

THE THOMAS JEFFERSON
INSTITUTE FOR PUBLIC POLICY



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The Virginia Citizenship Initiative

*The Road to Deregulation, Real Accountability, and Renewed Citizenship
in Virginia's System of Higher Education*

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Managing Editor
Public Interest

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Thomas Jefferson Institute for Public Policy

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Foreword

This is the third publication by the Thomas Jefferson Institute in a series of studies, issue papers, and conferences that hopefully will be sponsored over the next few years dealing with the challenges facing higher education here in Virginia. This overall effort is called "The 21st Century Academy." This effort focuses attention on important issues effecting the colleges, universities and community colleges in our Commonwealth.

Part I of "The Virginia Citizenship Initiative: The Road to Deregulation, Real Accountability, and Renewed Citizenship in Virginia's System of Higher Education" is an overview of some of the problems facing our colleges and universities under the current system of centralized controls from Richmond. Part II is a brief review of the State Council of Higher Education of Virginia (SCHEV) recommendations recently suggested by that oversight organization.

But the real "meat" of this study is the author's vision as outlined in Parts III and IV. He details three major challenges facing higher education and then outlines in Part IV "The Virginia Citizenship Initiative" that would focus the purpose and goals of this highest level of education that is available to students who earn the honor to attend.

The author of this study, Eric Cohen, is a young intellectual who is deeply interested in the future of higher education and how it must evolve to remain credible in the 21st century. He is convinced that the best of higher education must be preserved while new and competitive alternatives should be structured.

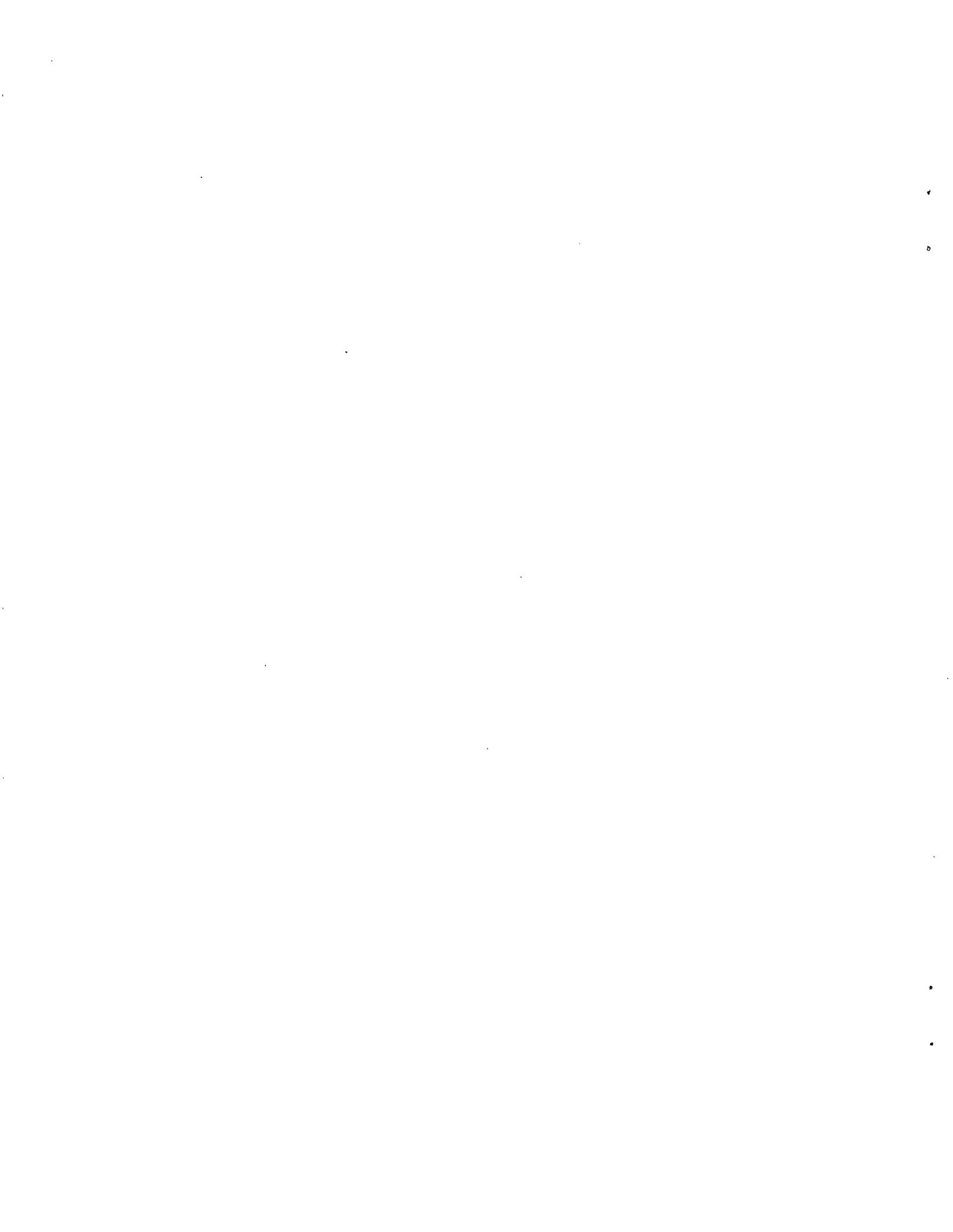
Recently, the Governor's Blue Ribbon Commission on Higher Education released its recommendations to improve Virginia's colleges and universities. Many of its suggestions are part of the SCHEV proposal as well. The ideas and recommendations outlined by the Blue Ribbon Commission will be analyzed by the Thomas Jefferson Institute in a future study.

