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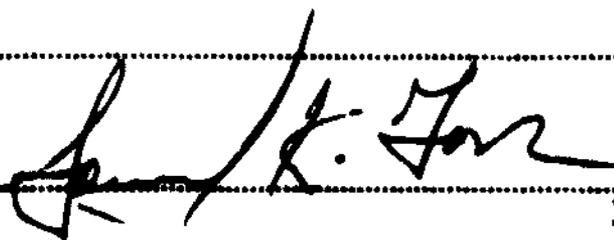
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ENTITLED Funding for Higher Education in Illinois:

The Need for Long-Term Planning

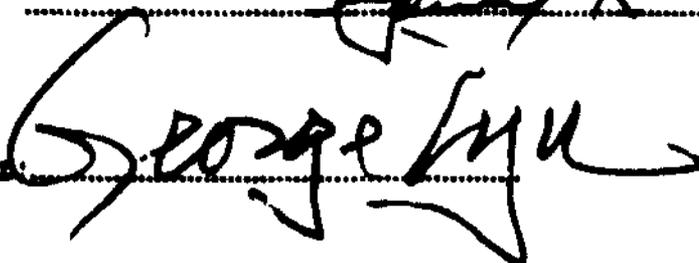
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Funding Higher Education in Illinois:
The Need for Long-Term Planning

By

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TABLE OF CONTENTS

Introduction.....	1
Recent Trends in Higher Education Funding....	3
Reasons for Revenue Shortages.....	11
Tax Initiatives.....	14
The Income Tax Increase of 1983.....	16
The Income Tax Initiative of 1988.....	18
Comparison of the Initiatives.....	22
Long-Term Planning for Higher Education.....	24
Long-Term Planning by Higher Education....	25
Long-Term Planning by State Government....	28
Conclusion.....	29
References.....	32
Bibliography.....	34

Introduction

The state of Illinois is faced with an ongoing revenue shortage which is threatening the future of public higher education. Tax initiatives in recent years have focused attention on this growing problem of underfunding higher education but have been unable to solve it. Budgeting for higher education in the last decade has been characterized by uncertainty. In the words of University of Illinois president, Stanley Ikenberry, "...it's a year to year instability that plants the seed of doubt in top faculty members, in top staff members who wonder whether the State of Illinois wants to compete head-to-head with ...other leading states across this country." (The 1988 Tax Campaign Briefing Book, 1988, E-6).

The problems that face higher education in Illinois have not developed overnight. A combination of growth in the state's higher education system, growth among competing interests in state government, and changes in the tax system in recent years have all contributed to the state's revenue shortage.

In the past ten years the state has battled its financial shortages with short-term solutions. Higher education has suffered as a result of this "short-term" strategy. Twice in this decade higher education had to accept reductions in the state's yearly allocations. In

other years the state's higher education system has seen only slow and erratic growth in funding.

Higher education in Illinois requires a long-term plan and commitment by the state to insure its future. Fiscal uncertainty prevents the growth and in many cases even maintenance of current programs. The relationship that exist between a strong education system and economic growth places an even greater sense of urgency on the need to combat the effects that this lack of funding and lack of long-term commitment will have on the future development of the state.

To achieve a better understanding of the causes and ultimately the need for a long-term plan it is important to look at several different issues as they relate to funding for higher education. This paper will discuss four topics as they relate to the need for long-term planning for the funding of higher education.

First this paper will look at the recent history of funding for higher education in Illinois. By comparing trends in funding higher education in this state to funding for higher education in the rest of the country, this paper will identify some of the effects that underfunding higher education will have on our state's public higher education system.

Second, this paper will suggest some reasons for the revenue shortage in the state of Illinois. This is a

problem that has developed over a long period of time. The state is becoming increasingly unable to match its growing commitments with adequate funding. The fact that growth in state government has not been matched by growth in state revenue points to a structural deficiency in the state's tax system.

Third, this paper will look at two of the tax initiatives that have taken place in this decade in how they have related to funding for Higher Education. Proponents of tax initiatives both in 1983 and in 1988 urged passage of a tax increase as a source of new funds for education. Comparing these two initiatives will further demonstrate how the state has dealt with a long-term problem with a short term solution.

Last, this paper will look at the changing relationships between state government and higher education as it relates to the need to develop long-term planning. Both higher education and the state need to set priorities and establish a long-term commitment that will satisfy the needs of both higher education and of the state.

