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THE SLIPPERY-SLOPE OF PRIVATIZING PUBLIC COLLEGES AND UNIVERSITIES IN THE UNITED STATES

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by

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ABSTRACT

This study proposes to examine a series of peer-reviewed articles and books on this subject, along with analyzing the opinions of higher education stakeholders such as higher education administrators/professors and state legislatures to understand (1) the role that higher education privatization plays in the future of public higher education in the United States; (2) how larger budget cuts for higher education are generating the growth of higher education privatization in the United States; and (3) how the rising cost of student tuition along with other factors are contributing to the growth of higher education privatization. The goal of this proposed study is to examine the slippery-slope of privatization to understand the impact it can make on the future of higher education in the United States.

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DEDICATION

I could not have completed this project nor my doctoral degree without the support from my mother, Girolima Catherine Gambino Manganello, my mentor/advisor, Dr. Jason K. Wallace, and my professor for multiple classes, Dr. James Thomas.

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CHAPTER 1: INTRODUCTION

Due to a decline in support from their states resulting from strained budgets, public colleges and universities are forced to find alternative sources of revenue; while "a number of reverberations potentially will be felt throughout the nation" (Travis, 2012, p. 7). The result can lead to privatization, which is when an entire public entity (e.g., public college or university), or a portion of a public entity (e.g., student housing or student dining) transforms into a private entity. Favorable results from privatization may enable public higher education institutions to function more efficiently and reduce their costs as a result of being less affected by stained state budgets and cutbacks. (Ehrenberg, 2006; Lyall & Sell, 2006; Travis, 2012). However, it is my opinion that the cons outweigh the pros because Travis (2012) states that "the fallout from this privatization of public higher education will descend heavily and disproportionately on minority and lower income students" (p. 7); as well as "a declining college-educated population" (p. 7).

Repercussions from privatization include "a curriculum controlled by market forces; a diminishing commitment to public service, which has been a defining feature of many state institutions; and potential conflicts of interest with nonprofit and corporate funding agencies" (Travis, 2012, p. 7). The resulting affect will force public higher education institutions to intensify their marketing while shifting the cost to the students in order to reduce their workforce expenses, while seeking out more secure funding sources (Lyall & Sell, 2006; Travis, 2012). Additionally, reduction in state support will continue to foster tuition increases and fees at public colleges and universities (Travis, 2012). Thus, public higher education institutions' participation in social mobility will diminish as lower-income "groups are increasingly denied access to higher education" (Travis, 2012, p. 7).

Purpose of the Study

The purpose of this study is to add to the understanding of this slippery-slope of privatizing public higher education in order to understand the pros and cons of privatizing public colleges and universities in the United States. This study aims to answer the following research questions:

1. What is the role of privatization in the future of public higher education in the United States?
2. How are larger budget cuts for higher education generating the growth of higher education privatization in the United States?
3. How is the rising cost of tuition generating the growth of higher education privatization in the United States?

Definition of Key Terms

In the following section, I define the key terms necessary for this study.

For the purposes of this study, I define privatization as "the transfer of public wealth to the private sector and the transfer of tuition costs from the state to the individual" (Yamada, 2010, para. 7). Privatization is the transformation process that occurs when a public entity transforms into a private one; therefore, once a public institution becomes private, the students become customers who become fully responsible for financing their tuition and other related expenses without help from the state. The primary force behind privatization is the declining of state and federal support over the past 30 years (Travis, 2012). Since the 1980s, there has been an increasing need for other state services such as Medicaid, K-12 education, along with the criminal justice system, have all placed additional strains on state tax revenues (Ehrenberg, 2006). In more recent times, state budgets have been adversely affected by the two past recessions, thus causing a sharp decrease in public funding leaving some states no other option but to relieve their public colleges and universities of state affiliation (Travis, 2012).

Lyall and Sell (2006) view "privatization as a spectrum along which public institutions operate" (p. 8). Depending on the financial circumstances of a public higher education institution, state budget cuts can force colleges and universities to defer or delay maintenance; as a result, private companies are ready to respond to the college's needs and using this opportunity for privatization (J. Thomas, personal communication, September 12, 2020). In other circumstances, universities can be bound by certain state-approved partnerships (state-approved vendors); as a result, privatization enables universities to bypass delays by not having to put forth money upfront, while private companies can initially invest, freeing them from some state control while profiting on the backend. Universities can also enter into agreements with private companies that can guarantee certain promises such as ensuring that student housing will always have a 90% occupancy; this usually causes housing cost to increase. Privatization enables the university to be somewhat free of having to use state-approved vendors and removing the cost of delayed maintenance and other issues that universities are no longer responsible for; in which private companies assume the cost and maintenance; however, the cost are shifted back to the students (J. Thomas, personal communication, September 12, 2020).

The term "slippery-slope" is primarily used in this study to demonstrate how privatization is leading public higher education onto a course that will eventually lead to the disenfranchisement of minority and lower-income students by denying them access to higher education due to affordability; as a result, privatization will make it more challenging for this group to have a gateway into the middle class and will create "a declining college-educated population" (Travis, 2012, p. 7).

Methods

Participants will be selected in the following three states where trends in state funding for higher education will eventually cease: California, Colorado, Virginia, and Michigan (Travis, 2012). The number of participants is estimated to be in the range 50 to 100 people. To recruit the participants, I will get a list of a select number of public universities and members of the state legislatures from the aforementioned states. I will compile a list of higher education professors and administrators that work at these public universities along with members of the state legislatures and email them an advance letter that introduces the study, along with a link to the survey. The reason I selected participants that work in the aforementioned fields is due to the research questions revolving around the factors that are enabling the privatization of colleges and universities in the United States; therefore, I concluded that higher educational administrators/professors and state legislators would be the most logical population to target for my study. It is the goal of this study to retrieve data by using a survey; as a result, I will use the questionnaire hosting service Qualtrics®. Qualtrics® is a web-based platform that allows users to create and disseminate surveys, record data, and conduct simple analysis in an online environment. I will analyze the data in this study by compiling it in Excel spreadsheets which will be analyzed to address each research question, and displayed in tables and figures.

Implications and Applications to Higher Education

This study intends to show how the privatization of public higher education is a slippery-slope for the future of higher education in the United States. By examining peer-reviewed articles and books on this subject, along with analyzing the opinions of higher education stakeholders (e.g., higher education administrators/professors and state legislators) that will result in new data, this study intends to discover the causes that led up to the shift to higher education privatization, how larger budget cuts for higher education are generating the growth of higher education privatization, how the rising cost of tuition is generating the growth of higher education, and the pros and cons of higher education privatization and how it affects the future of higher education in the United States.

In order to establish evidence of privatization, Colorado, Virginia and Michigan is where trends in state funding for higher education will eventually cease, I will analyze data retrieved from participants to demonstrate a need for this study (Travis, 2012). My study will analyze the opinions of higher education administrators/professors and state legislators from the aforementioned states in order to provide new data. The data from my study will enable an understanding of how privatization is creating a "slippery-slope" for the future of public higher education by providing the expert responses of higher education administrators/professors, and state legislators. I intend to prove that the cons of privatization far outweigh the pros by analyzing data that is derived from the survey research portion of my study. The evidence of this comes from a growth in endowments for higher education institutions and less financial dependence on state legislatures; consequently, as public colleges and universities fundraising efforts become more successful, state legislatures are responding "by cutting governmental grants that, in turn, could precipitate even more energetic forays by public schools into the market for private donations, leading to the privatization of public higher education" (Weisbrod, Ballou, & Asch, 2010, p. 145). Therefore, it is my opinion that the benefits from privatization, such as more autonomy and less state control, for public colleges and universities are considered to be, by some academics and experts who work in higher education and for the government, far less important than keeping our public higher education institutions "public" in order to ensure affordability and access for all low-income students, while at the same time, maintaining a college-educated population in the United States.

CHAPTER II: LITERATURE REVIEW

State funding for public higher education institutions has plummeted; in which in some states, extremely low levels of state support and its continuous decline has fostered claims that public higher education institutions are being privatized (Weisbrod, Ballou, & Asch, 2010). The evidence of this comes from a growth in endowments for higher education institutions and less financial dependence on state legislatures; consequently, as public colleges and universities fundraising efforts become more successful, state legislatures are responding "by cutting governmental grants that, in turn, could precipitate even more energetic forays by public schools into the market for private donations, leading to the privatization of public higher education" (Weisbrod, et al., 2010, p. 145). This shift from public to private and the reduction of states' control of their public higher education institutions is the issue; consequently, during the 1970s, states provided 50% of public higher education institutions' budgets, however, now it is roughly 30% and less than 15% for public flagship universities in several states (Weisbrod, et al., 2010). This trend is problematic because the fallout of privatization could severely affect lower-income students, as well as contributing to a decline in a college – educated population in the United States (Travis, 2012). Yamada (2010) defines privatization as "the transfer of public wealth to the private sector and the transfer of tuition costs from the state to the individual" (para. 7). Lyall and Sell (2006) view "privatization as a spectrum along which public institutions operate" (p. 8). The decline of public investment in the operations of public institutions are "required to function in the competitive marketplace and so become increasingly privatized" (Lyall & Sell, 2006, p. 8). Therefore, as a result, many states reduced their stake in public higher education in the 1990s.

In order to define the slippery-slope of privatizing public colleges and universities in the United States, this study reviews literature that discusses the cutbacks in funding that are leading to the advocation of higher education at the state level; and the various factors that are contributing to substantial decreases in state funding for higher education. The discussion will then elaborate on the restructuring of higher education; the privatization of programs at public institutions; the attempts of public institutions to free themselves from state control; and how privatization is negatively affecting low-income students. The discussion will then lead into an analysis of the shift toward privatization; the singling out of public higher education; the rising cost of tuition; the slippery-slope of privatizing higher education; the pros and cons of privatization; and a brief synopsis that clarifies the directives and the primary goal of this study.

Cutbacks in Funding Leading to the Advocation of Higher Education on the State Level

The public investment point for private institutions went from 50% in the 1990s and dropped down to 30% or less in the 2000s; while investment shares increased were by other shareholders (Lyall & Sell, 2006). Lingenfelter (2010) states:

> "Higher education is increasingly considered more of a private good than a public good…State funding has been consumed by very rapid growth in Medicaid, steady but perhaps not so rapid growth in K – 12, and to a lesser extent (perhaps) increased spending on corrections – higher education can't compete politically with these priorities, and their growth has been funded through reallocation from higher education" (para. 1).

Due to declining state and federal support over the past 30 years, higher education in the United States is faced with the "game-changing" growth of privatization (Travis, 2012). Public higher educational institutions get singled out by state legislatures when it comes to large budget cuts due to these institutions being able to collect their own revenue from tuition, and state legislatures give more priority to other state services (e.g., TANF, Medicaid) because these services provide aid to the states' neediest population; as a result, public higher educational institutions' allocations serve a clientele that consists of many middle and upper class citizens (Ehrenberg, 2006; Lyall & Sell, 2006).

Throughout the last quarter of the twentieth century, public higher education has become weakened by the Reagan revolution in the 1980s; consequently, this caused state income tax deduction value to be reduced on federal returns, thus, taxpayers rallied for income tax cuts on the state level (Ehernberg, 2006). However, since then, there has been the burden of increased state funding needs for public programs such as Medicaid, K-12 public education, and criminal justice system; consequently, this places a great amount of increasing pressure on tax revenues on the state level (Ehernberg, 2006; Lingenfelter, 2010). Because of this, there have not been sufficient revenues available for the funding of higher education; thus, creating drastic reductions in allocated portions of state budgets designated for higher education. Lyall and Sell (2006) explain how in 2006, the privatization of public higher education institutions in America at that time can be contributed largely to a lack of public policy inquiries and debates into how individual state budgets and revenue decisions were made from 1996 to 2006; consequently, this pattern has made the roles of states relatively small in concordance to their higher education institutions (p. 6). Lingenfelter (2010) states: "Despite a national trend of relative stability or modest growth, twenty-four states lost ground in constant dollar state support, and half of them (12) lost more than 20%" (p. 2).

Kelderman (2011) discusses large cutbacks faced by a dozen Republican-controlled states in 2011 that were facing massive shortfalls in their budgets; in which these states all had newly-elected Republican governors. The magnitude of the budget deficit Nevada in 2011 was facing, in which Kelderman (2011) states “the budget situation in Nevada is so dire that lawmakers there could cut more than twice the amount they spent on higher education last year and still not fill the state’s projected $1.2 – billion shortfall” (p. 1). Despite this, the incoming governing, Brian E. Sandoval pledged to “not raise taxes to put the state’s budget back into the black” (Kelderman, 2011, p. 1). Sandoval was among a dozen other newly-elected Republican governors who refused to raise taxes and pledged to control state spending; as a result, half of these states (Maine, Nevada, Ohio, Pennsylvania, South Carolina and Wisconsin) were facing massive deficits that equaled or surpassed state spending on higher education. Kelderman (2011) states that while the nation experienced a slow recovery in this post-recession period, anticipated shortfalls in 35 states for FY 2012 equaled to $82 billion; consequently, an additional fifteen states faced a midyear deficit close to $27 billion. Since July 2010, midyear cuts cost colleges in eight of these states a total of almost $712 million; as a result, since 2008, all US states experienced a total of $400 billion in deficits (Kelderman, 2011).