The ideas and recommendations presented in this study are those of the author and do not necessarily reflect the opinions of the Thomas Jefferson Institute or its Board of Directors. However, this study is published in the hope that it will significantly add to the current public dialogue that is taking place in Virginia about the future of our public institutions of higher learning. The author's ideas in this study should help focus this debate.

Michael W. Thompson
Chairman and President
Thomas Jefferson Institute for Public Policy
February 2000

Table of Contents

| | |
|---|---------|
| Executive Summary | page 1 |
| Introduction | page 5 |
| Part I: The Problems with the Current System | page 5 |
| Part II: The SCHEV Performance Funding Model – A Better Way | page 8 |
| Page III: Challenges for the Future | Page 10 |
| Part IV: The Virginia Citizenship Initiative | page 12 |
| Conclusion | page 15 |



The Virginia Citizenship Initiative:

The Road to Deregulation, Real Accountability, and Renewed Citizenship in Virginia's System of Higher Education

By: Eric Cohen

Executive Summary

A Time for Reform

The state of Virginia is blessed with one of the finest systems of public colleges and universities in the nation. And yet, for these institutions to continue to thrive, they need the authority, expertise, and resources to govern themselves—to attract and keep the best faculty, to take full advantage of the latest technologies, to maintain and upgrade campus resources, and to pursue their specific missions in the most effective way.

For too long, Virginia's colleges and universities have been hindered by unnecessary statewide regulations on procurement, personnel, property management, and financial management. The purpose of these regulations is to ensure accountability and efficiency. But the result has been to thwart hands-on management, stifle creativity, waste time, and increase costs.

The SCHEV Performance Funding Model—A Better Way

The State Council of Higher Education of Virginia (SCHEV) Performance Funding Model is a significant step toward greater self-government and greater *real* accountability for Virginia's colleges and universities. The proposal has four key strengths:

Strength #1: Funding the Mission

The SCHEV proposal guarantees that every institution will have the resources to thrive by meeting or increasing the present budget of every public college or university in its 2000-2002 recommendations.

Strength #2: Self-Government

The SCHEV proposal relieves colleges and universities of unnecessary state micromanagement. It gives institutions and their leaders the authority to govern themselves—to manage their own resources and personnel, to retain control of investment income and accumulated balances, and in general to plan for the future through sound financial management and academic vision.

Strength #3: Steady Investment

In the SCHEV proposal, funding takes the form of a block grant—that is, an institution-specific budget appropriation that funds each college's core mission without over-regulating how individual institutions allocate those funds. The proposal builds into its recommendations an automatic annual adjustment for inflation. That means that every college will receive steady and sufficient funding—unless it repeatedly and drastically fails to achieve its mission.

Strength #4: Real Accountability, Real Reward

The SCHEV proposal connects future higher education investment to academic performance—understood as how well institutions accomplish their specific missions. The proposal establishes a set of performance indicators—graduation rates, retention rates, success on professional tests and job placement, faculty productivity, and transition rates for community college students—that are institution-specific. Every college and university is measured for how well it is doing in meeting its particular goals and serving its particular students. Each institution has its own target success rates and outcomes against which its actual performance is measured. These performance measures are then used as the basis for all incremental and additional funding. In short, resources follow success.

