

The Social Compact of Higher Education and Its Public¹

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A compact is such a civilized idea. It evokes an atmosphere of amicability and trust—the community interest placed foremost, everyone honorable, no accountability needed. The idea of a compact creates a far different image from a treaty, or even a contract. Indeed, most of us like to think of the time when there was a social compact concerning higher education. The real questions for today are whether one ever existed, whether “compact” is just a label for our wistfulness for a simpler era, whether anything like a compact can be fashioned in our time.

There is not much doubt that wishful nostalgia is involved. The turbulence of our times makes it natural for us to desire escape from the daily pressures of striving to deliver on higher education’s promise in a contentious, ever questioning world. It is also easy to imagine that a compact existed during simpler, better times—probably in the 1960s, before things got too complicated. And there is not much doubt that we are being poetic when we speak of a compact. In given local settings, there might have been brief, fairly formal understandings about how higher education would conduct its business and how it would be supported, but we are not really speaking of a relationship in which the responsibilities were delineated in a specific way.

But recognizing all of these limits, something does seem to have been lost. Somewhere in our recent past, there was an atmosphere of amicability and trust. The community interest was generally placed foremost. The players were mostly honorable. And by today’s standards, elaborate accountability was not needed. What was the “something”? It was a broadly shared frame for doing business, a persistent cultural environment in which advances could be made. Let’s call it a social compact, for short.

The roots of this social compact are easily found in American history.

Origins of the Compact

Clark Kerr argued that two forces molded the modern American university system and made it distinctive: the land grant movement and federal support of scientific research during World War II and afterward.² I would add a third: the GI Bill.

The Morrill Act of 1862 does merit placement as the centerpiece, because it changed the stage on which American universities, both public and private, would develop over the next hundred years. Central to the impact of this law were its immense scale and its inherently egalitarian, populist nature. Over time, these qualities drove American society to redefine the goal of higher education, which became, in Kerr's words, "to serve less the perpetuation of an elite class and more the creation of a relatively classless society, with the doors of opportunity open to all through education."³

The Morrill Act also made universities responsible for the creation of new knowledge in service to the larger society and established a basis for a new habit of extending knowledge-based support into the daily work and life of the society. Through the Morrill Act, research became a mission of public universities—and, essentially simultaneously, a mission of private institutions, as well. Thus, 1862 dates the partnership between universities and the federal government to establish the platform for fundamental and applied research in the United States. The act also defined a role for universities in public service. As Kerr notes, the act "created a new social force in world history. Nowhere before had universities been so closely linked with the daily life of so much of their societies."⁴

The Second World War modified the social contract and sowed the seeds for its eventual failure. The urgency and technological nature of the war created a need for tremendous expansion of the national research capacity, setting the stage for research to play a much larger part in the higher education mission. Research would become linked in the public mind with national and local economic viability. In addition, the GI Bill aggressively encouraged a generation of young people to build a future through college education. They took up the opportunity in droves and became the well-educated, pragmatic, innovative workforce that powered America to global leadership in so many spheres during their working years. The GI Bill changed the nation's view of what a college education could mean and dramatically increased the share of families who defined a collegiate experience as essential for their children.

Out of these roots grew a uniquely American concept of how higher education should operate and how it should be financed:

- Essentially, all high school graduates should have broad access to local and flagship public institutions, as well as to private institutions of varying character. Elite, selective private institutions could be exceptions.
- Tuition and fees for undergraduate education at local and flagship public institutions should be so low that a student working a half-time job could pay them while also handling living costs.
- The states would finance the institutions' educational programs sufficiently to generate needed capacity and to keep tuition and fees to negligible levels.
- Private donors would help independent institutions keep their tuition and fees within an affordable range.
- The national universities would recruit faculties capable of forming the core research base for the nation.
- Research would be financed by the federal government, private foundations, and interested corporations, while state government would provide infrastructure, particularly physical facilities.
- Graduate programs would be sustained by using students as apprentices in research and in the teaching of undergraduates.
- Outreach would be financed in ways particular to the nature of the endeavor: cooperative extension in a federal–state partnership; off-campus instruction by the states or through tuition and fees; other efforts piggybacked on mainstream teaching and research programs.