During this 2011 election year, there was little public enthusiasm for tax increases; however, higher education in these states was impacted with state cutbacks as a result (Kelderman, 2011). However, lawmakers were still interested in oversight over what state appropriations public colleges and universities did receive in the hopes of keeping college affordable, while focusing concern on dramatic tuition increases. In 2011 there were increased expectations and budget cuts for public higher education and the concern over how much freedom states should give to public colleges and universities regarding the management of their own affairs; as a result, many college officials were not only lobbying for increased state support, but on how to increase their autonomy due to receiving less state appropriations (Kelderman, 2011). States were more proactive than ever in cutting state appropriations for public colleges and universities within their states in 2012 (Kelderman, 2012a). Within the past few years till 2012, states were cutting budgets for higher education in order to deal with gaps in revenue; as a result, during this 25-year low, Kelderman (2012a) stated that during this time "lawmakers are considering some policy changes that have been off-limits in the past, such as consolidating campuses and eliminating governing boards (p. A1). Georgia and New York were among the states that combined campuses under one single president; while other states such as Ohio was considering less oversight over public colleges and universities on the premise of providing less appropriations. Other states were considering performance-based models that would align the number of appropriations based on student completion rates at public institutions; while Indiana based 5% ($61 million) of their higher education appropriations on various performance measures such as credit-hour completion, percentage of lower-income student graduation rates, and the percentage of degree earners in the STEM fields (Kelderman, 2012a).

The Restructuring of Public Higher Education

In California, Yamada (2010) states how their public higher education system was very highly regarded, however "for the last several decades, budget cuts and privatization have resulted in the steady erosion of this system, as well as K – 12 education in the state and other public sector services" (para. 1). She discusses a failed privatization initiative that was implemented in 2009 at California State University called the "deliverology management method" (a deliverology management method from Great Britain that was promoted at a workshop at CSU in 2009 by a discredited guru, Sir Michael Barber). Yamada (2010) states how CSU's policy of being a tuition-free school with low student fees worked out fairly well until chronic state underfunding for higher education and other factors led to severely altering the school's public mission envisioned by The Master Plan. One change which resulted from state cutbacks and encouragement to become self-supporting was through the formation of private ventures called auxiliaries; as a result, public universities' campuses became "hybridized into a public-private organization" (Yamada, 2010, para. 6). She mentions how California operated under the public-private alliance for public higher education since the 1970s; in which one example is how the University of California entered this relationship with for-profit hospitals that were associated with UC's campuses. Yamada (2010) emphasizes how since the revenue from these public-private ventures are restricted, a financial crisis was not prevented even for UC who receives only 13% of its operating budget from the state. As well, CSU also has a bad history of "case after case of bad business ventures and crony capitalism" (Yamada, 2010, para. 18).

In Colorado, the local governments are more fiscally advantaged than the state government in terms of collecting taxes (Travis, 2012). In 1992, a voter referendum known as the Taxpayer's Bill of Rights (TABOR), which limits the amount of spending for both types of government; consequently, the maximum amounts that are used are based on the previous year's allocation. Additionally, TABOR prevents institutions from raising tuition in order to "offset reductions in state support" (Travis, 2012, p. 5). By 2000, all 28 public higher education institutions were receiving 13 percent of the state's budget; as a result, in 2001, Governor Owens made a panel that decides other revenue sources for the institutions. The Blue-Ribbon Panel on Higher Education for the 21st Century proposed two solutions for funding problems was established by the governor in 2003; making "students a viable market force and give institutions an opportunity to compete for these students" (Travis, p. 5). In 2004, the University of Colorado was receiving 9 percent from the state and received "enterprise status," which provided freedoms from some regulations from state agencies (Travis, 2012). In the following year, the 27 other public institutions in Colorado received enterprise status (Travis, 2012). The University of Colorado became dependent on its non-resident students, who made up less than a third of its students; however, these students provide three-fourths of the university's tuition income (Travis, 2012). Lawmakers in Colorado, like in Michigan, have considered cutting the funding for all its flagship universities (Travis, 2012).

The Privatization of Programs at Public Institutions

Jaschick (2012) discusses the privatization of the MBA program at the University of California Los Angeles in 2012 when the Academic Senate voted 53 to 46 to stop accepting state funds for their MBA program; consequently, these will be replaced through tuition and private funding. This new self-sufficient plan for UCLA's MBA program will enable UCLA to raise tuition while attracting private funding if the MBA program is free from state regulations that dictate tuition fees and other various state constraints. This proposal was seen as "an abandonment of the values of public higher education" (Jaschick, 2012, para. 13). The negative repercussions of this action were discussed in an op-ed in *The Los Angeles Times* from UCLA student leaders argued that MBA and other graduate students would have to go into student loan debt to cover high tuition fees, alongside the school's assumption that UCLA MBA students could afford private tuition rates. After this action was implemented by UCLA's business school, there were concerns among faculty that this trading of state support for autonomy may still be considered in other graduate programs (Jaschick, 2012).

Attempts by Public Institutions to Free Themselves from State Control

In Virginia, the first attempt to free its public higher educational institutions from state control began before the recessions in the 21st century; as a result, after a report from the Virginia Commission on the University of the 21st Century in 1988, the state implemented initiatives that were created to enable greater freedom for its public higher educational institutions (Travis, 2012). By 2004, state support dwindled for the operating budget for the following three universities: University of Virginia (8%), College of William and Mary (18%), and Virginia Polytechnic Institute and State University (slightly more); consequently, all three universities, out of desperation, were powerless in the unpredictability and increasing state control, proceeded to develop "a new arrangement with the state" (Travis, 2012). Prior to a 2005 session, the Virginia state legislature formed a joint study commission that discussed three alternate state regulations for all of Virginia's public higher educational institutions (Travis, 2012). As a result, the Restructured Higher Education Financial and Administrative Operations Act of 2005 was formed; in which it provides institutions with the option of choosing one of three options that provide institutions freedom from state oversight; however, in return, institutions would have to meet 11 objectives established by the state, and institutions would have greater autonomy over fundraising procedures. State leaders had a range of opinions however, the overall consensus was that this was not the “be all end all” solution because other financial realities would still have to be faced that one legislative act cannot solve (Travis, 2012).

Negative Impact on Student Diversity

In the same scenario as Virginia, Michigan reduced funding for the University of Michigan by one third in the 1980s (Travis, 2012). To counter this, the university focused on tuition funding, especially relying on its non-residential students and fundraising. In 2009, the university’s state allocation was only 7% of its total budget; consequently, this was less than the University of Virginia was receiving in 2004 (Travis, 2012). Since 2002, the university had faced a $100 million dollar loss in state support (Travis, 2012). Michigan state officials have considered completely eliminating state funding for flagship universities (Travis, 2012). Because “the University of Michigan already only has only minimal ties to the state” (p. 4), a panel was convened in 2008 by the state legislature that recommended the privatization of the University of Michigan (Travis, 2012). The University of Michigan has relied on international and non-residential students for its financial survival; consequently, only less than one third of applicants are Michigan students (Travis, 2012). The university’s drift toward privatization has affected its student body diversity and its social obligations. In comparison to California public higher educational institutions, the University of Michigan’s enrollment is “less than half as many students with Pell Grants” (Travis, 2012, p. 4). However, the university has been consistently a strong supporter of Ann Arbor’s economy due to having building projects that exceed $500 million dollars (Travis, 2012).

There is a need to examine how certain contributing factors in our nation that are contributing to the higher education privatization phenomenon in order to understand and evaluate the pros and cons of higher education privatization in the United States. Opinions amongst scholars vary when it comes to whether privatization will have a positive or negative affect on higher education in the United States.

The Shift Toward Privatization

Due to declining state and federal support over the past 30 years, higher education in the United States is faced with the "game-changing" growth of privatization (Travis, 2012). Public reactions from the hostile college environment in the 1960s and early 1970s along with the taxpayer revolt that encompassed the 1980s Reagan Era, which was a result of state income tax deductions being reduced on federal income tax returns, higher education in the United States has endured many challenges, primarily in regard to funding (Ehrenberg, 2006; Travis, 2012). Since the 1980s, the increasing need for other state services such as Medicaid, K-12 public education, along with the criminal justice system have put additional strains on state tax revenues (Ehrenberg, 2006). More recently, state budgets were negatively affected by the two past recessions, public funding for higher education fell sharply, leaving some states no other option but to relieve their higher educational institutions of state affiliation (Travis, 2012). Ehrenberg (2006) refers to this as "a perfect storm."

Singling Out Public Higher Education

Public higher educational institutions get singled out by state legislatures when it comes to large budget cuts due to these institutions being able to collect their own revenue from tuition, and state legislatures give more priority to other state services (e.g., TANF, Medicaid) because these services provide aid to the states' neediest population; as a result, public higher educational institutions' s allocations serve a clientele that consists of many middle and upper class citizens

(Ehrenberg, 2006; Lyall & Sell, 2006). This all started to change in the 1980s due to the taxpayer revolt that put pressure on state budgets due to the federal government reducing the value of state income tax deductions on federal tax returns; consequently, taxpayers demanded tax cuts from the state level, along with increasing state funding needs for other state services e.g., Medicaid, K-12 education and the criminal justice system (Ehrenberg, 2006; Travis, 2012). The rapid up and down fluctuations for public higher education that started in the 1980s drastically increased in the 1990s; which continued throughout the two recent recessions in the 2000s (Travis, 2012).

The Rising Cost of Tuition

Weisbrod, Ballou, & Asch (2010) state: "The most publicized result of privatization has been the rise of the cost of student tuition at public four-year schools, which has corresponded to the decline of state governmental grants since the 1990s" (p. 16). The surge in rising tuition during this time for public four-year comprehensives which is in correspondence to the decline in grants from the state since the 1990s; consequently, even though tuition has increased across the board for all public higher education institutions, the tuition increases were even higher for public four-year schools (Weisbrod, et al., 2010). Ehrenberg (2006) mentions that in the 1990s, private higher educational institutions raised "their tuitions at a rate of over three percent above inflation" (p. 2). As a result, public higher educational institutions had to remain competitive; therefore, they raised their annual tuitions roughly around equivalent rates. However, since tuitions at public institutions started at a drastically lower level, the increases in the precise dollar increases public institutions netted from those increases were vastly lower; however, private institutions with large endowments immensely benefitted from the hike in stock prices during the

1990s. Thus, expenditures per student at public institutions fell in relation to those at private institutions (Ehrenberg, 2006).

The eventual increase in public institution tuition placed a larger share of costs to fall on students and their families; as a result, due to political pressure from the middle class, the states along with the federal government responded by removing need-based aid from financial aid (Ehrenberg, 2006). On the state level, a larger proportion of funding goes to students "in the form of grant aid" instead of being appropriated to public institutions for operations support; in which this aid is merit-based and only helps educationally advantaged students. Federally, financial aid growth has been in the form of loans and tax credits for attending college and not increasing the status of Pell grant awards. As well, present and projected massive federal deficits caused by reduced federal tax rates, rises in military expenditures and the concerns about future deficits in regard to the Medicare and Social Security trust fund; consequently, these factors make it less probable that the federal government will be a revenue source in the future in regard to compensate our country's public higher education system by providing more need-based grants to disenfranchised students. Thus, the probability of public educational institutions providing grant aid themselves is increasing. Weisbrod, Ballou, & Asch (2008) state: "As public universities look more like private ones in terms of their revenue sources, their missions will also look increasingly similar as major private donors wield growing influence over the schools' planning and programs" (p. 145).

The Slippery-Slope of Privatizing Higher Education

Higher educational institutions in the United States are becoming privatized; in which lack of oversight has contributed to a series of foolhardy budget and revenue decisions on the state level which have escalated in states becoming smaller shareholders regarding their higher educational institutions (Lyall & Sell, 2006). Simultaneously, influences from other shareholders (e.g., parents, donors, alumni, and corporations) are expanding, resulting in positive and negative consequences (Lyall & Sell, 2006). On the positive side, having fewer higher educational institutions to support, states would alleviate some financial burden from their budgets; consequently, at the same time, these institutions would have more independence from state oversight and restrictions on fundraising (Travis, 2012). However, the downside to this is if public institutions become private, this has the potential to have a devastating impact on low-income student's access, private institutions, and the national economy (Lyall & Sell, 2006; Travis, 2012).

Pros of Privatization

Lyall and Sell (2006) assert that privatization can offer incentives for increasing operating efficiency and more focus on consumer preferences that are enforced by the need to "operate within the discipline of the competitive marketplace" (p. 9). The focus would then be customer centered instead of university centered regarding production. Privatization forces universities to create diverse revenue sources, relying "less on state budgets and more on students, parents, alumni, corporate donors, and research contracts – privatization leads to a reduced draw by universities on state tax revenues" (p.9).

Ehrenberg (2006) mentions that due to decreasing state support, many public institutions prefer to be liberated from governmental constraints which cause inefficiencies in their operations, along with the freedom to decide on economic decisions that can help them to compete with private institutions. Ehrenberg (2006) also states how "privatization may help the most competitive flagship public universities obtain the resources they need to compete with their private-sector counterparts and regain their quality, but special efforts will be required to make sure that they continue enroll students from lower and middle-income families" (p. 13). Lederman (2014) point out that public mission is not defined by state support alone; consequently, private institutions also can serve a public mission. Lederman (2014) also notes that "private universities also receive fair portions of their budgets from the state and federal governments" (p. 4). When discussing the pros of privatization, one of the most important details left out in this literature is how these private institutions will be accountable to the public and elected officials. This proposal aims to expand on what is presented in this reviewed literature to develop an understanding of the slippery-slope of privatizing public higher education in the United States.