The Virginia Citizenship Initiative

Higher education policy in Virginia should strive not only to make institutions efficient and accountable, but to connect higher education to the responsibility of citizenship. In the 21st century, this means accounting for the complexity—and therefore the institutional diversity—of the world of higher education, while at the same time promoting and preserving the common thread of citizenship. It means balancing dynamism and tradition, entrepreneurship and permanence, free enterprise and an unbending commitment to Virginia's public institutions.

A vision for Virginia higher education in the 21st century built on the ideal of citizenship should center on the following seven *principles*:

Principle #1: The public has a stake in its institutions of higher learning and in its students because it has a stake in citizenship, and because only an educated people can truly govern themselves and build and preserve a more just, more prosperous nation.

Principle #2: Public education at the high school level should provide rudimentary education in reading, mathematics, critical thinking, and citizenship, while college and university education is for leadership, whatever the field.

Principle #3: Individual colleges and universities should have the authority to do great things, but they must take full responsibility for their fates instead of begging every year for more funding while continuing to operate based on static assumptions.

Principle #4: Students are best able to weigh their own academic needs and ambitions, and therefore the costs and benefits of particular programs.

Principle #5: While the state benefits from well-educated students, so do the students themselves, who gain life-long personal, social, and economic benefits, and who must therefore bear some of the cost of their education.

Principle #6: Higher education is not a right, but both a privilege and a responsibility. And while students must bear some of the costs for such a great privilege, the state should subsidize them for accepting the responsibility of leadership as citizens of Virginia.

Principle #7: Because the Commonwealth has invested in them, students have a responsibility to take their education seriously. All subsidies, therefore, should be contingent on academic performance and community service.

As a prescription for *public policy*, this could be called the *Virginia Citizenship Initiative*. It could have three main components: Citizenship Vouchers, Citizenship Education Grants, and a statewide Forum on Technology, Liberal Education, and Citizenship.

Policy #1: Citizenship Vouchers

A true marketplace tends to do two things: It improves an existing function while lowering the cost; and it creates new opportunities that require a high initial investment but that offer an even higher payoff.

By allocating a portion of public higher education funding *directly to students*, the state could promote both citizenship and accountability. These Citizenship Vouchers—combined with deregulation that allows colleges and universities to govern themselves—would create a system of higher education that is institutionally diverse: Some schools may decide to focus on liberal education, character education, and so forth and see less of a need to invest in high-tech or state of the art facilities. Or they might make targeted investments in technology to improve quality and cut costs. Still other institutions may invest heavily in high-tech or in new programs, and raise tuition accordingly, showing students that the benefits outweigh the cost. The common thread will be the shared commitment to citizenship—the idea that a community of educated individuals, given the

opportunity and resources to pursue their callings, is the best recipe for a just, decent, productive society.

In a system that funds both students and institutions—students through vouchers, institutions through block grants—the state could play the role of friendly investor: It could hold colleges and universities accountable through various performance and outcome measures, while at the same time creating an academic marketplace by empowering students and families. Moreover—and perhaps most importantly—it could hold students accountable by connecting vouchers to academic success (e.g.—a minimum GPA) and public service (e.g.— elementary and secondary school tutoring, military service, community service at local nonprofits). Such a program would connect subsidies to citizenship. And further, by limiting vouchers to public colleges and universities, the state would guarantee that its public institutions—especially the ones that are most innovative, most effective, and most vigorous at educating students and creating opportunities—would continue to thrive.

Policy #2: Citizenship Education Grants

Good citizenship requires a sound understanding of the nation’s basic principles—self-government, religious toleration, equality of opportunity, and what Thomas Jefferson called “republican character.” The state could create a competition for the best courses in American citizenship, history, and political philosophy. Faculty and departments from all of the state’s public colleges and universities could apply each year. A panel of leading scholars, public servants, and business leaders from across the state could decide the best courses. The state could then give the winners funding to teach the winning courses at their respective universities but also offer it statewide online. This would promote citizenship education without a one-size-fits all government mandate, and it would give students across the state access to the best, most innovative professors.

Policy #3: The Virginia Forum on Technology, Liberal Education, and Citizenship

Virginia could create a series of seminars—both for four-year university students and community college students—on the topic of Technology, Liberal Education, and Citizenship. Students from across the state could apply to participate, and the winners could attend a conference with leading scholars, businessmen, public servants, military officers, and community leaders, who would all come together to consider the great questions of the day, the future of Virginia, and the demands and opportunities of the rising generation. Not only would such an event serve as a useful networking opportunity for students, it would help them consider what it means to be a good citizen of ‘republican character.’”

