara, and Bob Womack

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he higher education system in the state of Tennessee is losing momentum in state government. As a result, the quality of higher education is in jeopardy. This article will suggest why this loss is occurring and what steps might be taken to remedy the situation.

There is no doubt that the budget constraints facing Tennessee have affected funding for higher education. A lack of state revenue results in an almost perpetual review of existing higher education programs, stalls plans for new programs, and causes tuition to increase. While other areas of the state budget are also threatened, higher education seems to bear more than its share of the budget burden.

The "process of elimination" approach to targeting budget cuts contributes to the vulnerability of the higher education budget. When legislators are forced to identify items in the budget that can be funded at lower levels, programs such as TennCare and boll weevil eradication are protected from cuts because they qualify for federal matching funds. There are no such funds available for education.

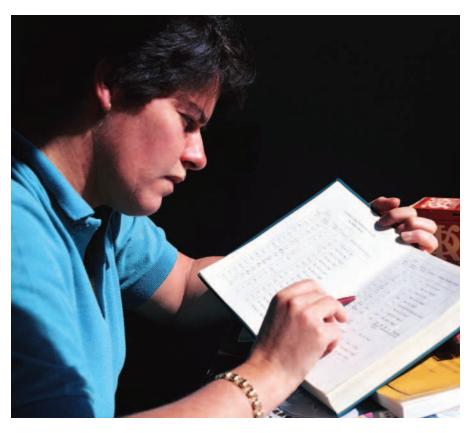
In the education budget, higher education is more vulnerable than the budget for kindergarten through 12th grade. One justification is the concern that limiting the K-12 budget will result in additional funding equality litigation on behalf of the smaller county school systems that

sued in the early 1990s over the distribution of sales tax receipts. Another is that, because institutions of higher education are housed in fewer locations within the state, many legislators do not immediately see the effects of inadequate funding of those institutions. On the other hand, legislators from districts in which such institutions are located are likely to have an appreciation for the impact of decreased funding for those institutions. A third reason is the lack of confidence in the funding formula presently being used. Many legislators question whether that formula appropriately addresses the needs of the campuses. Of particular concern is the fact that the formula is driven by student enrollment and peer institution comparisons. This encourages debate by institutions as to who their peers should be and encourages emphasis on promoting student enrollment rather than student advancement and achievement.

These factors combine to cause the budget for higher education to be closely scrutinized and consistently threatened with decreased funding. Several steps might be taken to address these concerns.

In order to regain momentum in higher education, those in positions of influence must honor the present administrative structure. This structure involves three entities, the University

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of Tennessee (UT) Board of Trustees, the Tennessee Board of Regents (TBR), and the Tennessee Higher Education Commission (THEC). The UT Board of Trustees governs the UT main campus in Knoxville, the Health Science Center at Memphis, the Space Institute at Tullahoma, the statewide institutes of agriculture and public service, UT at Chattanooga, and UT at Martin. TBR is the governing body for the six other four-year state universities, all community colleges, and all Tennessee Technology Centers. THEC coordinates these two systems and is accountable to the governor and the General Assembly. If the system worked, THEC would be the only voice of higher education in the state legislature.

Presently, many of the higher education institutions circumvent this system and attempt to deal directly with state legislators in pursuing funding for their particular campus. This results in those institutions' competing with one another for state dollars, impairing their ability to compete as a group with other interests within the state. While many criticize the present system, if it were honored, higher education would have a focused, common voice presented to the legislature, rather than the fragmented approach that impedes its credibility.

Another way to improve higher education's position within the state is to embark upon a

determined, concerted effort to revise the funding formula. This should be a comprehensive effort, rather than one devised by the staffs of the three agencies in response to legislative budget proposals. It should be undertaken by a group of individuals to include not only higher education representatives, but also key legislators from the Education and Finance committees, as well as the Commissioner of Education. The objective of this group should be to establish a funding formula that properly reflects the needs of the campuses and establishes nationally competitive budgets, which will facilitate the employment of quality faculty and administrators. New emphasis should be placed on performance, such as students' results on state licensure exams and graduation rates.

In addition to working within the present administrative structure and revising the funding formula, higher education officials must begin an aggressive public relations campaign to educate Tennesseans on the importance of higher education to the state. This effort should emphasize the role of the various institutions and the importance of those institutions to the improvement of the economy and overall quality of life in the state. Such a campaign should include information about the accomplishments of the institutions and the accomplishments of their graduates.

The role of higher education in Tennessee is critical to the long-term success of the state. We already function in an environment in which jobs requiring low-skill labor are decreasing. In the future, people will be required to have as basic skills those that were once considered necessary only for the attainment of a degree in higher education. Although the pursuit of those skills may not result in a degree, all institutions of higher education must be prepared to provide post secondary education and training in order to produce a competitive workforce and contribute to the economic growth of the state. At a time when our state should be pursuing access for students and broadening curricula to prepare our citizens for quality jobs, the higher-education governing bodies are discussing enrollment caps and moratoriums on new programs. This places Tennessee in a precarious position for recruiting and retaining quality industries at the start of the 21st century.

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