The Demise of the Compact

What has become of the compact? Our very success has upset it. Nowadays, higher education is perceived by nearly everyone to be essential for individual economic viability, and its institutions are centerpieces for the national research effort and for national and local economic and social renewal. Our universities have become taproots of vitality, and the public knows it. Just as war is too important to be left to the generals, the work of universities has become far too important to be left to those who make the universities work daily. And the stakes have made us rougher players, too. The loss of amicability is not just a phenomenon of the outside. The compact failed because it could not be sustained in changed times. Here are some of the reasons:

- Under the press of eligible students, many institutions had to restrict admissions, so they were no longer broadly accessible to high school graduates. As public institutions become more selective, the public sees them as less relevant to their family interests.
- State government, faced with demands to address crime, health care, and other immediate social needs, began to recognize the private benefit of a collegiate education and began to back away from full subsidy.
- The demands of the research enterprise began to raise the cost of faculty talent and alter the economics of teaching. In addition, the rapid expansion of research as a fraction of overall effort taxed the capital capacity of institutions and states.
- The old funding patterns gave way as the federal government took a role in financing undergraduate education, as the state governments became more aggressive about research, and as private support began to be sought and received by public institutions. As responsibilities have blurred, distinctions have become less compelling.
- Regulatory requirements became enormous.
- The general erosion of public confidence in institutions, beginning in the 1960s, finally reached higher education with full impact.

The symptoms of an unsustainable public environment for higher education lie before us. They are obvious and fearsome:

- For two decades or more, we have experienced a steady, global erosion of appropriated state support. In the 1970s, state general revenue appropriations covered 85% of the core academic costs (faculty salaries, operating costs of academic units, core administration). Today, they cover about a third, and the share falls every year.
- There have been huge rises in tuition and fees, with no moderation in sight.
- Mean-spirited remarks by officeholders, once rare, have become common.
- There seems also to be a loss of trust cutting two ways. Many public officials and segments of the general public doubt that university leaders and university faculty really are interested in students, parents, and the health of their society. Folks close to educational institutions, including their large body of close supporters, question whether legislators and other state leaders have any commitment to educational quality or to the future beyond the next election.

Establishing a New Compact

Can we revive the compact? No, we can't. Not the old one. It was rooted in a simpler, less plural America, one with fewer voices, fewer challengers, fewer urgencies, fewer hopes. It was also based on the fact that higher education, while important, was not too important.

So the old compact is gone, just as are other things from a bygone era. Does it matter, really? Is it worthwhile to spend time talking more about this? I think it is, precisely because the universities and their work are so important to the health of our nation. We need rules that create a healthier environment for the public business of higher education. We need a new compact.

Establishing one is much easier said than done, not least because there is no one to define the public side of the compact. And because that is true, the responsibility for changing the environment rests with the leadership of American higher education. A new compact depends, I think, on an ambitious five-point agenda.

First, we must work to rebuild a broad understanding in the larger society and its leadership of what our institutions do and how they establish—through their several missions—public benefits for a healthier present and future. To a remarkable extent, folks see only one mission when they look at us. To a very great fraction of the public, we are strictly about undergraduate education. To other stakeholders, we are about research and occasionally about graduate education. To others, our mission may be athletics, the arts, agricultural extension, regional economic development, libraries, or cultural preservation. The power of America's institutions of higher education lies in the total of what we do and how our parts fit together. Because the public and public leadership are not grasping that reality, they become frustrated by our segmented financial picture—about “why resources over there can't be used for my concern”—and they see us as afflicted by a foolish lack of focus. Related is the loss of recognition for higher education's contribution to the common good. Over the past three decades, our work has been largely redefined in the public mind as yielding mainly private benefits, in the form of undergraduate and professional degrees having personal economic value. This one misconception is central to the erosion of support from state legislatures across the nation.

Second, we must work to restore trust that we are genuinely committed to serving our students and our larger society and that we work daily with competence and quality. With public leaders and elected officials, we have to do a better job of establishing regular contacts, engaging in honest, mutual development of long-term and short-term goals, frankly discussing financial trade-offs, and reinforcing the balance

of missions that we must undertake. Greater texture is needed in the relationships, especially with key leaders. We must at the same time recognize that public leaders have many mouths to feed. To build trust with the public at large, we need to *sponsor* accountability, not just accept it grudgingly. We ought to help to define indices of performance that make sense, and we should help to found a credible reporting center. We need to be forthright about shortcomings, and we ought to embrace a culture of continuous improvement.