Now is the time for decisive leadership in setting a course for the 21st century academy in Virginia. The opportunities—and challenges—are too great not to act.

Introduction

The state of Virginia is blessed with one of the finest systems of public colleges and universities in the nation. To take just a few examples: The University of Virginia is a world-class research institution. The Virginia Military Institute has a long-standing tradition of graduates with distinguished careers in military and public service. George Mason University is now a national leader in the social sciences, business, and law. Virginia Tech is a world leader in scientific and technological research. The Virginia Community College system serves as a gateway for adult, part-time, and non-traditional students who seek the opportunity and privilege of a college degree.

For successful institutions to continue to thrive, however, they should have the authority, expertise, and resources to govern themselves—to attract and keep the best faculty, to take full advantage of the latest technologies, to recruit the best students, to maintain and upgrade campus resources, and to pursue their specific missions in the most effective way.

For too long, Virginia's colleges and universities have been hindered by over-burdening, ill-tailored, statewide regulations. The purpose of these regulations is to ensure accountability and efficiency. But the result has been to thwart hands-on management, stifle creativity, waste time, and increase costs.

The great challenge for the future of higher education in Virginia is not only or even predominantly about funding. *The great challenge is citizenship:* In short, will colleges and universities prepare a new generation of responsible citizens and leaders? Will they prepare men and women of vision, ability, and principle? To achieve this truly democratic end, it is important to reexamine the present system of colleges and universities—to see what is working and what is not, and to see how Virginia can preserve and renew its commitment to an educated, self-governing people.

Part I: The Problems with the Current System

There are two central problems with the current funding system: *over regulation* and the *absence of real accountability*.

Problem #1: Over-regulation

In the present system, all colleges and universities are bound by one-size-fits-all, top-down regulations on procurement, personnel, property management, and financial management. Every strategic decision college administrators make has to be approved in Richmond, and it has to follow Richmond's way of doing business. This makes little sense from an economic standpoint, a morale standpoint, or an educational standpoint.

Colleges and universities have their own specific needs, challenges, and opportunities that are fundamentally different from those of other sectors of the Commonwealth. Even more, each individual college and university has a different mission and different culture, which one-size-fits-all micromanagement inhibits rather than serves. The near unified voice of leading college administrators across the state is: “Give us the resources—but also the freedom and authority—to thrive.” Here is what they are saying:

- “Procurement is especially cumbersome and costly for us in terms of time. Procurements over a certain amount—whether sole source or not—have to go to the state either for approval or for them to actually do the procurement. This adds time and no value to the end product.”

*Richard V. Hurley
Vice President for Administration and Finance
Longwood College*

- “There are clearly some state rules and regulations that are questionable in terms of adding any real value. Most state agencies are making efforts to deregulate and decentralize, but the bureaucracy still wears you down...in certain situations—especially in the more dynamic regions of the state—we need to be able to respond [to needs] in a more timely fashion.”

*Maurice W. Scherrens
Executive Vice President
George Mason University*

- “Current regulations add time and paperwork to operations that can be burdening.”

*John Poole
Dean of Financial and Administrative Services
Central Virginia Community College*

- “Virginia’s central departments seem to have a great deal to do and not enough people to do these things... Putting transactions through the process can take a long time, and the length of time can detract from a community college’s ability to respond quickly to workforce development and other special curriculum needs. It takes a long time to get a space lease, for example. There are statewide agreements that require the purchase of items that are more expensive than needed. It takes time and effort to get an exception.”

*Alison Baker
Dean of Financial and Administrative Services
Northern Virginia Community College*

- “There are instances where we probably have been hindered [by state regulations]. There are times procurement regulations have prevented us from purchasing a particular item at a cheaper price than the state contract... Hopefully the proposed compensation plan... will give more flexibility in hiring and retaining employees and in rewarding outstanding employees... The capital outlay request, review, and management system needs to be completely overhauled—it often is burdensome and causes delays and increased costs.”

