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TESTIMONY SUBMITTED TO THE SECRETARY OF EDUCATION'S COMMISSION ON THE FUTURE OF HIGHER EDUCATION

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Good morning. I am Jack Wilson, President of the University of Massachusetts, a five campus research university serving 60,000 students, with 14,000 faculty and staff, a budget over 2 billion dollars per year, and doing approximately \$400 million annually in externally funded research. I am joined today by John Lombardi, the Chancellor of our flagship campus at Amherst.

I commend the Commission for the work that you are doing to focus on access, accountability, and affordability, and would like to take the opportunity to address the issue of access to what kind of an education, accountability for what outcomes, and affordability for whom. I will argue that affordability can best be found through a focus of the application of technology and best management practices in both the educational and administrative spheres, through generation of alternative revenues, and through well designed financial aid models.

My perspectives today are formed by my experiences as a faculty member and administrator at both public and private research universities and as the Chair and cofounder, with Carol Twigg, of the National Center for Academic Transformation (<http://www.thencat.org/>), which was begun with an 8.8 million dollar grant from the Pew Charitable Trusts in 1999. The NCAT built upon the experience at RPI and other universities of redesigning undergraduate programs and courses to improve quality, increase access, and reduce cost, and it provides 30 case studies of how colleges and universities could indeed simultaneously improve quality and reduce cost. This counterintuitive notion has generated quite a bit of controversy as well as recognition, through national awards and press coverage. The focus on **quality**, **access**, and **cost** is closely related to the goals of this commission, although I would urge the Commission to give the emphasis on quality a bit more prominence in their deliberations.

Access

The question of “access to what” in the context of American research universities brings one face-to-face with the question of quality and mission. While most parents and taxpayers can understand the role of the research university as a “great place for their children to go to school,” the further mission of the university as the generator of new knowledge and new technologies must also be considered. We like to say that the path to economic and social development in Massachusetts goes through UMass. In Massachusetts, we, along with MIT and Harvard, comprise the top three universities in research volume and, according to the Association of University Technology Managers (AUTM), we are the top university in revenue from commercialization of our intellectual property. Geographically, our five campuses are

positioned to serve every region of the state, and well over 200,000 of our 320,000 alumni live and work in this region.

In today's innovation economy, we tend to find great research universities at the core of every healthy economic region. This is true in Massachusetts, North Carolina, Texas, California, and other U.S. States, but it is equally true of Tsinghua University in Beijing and the Indian Institutes of Technology of India.

Giving a student access to a high quality education at a research university gives that student access to experiences that are important and unique. Our comprehensive research programs allow students to participate in undergraduate research in internationally significant projects. Incubators near our campuses, give real world business, engineering, and entrepreneurship opportunities to both students and graduates. At our Flagship campus of the University of Massachusetts at Amherst, a consortium with four small but outstanding liberal arts colleges, allows their students to participate in these same programs as well as allowing our students to participate in their superb classes.

"Access" also demands that we take into account access for students who have not been well served in the past. That is one of the reasons that our University has established goals and programs that encourage AND ENABLE participation from underrepresented groups. With \$12 million in funding from the National Science Foundation, our Boston Campus is working in partnership with the Boston Public Schools to enhance opportunities in science, technology, engineering, and mathematics in the minority-majority schools. All five of our campuses have similar programs in their regions.

Five years ago, we formed an online university (UMassOnline) to serve another group of potential students who have not been well served in the past. These students are primarily older employed students who need a degree or certificate, but do not have physical access to a campus. The pent up need in this area is dramatically demonstrated by the 25-40% annual growth each year -until this year we expect to have over 20,000 enrollments in online courses. Growth shows no sign of abating in the coming year.

Affordability

Affordability is perhaps the most talked about, worried about, and misunderstood topic in higher education policy circles today. That is not surprising given the wrenching dislocations in public funding of higher education that we experienced from 2002-2004. Earlier, I had noted that the University has a \$2 Billion budget. Of that, just over \$400 million comes from the state. Over the last two decades, the state's share of the cost has dropped from over 40% to approximately 20%. We are not alone in that challenge. This has happened across the country. We responded to those cuts, which came to approximately \$150 million dollars, by stringent cost cutting, increased fund raising, innovative revenue producing programs like UMassOnline and the commercialization of our intellectual property. Yes, we and others also had no choice but to raise tuition and fees. Because our tuition and fees were kept low for years, the percentage increases looked alarming. Again, we are not alone in that regard. This has happened all over the country, and the ensuing large percentages have led to much discussion.

