

## **Small Group Discussion Summaries**

### **How Will Higher Education be Funded in the Future?**

The session started with a quick overview of the tobacco tax initiative by Misty Snodgrass of the American Cancer Society. The ACS is conservatively estimating that there will be \$283 million of total new revenue if the measure is approved. Of whatever amount is collected, 30% would go to higher education institutions. Although there is no definite way to ensure proper distribution, they have written the measure as tightly as possible to try to ensure that the money is appropriated by the legislature as intended. One interesting facet of the campaign described by Ms. Snodgrass is that the business community has gradually coalesced in support in the interest of promoting a stronger workforce infrastructure. They did not necessarily expect active support from the business community but business seems to have independently decided that passage of the measure will improve their bottom lines by promoting a healthier current and future workforce.

One institutional board member commended the ACS on their work with the initiative but explained that there remains a chronic imbalance in the state's tax and budget systems that the tobacco tax increase won't solve. Specifically cited as options for correcting the imbalance were reformation of state tax credit programs, and plugging the holes in the state's sales tax collections that don't capture interstate sales.

The discussion then moved to the main focus, how will higher education be funded in the future in light of declining or stagnant state funding and increasing pressure to keep tuition increases to a minimum. It was noted that this financial dynamic signals a move towards a privatization funding model. It was noted that this type of movement has the real potential of squeezing out the currently underrepresented demographic groups that Stan Jones just talked about as being key to making serious progress on the completion agenda.

Several of the institutional board members also saw increasing tension between the budget cutting they have had to do on campus and the desire to better serve students and further the completion agenda. Several board members expressed the sentiment that their institution's ability to cut expenses is just about exhausted. Several board members expressed concern that they had pushed class sizes to the upper limit of what they felt was reasonable, had become over-reliant on adjunct faculty in order to save money, were troubled by the effects of low compensation levels on their campuses. Several participants agreed that the nature of the cuts they had to implement on campus had the effect of working against the completion agenda that has been given so much focus in the state and nationally. It was said, "One man's bureaucracy is another man's student support services." Participants noted that several of the specific strategies that Mr. Jones had suggested to improve remedial education, retention rates, etc. involve additional staff resources and other student support expenses that are precisely what institutions have had to cut back on, or not add though they are needed, because of the severe strain on their resources.

There also was a discussion among institutional board members about their business backgrounds and their frustrations in applying their business experience to the major issues facing their institutions. Mentioned in this vein were an inability to take necessary actions to increase revenues if needed, and the fundamental difference between an educational institution and a typical business in terms of serving the greater good versus only serving the interests of the business. Some participants suggested that perhaps public higher education could learn from lessons from proprietary institutions with regard to student retention and completion strategies. It was mentioned that many proprietary institutions are very adept at making sure that students re-enroll and that although they may only be doing that for the purposes of maximizing revenue, there could be some lessons to be learned.

### **Forging New Partnerships: Outcomes for Business, Education and Economic Development**

The topic we asked four groups to address was: What are Missouri Colleges and Universities doing to prepare their graduates to fulfill the needs of business and industry?

The groups focused on:

- A. The DED strategic plan targets 7 High Growth Industries (advanced manufacturing, energy solutions, bio-science, health sciences and services, information technology, financial and professional services, and transportation and logistics) in Missouri; how are Missouri colleges and universities partnering to create career opportunities for Missourians?
- B. Examples of partnerships that are working.
- C. What are the obstacles or challenges from the higher education perspective?
- D. What are obstacles or challenges from the business perspective?

Groups discussions included:

1. There probably isn't one comprehensive or widely accepted definition of advanced manufacturing. It usually means a manufacturing process that isn't simple and includes innovative technology. Aviation/aerospace, automotive manufacturing, an industry that uses robotics and medical device manufacturing were all cited as advanced manufacturing examples. Nimbleness and responsiveness are important for success with these sectors.
2. The University of Missouri shared its partnerships in bio-science; several other institutions shared their partnerships in strategic industries, including nursing.
3. Community colleges have had partnerships with industry for many years.
4. The discussion noted that there are many long-term partnerships with industries that haven't been advertised or shared with people outside of the institution and business partners.
5. Jason Hall, Department of Economic Development, cited numerous and current partnerships in the state of Missouri between business and colleges and universities, such as Missouri Western's work with Boehringer Ingelheim

Vetmedica, Inc.; St. Louis Community College's relationship with bio-science entities like Monsanto and the Danforth Plant Center, and Missouri S &T's collaboration with Westinghouse on modular nuclear reactors.

6. The issue of an institution sharing its intellectual property with the business sector needs further discussion and exploration to remove obstacles while protecting rights and royalties earned by higher education.
7. There were discussions about business leaders' concerns that higher education isn't listening or working to fulfill the job skill needs of industry; some participants felt that business must do a better job of sharing what those specific needs are.
8. SEMO has partnerships with mass media, local newspapers and start-ups. There was a belief that more institutions could help and support start-up businesses plus better utilizing the media to share success stories and "spread the word."
9. Institutions in Kansas City and St. Louis have partnerships with Boeing and Project Lead the Way.
10. Truman partners with Boeing and sponsors internships at the Capitol.
11. Most institutions have business and industry advisory committees.
12. MSSU partners with a battery company, Eagle Picher, which manufactures batteries for space stations and fighter planes, plus offers a certificate in advanced battery technology.

Each group presented their summaries in our breakout session and to the larger group.