*Russell E. Whitaker, Jr.
Dean of Administration and Finance
Richard Bland College*

State regulation is always well-meaning; its intentions, and the intentions of the lawmakers who regulate, are good. But oftentimes the outcome is not. It makes it difficult for schools to attract and keep the best teachers. It makes it difficult for individual colleges and universities to save money through real resource management. It makes it difficult for administrators to outsource various campus services to real professionals, who can provide better service at lower cost, and then reinvest the savings for teacher pay raises, a larger faculty, or better technology. Perhaps more importantly, state micromanagement sends a message to college and university administrators—and to boards of visitors and trustees—that the Commonwealth does not trust them to do their jobs.

Problem #2: No Real Accountability

In the present system, there is no real accountability for how well schools perform. When it comes to *means* (i.e. money), the state regulates colleges and universities with the impersonal hand of bureaucracy. But when it comes to *ends*—namely, how well do colleges and universities educate their students, how significant are the contributions of their faculty to the intellectual life and industrial development of the Commonwealth—the state has no effective mechanism of oversight and reward. By basing its operational funding decisions largely on enrollments, the state has ignored the more important issue of how well individual schools are actually performing.

By refocusing accountability on real performance, the state could gradually reallocate its investment to the colleges and universities that most effectively accomplish their missions, and so give thriving and diverse institutions the resources to grow. More importantly, such accountability could serve as a wake-up call to institutions that are not succeeding. The state could then play the role of friendly investor rather than blind, burdensome regulator.

Part II: The SCHEV Performance Funding Model—A Better Way

The State Council of Higher Education of Virginia (SCHEV) Performance Funding Model is a significant step toward greater self-government and greater *real* accountability for Virginia’s colleges and universities. The proposal has four key strengths:

Strength #1: Funding the Mission (“Base Budget Adequacy”)

Every college and university has a specific mission. To achieve that mission, colleges and universities must have the necessary financial resources. Of course, disagreements abound on “how much money is enough.” Every college and university wants more funding, and most college and university presidents believe they need more funding. SCHEV reviewed the current budget for each college and university for “base budget adequacy”—that is, they examined whether present funding levels were sufficient to support each institution’s specific mission. For those institutions that were found to be under funded—based on statewide comparisons of peer institutions—SCHEV recommended the necessary real increase (see Table 1). For those institutions found to have adequate or more than adequate funding—again, based on statewide and nationwide comparisons—SCHEV recommended that present funding levels be maintained. This “base budget adequacy” guarantees that every institution will have the *resources to thrive*—and that in the move toward real accountability, all institutions will begin on fair footing.

TABLE 1: Base Budget Increases

In its 2000-2001 budget, SCHEV recommended real funding increases for a number of Virginia colleges and universities that were found to be inadequately funded based on statewide and national comparisons. In the SCHEV proposal, these increases would become a permanent part of each institution’s block grant, which would then be adjusted annually for inflation and increased according the institution-specific, value-added performance criteria.

**Base Budget Adequacy Adjustment (Personal Services)
Four-Year Public Institutions**

| Institution | Real Budget Increase (2000-2001) |
|-----------------------------|---|
| George Mason University | 20, 249, 680 |
| Old Dominion University | 5,311,044 |
| University of Virginia | 1,361,572 |
| VPI and State University | 4,049,898 |
| College of William and Mary | 1,615,680 |
| James Madison University | 11,206,703 |
| Longwood College | 1,159,663 |
| Mary Washington College | 1,585,063 |
| Radford University | 41,154 |
| UVA – Wise | 103,897 |
| Virginia Military Institute | 451,449 |

Source: State Council of Higher Education

Strength #2: Self-Government

The key to the SCHEV proposal is the move toward self-government through deregulation. The proposal gives colleges and universities the authority to govern themselves—that is, to buy and sell resources in the most appropriate way, to allocate salary dollars in the most appropriate way, to retain control of investment income and accumulated balances, and in general to plan for the future through saving, investment, management, and academic vision. The SCHEV proposal preserves the intent of the myriad “best practices” laws that govern all state operations—the purpose of which is to ensure efficiency and accountability—but relieves colleges of the foolish and unnecessary burden of state-level micromanagement. This gives institutions the *freedom to thrive*.

Strength #3: Steady Investment

The foundation of the SCHEV proposal is two-fold: 1) Colleges and universities must be adequately funded to pursue their mission; 2) Colleges and universities must have the freedom to pursue their mission without being burdened by ineffective state regulation. In the SCHEV proposal, the mechanism for achieving these goals is a block grant—that is, an institution-by-institution budget appropriation that adequately funds each college and university’s core mission. The proposal builds into its funding recommendations an annual adjustment for inflation. That means that every college will receive steady and sufficient funding—unless it repeatedly and drastically fails to achieve its mission. It gives institutions the *confidence to thrive*.