Recent Trends in Higher Education Funding

The importance of funding and developing a good system of higher education cannot be overestimated. A strong system of higher education has a greater impact

than almost any other factor in the location of business and industry and consequently on the economic development of a state.

Robert H. Ady, the president of PHH Fantus Corporation, the nation's leading corporate relocation firm recently noted "You have to have the education infrastructure that will produce people capable of constantly being retrained for the jobs of the future...Corporate leaders are now more worried about their ability to recruit and train workers who can compete in world markets than they are about levels of state and local taxes." (Goozner, 1988, 1:2).

Illinois has traditionally been a leader in funding of higher education. During the so-called "Honeymoon period" of 1945 through 1970 the University of Illinois received nearly 95% of its budget requests during this period. (Nowlan 1976, 2).

As one of the country's "megastates" in terms of population and as one of the nations wealthiest states, Illinois ranks very high in terms of total money spent on higher education. In 1986, Illinois ranked 5th overall in comparison to the rest of the country in terms of total expenditures for higher education.

This statistic does not provide an complete picture of this state's commitment to higher education during the

last ten years. Illinois' record on higher education has been dismal in this past decade.

Although Illinois is one of the nation's leaders in overall spending for higher education a closer look at some important statistics show the lack of commitment to education that has characterized this state in the last ten years. By looking at the amount of money Illinois spends per capita on education, the amount of money Illinois spends per student, the overall growth in spending in the last decade, and the erratic patterns of spending during this last decade we can get a better idea of how Illinois compares to the rest of the country.

In terms of spending per student in the state's higher education system, the state of Illinois ranked 41st overall in 1986 as can be seen in this table of the ten lowest states

State Support Per Pupil in Higher Education

<u>Rank</u>	<u>State</u>	<u>Amount (\$)</u>
41	Illinois	2,918
42	Ohio	2,827
43	Maine	2,656
44	Missouri	2,549
45	Pennsylvania	2,518
46	South Dakota	2,296
47	Massachusetts	2,215
48	Rhode Island	2,083

49	Vermont	1,740
50	New Hampshire	1,204

(State Policy Data Book 1988, G-42).

In addition to ranking in the bottom ten in terms of spending per pupil for higher education, Illinois ranked 43rd in spending per capita for higher education in 1988 as can be seen in this table which also shows the lowest ten states.

Per Capita State Appropriations for Higher Education

<u>Rank</u>	<u>State</u>	<u>Amount(\$)</u>
41	Ohio	117
42	Louisiana	115
43	Illinois	115
44	Florida	114
45	Nevada	112
46	South Dakota	104
47	Missouri	99
48	Pennsylvania	99
49	Vermont	92
50	New Hampshire	63

(State Policy Data Book 1988, G-41).

The last decade has seen limited increases in spending for higher education in Illinois as well. Illinois ranked 41st in percent growth in funding for

Higher Education during the years 1977-1987. (The 1988 Tax Campaign Briefing Book 1988, B-8). Illinois also ranked 41st among the states in percent change in higher education funding during the two year period from 1986-1988. (The 1988 Tax Campaign Briefing Book, 1988, B-8).

Funding for higher education has been the victim of erratic growth and decline during this decade as well. Twice during this decade in 1982 and in 1987, the University of Illinois suffered cuts in its total state appropriations. The losses of 1982 were temporarily recovered as a result of new revenue generated through the temporary tax increase of 1983-1984 but funding for higher education was cut in 1987 and remained at approximately the same level through 1988. (The 1988 Tax Campaign Briefing Book 1988, H-7).

The effects that these trends have had on higher education can be seen in both the short and long-term. The two most noticeable short-term effects are the problems of faculty retention and the increasing burden that rising tuition is placing on students.

In the year 1988 the University of Illinois had 155 faculty and staff resignations. (Camper 1988, 1:3). These resignations could be blamed by the fact that in 1988 none of the faculty of this state's public universities had seen a salary increase in over 20 months. Reduced funding for Higher Education has placed

added strain on our universities ability to maintain services and retain quality faculty.

