

HIGHER EDUCATION AND PRIVATIZATION: THE NATIONAL SCENE

On advice from Colorado Representative Randy Fischer and Senator Bob Bacon, the Larimer County League Privatization Study Team took a look at the impact of privatization on public higher education. As budget issues continue to plague states following the financial meltdown in the first decade of the century and public university and college budgets correspondingly shrink, privatization has looked like a solution to many state and local problems when higher tuition is no longer enough. Some of the effects of this situation are already apparent. Tuition increases have decreased opportunities for lower income students. Students leave college with massive amounts of debt to enter job markets not ready to employ them. Emphasis is shifting dramatically away from broad-based liberal arts education to narrower career-focused programs. And conflicts are being created among faculty over tenure, academic freedom, and research issues.

CSU has managed its somewhat grim fiscal situation well so far vis a vis privatization of services. Its administrators have kept their heads and studied the feasibility of each situation as it's presented itself, unlike some other public higher education institutions around the country. One of the most serious concerns facing all of these institutions is how some of these situations may come to shape the long-range mission of the institution itself.

Let's look at just three of these privatization arrangements in this context. Many campus research laboratories these days are supported or even created as a result of contractual arrangements between the university and pharmaceutical, agricultural, biogenetics, or other firms who have the funds the universities lack and need the research the universities can produce. This would seem like a win-win situation except that it tends to direct university research programs toward the profit-making research objectives of the funding sources and away from basic science. This makes it difficult for both faculty and graduate students to choose their own research paths. It also leaves the humanities and the social sciences mostly in the cold. Business colleges within universities often have similar benefactors to those of the sciences, and the think tanks they generate can drive the direction of business toward the objectives of the funding source in ethically questionable ways (cf. University of Nebraska-Lincoln/Gallup Corporation).

Some colleges and universities have tried privatizing law enforcement on campus, but most have found that security and campus code violations require different approaches from that required for community law enforcement. This has sometimes led to costly mistakes, mostly for students. The best situations seem to exist on those campuses that have maintained their own internal campus security and justice systems but have kept close cooperative ties with local police and courts.

A third trend in privatization has been in the area of student housing. Many schools rely on some approved off-campus private student housing to supplement overcrowded residence halls; but some schools have sought to get out of the housing business altogether by putting the entire matter in private hands. How well this will work, what parents' reactions may be, what the costs may be to families, and what

unforeseen problems may occur will bear watching. The University of Kentucky is one such school currently contemplating this move.

One questionable area of privatization in higher education is a group of private companies, started in various ways, labeling themselves universities or colleges, and claiming to provide the same levels of higher education provided by schools like the University of Colorado or the University of Denver. Some of these schools have more legitimacy than others and actually do provide a decent education; and they are not necessarily examples of privatization as we have been discussing it since they have not to any significant extent been contractually engaged by any level of government to act in its stead. But they do take advantage of federal tuition assistance funds available to students and do stand as an alternative, often a less than adequate one, to existing public higher education, draining resources that could otherwise benefit those institution and their students. And some of the students who have utilized some of these institutions have been left with mountains of student loan debt, no interaction of any kind with either professor or other students, and no accredited certification of their work.

Most public universities do, of course, rely on the usual privatized public services already provided in their locale, e.g., waste management, water management and other public/private utilities, printing, and other services. Some maintain their own vehicle fleets; some depend on leasing. Some maintain their own stores of supplies, but most have found it is now more economical to order as needed from an outside vendor. Maintenance and food services are handled internally on some campuses and are contracted out on others with varying results. The key factor in all these decisions, as it is in all decisions regarding privatization of public services, is due diligence and adequate study of the realistic campus needs and how best to provide for them. There is no "one size fits all" answer.

(Information in this document is based on some forty years of experience of working in and reading about and interacting with the world of higher education in this country and watching the changes that have taken place. Any errors are entirely my own.)

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