Third, we must work with public leaders and among ourselves to establish sound, credible mechanisms for continuing the national tradition of ready financial access to higher education by middle-class students. This is a serious problem, and it needs attention now. I believe that a solution can be achieved. That solution could also become the central point on which a new social compact is founded. The key is to strive for a consensus among public leaders and the leaders of higher education concerning a target for the out-of-pocket academic cost of attendance at public institutions of various kinds as a fraction of median family income. This is what matters to people, and this is what will determine the evolution of public policy concerning higher education. Note the focus here. The conversation should be about what people actually have to pay to go to school. It should not be conflated with the student's living costs, which can be addressed in various ways and may not be limiting to opportunity. If there are scholarship or grant programs, or if tax benefits exist, or if there are habits of discounting, these factors should be reflected in the out-of-pocket academic cost. If consensus on the target can be achieved, the annual discussion with all participants—administrations, students, parents, governing boards, and government officials—can be consistently pointed toward realizing it through actions that are much more thoughtful and concerted than today's. In the United States, the states will continue to have the definitive role in this regard. A stable, healthy pattern can be achieved only if legislatures and governors make a sustained commitment to affordability with quality.

The fourth imperative is to find a way to make a college education seem essential and more reachable to the parents of the most talented students from lower-income families. Too many of our students leave high school prematurely, do not grasp the value of a college education to their future, and do not believe us when we say that we can make college financially possible. We in higher education must develop a more coordinated, more effective strategy to reach talented students from lower-income families. Here are two critical points:

1. Families have to be recruited as well as students. The attitude of impossibility runs deeper than the student. In particular, we need to help families understand how the financial demands of a higher education can be addressed. We need to simplify the packaging of the finances. They are typically much too complex now to inspire confidence from these families, who are mistrustful of promises and debt.
2. Educators need to identify strong talent earlier in the education process. Research shows that decisions about going to college are generally made before high school or early in high school.

Finally, we must address costs. More specifically, we must mount serious, effective efforts to limit the rate of growth in the educational cost per student. It is in the range of 4.5 percent per year, a substantially inflationary figure, but more important, a figure significantly larger than the long-term growth rate of the economy. It is very likely that a growth rate of 4.5 percent cannot be sustained indefinitely. While we can reduce the growth rate of costs by degrading quality, that is not the answer. We need to look for ways to take that growth rate down while sustaining quality so that whatever advances are made along that line can become broadly shared among us. This is a hard task, but it is important for stability of our mission and our work. It merits serious initiative, both collaborative and local.

Conclusion

At the establishment of the Republic of Texas, Mirabeau B. Lamar, the Republic's second president, proposed the creation of two universities. He declared these institutions to be foundations for the future. And people followed him. The Congress dedicated public land for the vision. Lawmakers of that time were looking far beyond the unrelieved crudeness of their immediate world, not just to a more pleasant, more prosperous home, but literally to the vision of a fresh, vigorous civilization. And that required the resources of universities. They believed that a university would become a social engine of great common value. That view took root and grew strongly for another 150 years. They were asking, "How can we create institutions of higher learning that will educate and transform our state?" and not "How can I get my niece on the short list for admission?" Sometime in the past two or three decades, the emphasis has shifted from the common good to individual benefit. There is nothing inherently wrong with self-interest, of course, but it cannot be the foundation of what higher education is about.

Is anyone looking out for the common good? Those of us in the academy are, and we need to tell that story. Our continuing obligation is to give this and future generations the discipline to take a longer, fuller view. Surely such a wish is not quixotic, because we know from our own history that such discipline existed and was sustained in public life in America and is increasingly being sustained throughout the world.

Endnotes

1. Adapted from Larry R. Faulkner, "The Changing Relationship between Higher Education and the States" (The 2005 Robert H. Atwell Distinguished Lecture, delivered at the 87th Annual Meeting of the American Council on Education, Washington, DC, 2005), http://www.utexas.edu/president/past/faulkner/speeches/ace_021305.html.
2. Clark Kerr, *The Uses of the University* (Cambridge, MA: Harvard University Press, 1963).
3. Clark Kerr, *The Uses of the University*, 3rd ed. (Cambridge, MA: Harvard University Press, 1982), 47.
4. *Ibid.*, 47.

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Faulkner, Larry R. "The Changing Relationship between Higher Education and the States." The 2005 Robert H. Atwell Distinguished Lecture, delivered at the 87th Annual Meeting of the American Council on Education, Washington, DC, 2005. http://www.utexas.edu/president/past/faulkner/speeches/ace_021305.html.

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