Strength #4: Real Accountability, Real Reward

For two decades, state funding for education has simply followed enrollments and enrollment projections. Investment has been haphazard rather than focused and deliberate. Moreover, colleges and universities have been held accountable for obeying “best practices” laws rather than for how well they educate their students. The SCHEV Performance Funding Model replaces the appearance of accountability with real accountability. It establishes a set of performance indicators—graduation rates, retention rates, success on professional tests and job placement, faculty productivity, and transition rates for community college students—that are institution-specific. That is, every college and university is measured for how well it is doing in meeting its particular mission and serving its particular students. Each institution has its own target success rates and outcomes against which its actual performance is measured. These performance measures are then used as the basis for all-incremental and additional funding. In short, resources follow success.

Part III: Challenges for the Future

As an alternative to the present ad hoc, overly bureaucratic, and unresponsive funding system, the SCHEV proposal is superior on all counts and should be embraced. But there are certain limitations, which raise the possibility of new long-term thinking.

Challenge #1: Moving Beyond Comparison

To establish its base budget for each individual college and university, SCHEV used a series of comparative models built on the notion of peer institutions—both in-state peer institutions and national peer institutions. This same approach is used to establish target success rates and performance

criteria for each individual school. The ability to learn from peer institutions is crucial to any enterprise, but over reliance on such an approach threatens to limit Virginia’s colleges and universities to the assumptions, methodologies, and vision—sometimes good, sometimes not-so-good—of other states and institutions. It also threatens not to take into account fundamental structural changes—technological changes, economic changes, demographic changes, primary- and secondary-school changes—that alter the higher education environment and therefore require new ways of doing things and new ways of allocating resources.

Because it promotes greater freedom and self-government, the SCHEV proposal takes far greater account than the present funding system of how fundamental changes mean new strategies, new investments, and new technologies. But it still relies heavily on rigid comparative models to determine “base budget adequacy” and “expected outcomes.” These models are useful as guidelines, but the notion of peer institutions does not adequately account for the true diversity of a system as complex as Virginia higher education. The alternative, as discussed below, is a truly entrepreneurial system of public

colleges and universities that incorporates the best elements of free enterprise—namely, innovation and performance—with steady public support for Virginia’s colleges and universities.

Challenge #2: An Academic Federalism

Accountability has become a buzzword in discussions about higher education—and for good reason. But it is useful to ask: To whom are public colleges and universities accountable? Governor Gilmore has listed a number of constituencies: parents, students, taxpayers, the people, and the state. But ultimately, these myriad constituencies should be narrowed down to two: students and the common good of Virginia. The latter—the common good of Virginia—is difficult to measure, and yet it is the only reason to have public institutions of higher learning in the first place.

However, the great lesson of the last three decades—and the last century—is that the common good is not always best promoted and preserved by activist government. The lesson is that governments must be both humble and vigorous, a difficult dance.

As the Commonwealth begins to set a course for higher education in the 21st century, the fact of complexity and diversity is overwhelming. The temptation to impose order from the top down is great. But that would be a great mistake. A better policy would be to support a multiplicity of institutions, each with the authority to govern itself, each offering a multiplicity of blueprints, forcing accountability on one another, and leading the way to the future by innovation.

The idea of decentralization is key, and it must rest on the premise that individual institutions should have the authority to govern themselves, and that they must take full responsibility for their relative success or failure. No central agency can have all the knowledge in a complex economic and political order. Instead, it is better to have a number of entrepreneurial institutions generating ideas and better ways of doing things—a true *academic federalism*.

That said, innovation must be balanced with Virginia’s great tradition of public higher education. Entrepreneurship must be balanced with steady support for the state’s public institutions. But even those great institutions must be challenged to thrive in the coming age. They must be challenged to preserve the best of the past while meeting the demands of the future.

Challenge #3: Tuition Freeze vs. Self-Government

The current freeze on student tuition is a temporary political strategy to address some fundamental issues: Are colleges and universities spending their money efficiently? How much of the financial burden should fall on Virginia students and how much should fall on the taxpayers? Are colleges becoming less affordable and more essential to social and economic well-being?

The tuition freeze has helped put these questions at the center of the public policy debate. And it has forced colleges and universities to consider ways that they could become more efficient. But the tuition freeze is not a long-term solution. And greater efficiency is not possible without giving the colleges and universities greater authority and autonomy.