A still greater short-term threat to higher education is the effect of rising tuition. Many people question the responsibility of the state to fund higher education. Questions often arise of whether state funded higher education doesn't simply subsidize those who can already afford higher education. There are many who maintain that state supported higher education takes tax money from the poor and uses it to subsidize the education of the rich. The argument against this position was summarized by Lawrence K. Petit Chancellor of Southern Illinois University "the student and society both benefit so they both ought to pay." (Flaherty 1989, 7).

Jacob Stampen in his book, The Financing of Public Higher Education, cited that "In the author's judgement, recent changes, including research, experimentation and feedback from decisions made over the past decade support retention of low tuition both as the foundation for public college financing and as society's primary guarantee of access to higher education opportunity." (Stampen 1980, 78). New studies have shown that low tuition provides access to higher education much more effectively than high tuition coupled with high amounts of student aid.

However, rising tuition continues to become an increasing burden to students in public higher education in this state. Since 1976 tuition at the state's universities has risen 287.5%. We can see how this increase compares to other inflation indexes and the growth in personal income during this twelve year period in the table below.

12-year tuition surge at state universities

	<u>Percent Increase</u>
State College Tuition	287.5%
Illinois Per Capita Disposable Income	126.7%
Higher Education Price Index	118.2%
Consumer Price Index	107.2%

(Flaherty 1989, 1).

By the year 2000 a four year degree at one of the state's universities is expected to cost nearly \$87,000.

(Halperin 1989, 1:3).

As state funding for higher education declines, tuition is picking up a larger percentage of the cost of education. In 1979, tuition accounted for 14.5% of the state school budget. In 1989 this amount had risen to 23.7% of the total cost of instruction. (Flaherty 1989, 1).

As can be seen in this table, among flagship universities, the University of Illinois ranked 8th

highest nationwide in 1987 in the cost of tuition and fees for state residents.

Tuition and Fees at "Flagship" State Universities

<u>Rank</u>	<u>State</u>	<u>Amount(\$)</u>
1	Vermont	3,432
2	Pennsylvania	3,292
3	Michigan	2,883
4	New Hampshire	2,754
5	New Jersey	2,561
6	Delaware	2,501
7	Virginia	2,366
8	Illinois	2,365
9	Rhode Island	2,247
10	Connecticut	2,133

(State Policy Data Book 1988, G-44).

Tuition and faculty retention are among the immediate negative effects of which are occurring due to a lack of funding for higher education. The long-term effects of this fiscal crisis include the competitiveness of the state's system of higher education and the disintegration of the state's universities.

Ultimately as budgets tighten competition for resources will become intense within our institutions of higher learning. Not only program growth and quality of instruction suffers but so does maintenance and

modernization of facilities which is so important in the high-tech fields of education which are closely related to statewide economic development.

In the words of Stanley Ikenberry, president of the University of Illinois, "What really is at stake is allowing a very strong university literally to disintegrate over two or three years. That would be the most tragic and foolish mistake the state could make." (Camper 1989 1:3).

Reasons for Revenue Shortages

"The fiscal year 1989 budget being presented to you today is a balanced budget that will allow us to live within our means. This budget is premised on existing revenues only. In fiscal year 1989, revenue growth will be minimal, presenting a difficult allocation dilemma....the state can afford only the fiscal year 1988 appropriation level for education." (Thompson 1988, 1).

In his budget for fiscal year 1989, Governor Thompson acknowledges the financial problems which exist in the state. The budget the governor presented was balanced however it was only able to provide sufficient funding for most state programs and was able to fund higher education at only maintenance levels.

There are two factors that have contributed to this shortage of revenue. The commitments of state government

have grown at a rapid pace during the last twenty years and changes in the state's tax system have been unable to generate enough revenue to keep pace with these growing commitments.

As the number of agencies have increased certain agencies have multiplied there responsibilities. One good example is the Department of Corrections. In 1969 prisons the state of Illinois housed a little over 5,000 inmates in its prisons. The prison system in Illinois now houses over 20,000 inmates at a cost to taxpayers of over \$18,000 per inmate per year. (Nowlan 1988,32:3).

Growth of state agencies has resulted in greater competition among agencies for a share of the state's budget. This has had a strong impact on higher education. In 1977 Higher Education comprised 12.7% of the state's budget. In 1989 this percentage has declined to 11.0%. (The 1988 Tax Campaign Briefing Book, 1988).

While the commitments of state government have increased the ability for the state to pay for them has not. As Woods Bowman, chairman of the House Appropriations Committee has said "We have a structural deficit: The existing revenue structure is insufficient to support on-going spending commitments." (Bowman 1988, 2:3).