Cons of Privatization

In discussing recent efforts to stop the privatization of public higher education, Pelletier (2016) states:

> "Barmak Nassirian, the director of federal relations and policy analysis for the American Association of State Colleges and Universities (AASCU), stated "AASCU's central policy priority remains stopping the privatization of public higher education, and ensuring the vitality of public universities as a mechanism of access and opportunity and a gateway to entering the middle class" (para. 21).

Hurley (2014) states how "the American public higher education finance system is broken...States' disinvestment in higher education in recent decades has driven tuition prices even higher, placing us at the precipice of a college affordability crisis" (para. 1). The federal government has a substantial investment in student aid; however, “the productivity of these dollars is not maximized to make college affordable for all students attending the nation’s public colleges and universities” (Hurley, 2014, para. 1); in which “the end results are decreasing college affordability, increasing student debt, and a quickening state-to-student cost shift in who pays for a public college education” (Hurley, 2014, para. 1). Lyall and Sell (2006) discuss the negative impacts of privatization stating how “access for low – and moderate – income students are declining as tuitions rise and financial aid fails to keep up with need” (p. 9). Low-income students in the 1990s were becoming a smaller portion of the freshmen classes at public four-year institutions and relied on the more hard-pressed community colleges to begin their college careers (Lyall & Sell, 2006).

Lyall and Sell (2006) assert “Narrowing missions will inevitably limit the role of universities as instruments for social critique, social justice, and economic change” (p. 10). There are several other broader, more ambiguous impacts such universities being more accountable to other shareholders (e.g., students, donors, and alumni) but less accountable to the public and politicians (p. 10). Travis (2012) asserts that if state funding trends continue, states such as Colorado will stop funding its higher educational institutions by 2022; Iowa will cease funding by 2029; and other states such as Virginia, Michigan, Arizona, and Rhode Island will cease funding by 2032. One of the primary negative results of privatization is that it will impact minority and low-income students heavily and disproportionately; as a result, the participation of public institutions in social mobility will be eliminated due to disenfranchised groups are steadily being denied access to postsecondary education (Lyall & Sell, 2006; Travis, 2012). Travis (2012) quotes a former University of Michigan president stating, “The U.S. is unique in not having a national strategy for maintaining world-class universities"; consequently, Travis (2012) states: "One day, the nation's missing strategy may lead it to economic doom" (p. 8).

A Brief Synopsis

After reviewing this literature, I have concluded that the cons outweigh the pros regarding privatization of higher educational institutions. There is a need to examine how privatization is going to affect the future of higher education in the United States. This proposed study aims to add to the knowledge base of this literature in order to understand where the future of higher education is headed.

CHAPTER III: METHODOLOGY

Research Approach/Design

This study will use a quantitative method to collect data in response to research. It is the goal of this study to retrieve data by using a survey; as a result, I will use the questionnaire hosting service Qualtrics®. Qualtrics® is a web-based platform that allows users to create and disseminate surveys, record data, and conduct simple analysis in an online environment. The survey will consist of eighteen statements posed using a Likert scale, and six demographical questions that ask about the participant's job title, length of time in their profession, education level, age, ethnicity and political affiliation; in which there is a total of eighteen statements and six demographical questions. The reason I am using survey research for this study is because it is the most logical research tool for what I am trying to accomplish. For instance, all of the participants live hundreds of miles away and are in professions that do not allocate very much spare time (e.g., higher education administrators/professors and state legislators); therefore, survey research is the most logical apparatus to use because it will enable the participants to be able to respond to the survey in their very limited spare time. Additionally, it might also make these potential participants more willing to participate due to the convenience of the survey.

According to Ruel, Wagner, & Gillespie (2016) "Survey research is a highly effective method of measurement in social and behavioral science research" (p. 2). A properly designed survey is an efficient and effective tool for generalizability. Survey research has become prevalent and is considered by academics to be "a crucial research tool in academia, government, and the private sector" (Ruel, et al., 2016, p. 2). Creswell (2014) states that:

"Survey research provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population…It includes cross-sectional and longitudinal studies using questionnaires or structured interviews for data collection - with the intent of generalizing from a sample to a population" (p. 13).

Participants

Participants will be prospected in the following states where trends in state funding for higher education will eventually cease: Colorado, Virginia, and Michigan (Travis, 2012). The number of participants is estimated to be 24 people. The first steps I took to refine my target population were to examine my research questions to contemplate who would be able to answer them. Since all the research statements revolve around the factors that are enabling the privatization of colleges and universities in the United States, I concluded that only higher education administrators/professors and state legislators are the target population.

Recruitment and Sampling

To recruit the participants, I will get a list of a select number of public universities and members of the state legislatures from the aforementioned states. I will retrieve a list of higher education professors and administrators from these public universities along with members of the state legislatures and email them an advance letter that introduces the study, along with a link to the survey. Research demonstrates that sending potential participants an advance letter will increase the chances of response rates (Ruel, Wagner, & Gillespie, 2016). I will use the purposeful sampling technique (also known as judgmental, selective or subjective sampling) which is a non-probability sample based on the characteristics of a population and the characteristics of the study. The idea behind this type of qualitative research is to select individuals that will enable me to understand the research questions and the proposed theory of the study. Participation in this research will not be incentivized.

Data Collection

It is the goal of this study to retrieve data by using a survey; as a result, I will use the questionnaire hosting service Qualtrics®. Qualtrics® is a web-based platform that allows users to create and disseminate surveys, record data, and conduct simple analysis in an online environment. I will design a questionnaire that will enable the participants to answer how much or how little they agree or disagree with eighteen statements based on their prior and current knowledge that will measure what they feel about the privatization of public higher education in the United States. There will be six demographical questions that ask about the participant's job title, length of time in their profession, education level, age, ethnicity and political affiliation; in which there is a total of twenty questions. The Likert scale will be used to form the statements; in which participants will indicate how much or how little they disagree with a statement. Ruel, et al., (2016) defines the Likert scale as a psychometric scale in which:

> "participants are asked to indicate their agreement or disagreement with a statement (or number of statements) by scoring their response along a range…Responses typically range from "strongly agree" to "strongly disagree," with each response option on the scale associated with a numerical score" (p. 59).

This scale is the most practical for this survey do to the fact that "Likert scales are particularly helpful when measuring respondents' attitudes and opinions about particular topics, people, ideas, or experiences" (Ruel, et al., 2016, p. 59). The only time in which Likert scales are not recommended are when "responses are not on a scale or when the items are not interrelated"

(p. 59). Likert scales usually are structured in which there is a neutral response at the midpoint in between agree and disagree; however, the neutral response will be excluded in the statements for this survey in order to form what Ruel, et al., (2020) states "is called a forced choice question because ambivalent respondents are forced to form an opinion in one direction or the other" (p. 59). The survey will consist of fourteen statements and one demographical question.

Data Analysis

I will analyze the data in this study by compiling it in Excel spreadsheets in order to address each research question. Data will be displayed in pie charts. The reason I am analyzing the data from this study this way is because the data will come from an online survey that poses statements using a Likert scale. Due to the straightforwardness of the research, I concluded that data analysis in this study does not warrant a complex method of data analysis. For instance, respondents will only be required to select their level of agreement or disagreement in response to the eighteen statements that are posed using a Likert scale. There will be only one demographical question asked, and participants will be completely anonymous.

Trustworthiness/Validity

The data analysis for the purpose of this study is straightforward and prudent for the type of research that will be conducted for this study. Every effort will be made in order to ensure that data is accurately reported.

Positionality

As a doctoral student of higher education administration, I am uniquely positioned to research the phenomenon of the privatization of colleges and universities in the United States. I am biased regarding that I am a proponent for keeping public institutions of higher learning in the United States public and believe that there are more cons to privatizing higher education in the United States than there are pros; however, I have taken every precaution to present both sides of the issue with the upmost neutrality. I have attended public institutions of higher learning throughout my post-secondary academic career; in which I firmly believe that higher education should be accessible to all regardless of socio-economic status, gender, race, nationality or ethnic origin, national status, religion/no religion or creed, or sexual preference. I believe that the privatization of colleges and universities can possibly lead to the future privatization of public higher education; in which this phenomenon could possibly make higher education less accessible to low-income, working-class and lower-middle class students. I have taken every precaution to present the pros and the cons as unbiased as possible in order to weigh out these variables as equally as possible. The benefits of this research enable college/university administrators, state/federal legislators and other stakeholders to understanding the impact this phenomenon will have on the future of higher education in the United States. The following quote from Cary Michael Carney's (1999) book *Native American Higher Education in the United States* perfectly sums up the future implications for this study: "It is hoped that this study, albeit clearly a first effort, will help fill such a gap…It is further hoped that it will prompt others to strive to advance knowledge and analysis in this area, to improve on what is presented here" (p. xii).

Summary

This study will use a quantitative method to collect data in response to research. There are fourteen statements and six demographical questions that retrieves information such as the participants' job title, length of time in their profession, education level, age, ethnicity and political affiliation; in which there is a total of twenty questions. According to Ruel, Wagner, & Gillespie (2016) "Survey research is a highly effective method of measurement in social and behavioral science research" (p. 2). Participants will be prospected in the following three states where trends in state funding for higher education will eventually cease: California, Colorado, Virginia, and Michigan (Travis, 2012). To recruit the participants, I will get a list of a select number of public universities and members of the state legislatures from the aforementioned states. To recruit the participants, I will get a list of a select number of public universities and members of the state legislatures from the aforementioned states. It is the goal of this study to retrieve data by using a survey; as a result, I will use the questionnaire hosting service Qualtrics®. I will analyze the data in this study by compiling it in Excel spreadsheets in order to address each research question. Data will be displayed in tables and figures. The data analysis for the purpose of this study is straightforward and prudent for the type of research that will be conducted for this study. As a doctoral student of higher education administration, I am uniquely positioned to research the phenomenon of the privatization of colleges and universities in the United States.

CHAPTER IV: FINDINGS

Purpose of this Study

The purpose of this study is to add to the understanding of this slippery-slope of privatizing public higher education in order to understand the pros and cons of privatizing public colleges and universities in the United States. In order to do this, forty-one emails were sent to higher education administrators/professors and state legislators from Colorado, Virginia and Michigan, and higher education professors/administrators from Mississippi; in which twelve respondents completed a Qualtrics® survey, placing the response rate at 29.27 percent.

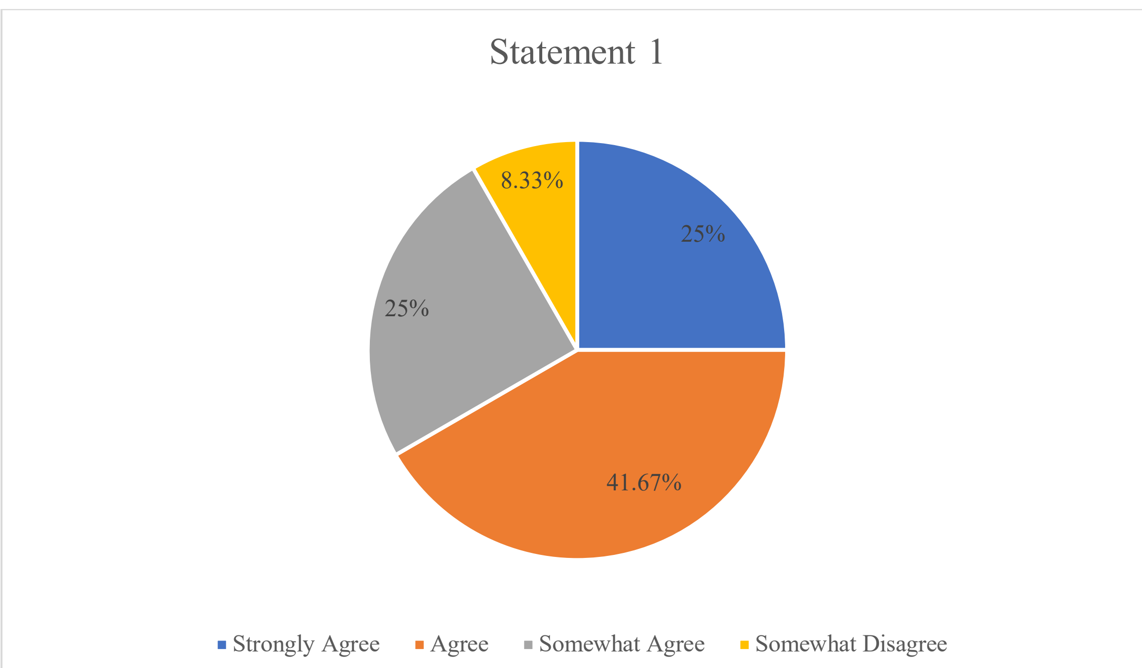
Demographics

The respondents of the Qualtrics® survey primarily consist of eight higher education professors (66.66%) and four higher education administrators (33.33%). No state legislators from Colorado, Virginia and Michigan responded to the survey. Of the twelve respondents, ten of them listed a doctorate degree as their highest level of education, while two of the twelve respondents listed a master's degrees as their highest level of education; in which the two respondents who listed a master's degree as their highest level of education are two of the four higher education administrators who responded to the survey. Eleven of the twelve respondents (91.67%) listed their ethnicity as White, while one respondent (8.33%) listed their ethnicity as Black or African American. Nine of the twelve respondents listed their political affiliation as Democratic party, while two of the twelve respondents listed their political affiliation as Independent; however, one of the twelve respondents listed their political affiliation as Other. Four of the twelve respondents (33.33%) have been in their profession for 26-30 years; while three of the twelve respondents (25%) have been in their profession for 6-10 years. One of the twelve respondents (8.33%) have been in their profession for 0-5, 16-20, 21-25, 26-30, and forty-one to forty-five years on the job, totaling the remaining five respondents (41.67%).