On the matter of self-government, the SCHEV proposal is a significant step in the right direction, but it does not go far enough. Virginia Tech Vice President Minnis Ridenour is right: individual colleges and universities must have full authority to govern themselves, including the authority to set tuition and fees as meets with a given institution's strategic goals, the authority to save and invest, the authority to control private foundations, and the authority to create new programs. Then, let students weigh the costs and benefits of various institutions based on their needs, their abilities, and their informed judgment about the relative quality of the state's diverse institutions.

Such an approach raises the important question of affordability—and, in particular, the divergent trend of colleges becoming simultaneously less affordable and more important to social and economic advancement. Specifically, it raises the question of who bears the burden: students or taxpayers? In its budget recommendations for the 2000-2002 biennium, SCHEV has committed itself to meeting or increasing the present budget of every college and university and increasing every school's budget annually for inflation. With a tuition freeze in nominal, rather than real dollars, that means more and more of the burden for higher education will fall on the taxpayers.

As will be proposed in greater detail below, the state should consider directing future taxpayer investment directly to students in the form of vouchers. Furthermore, the freeze on in-state tuition should be lifted, so that colleges and universities have the authority to make the strategic decisions that best serve their institutional mission and the good of their students. (Colleges and universities already control out-of-state tuitions.) This would empower students to get a college education and empower colleges and universities to give one. It would help create an environment of institutional diversity while preserving the statewide commitment to public higher education—and, in particular, Virginia's commitment to an educated, self-governing citizenry.

Part IV: The Virginia Citizenship Initiative

A vision for Virginia higher education in the 21st century built on the ideal of citizenship should center on the following seven *principles*:

Principle #1: The public has a stake in its institutions of higher learning and in its students because it has a stake in citizenship, and because only an educated people can truly govern themselves and build and preserve a more just, more prosperous nation.

Principle #2: Public education at the high school level should provide rudimentary education in reading, mathematics, critical thinking, and citizenship, while college and university education is for leadership, whatever the field.

Principle #3: Individual colleges and universities should have the authority to do great things, but they must take full responsibility for their fates instead of begging every year for more funding while continuing to operate based on static assumptions.

Principle #4: Students are best able to weigh their own academic needs and ambitions, and therefore the costs and benefits of particular programs.

Principle #5: While the state benefits from well-educated students, so do the students themselves, who gain life-long personal, social, and economic benefits, and who must therefore bear some of the cost of their education.

Principle #6: Higher education is not a right, but both a privilege and a responsibility. And while students must bear some of the costs for such a great privilege, the state should subsidize them for accepting the responsibility of leadership as citizens of Virginia.

Principle #7: Because the Commonwealth has invested in them, students have a responsibility to take their education seriously. All subsidies, therefore, should be contingent on academic performance and community service.

As a prescription for *public policy*, this could be called the *Virginia Citizenship Initiative*. It could have three main components: Citizenship Vouchers, Citizenship Education Grants, and a statewide Forum on Technology, Liberal Education, and Citizenship.

Policy #1: Citizenship Vouchers

A true marketplace—or in this case, an academic federalism—tends to do two things: It improves an existing function while lowering the cost; and it creates new opportunities that require a high initial investment but that offer an even higher payoff.

By allocating a portion of public higher education funding directly to students, the state could promote both citizenship and accountability. Specifically, tax dollars, directed through the decisions of students, would flow to those schools that successfully meet the student's academic needs and aspirations.

Some schools may decide to focus on liberal education, character education, and so forth and see less of a need to invest in high-tech or state of the art facilities. Or they might make targeted investments in technology to improve quality and cut costs. Still other institutions may invest heavily in high-tech or in new programs, and raise tuition accordingly, showing students that the benefits outweigh the cost. The common thread will be the shared commitment to citizenship—the idea that a community of educated individuals, given the opportunity and resources to pursue their callings, is the best recipe for a just, decent, productive society.

In a system that funds both students and institutions—students through vouchers, institutions through block grants—the state could, once again, play the role of friendly

investor: It could hold colleges and universities accountable through various performance and outcome measures, while at the same time creating an academic marketplace by empowering students and families. Moreover—and perhaps most importantly—it could hold students accountable by connecting vouchers to academic success (e.g.—a minimum GPA) and public service (e.g.— elementary and secondary school tutoring, military service, community service at local nonprofits). Such a program would connect subsidies to citizenship. And further, by limiting vouchers to public colleges and universities, the state would guarantee that its public institutions—especially the ones that are most innovative, most effective, and most vigorous at educating students and creating opportunities—would continue to thrive.