While the state's economy has grown revenue growth has not. In the governor's 1989 budget it was pointed

out that "Throughout the 1980's, 'natural growth' in state taxes has fallen behind the growth in the state's economy. Since 1980, Illinois personal income has increased 63% while state revenues from tax sources have increased only 49%." (Thompson 1988, 1).

There are two factors that account for revenue growth lagging behind economic growth. Tax relief measures enacted during the early 1980's not only had the effect of immediate lowering of taxes but limiting future revenue growth. Certain state taxes such as excise taxes are based on the amount of products consumed and not on the prices of the products consumed. Taxes not based on income or sales show little growth as time passes. (Thompson 1988, 2).

As revenue growth has lagged behind the needs of the state, state government has been unable to fulfill its many commitments. In 1988 the state owed "about 250 million dollars in health-care bills, \$104 million for a short-term loan, \$140 million in old, unpaid corporate income tax refunds and about \$25 million in past due tax rebates to senior citizens." (Bowman 1988, 2:3).

The inability for the state to live up to its commitments has led lawmakers to search for new sources of revenue to relieve the strain on the state's budget. The most obvious source of this new revenue has been taxes.

Tax Initiatives

During the past decade the search for new revenues to aid the state's financial difficulties have often been linked to the need to support higher education. Support of new taxes is a risky endeavor politically even if the need can be justified. Therefore, claiming that a tax increase will mean new money for education is a useful tool in marketing a tax increase.

In 1983 and in 1988 a major increase was attempted by raising the income tax. The income tax was targeted for two reasons. Revenues generated from an income tax increase will tend to grow at a rate equal to that of economic growth and both the personal and corporate income tax rates in the state of Illinois rank among the lowest in the nation.

One of the greatest concerns about any tax increase is the threat of increased taxation stifling the business community and limiting growth. Therefore, any discussion of tax initiatives first requires a look of how Illinois compares with other states in terms of relative tax burden.

When the state's income tax was introduced by Governor Ogilvie in 1969, it was set at a level of 2.5% for personal income and 4% for business. In 1989 the state's income tax remains at the same level. The

Governor's 1989 budget points out that as natural economic growth has outpaced revenue growth "the Illinois tax burden--state taxes as a proportion of personal income--was lower than at any time during the 1970's whether measured by all state taxes or by state taxes paid into the general funds." (Thompson 1988, 1).

As has already been noted, Industry location experts rank a good education system above concerns about state and local taxes when choosing a new location. Still, in comparison to other states in the midwest as can be seen in this table, (Egler 1988 1:1). Illinois ranks in the low to middle end of the scale in terms of state income-tax rate on business.

Income Tax on Business in the Midwest

<u>State</u>	<u>Income Tax Rate</u>
Minnesota	9.5
Wisconsin	7.9
Iowa	6
Ohio	5.1
Illinois	4.0
Indiana	3.4
Michigan	2.35

Higher taxes may not guarantee prosperity but they also will not necessarily inhibit economic growth. As Governor Thompson suggested during the 1988 tax campaign, "name some states that are doing well, California,

Massachusetts, New York. What do all of these states have in common? Higher taxes than in Illinois." (Egler, Franklin, 1988, 1:6).

The Income Tax Increase of 1983

Once already in this decade, lawmakers have achieved the passage of an income tax increase. In 1983-1984 the state legislature approved a temporary increase in the income tax that successfully helped the state with its financial difficulties.

As the state entered the early part of this decade a combination of the tax relief that had been distributed in the last several years and the effects of the recession had begun to have a strong impact on the state's revenue growth. In the 1982 election, Governor Thompson boasted of the financial strengths of Illinois and that any fiscal problems that might exist were only temporary.

In 1983 it became apparent that this was not the case. Income tax and sales tax accounted for the largest portion of this revenue shortage. Deputy Comptroller William Foster gave his assessment of the causes of the crisis "What really has caused the state's fiscal problems is the very very poor economy that's caused sales tax and income tax revenues to fall." (Parker 1984, 18).

The primary tactic that Thompson used following a dramatic State of the State speech where he outlined the problems and challenges facing the state, was to deliver what has since been called the "doomsday" budget.