One of the twelve respondents' (8.33%) age ranges are within the 61-65 years range; while one of the twelve respondents' (8.33%) age ranges are within the 51-55 years range. Four of the twelve respondents' (33.33%) age ranges are within the 46-50 years range; while one of the twelve respondents' (8.33%) age ranges are within the 31-35 years range. Three of the twelve respondents' (25%) age ranges are within the 36-40 years range; while two of the twelve respondents' (16.67%) age ranges are within the 31-35 years range.

Responses

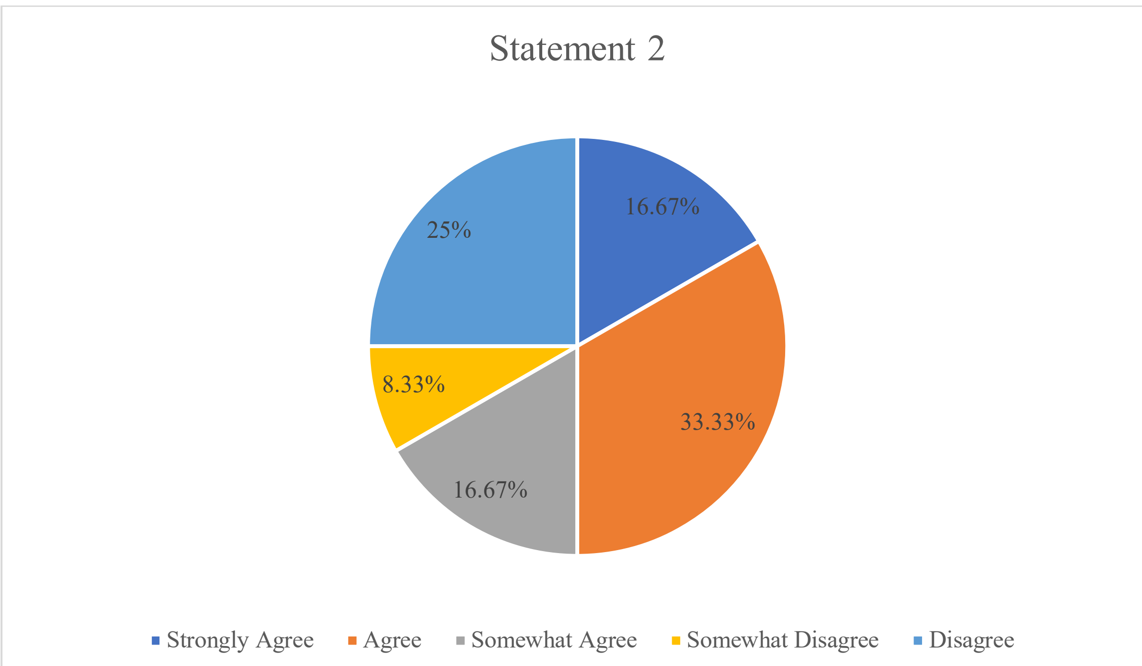
Chart 1



1. A result of privatizing public colleges and universities is that lower-income students will be negatively affected.

Three of the twelve respondents (25%), which includes two HE administrators and one Higher Education professor strongly agree with this statement. Five of the twelve respondents (41.67%), which includes 4 HE professors and 1 HE administrator, agree with this statement; while three of the twelve respondents (25%), which includes three HE professors, somewhat agree with this statement. One of the twelve respondents (8.33%), a HE professor, somewhat disagrees with this statement.

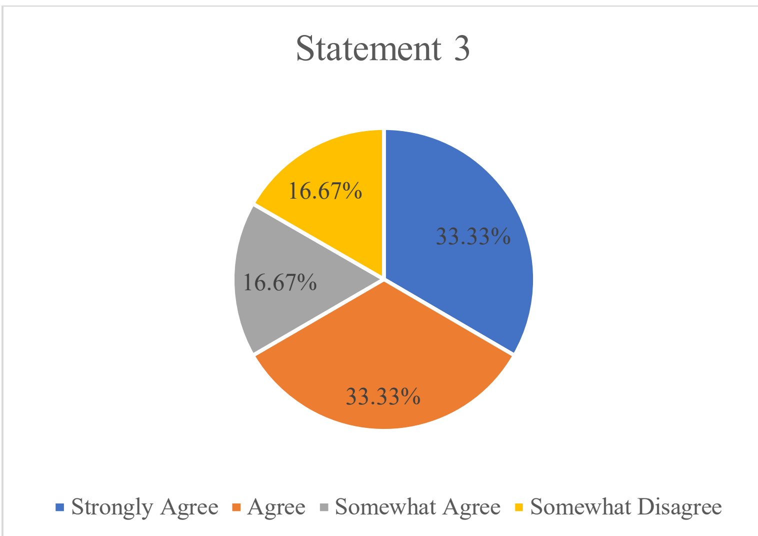
Chart 2



2. Lower-income student groups are steadily being denied access to postsecondary education due to the privatization of public colleges and universities.

Two of the twelve respondents (16.67%), which includes one Higher Education professor and one HE administrator, strongly agree with this statement; however, Four of the twelve respondents (33.33%), which includes two HE professors and two HE administrators, agree with this statement. Two of the twelve respondents (16.67%), which includes 2 HE professors, somewhat agrees with this statement. One of the twelve respondents (8.33%), a HE administrator, somewhat disagrees with this statement; while three of the twelve respondents (25%), which includes three HE professors, disagrees with this statement.

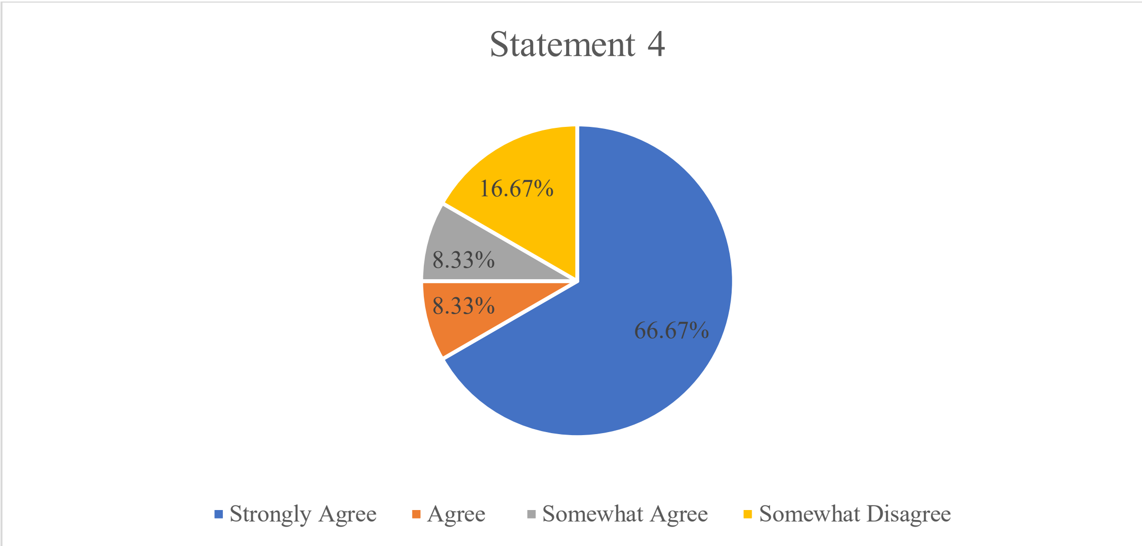
Chart 3



3. Privatizing public colleges and universities will prevent lower-income students the opportunity to move up the social ladder because they cannot afford the tuition.

Four of the twelve respondents (33.33%), which includes three HE professors and one HE administrator strongly agrees with this statement; while four of the twelve respondents (33.33%), which includes two HE professors and two HE administrators agrees with this statement. Two of the twelve respondents (16.67%), which includes two HE professors, somewhat agrees with this statement; however, two of the twelve respondents (16.67%), which includes one HE professor and one HE administrator somewhat disagrees with this statement.

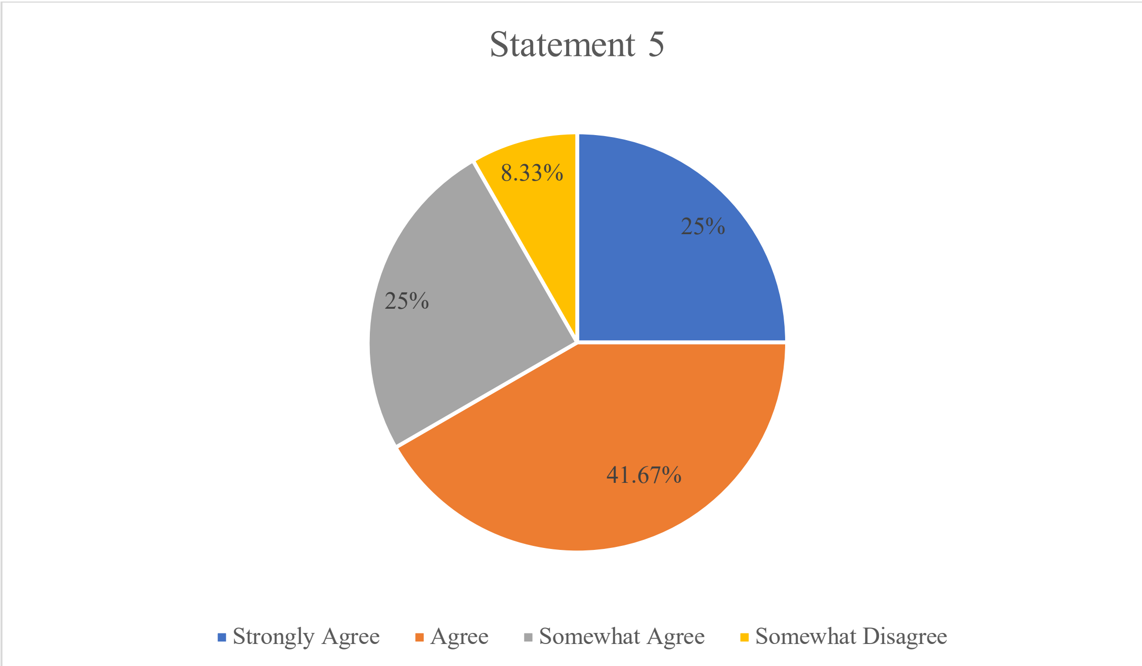
Chart 4



4. State funding for public higher education has plummeted.

Eight of the twelve respondents (66.67%), which includes four HE professors and four HE administrators strongly agree with this statement; while one of twelve respondents (8.33%), a HE professor, agrees with this statement. One of twelve respondents (8.33%), a HE professor, somewhat agrees with this statement; however, two of twelve respondents (16.67%), which includes two HE professors, somewhat disagree with this statement.

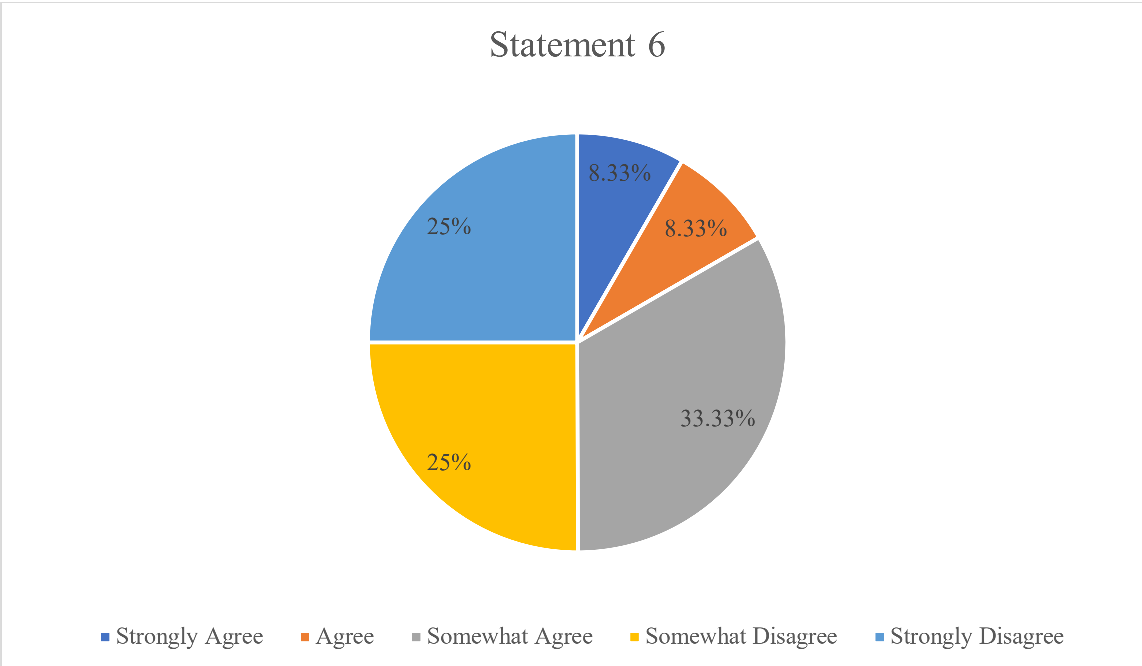
Chart 5



5. In some states, extremely low levels of state support have fostered claims that public colleges and universities in the United States are being privatized.

