

# MEGATRENDS IN HIGHER EDUCATION

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## 1. Higher education has become an entitlement

More than half of all Americans have significant postsecondary education. Higher education has passed from being a way of improving one's position in life to becoming a way of achieve leadership, and now to being a prerequisite to a good life.

- There is now very strong pressure from many quarters to assure access to all Americans—especially as regards admission, transfer, cost to the student
- We have moved past pressure for broad access, however, to an overriding concern for broad—even universal--participation
- There is strong pressure to assure student success, including timely graduation
- There is now a dramatic increase in aspiration and expectations of many students, their parents, and others
- Our position today is similar to that of secondary education eighty years ago

## 2. The higher education student body is now very different than anytime in the past

As access and participation have broadened, the composition of the higher education student body has changed radically. Accordingly, there are strong demands for the organization and culture of higher education has to change in fundamental ways. Nevertheless, the basic structure has been remarkably resistant to change. For example, we still talk about the “four year” and “two year” sectors, though the four and two-year graduation expectations are anachronistic. We consider residential students as “normal,” though a majority of higher education students today do not live on campus.

- The higher education system was invented a century ago for residential students whose parents paid for their full-time attendance for four years
- Today's students tend to be older, first-generation, often working, with family obligations
- Many of today's students are from underrepresented minorities
- Today's student body has little to do with the one for which our system was invented

### 3. Increased federal role in regulation of higher education

The new entitlement status of higher education has brought it to the attention of lawmakers and others with political constituents interested in the system. In many ways, this development parallels the increased federal interest that produced the No Child Left Behind Act. Higher education now has unprecedented potential to become a national political issue of some import.

- The ESEA (No Child Left Behind Act) has received broad political support
- The reauthorization of the Higher Education Act promises to attract attention to reform possibilities, many paralleling the ESEA
- Reauthorization is likely to take place during the presidential election, and all signs point to its becoming a significant issue
- There is not a consensus on the place of higher education, however, in today's society; one central debate concerns whether higher education is a public or a private good—a debate with many implications for the debate about the cost of going to college

### 4. The above conditions have led to realignment of the sectors of higher education

The different sectors of higher education are positioned very differently in the new environment. Much of the access for new higher education populations has been provided by community colleges. The new alignment has positioned the sectors differently in the coming political activity, with research universities especially having rather different positions than community colleges and comprehensive schools.

- More than half of the students now in public higher education are in community colleges.
- The proportion of undergraduates in the for-profit sector is approaching 10%.
- The complex missions of research universities have complicated their approach to the politics of entitlement.
- Community colleges and comprehensive universities are especially well positioned for the issues of access and cost.
- There is likely to be increased interest by policymakers in the nature of and criteria for transfer from one institution to another.

### 5. The new conditions of higher education have redefined its relation to the business sector

The entitlement issues, the growth of the universities' research enterprise, the increased scale of higher education, and other changes have engaged the business sector in new ways, some of which are reminiscent of the interest of the business

community in the No Child Left Behind Act. Higher Education now presents enormous market opportunities that are unprecedented. This business interest introduces new political dimensions to the education arena.

- Concerns about student success and learning outcomes have produced a potential multi-billion dollar testing market.
- The market for textbooks and other educational materials has grown dramatically.
- The market for computer technologies has grown rapidly.
- Growth in the scale of higher education has profoundly affected scholarly publishing, contributing to a dramatic inflation of the cost of scholarly journals.

6. Universities have seen a dramatic increase in compliance measures, many of which are extremely costly

A combination of privacy, hazardous substances, financial mismanagement, conflict of interest, security, and other concerns has led to myriad federal compliance measures. Many of these concerns are related to changes in the mission of higher education institutions, to the consequences of September 11<sup>th</sup>, and to the growing centrality of health care concerns in the U.S. Many of these measures have impacted research universities especially hard, though others have touched all sectors of higher education.