This is a good discussion and an important discussion, but it will also be important to look at the details of what is actually happening. First, although the increases were large on a

percentage basis, they resulted in tuition and fee structures at the university that are between a third and a half that at surrounding private universities. Second, some of the increased revenues have been used for substantial increases in need based financial aid. We are proud that we meet over 90% of demonstrated student financial need.

There is no avoiding the conclusion that this represents a significant renegotiation of the division of the cost of undergraduate education between the public and the student. We have moved from an “every day low pricing” model to a “moderate cost, high aid” model. We have not nearly gone as far as the “high aid, high cost” models of the private universities. Each of these models endeavors to make it possible for any qualified student to gain access to a high quality undergraduate education, but the “high aid” models do indeed transfer more of the total cost to students, hopefully according to an ability to pay. I personally wish that the public would decide to take on a larger share of the burden, but my professional judgment tells me that, given the enormous strains on public budgets, there is little prospect for much improvement there.

Price controls are often a politically popular and expedient choice to address concerns about price increases, but they rarely work. Economists have shown that price controls will often produce shortages and decreased quality. I urge the commission to reject price controls and instead focus on programs that simultaneously encourage increased quality and reduced cost.

For example, at the University of Massachusetts we have formed a central services capability to eliminate expensive duplication of back office functions like finance, HR, IT, and other business functions. Where once we had five poorly performing payroll systems, we now have one professional system. Five years ago we had at least 8 online course management systems, and we are now down to 2. Three years ago we had five inadequate student information systems and now we have two that are on parallel tracks and performing much better. Just as the 30 college and universities of the Center for Academic Transformation have shown that application of technology and management can simultaneously enhance quality and reduce costs, we have seen that back office functions can be enhanced and cost reduced.

Having debated these issues in conferences and the press for over a decade, I am acutely aware that others do not accept my contention that technology and management, properly applied, can lead to cost reductions. In fact, some (perhaps even on our own campuses) argue that technology invariably increases cost. They base this conclusion on the observations that many projects do indeed increase cost. In general, their arguments are the logical equivalent of arguing that no baseball team can win a world series, because the Red Sox could not do it for 86 years! A more careful examination of all of the evidence clearly shows that it can be done.

I would hope that any new federal policies on affordability could focus on true cost savings and quality enhancements and upon financial aid strategies that address the needs of students - to assure that any conscientious and qualified student would not be denied access to education because of their financial circumstances.

Accountability

“Accountability for what?” Now this is the key question. At the University of Massachusetts we have developed a performance measurement system to identify and measure key performance goals for each of our campuses and for the system as a whole. You would not be

surprised to find that these goals and metrics address both the financial and quality issues that we raise here.

We welcome and embrace the emphasis on accountability, but we also recognize that metrics do indeed drive behavior and we would encourage the Commission to make a careful study of the causes and effects of particular accountability standards and to consider especially the law of unintended consequences.

Let me cite just one such famous example, and that is the measure of retention. Well meaning policy makers developed a measure of retention that measures the graduation rate of first time full-time students over a 4-6 year period. Clearly their model of a university was to serve the recent high school graduate who goes off to college immediately, studies full time, does not transfer, and graduates with his or her class. This describes my children and perhaps yours, but it does not even come close to describing the typical student. A student with this profile is a definite minority in higher education. This measure works fairly well for comparing those institutions, such as 4 year liberal arts colleges that focus on this kind of student but it does not work at all for most institutions. Today the typical student attends two or more institutions during their educational program and students return at any age for further study or enrichment. While retention might be an interesting statistic for UMass Amherst, it makes no sense at all for UMass Boston, which serves an urban student population that is older, more likely to have transferred in or out, and is often employed and/or engaged in family obligations. In fact, I consider it a damaging metric, since it would encourage the campus to abandon the mission that it presently performs so very well.

Applying such a metric to UMassOnline is simply ludicrous, since UMassOnline is not designed to serve that kind of population at all!

This is but one example of a well intentioned metric which has unintended consequences. The best accountability standards would take into account the mission, locations, and audience for each institution. They would be based upon best practices as established by peer reviewed research.

Furthermore, these standards should be an incentive to each institution to move in directions that serve their communities better.

In this regard, we commend the President and those in Congress who have called for additional investments in science and technology education and research with a particular focus on the physical sciences and engineering and on the student pipeline. We have already created our own multi-million dollar incentive funds to increase our activities in this important priority area.

I thank you for your attention today. We will continue to work with you and others to help develop the policies, funding, and incentives necessary to ensure that our nation's students continue to have access to the greatest universities in the world, and that these universities continue to improve in our service to the students and to the communities we serve.

Thank you.