Three of the twelve respondents (25%), which include two HE professors and one HE administrator, strongly agree with this statement; while five of the twelve respondents (41.67%), which include five HE professors and one HE administrator, agree with this statement. Three of the twelve respondents (25%), which include two HE professors and one HE administrator, somewhat agree with this statement; however, one of the twelve respondents (8.33%), a HE administrator, somewhat disagrees with this statement.

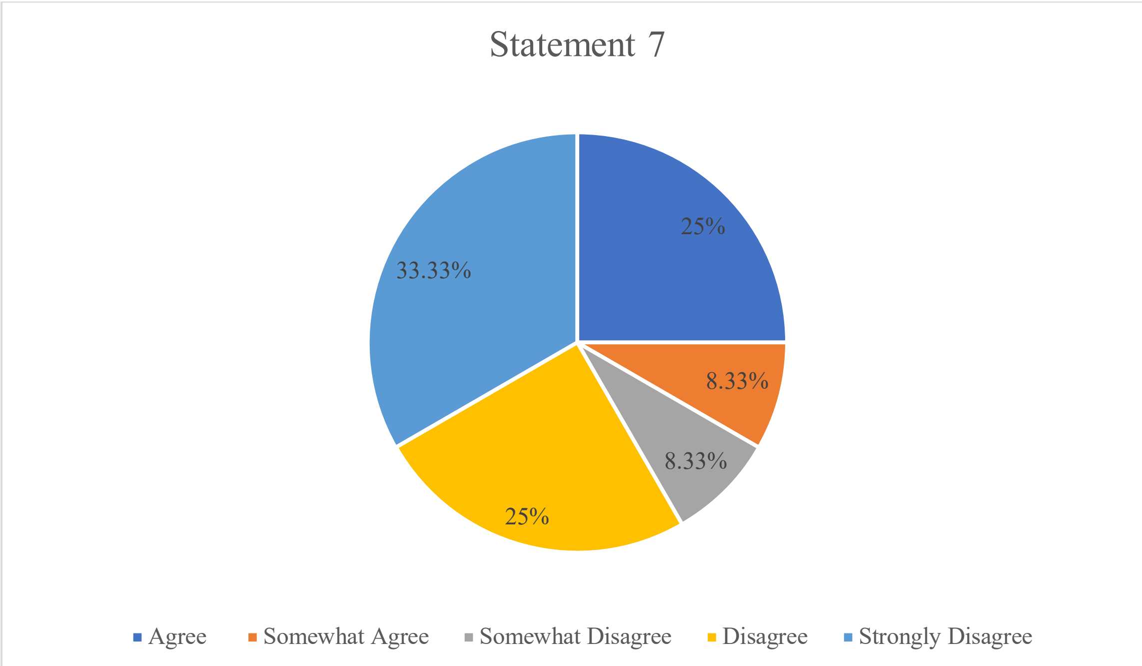
Chart 6



6. The burden of increased state funding for public programs such as Medicaid, K-12 education, and the criminal justice system is a major factor contributing to the privatization of public colleges and universities.

One of the twelve respondents (8.33%), a HE administrator, strongly agrees with this statement; while one of the 12 respondents (8.33%), a HE professor, agrees with this statement. Four of the twelve respondents (33.33%), which include four HE professors, somewhat agree with this statement; however, three of the twelve respondents (25%), which include 2 HE professors and 1 HE administrator, somewhat disagree with this statement. Three of the twelve respondents (25%), which include three HE administrators, strongly disagree with this statement.

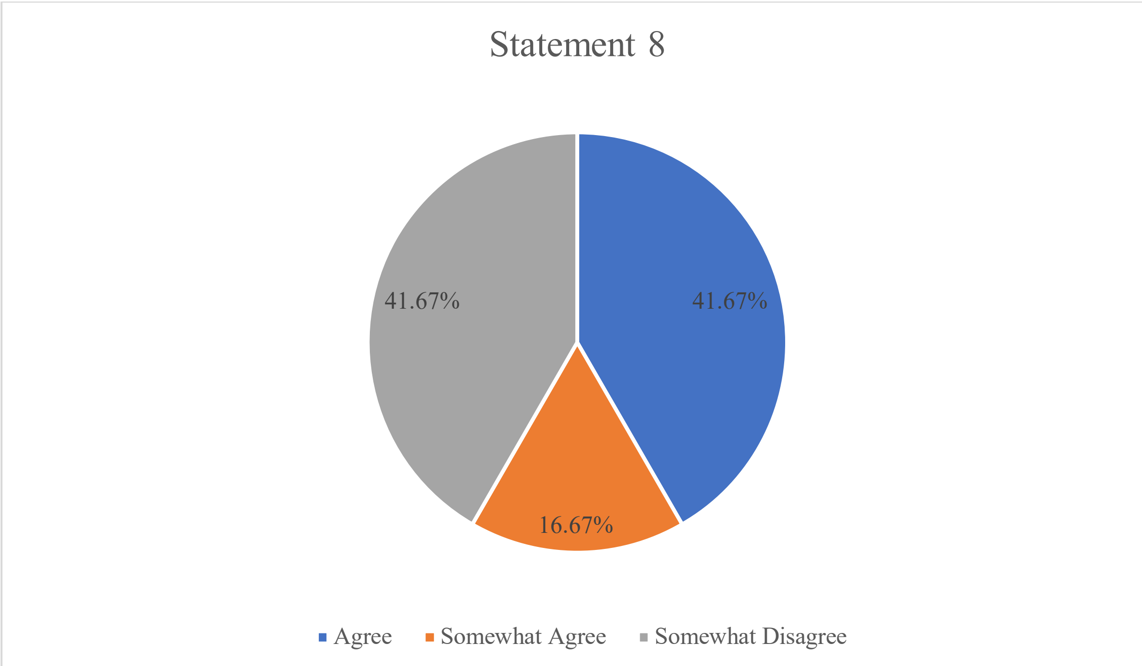
Chart 7



7. The roles of states are very small when it comes to funding their public colleges and universities.

Three of the twelve respondents (25%), which include one HE professor and two HE administrators, agree with this statement; while one of the twelve respondents (8.33%), a HE administrator, somewhat agrees with this statement. One of the twelve respondents (8.33%), a HE professor, somewhat disagrees with this statement; while three of the twelve respondents (25%), which include three HE professors, disagree with this statement. Four of the twelve respondents (33.33%) strongly disagree with this statement.

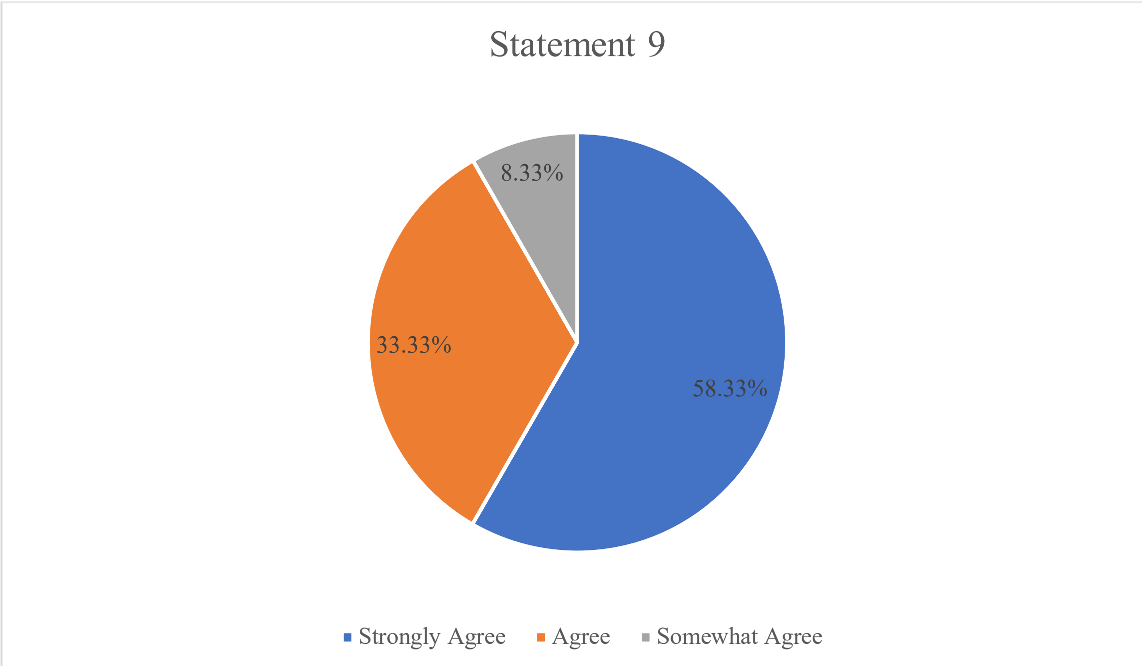
Chart 8



8. Funding public higher education is the first thing that usually gets cut by state legislatures.

Five of the twelve respondents (41.67%), which include three HE professors and two HE administrators, agree with this statement; while two of the twelve respondents (16.67%), which include a HE professor and a HE administrator, somewhat agree with this statement. Five of the twelve respondents (41.67%), which include four HE professors and one HE administrator, somewhat disagree with this statement.

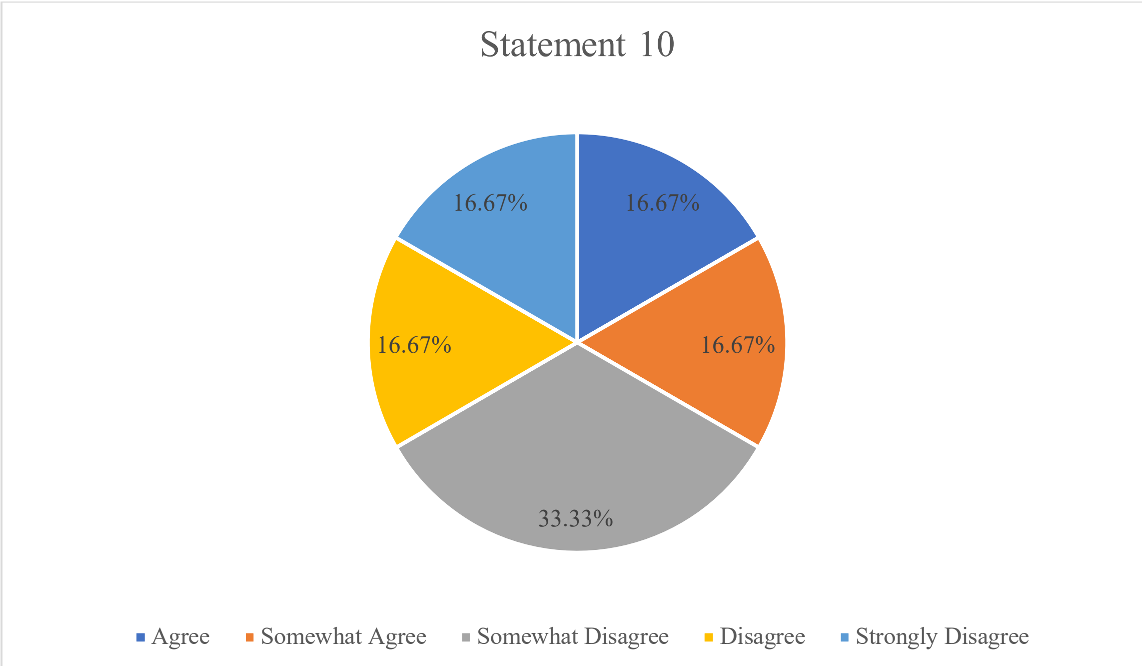
Chart 9



9. Due to a decline in state support, public colleges and universities are forced to find alternative sources of revenue.

Seven of the twelve respondents (58.33%), which includes three HE professors and four HE administrators strongly agree with this statement; while four of the twelve respondents (33.33%), which includes four HE professors, agree with this statement. One of the twelve respondents (8.33%), a HE professor, somewhat agree with this statement.

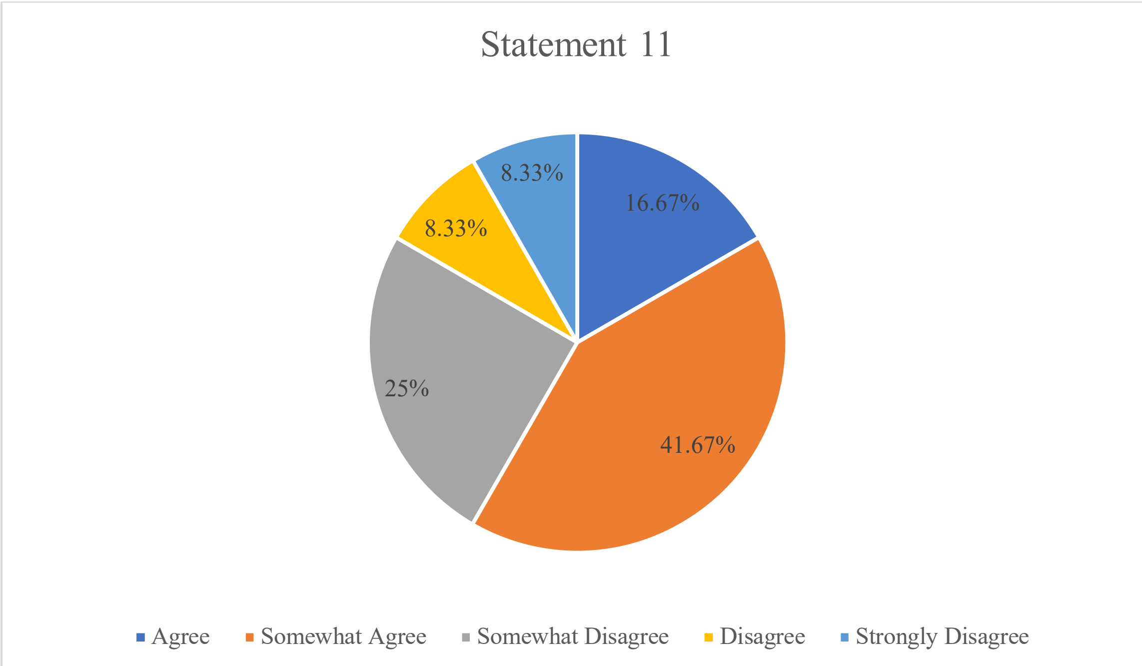
Chart 10



10. The privatization of higher education is caused by a growth in endowments and less financial dependence on state legislatures.