In his budget message on March 2, 1983 the Governor outlined what he expected the budget for fiscal year 1984 to be assuming no new sources of revenue. This was similar to Governor Ogilvie's strategy when he first introduced the new income tax in 1969. "The spending plan outlined massive cuts to education, local governments, public aid and mental health." (Parker 1984, 29).

One of the strongest appeals was made to increase taxes for the sake of education. Soon after his budget message, Thompson's strategy began to work. In the weeks that followed interest groups began to rally in support of new taxes for state programs. A leader in these efforts was higher education.

However the bill had yet to be introduced into the General Assembly. One of the most important elements, the support of House Speaker Michael Madigan had yet to be secured. When the bill was at last introduced the original proposal for a permanent increase in the income tax had been reduced to a temporary increase which would stretch over four years.

June 20 opened the first day of summit meetings between the governor and the four legislative leader where a compromise would be discussed over the next ten days. On the last day of the session, a compromise was reached and the final version of the tax increase package received passage. This final version of the tax increase package included the controversial temporary increase in the income tax which was again reduced from four years to eighteen months and went in effect retroactive to January 1, 1983 and continued until July 1, 1984. In addition to this temporary increase in the income tax the legislature was able to secure a permanent increase in the sales tax. Faced with a severe financial crisis, the legislature was able to reach a compromise that would enable the state to continue operating.

The 1988 Tax Initiative.

"...Illinoisans should feel some degree of satisfaction with the 1983 tax package--at least until the next fiscal crisis." (Parker 1984, 118). With this analysis Joan Parker ends her book on the temporary tax increase of 1983-1984. It would prove to be an accurate prediction of the current financial problems facing the state.

In 1988, Illinois again was faced with a fiscal crisis. The temporary increase of 1983-1984 had proved a

temporary solution to the state's financial difficulties. At the beginning of 1988, the state was already deeply in debt from commitments made in 1987.

The state of Illinois needed an increase in revenue. Almost all of the new revenue which was to be generated in 1988 as a result of new economic growth was earmarked to pay off old debts and loans. This meant almost no new money for education and the many other state programs which were not receiving sufficient funding.

Although the need for new revenue may be important, the political reality of proposing an increase in taxes is that it is very difficult to generate support for such an action.

Very few legislators wish to stand against negative public opinion on this very emotional issue.

Although Governor Thompson gave his support for a needed increase, his initial action was to avoid overplaying the role of legislative leader he held in 1983. He once again proposed a "doomsday" budget which included no new money for higher education following a year where higher education had to accept a reduction in its state appropriations.

Once again the strategy was to gain support from interest groups that would demand an increase in the level of the state income tax. Much as it did in 1983,

higher education took on a leadership role in lobbying efforts.

Before an increase could be passed there were several issues that needed to be resolved. Very few legislators were willing to pass a tax increase which was ostensibly for education if it meant pouring more money into the wasteful and inefficient Chicago Public School system. In the months that would follow the need to link a tax increase to an effective program of Chicago School reform became one of the primary issues in securing passage of an increase.

Many other legislators were worried about the effect that a tax increase would have on the business environment. In the words of House Speaker Michael Madigan, "...given the fragile nature of our business environment, I just don't think that we're well served by increasing the cost of business when it comes to taxes." (Klemens 1988, 20).

During the course of the tax campaign other issues began to be tied to the tax increase. In the business community, the Illinois Manufacturer's association was willing to support a tax increase if it could somehow be tied to a tax exemption on power used in manufacturing. However, the Illinois State Chamber of Commerce remained opposed to the increase throughout the campaign

regardless of any change that might be proposed in the tax laws.

Since Illinois is a low income tax state but a high property tax state, property tax reform became an issue. Some members of the general assembly argued that property tax relief needed to be tied to any increase in the state income tax.

The members of the General Assembly were also faced with the prospect of voting for a tax increase during an election year. Many argued that voting for such an increase would seriously damage their chances for reelection. This argument appears to be invalid in most cases. "In a study that Professor Sam Gove did in 1988 he noted that in 1970 and 1984 the years in which legislators were last running for election after general state taxes were raised, only a dozen senators and representatives who voted for a tax increase lost reelection bids." (Egler, Franklin 1988, 1:4).

Historically the issue of raising taxes in Illinois had not had a serious affect on turnover in the legislature.