Policy #2: Citizenship Education Grants

Good citizenship requires a sound understanding of the nation’s basic principles—self-government, religious toleration, equality of opportunity, and what Thomas Jefferson called “republican character.” The state could create a competition for the best courses in American citizenship, history, and political philosophy. Faculty and departments from all of the state’s public colleges and universities could apply each year. A panel of leading scholars, public servants, and business leaders from across the state could decide the best courses. The state could then give the winners funding to teach the winning courses at their respective universities but also offer it statewide online. This would promote citizenship education without a one-size-fits all government mandate, and it would give students across the state access to the best, most innovative professors.

Policy #3: The Virginia Forum on Technology, Liberal Education, and Citizenship

The coming of the information age creates amazing opportunities for new kinds of learning, new paths of economic growth, and new and faster ways to do just about everything. But for the nation to be both a technological society and a just society, citizens need grounding in the permanent things that are the true and lasting focus of liberal education. Technological development requires an educated citizenry that knows how to judge not only the usefulness, but the goodness and virtue, of those technologies. Likewise, an educated student needs both practical learning but also learning that helps him or her answer—or at least ask—the eternally human questions: What is the good life? What is the just society? What are my responsibilities as a citizen?

Virginia could create a series of seminars—both for four-year university students and community college students—on the topic of Technology, Liberal Education, and Citizenship. Students from across the state could apply to participate, and the winners could attend a conference with leading scholars, businessmen, public servants, military officers, and community leaders, who would all come together to consider the great questions of the day, the future of Virginia, and the demands and opportunities of the rising generation. Not only would such an event serve as a useful networking opportunity for students, it would help them consider what it means to be a good citizen of ‘republican character.’”

Conclusion

This is a crucial moment of opportunity for the state of Virginia to put these principles and policies into practice—to build on the existing strengths of Virginia higher education by introducing and promoting greater self-government, institutional diversity, and real accountability. This means the following policy objectives in the *intermediate term* and the *long term*:

Intermediate Term:

- **Deregulation:** Virginia's colleges and universities are overburdened by ill-tailored statewide regulations that are supposed to guarantee "best practices." But the result is exactly the opposite: wasted time, wasted money, less education at a higher cost, and acrimony and distrust between college administrators and the state bureaucracy. Instead, colleges and universities should be given the freedom to do their jobs—to manage resources and personnel in the best way, to vigorously pursue their missions without second-guessing from Richmond—and then held accountable for their real performance.
- **Real Accountability:** State investment in higher education should be connected to performance—understood as how well institutions accomplish their specific missions. This means connecting funding to achievement, which puts the state in the role of friendly investor rather than ineffective regulator. It means balancing the best of free enterprise with steady support for the state's public colleges and universities.

The SCHEV Performance Funding Proposal is a giant leap forward in accomplishing these intermediate goals and should be supported.

Long Term:

- **Virginia Citizenship Initiative:** Higher education policy in Virginia should strive not only to make institutions efficient and accountable, but also to connect higher education to the responsibility of citizenship. In the 21st century, this means accounting for the complexity—and therefore the institutional diversity—of the world of higher education, while at the same time promoting and preserving the common thread of citizenship. It means balancing dynamism and tradition, entrepreneurship and permanence, free enterprise and an unbending commitment to Virginia's public institutions.

Now is the time for decisive leadership in setting a course for the 21st century academy in Virginia. The opportunities—and challenges—are too great not to act.

About the Author

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Mr. Cohen was a Fulbright Scholar at the College of the Humanities in Ottawa, where he taught philosophy and delivered a series of lectures on liberal education in the modern world. He graduated Summa Cum Laude and Phi Beta Kappa from Williams College in Massachusetts where he received his degree in Social Thought.

Mr. Cohen is a prolific writer who has had articles published in several magazines and newspapers--including the *Wall Street Journal*, the *Weekly Standard*, the *Washington Times*, the *Indianapolis Star*, and the *Intercollegiate Review*. He serves as a Fellow with the Thomas Jefferson Institute for Public Policy.



*“... a wise and frugal government, which shall
restrain men from injuring one another, shall leave
them otherwise free to regulate their own pursuits of
industry and improvement, and shall not take from
the mouth of labor the bread it has earned. This is the
sum of good government, and this is necessary to close
the circle of our felicities.”*

Thomas Jefferson

1801