Two of the twelve respondents (16.67%), which include one HE professor and one HE administrator, agree with this statement; while two of the twelve respondents (16.67%), which include one HE professor and one HE administrator, somewhat agree with this statement. Four of the twelve respondents (33.33%), which include three HE professors and one HE administrator, somewhat disagree with this statement; while two of the twelve respondents (16.67%), two HE professors, disagree with this statement. Two of the 12 respondents (16.67%), one HE professor and one HE administrator, strongly disagree with this statement.

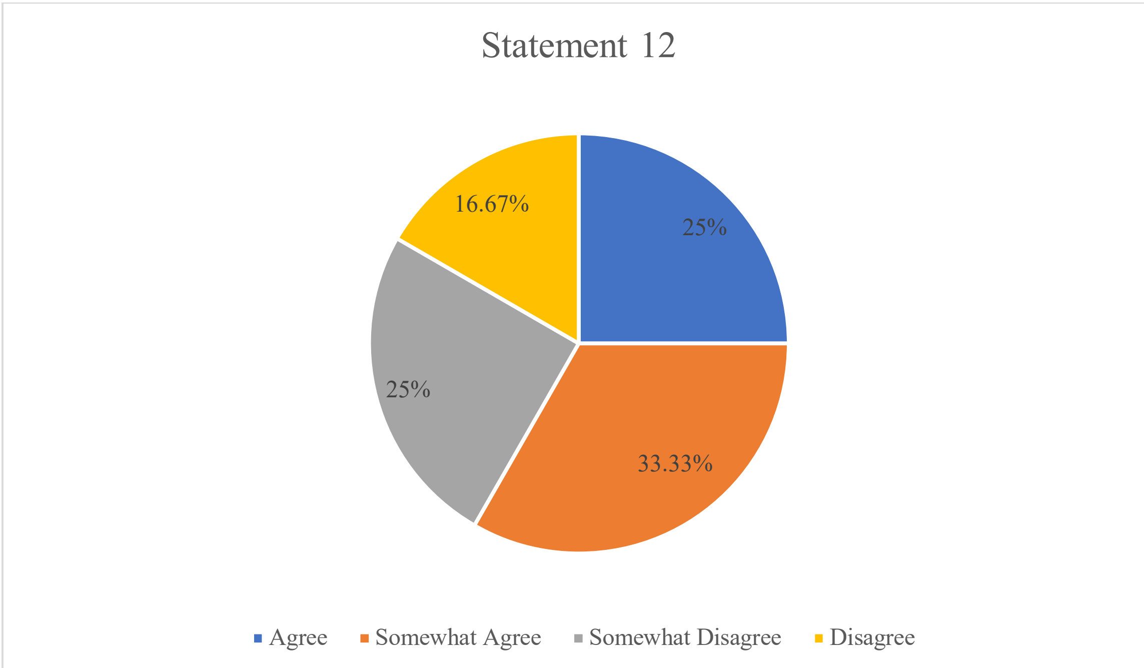
Chart 11



11. The more successful public colleges and universities are at fundraising, the more state legislatures cut governmental grants; consequently, this causes public higher education institutions to seek out private donations, thus leading to the privatization of public higher education.

Two of the twelve respondents (16.67%), one HE professor and one HE administrator, agree with this statement; while five of the twelve respondents (41.67%), which include three HE professors and two HE administrators, somewhat agree with this statement. Three of the twelve respondents (25%), which include three HE professors, somewhat disagree with this statement; while one of the twelve respondents (8.33%), a HE professor, disagrees with this statement. One of the twelve respondents (8.33%), a HE administrator, strongly disagrees with this statement.

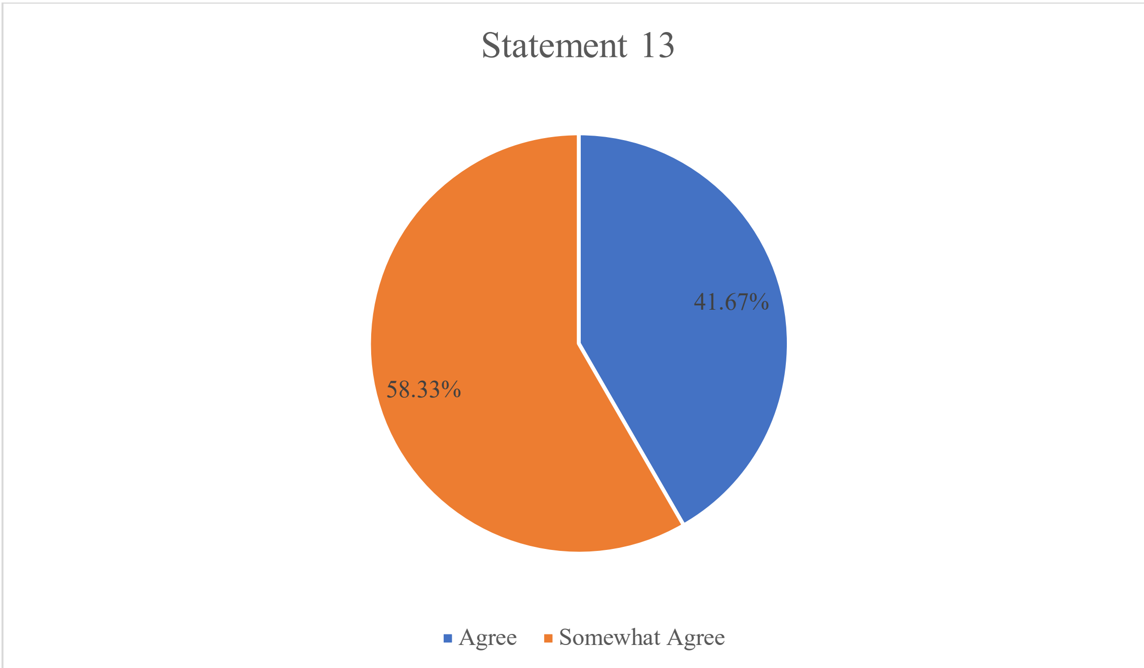
Chart 12



12. The rising cost of tuition is generating the growth of higher education privatization in the United States.

Three of the twelve respondents (25%), which include three HE professors, agree with this statement; while four of the twelve respondents (33.33%), which include one HE professor and three HE administrators somewhat agree with this statement. Three of the twelve respondents (25%), which include three HE professors somewhat disagree with this statement; while two of the twelve respondents (16.67%) disagree with this statement.

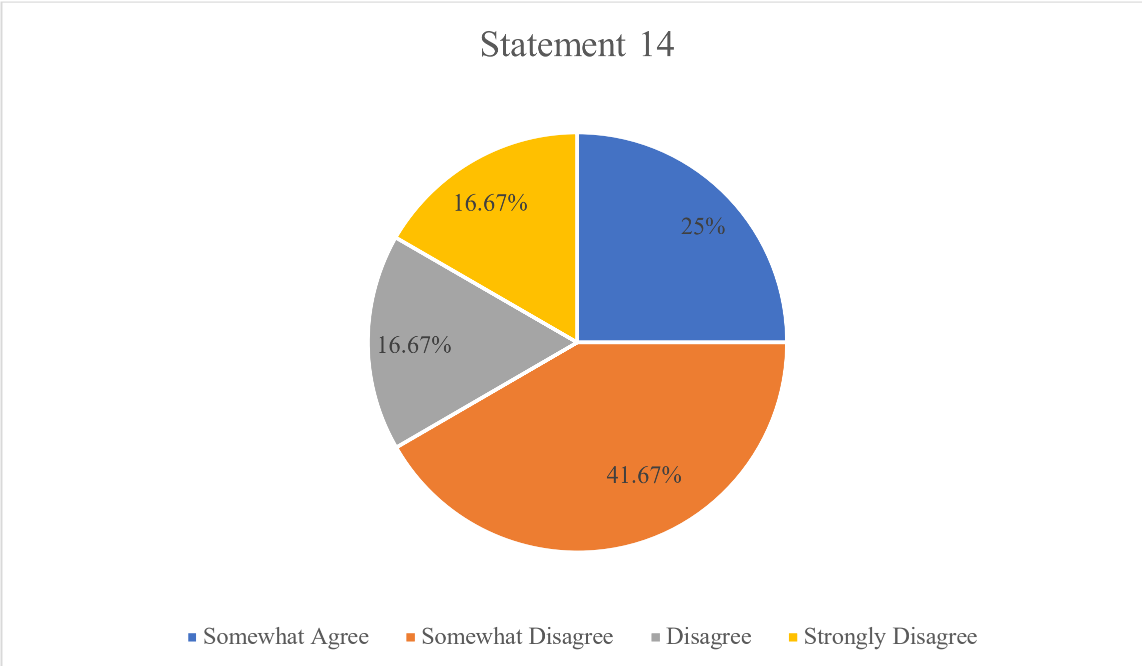
Chart 13



13. Larger budget cuts for higher education is generating the growth of privatizing public colleges and universities in the United States.

Five of the twelve respondents (41.67%), which include three HE professors and two HE administrators agree with this statement; while seven of the twelve respondents (58.33%), which include five HE professors and two HE administrators somewhat agree with this statement.

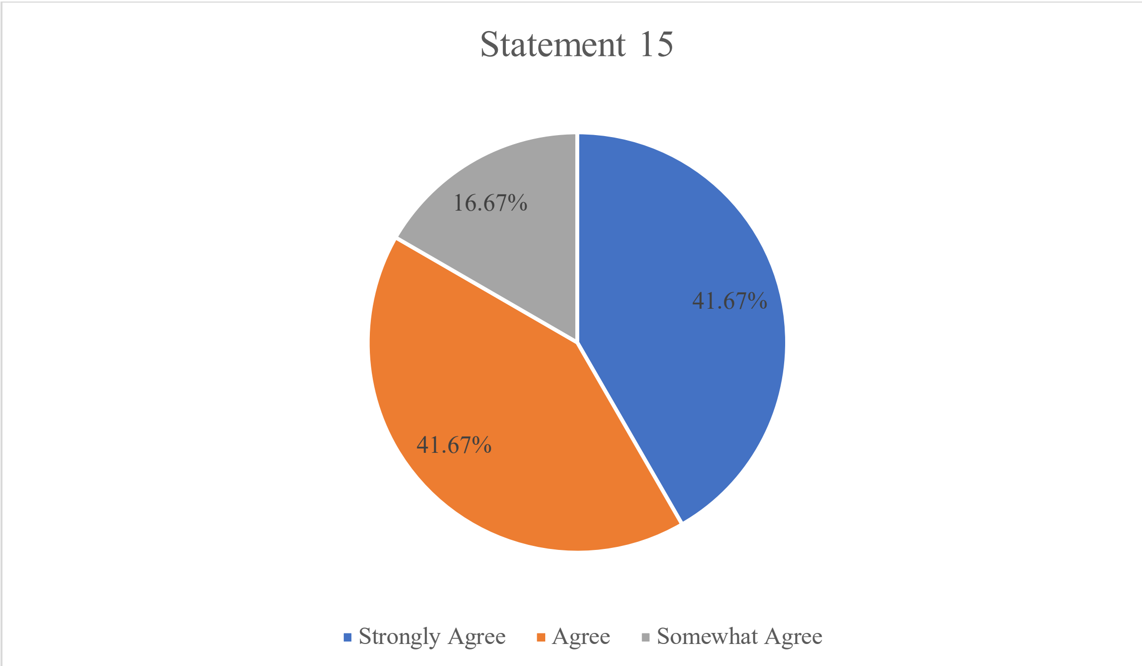
Chart 14



14. States are becoming smaller shareholders regarding their higher education institutions because of a lack of oversight that contributes to foolhardy budget and revenue decisions, thus causing the privatization of public higher education in the United States.

Three of the Twelve respondents (25%), which include two HE professors and 1 HE administrator, somewhat agree with this statement; however, five of the twelve respondents (41.67%), which include four HE professors and one HE administrator, somewhat disagree with this statement. Two of the twelve respondents (16.67%) which include a HE professor and a HE administrator, disagree with this statement; while two of the twelve respondents (16.67%), a HE professor and a HE administrator, strongly disagree with this statement.

