

Cost-Conscious Colleges

By Steven Pearlstein

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The next time you hear a college president explain how its not humanly possible to hold down annual tuition increases without affecting quality or reducing student aid, tell him to call "Brit" Kirwan.

Over the past three years, the chancellor of the [University of Maryland](#) system figured out how to educate 6 percent more students while cutting baseline operating costs by 3 percent and holding average annual tuition increases to less than 2 percent.

Along the way, he somehow managed to get teachers to spend 10 percent more time in the classroom, on average, without causing a faculty revolt.

And in return for his commitment to squeezing more productivity out of the system, he managed to persuade a skeptical governor and legislature to restore state spending per student to roughly where it was back in 2002.

Kirwan is the first to acknowledge that political and budgetary imperatives forced a reluctant university system to embark on its "effectiveness and efficiency" project. And he understands full well that the gains so far represent the "low-hanging fruit" -- using centralized purchasing, for example, to lower costs, or requiring all students to earn 10 percent of their required credit hours outside the classroom through internships, independent study and semesters abroad.

But Kirwan's singular achievement has been to fundamentally change the mind-set on campus, from one that reflexively equated spending with quality to one that is open to measuring inputs and outputs and welcomes the challenge of delivering more for less.

Anyone can now go to the University of Maryland Web site, for example, and call up a report on how each campus, and the system as a whole, is performing on 31 measures, such as acceptance and graduation rates, average faculty salaries and the percentage of operating expenditures going for administration and instruction.

A funny thing happens when you start collecting and publicizing data like these: They expose inefficiencies and get people thinking about how to do things differently.

After reviewing the comparative data, for example, [Maryland](#) regents decided to concentrate growth on the campuses with the lowest costs.

And once it became apparent that low-income students were graduating with more debt than more well-off students, the university was forced to face up to the embarrassing fact

that it was giving out 60 percent of its scholarship money on the basis of "merit" -- financial-aid-speak for using scholarships to buy higher SAT scores and winning athletic teams. The regents have decreed that much more of the aid will be awarded on the basis of financial need.

For the current academic year, Kirwan's big push is to require each campus to redesign one course by replacing the standard lecture format with a combination of computerized learning, taped lectures, individual counseling and small group discussions.

Similar experimental programs at other state universities have come up with redesigns that have not only improved learning and student satisfaction but also cut the cost per student by 28 to 56 percent. Kirwan's hope is that once students and faculty get to see and experience the results for themselves, their natural skepticism will fade and the approach can be extended to the full range of introductory courses.

(Note to Kirwan: If you want to speed up the process, try sharing some of the savings with participating teachers.)

And then there's my personal favorite: exchanging the leisurely academic calendar (two semesters and a laid-back summer term) for one that better approximates the work schedule the rest of the world follows.

Under Kirwan's leadership, Maryland is now at the forefront of the movement to bring more accountability and access to higher education. And it should be no surprise that this leadership is coming from the public sector.

After all, we've known for years that you can get as good an undergraduate education from a top-notch state university as you can from the most select private universities, at roughly half the cost. And yet despite this success, legislatures in recent years have not only been reluctant to expand their university systems to keep up with growing demand but also have reduced state support for the universities they already have.

This is nutty. It means that large numbers of qualified students who might prefer to attend top state schools are forced to seek admission to more expensive private colleges or universities in other states that are eager for the higher out-of-state tuition revenue. And it has given select private universities the competitive headroom to raise their tuitions with impunity.

If, as a country, we were serious about holding down tuition, the best thing we could do would be to increase public support for those public universities that have a proven record of delivering high-quality education at a lower cost and are willing to expand.

Probably the worst thing we could do is to feed the tuition monster by increasing the flow of federal support (or private charitable contributions) to expensive and inefficient universities, public or private, that raise their tuition 5 percent every year just because they can.