- Privacy concerns have impacted universities in many ways, some incidentally to their broader implementation (e.g., HIPAA, FERPA, and the Graham, Leach, Bliley Act).
- Security matters have become costly and somewhat risky issues for universities, especially as regards select agents and international students.
- Radiation safety, hazardous materials, human subjects, and other issues have long posed important research compliance challenges.
- Conflict of interest issues have become extremely complex as universities have forged new relations with industrial partners and have engaged more aggressively in commercialization of intellectual property.
- The consequences of corporate misconduct (e.g., new accounting and conflict of interest rules) are likely to impact universities significantly.

7. Universities are increasingly seen as a resource for a broad range of service functions

Universities have long provided certain kinds of service functions, including especially health care and continuing education. These service obligations have grown more important in recent years, especially in regard to responsive workforce development, health care, economic development, policy and demographic research in the service of government agencies, and certain kinds of social service delivery (e.g., manpower development).

- University hospital and other clinical operations have become extremely large and difficult business ventures in today's health care environment
- Demands for effective contributions to economic development have grown dramatically, especially in regard to commercializing intellectual property developed by faculty researchers
- Universities are increasingly delivering in grant-funded social service functions
- The No Child Left Behind Act has posed challenges to our relations with schools going far beyond traditional teacher education and in-service training
- Service learning has become a central (and effective) part of engaging undergraduate students in their own educations, leading to a new level of student-based service delivery.

8. The thrust of universities' research mission has shifted significantly

Since shortly after World War II, as formulated in the Vanaver Bush report, research universities have been the United States' major asset in basic research. Much of the higher education research agenda has been formed around this basic principle, as have the policy and legal environments in which university research occurred, though land grant universities have long had a more practical orientation. In recent years, universities have taken a somewhat different direction, with much greater emphasis on corporate relationships, on commercializing the intellectual property that they generate, and more generally on the more applied end of the basic/applied research continuum.

- This change has posed challenging policy and legal issues related to conflict of interest and other matters.
- Universities have not been very successful in selling the basic-research mission to the public or the political or business communities.
- Many members of the academic community find this new, more corporate orientation to be inconsistent with basic academic values.
- Universities have not been uniformly effective in realizing desired outcomes of their new research mission—e.g., large revenue streams from commercialization, or major benefits from corporate partnerships.
- The heavy dependence of the U.S. science and engineering establishment on a strong foreign student pipeline encounters complications with new security concerns.

9. The funding environment for higher education has changed significantly in recent years.

The recent economic downturn has underscored some basic changes in the funding of higher education, especially the public sector. In public institutions, the state appropriation's proportion of total revenue has dropped precipitously to record low levels—in extreme cases to less than 10% of the institution's total

revenue. At the same time, the proportion of state revenue going to higher education has dropped substantially. Philanthropic fundraising has become a high priority at most institutions. Grants and other sources of external funding have become ever more important.

- The present funding challenges interact with the demands of the new entitlement status, particularly in relation to concerns about the costs of education to students.
- At the same time, a significant discussion is underway on whether higher education is a public or private good, aligning with broader political positions on the entitlement-related issues.
- Funding concerns have pushed athletic programs, not always in positive directions.
- Grant and contract funding has become more of an end in itself as financial concerns have grown.

10. There is a broad sense that something is wrong in higher education.

As the higher education agenda has changed, new stakeholders, as well as old ones with new expectations, have questioned the universities' effectiveness. The access and student success issues associated with the entitlement status have been leading concerns. But economic development, health care, teacher training, and other matters have become equally problematic in the eyes of my observers.

- Minority students and women show large achievement deficits compared with white and Asian students, raising questions about discrimination and other possible causes.
- Attempts to diversify the student body and faculty have led to charges of reverse discrimination.
- The perceived failure of the public schools has been blamed to a significant degree on teacher education programs.
- As higher education came to be seen increasingly as a prerequisite to a good life, and therefore as an entitlement, higher education became an impediment to the success of many as well as the key resource of others.
- Tuition has risen much faster than the cost of living.
- The high-stakes nature of higher education today has placed it in the center of national politics, especially with the pending reauthorization, in which reform is likely to be a major issue.
- In significant parts of the U.S. population, higher education is seen not as a way to achieve a better quality of life, but more as an institution that destroys families and communities and traditional ways of life.