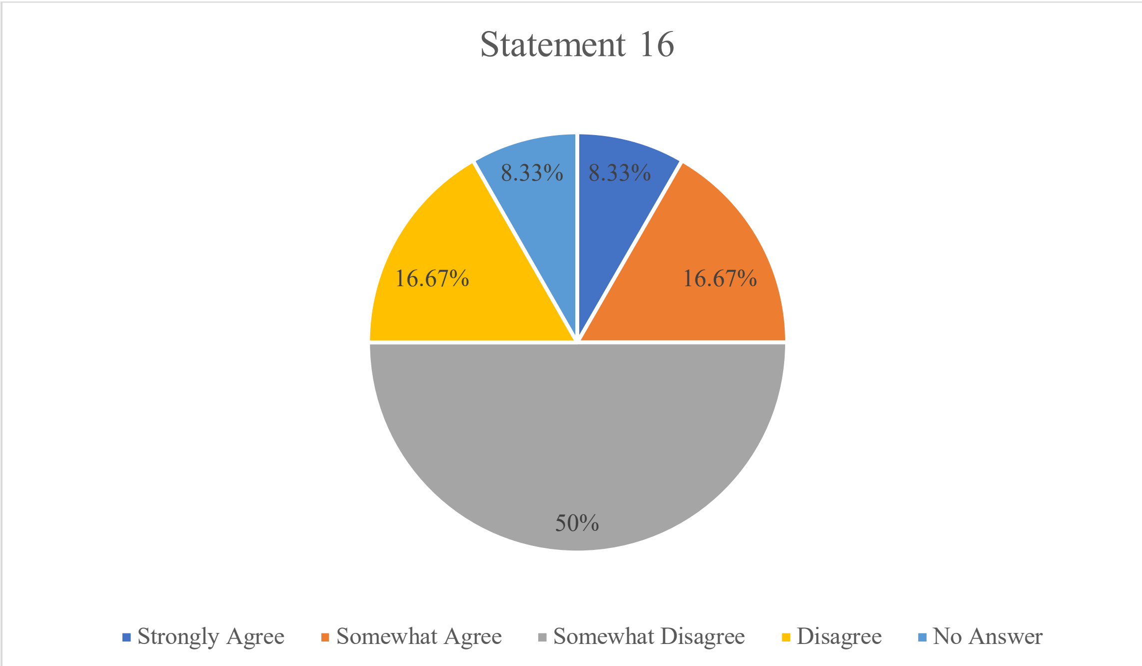
Chart 15



15. The lack of investment in higher education from states in the recent decades has caused tuition to rise, thus causing a college affordability crisis.

Five of the twelve respondents (41.67%), which include three HE professors and two HE administrators, strongly agree with this statement; while five of the twelve respondents (41.67%), which include three HE professors and two HE administrators, agree with this statement. Two of the twelve respondents (16.67%), two HE professors, somewhat agree with this statement.

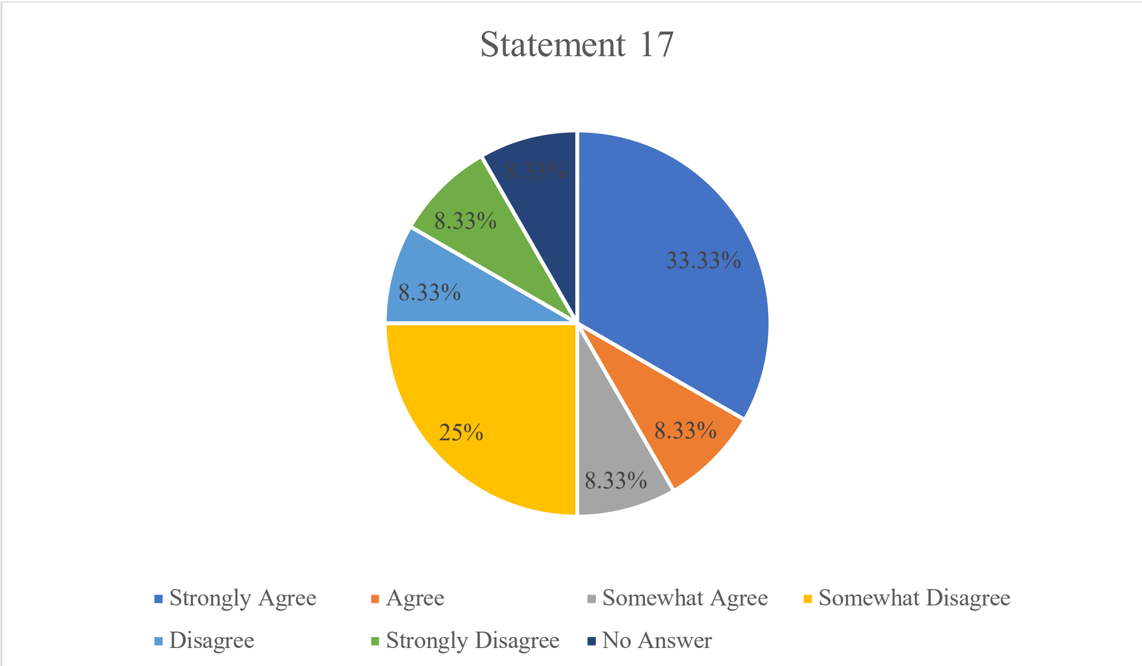
Chart 16



16. Public colleges and universities should not privatize certain areas of their institutions such as student housing and vending.

Two of the twelve respondents (16.67%), a HE professor and a HE administrator, strongly agree with this statement; while one of the twelve respondents (8.33%), a HE professor, somewhat agrees with this statement. Six of the twelve respondents (50%), which include four HE professors and two HE administrators, somewhat disagree with this statement; while two of the twelve respondents (16.67%), two HE professors, disagree with this statement. One of the twelve respondents (8.33%), a HE administrator, did not answer this statement.

Chart 17

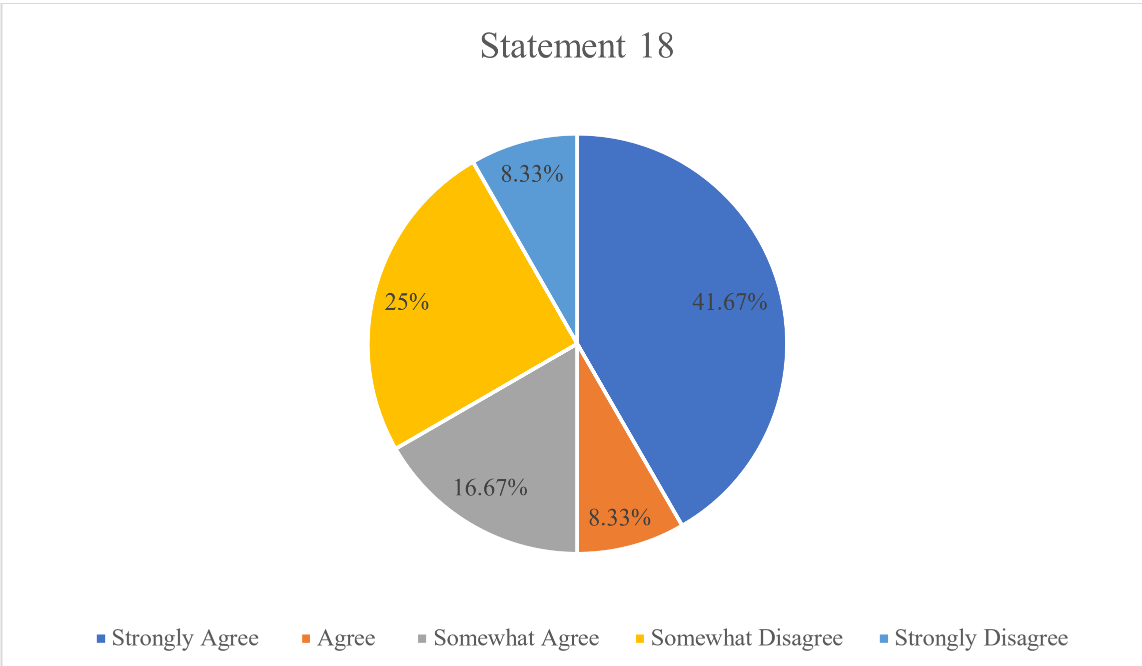


17. The benefits from privatization such as more autonomy and less state control, for public colleges and universities are far less important than keeping our public higher education institutions "public" in order to ensure affordability and access for all low-income students, while at the same time, maintaining a college-educated population in the United States.

Four of the twelve respondents (33.33%), which include three HE professors and one HE administrator, strongly agree with this statement; while one of the twelve respondents (8.33%), a HE administrator, agrees with this statement. One of the twelve respondents (8.33%), a HE professor, somewhat agrees with this statement; however, three of the twelve respondents (25%), which include two HE professors and one HE administrator, somewhat disagree with this statement. One of the twelve respondents (8.33%), a HE professor, disagrees with this statement;

while one HE professor (8.33%) strongly disagrees with this statement. One of the twelve respondents (8.33%), a HE professor, did not respond to this statement.

Chart 18



18. Privatizing public colleges and universities is not in the best interest of our students.

Five of the twelve respondents (41.67%), which include two HE professors and three HE administrators, strongly agree with this statement; while one of the twelve respondents (8.33%), a HE professor, agrees with this statement. Two of the twelve respondents (16.67%), two HE professors, somewhat agree with this statement; however, three of the twelve respondents (25%), which include two HE professors and one HE administrator, somewhat disagree with this statement. One of the twelve respondents (8.33%), a HE professor, strongly disagrees with this statement.

Summary

The purpose of this study is to add to the understanding of this slippery-slope of privatizing public higher education in order to understand the pros and cons of privatizing public colleges and universities in the United States. Of the forty-one emails sent to higher education administrators/professors and state legislators from Colorado, Virginia and Michigan, and higher education professors/administrators from Mississippi, twelve respondents completed the survey; in which the response rate was 29.27 percent. Participants were asked to respond to eighteen statements on a Likert-Scale that provided responses that determined to what degree they either agreed or disagreed with the statements. Participants also were asked six demographical questions that inquired about the participant's job title, education level, ethnicity, political affiliation, the number of years in their profession and their age range. With the exceptions of Statements Six, Seven, Ten, Fourteen, Sixteen and Seventeen, the majority of the respondents either strongly agree, agree or somewhat agree with twelve of the eighteen statements; as a result, these findings support the claim that the privatization of public higher education in the United States is indeed occurring and that it disenfranchises lower-income students by making postsecondary education less attainable. Therefore, this study asserts that the cons definitely outweigh the pros concerning the slippery-slope of privatizing public colleges and universities in the United States.

CHAPTER V: DISCUSSION

Purpose of this Study

The purpose of this study is to add to the understanding of this slippery-slope of privatizing public higher education in order to understand the pros and cons of privatizing public colleges and universities in the United States. In order to do this, forty-one emails were sent to higher education administrators/professors and state legislators from Colorado, Virginia and Michigan, and higher education professors/administrators from Mississippi; in which twelve respondents completed a Qualtrics® survey, placing the response rate at 29.27 percent.

Discussion

Statement 1 asserts that the privatization of public colleges and universities will result in lower-income students being negatively affected; consequently, 91.67 percent of respondents either strongly agree, agree or somewhat agree, while 8.33 percent of respondents somewhat disagree. Travis (2012) claims that this trend is problematic because the fallout of privatization could severely affect lower-income students, as well as contributing to a decline in a college – educated population in the United States. Lyall & Sell (2006) also agree with this claim by stating how the downside to this is if public institutions become private, this has the potential to have a devastating impact on low-income student's access, private institutions, and the national economy. These findings suggest that if this trend of privatizing public colleges and universities in the U.S. continues, postsecondary education will eventually become less attainable for lower-income students (Lyall & Sell, 2006; Travis, 2012). A little over 91 percent of respondents acknowledge that the privatization of public higher education will negatively affect lower-income students Statement 2 asserts that lower-income students are being denied access to postsecondary education because of the privatization of higher education; consequently, 66.67 percent of respondents either strongly agree, agree or somewhat agree, while 33.33 percent of respondents either somewhat disagree or disagree. Lyall & Sell (2006) explain the reason why this is happening by stating how "access for low – and moderate – income students are declining as tuitions rise and financial aid fails to keep up with need" (p. 9); as a result, low-income students in the 1990s were becoming a smaller portion of the freshman classes at public four-year institutions and relied on the more hard-pressed community colleges to begin their college careers. Thus, if this trend continues, lower-income students will steadily become more disenfranchised from postsecondary education and social mobility (Lyall & Sell, 2006).

Statement 3 asserts that the privatization of public colleges and universities will prevent social mobility for lower-income students due to them not being able to afford the tuition; as a result, 83.33 percent of respondents either strongly agree, agree or somewhat agree, while 16.67 percent of respondents somewhat disagree. Hurley (2014) states how "the American public higher education finance system is broken…States' disinvestment in higher education in recent decades has driven tuition prices even higher, placing us at the precipice of a college affordability crisis" (para. 1); consequently, "the end results are decreasing college affordability, increasing student debt, and a quickening state-to-student cost shift in who pays for a public college education" (para. 1). Lyall & Sell (2006) state that "access for low – and moderate – income students are declining as tuitions rise and financial aid fails to keep up with the need" (p. 9). One of the primary negative results of privatization is that it will impact low-income students heavily and disproportionately; as a result, the participation of public institutions in social mobility will be eliminated due to disenfranchised groups that are steadily being denied access to postsecondary education (Lyall &

Sell, 2006; Travis, 2012). Statement 4 asserts that state funding for public higher education has plummeted; as a result, 83.33 percent of respondents either strongly agree, agree or somewhat agree, while 16.67 percent of respondents somewhat disagree. Weisbrod, Ballou, & Asch (2010) explain why this is by claiming that state funding for public higher education institutions has plummeted; consequently, in some states, extremely low levels of state support and its continuous decline has fostered claims that public higher educational institutions are being privatized. The evidence of this comes from a growth in endowments for higher education institutions and less financial dependence on state legislatures; consequently, as public colleges and universities' fundraising efforts become more successful, state legislatures are responding "by cutting governmental grants that, in turn, could precipitate even more energetic forays by public schools into the market for private donations, leading to the privatization of public higher education" (Weisbrod, et al., 2010, p. 145).