Without the support of House Speaker Michael Madigan any proposal for a tax increase was doomed for failure. On June 23, talks ended between the Governor and the House Speaker and on the same day Governor Thompson declared the hopes for a tax increase dead.

Comparison of the 1983 and the 1988 Tax Initiatives

Two elements which are evident in both the 1983 and the 1988 tax initiatives are the need for a working compromise between the Governor and the leaders of the legislature and the need to communicate to both the general assembly and to the people of the state that a crisis actually existed. The ability to transmit a sense of crisis is especially important to consider when discussing higher education's role as a supporter of these tax initiatives.

In 1983 when the Governor first introduced his proposal for a permanent income tax increase there was skepticism but there also existed a willingness to resolve differences and reach a reasonable compromise. The leadership of the General Assembly recognized that the state was in need of help and they were prepared to satisfy this problem with a solution.

In 1988 the same sense of crisis was not there. It was impossible to convince House Speaker Michael Madigan, one of the primary players in gaining the approval of any tax increase package of the need for a tax increase. Although there may have been shortages, the state could make it through another year.

There have been many theories on why Michael Madigan opposed and eventually killed the tax increase initiative in 1988. Two of these include the fact that Madigan

represented a conservative district and was merely representing the interests of his district or that Madigan simply dislikes Governor Thompson and would like to see the Governor remain weak. Without Madigan's support the 1988 tax increase could not pass.

The concept of the state being in crisis is important here. In 1988 disaster was not as imminent and the problems the state faced did not seem as severe. Higher education was continuing to function and on June 16 it was announced that the Chicago public school system had a budget surplus that would enable it to open its doors on time. Many believe that this announcement dealt the tax initiative its final blow.

The state was satisfied with the condition of higher education and did not see the current revenue shortage as a crisis. In the words of Michael Madigan, concerning his opposition of the tax initiative, "It was predicated mainly on my personal view that government, like every body else, ought to work within their means; and then using that general term 'government' includes education or higher education all the way through elementary and secondary education." (Klemens 1988, 19). In 1988 the rewards of increased investment in education did not equal the costs of a major tax increase in the eyes of the state legislature.

Long-term Planning for Higher Education

As we have seen thus far there is a connection between a strong system of higher education and the continued welfare of the state. In the words of Jacob Stampen in his book The Financing of Public Higher Education "Higher education also is vital to the maintenance and future development of the national economy and serves as society's principal avenue to middle or upper-income occupations; the neccessity of an educated citizenry for the maintenance of a democracy seems obvious. These and other reasons justify the universal participation of taxpayers in the financing of higher education." (Stampen 1980, 78). Everybody stands to benefit in a society that puts an emphasis on support of higher education.

We have seen that an emphasis on support of higher education has not been the case in recent years in the state of Illinois. Recent trends point to a strong reduction in the state's commitment to providing top-quality higher education to its citizenry. While the reasons for the state's lack of commitment can be linked to problems in the tax system and uncontrollable economic forces, the state has shown a reluctance to address the financial problems which are facing state government.

One solution to the e financial problems, initiatives proposing a permanent increase in the state's

income tax have not been successful. Higher education has demonstrated a need for new sources of revenue throughout most of this decade but these requests have not been recognized by the state's government.

It is important therefore that both higher education and state government set goals and establish a long-term plan to satisfy the needs of each. It is reasonable to expect accountability from higher education but it is also important to have a strong degree of support from state government.

Long-term Planning by Higher Education

In a recent article in the Illini Week Jean James Carey of the College of Communications at the University of Illinois, stressed the need "to strengthen the land-grant tradition and to embed this university more deeply into the fabric of Illinois." (Carey 1988, 6).

By emphasizing the duties that higher education has to the state and to make the public aware of the services that our state universities provide will go a long way in improving the image of higher education. In the same article Dean Carey stressed the image of higher education, "We are increasingly viewed as just another interest group, like the Department of Sanitation and Sewers, looking out for ourselves, irresponsible, self-

serving feather bedding, and, above all, turning out shoddy products--our own graduates." (Carey 1988, 4).

State government needs to make sure that it is getting the most for its investment dollar. When writing on the topic of public confidence in spending in state universities, the late M.M. Chambers made the point that "In many states this clear view has been clouded somewhat by mistrust, by some legislators and state administrative officers who grumblingly question the efficiency of the management of state universities and colleges and the efficiency of statewide development of public education." (Chambers 1970, 219)

Differences of opinion exist as to what should be the role of higher education. The missions of education, research, and public service which are characteristic of the land-grant universities raise the question of where the emphasis should be placed in order to meet the needs of the state. Where does the state reap the greatest return on its investment.