Statement 5 asserts that in some states, extremely low levels of state support have fostered claims that public colleges and universities in the United States are being privatized; consequently, 91.67 percent of respondents either strongly agree, agree or somewhat agree, while 8.33 percent somewhat disagree. Weisbrod, et al. (2010) concur with this claim by stating how state funding for public higher education has plummeted; as a result, in some states, extremely low levels of state support and its continued decline has fostered claims that public higher educational institutions are being privatized. The findings here suggest that extremely low levels of state support are indeed contributing to the privatization of public higher education. If this trend continues, it can have devastating effects for lower-income students by steadily alienating them from postsecondary education. Statement 6 asserts that the burden of public programs such as

Medicaid, K-12 education, and the criminal justice system is a major factor contributing to the privatization of public higher education; as a result, 50 percent of respondents either strongly agree, agree or somewhat agree, while 50 percent of respondents either somewhat disagree or strongly disagree. The opinions among the respondents regarding Statement Six are divided; however, the literature from this study suggests that public programs are a major contributing factor for the reason public colleges and universities are being privatized. Lyall & Sell (2006) claim that the public investment point for private institutions went from 50 percent in the 1990s and dropped down to 30 percent or less in the 2000s; while investment shares increased were by other shareholders. Lingenfelter (2010) states:

> "Higher education is increasingly considered more of a private good than a public good…State funding has been consumed by very rapid growth in Medicaid, steady but perhaps not so rapid growth in K – 12, and to a lesser extent (perhaps) increased spending on corrections – higher education can't compete politically with these priorities, and their growth has been funded through reallocation from higher education" (para. 1).

Ehrenberg (2006) and Lyall & Sell (2006) claim that public higher educational institutions get singled out by state legislatures when it comes to large budget cuts due to these institutions being able to collect their own revenue from tuition, and state legislatures give more priority to other state services (e.g., TANF, Medicaid) because these services provide aid to the states' neediest population; as a result, public higher educational institutions' allocations serve a clientele that consists of many middle and upper class citizens (Ehrenberg, 2006; Lyall & Sell, 2006). What these state legislatures possibly fail to recognize is that by providing extreme low levels of support for their public higher educational institutions, they are inadvertently propagating the growth of privatizing public higher education; as a result, lower-income students will steadily become disenfranchised and alienated from higher education.

Statement 7 asserts that the roles of states are very small when it comes to funding their public colleges and universities; as a result, 66.66 percent of respondents either somewhat disagree, disagree or strongly disagree, while 33.33 percent of respondents either agree or somewhat agree. Lyall & Sell (2006) assert that “Narrowing missions will inevitably limit the role of universities as instruments for social critique, social justice, and economic change” (p. 10); as a result, there are several other broader, more ambiguous impacts such as universities being more accountable to other shareholders (e.g., students, donors, and alumni) but less accountable to the public and politicians (p. 10). Travis (2012) predicts that if state funding trends continue, states such as Colorado will stop funding its higher educational institutions by 2022; Iowa will cease funding by 2029; and other states such as Virginia, Michigan, Arizona, and Rhode Island will cease funding by 2032. The implications are that if this trend continues, lower-income students will be impacted the most. Statement 8 claims that funding for public higher education is the first thing that usually gets cut by state legislatures; consequently, 58.34 percent of respondents either agree or somewhat agree, while 41.67 percent somewhat disagree. The decline of public investment in the operations of public institutions are “required to function in the competitive marketplace and so become increasingly privatized (Lyall & Sell, 2006, p. 8); as a result, many states reduced their stake in public higher education in the 1990s (Lyall & Sell, 2006).

Statement 9 asserts that because of a decline in state support, public higher education institutions are being forced to find alternative sources of income; consequently, 100 percent of respondents either strongly agree, agree or somewhat agree. Lyall & Sell (2006) claim that higher educational institutions are becoming privatized; consequently, a lack of oversight has contributed to a series of foolhardy budget and revenue decisions on the state level which have escalated in states becoming smaller shareholders regarding their higher educational institutions. Simultaneously, influences from other shareholders (e.g., parents, donors, alumni, and corporations) are expanding, resulting in positive and negative consequences. (Lyall & Sell, 2006). The downside to this is if public institutions become private, this has the potential to have a devastating impact on low-income students' access, private institutions, and the national economy (Lyall & Sell, 2006; Travis, 2012). Statement 10 claims that the privatization of higher education is being caused by a growth in endowments and less financial dependence on state legislatures; as a result, 66.67 percent either somewhat disagree, disagree or strongly disagree, while 33.34 percent either agree or somewhat agree. Ehrenberg (2006) mentions that due to decreasing state support, many public institutions prefer to be liberated from governmental constraints which cause inefficiencies in their operations, along with the freedom to decide on economic decisions that can help them to compete with private institutions. Weisbrod, et al. (2010) elaborate further by stating that the evidence of this comes from a growth in endowments for higher education institutions and less financial dependence on state legislatures. Despite the majority of respondents somewhat disagreeing, disagreeing or strongly disagreeing with Statement 10, 33.34 percent of respondents, along with the literature in this study supports this claim.

Statement 11 asserts that the more successful public colleges and universities are at fundraising, the more state legislatures cut governmental grants; consequently, this causes public higher education institutions to seek out private donations, thus leading to the privatization of public higher education; as a result, 58.34 percent of respondents either agree or somewhat agree, while 41.66 percent of respondents either somewhat disagree, disagree or strongly disagree. Weisbrod, et al. (2010) states that as public colleges and universities' fundraising efforts become more successful, state legislatures are responding "by cutting governmental grants that, in turn, could precipitate even more energetic forays by public schools into the market for private donations, leading to the privatization of public higher education" (p. 145). Statement 12 claims that the rising cost of tuition is generating the growth of higher education privatization in the United States; as a result, 58.33 percent either agree or somewhat agree, while 41.67 percent either somewhat disagree or disagree. Weisbrod, et al. (2010) state that "the most publicized result of privatization has been the rise of the cost of student tuition at public four-year schools, which has corresponded to the decline of state governmental grants since the 1990s" (p. 16). Weisbrod, et al. (2010) explain that the surge in rising tuition during this time for public four-year comprehensives which is in correspondence to the decline in grants from the state since the 1990's; consequently, even though tuition has increased across the board for all public higher education institutions, the tuition increases were even higher for public four-year schools. Ehrenberg (2006) mentions that in the 1990s, private higher educational institutions raised "their tuitions at a rate of over three percent above inflation" (2). As a result, public higher educational institutions had to remain competitive; therefore, they raised their annual tuitions roughly around equivalent rates. However, since tuitions at public institutions started at a drastically lower level, the increases in the precise dollar increases public institutions netted from those increases were vastly lower; however, private institutions with large endowments immensely benefitted from the hike in stock prices during the 1990s. Thus, expenditures per student at public institutions fell in relation to those at private institutions (Ehrenberg, 2006).

Statement 13 asserts that larger budget cuts for higher education is generating the growth of privatizing public colleges and universities in the United States; consequently, 100 percent of respondents either agree or somewhat agree. Public higher educational institutions get singled out by state legislatures when it comes to large budget cuts due to these institutions being able to collect their own revenue from tuition, and state legislatures give more priority to other state services (e.g., TANF, Medicaid) because these services provide aid to the states' neediest population; as a result, public higher educational institutions' allocations serve a clientele that consists of many middle and upper class citizens (Ehrenberg, 2006; Lyall & Sell, 2006). However, lower-income students are the ones who become alienated from higher education due to lack of accessibility because of tuition hikes. Statement 14 claims that states are becoming smaller shareholders regarding their higher education institutions because of a lack of oversight that contributes to foolhardy budget and revenue decisions, thus causing the privatization of public higher education in the United States. As a result, 75 percent of respondents either somewhat disagree, disagree or strongly disagree, while only 25 percent of respondents somewhat agree. However, Lyall & Sell (2006) claim that higher educational institutions in the United States are becoming privatized; in which lack of oversight has contributed to a series of foolhardy budget and revenue decisions on the state level which have escalated in states becoming smaller shareholders regarding their higher educational institutions. Simultaneously, influences from other shareholders (e.g., parents, donors, alumni, and corporations) are expanding, resulting in positive and negative consequences (Lyall & Sell, 2006). Despite the fact that the majority of respondents disagree in various levels, it is evident that public higher education is not top priority regarding state legislatures' budgetary decisions. Statement 15 claims that the lack of investment in higher education from states in the recent decades has caused tuition to rise, thus causing a college affordability crisis; coincidentally, 100 percent of respondents either strongly agree, agree or somewhat degree. Hurley (2014) states how “the American public higher education finance system is broken...States’ disinvestment in higher education in recent decades has driven tuition prices even higher, placing us at the precipice of a college affordability crisis” (para. 1). The federal government has a substantial investment in student aid; however, “the productivity of these dollars is not maximized to make college affordable for all students attending the nation’s public colleges and universities” (Hurley, 2014, para. 1); in which “the end results are decreasing college affordability, increasing student debt, and a quickening state-to-student cost shift in who pays for a public college education” (Hurley, 2014, para. 1).

Statement 16 asserts that public colleges and universities should not privatize certain areas of their institutions such as student housing and vending; as a result, 75 percent of respondents either somewhat disagree, disagree or strongly disagree, while 25 percent of respondents either strongly agree or somewhat agree. Despite the large percentage of respondents disagreeing to one degree to another with Statement 16, Thomas (2020) states that “The pros are that it does directly remove the cost of delaying maintenance and related issues as colleges are no longer responsible – the private company takes on the cost and maintenance of the endeavor…The cost, however, are often quite put back on the students” (para. 4). He explains that publicly-traded private companies answer to shareholders; in which the universities that privatize more services often are not able to directly respond to the needs of students, faculty and staff. Thomas (2020) states how housing agreements that guarantee a certain required level of occupancy can impact universities' response to the COVID; in which forces universities to choose between health and guaranteed occupancy. Another example he provides is how privatizing dining can cause issues such as student organizations wanting to host events on campus would be forced to use campus dining, which is usually more expensive due to there being no competition, versus having the option of negotiating local with vendors before privatization; in which the result is less programming due to more of the student organizations budgets' has to be spent on these events (J. Thomas, personal communication, September 12, 2020).

Statement 17 claims that the benefits from privatization such as more autonomy and less state control, for public colleges and universities are far less important than keeping our public higher education institutions "public" in order to ensure affordability and access for all low-income students, while at the same time, maintaining a college-educated population in the United States. As a result, 50 percent of respondents either strongly agree, agree or somewhat agree, while 50 percent of respondents either somewhat disagree, disagree or strongly disagree. Despite the divided opinions of the respondents for Statement 17, this trend is problematic because the fallout of privatization could severely affect lower-income students, as well as contributing to a decline in a college-educated population in the United States (Travis, 2012). Statement 18 claims that privatizing public colleges and universities is not in the best interest of our students; consequently, 66.67 percent of respondents either strongly agree, agree or somewhat agree, while 33.33 percent of respondents either somewhat disagree or strongly disagree. This statement is the overarching assertion of this entire study. The findings in this study demonstrate that the majority of respondents ultimately concur with this claim.

Final Thoughts

After reviewing scholarly literature and the responses from the Qualtrics® survey, it is apparent that the cons outweigh the pros regarding privatization of higher educational institutions. There is a need to examine how privatization is going to affect the future of higher education in the United States. This proposed study aims to add to the knowledge base of this literature in order to understand where the future of higher education is headed in the future. The following quote from Cary Michael Carney's (1999) book *Native American Higher Education in the United States* perfectly sums up the future implications for this study: "It is hoped that this study, albeit clearly a first effort, will help fill such a gap…It is further hoped that it will prompt others to strive to advance knowledge and analysis in this area, to improve on what is presented here" (p. xii).

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APPENDIX A

IRB Approval Letter

NOTICE OF INSTITUTIONAL REVIEW BOARD ACTION

The project below has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services regulations (45 CFR Part 46), and University Policy to ensure:

- The risks to subjects are minimized and reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered involving risks to subjects must be reported immediately. Problems should be reported to ORI via the Incident template on Cayuse IRB.
- The period of approval is twelve months. An application for renewal must be submitted for projects exceeding twelve months.

PROTOCOL NUMBER: IRB-21-178
PROJECT TITLE: The Slippery-Slope of Privatizing Colleges and Universities in the United States
SCHOOL/PROGRAM: School of Education, Educational Research and Admin
RESEARCHER(S): Scott Manganello,Jason Wallace

IRB COMMITTEE ACTION: Approved
CATEGORY: Expedited

7. Research on individual or group characteristics or behavior (including, but not limited to, research on perception, cognition, motivation, identity, language, communication, cultural beliefs or practices, and social behavior) or research employing survey, interview, oral history, focus group, program evaluation, human factors evaluation, or quality assurance methodologies.

PERIOD OF APPROVAL: September 24, 2021

Donald Sacco, Ph.D.
Institutional Review Board Chairperson