Former president of the University of Minnesota, the late Malcolm Moos, had a number of suggestions for re-emphasizing the mission of the land-grant schools in an article about the future of these schools. Three of these are especially relevant to the state of Illinois.

"Admission to the state university should stress higher education for all talented and eager people

regardless of social differences of economic background." (Moos 1982, 241) The state's universities need to ensure that accessibility to higher education remains a priority. Focusing on the need to educate the population means focusing on quality of education even if it sometimes comes at the expense of research.

"Service to the state and its key agencies and to the state's leading organizations. Structures should be established to permit smoother consultation and exchange between the state university and the region's leading organizations and corporations." (Moos 1982, 241) By developing a close relationship with government and business, higher education in Illinois will have the opportunity to pay back the government's investment directly through service to the state.

"The state university in the 1980's should return to a closer and productive interplay with the schools." (Moos 1982, 241). Higher education in Illinois can address one of the state's most pressing problems the development of elementary and secondary education. By focusing on the problems facing the Chicago school system and smaller districts, higher education can ensure that the state is providing high quality preparatory education.

By creating a long-term commitment to pursuing these policies higher education can work to build public

confidence and ensure a productive relationship with state government.

Long-term Planning by State Government

In the same way that higher education may need to set goals to live up to its responsibilities to the state, the state needs to live up to its commitments to higher education. There are several areas which need to be addressed.

The first of these should be to re-establish confidence in higher education. As higher education should work to live up to the public's confidence the state should provide higher education with a certain degree of trust. When addressing the subject mistrust by the state in regards to financial management, M.M. Chambers went on to say that "Only rarely are such innuendos reducible to a specific complaint. Rarely is any factual evidence adduced to their support." (Chambers 1982, 219).

The state should also address the issue of formalizing a commitment to higher education. Though largely a symbolic gesture, an amendment to the Illinois constitution concerning the state's commitment to excellence in higher education would reaffirm the state's commitment to provide quality higher education to all its citizens.

The state also needs to make a commitment to higher education which extends beyond an uncertain year-to-year struggle for funding. The state needs to accept the challenge of developing a strong system of higher education and reaffirm a commitment to support it financially. If the state is unable to address the structural problems in the state's revenue system, then the state needs to make spending for higher education a priority and allocate a certain percentage of new revenue as it becomes available to education until education again enjoys a proportional share of the state's budget that it has held in the past.

Conclusion

While it becomes apparent that higher education is experiencing a difficult time in Illinois, there are reasons to hope that this will get better. Tax initiatives in recent years have focused the attention of lawmakers in Springfield towards the state's colleges and universities and are becoming increasingly more aware of their pressing needs.

The problem of erratic short-term commitment and solution to problems continues. Uncertainty of commitment and under-funding by the state is working to erode the strength of our state's universities. By working together, state government and higher education

can develop a long-term plan which will satisfy both the needs of the state and ensure a strong future for higher education.

Higher education needs to live up to its responsibilities to the state by reaffirming its mission of service, education and opportunity. If higher education is going to expect state support it is necessary for higher education to take responsibility for the confidence the public has given it. "There is public support for higher education but no one is going to throw money over the wall and trust us to spend it wisely..." (Carey 1988, 4)

The universities of this state must also make a point to work together to satisfy the needs of this state. Illinois' system of systems does not always result in a unified position by the higher education community. As resources have dwindled, the state's many university systems have had to compete to a greater extent among themselves. It is important that higher education works together to accomplish the same goals.

At the same time state government has a responsibility to face the challenges which will face Illinois in the coming decades. To face these challenges state government needs to reaffirm its commitment to providing a strong system of higher education. The state must also follow through on this commitment and develop a

long-term plan for the financial support of higher education which will ensure both progress and stability.

The greatest threat now is inaction. In his book Politics and Higher Education, John D. Millett remembers a saying his commanding officer had in the army which he has since applied to his work in all facets of his life. "Any action today is preferable to the search for the ideal action tomorrow" (Millett 1974, x) Working together, state government and the higher education community can ensure a sound future for the state. The important thing is that they must take responsibility for the future of the state by acting now.

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