

**PRIVATIZING AMERICAN PUBLIC HIGHER EDUCATION:
A CASE STUDY**

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Public higher education in the United States is a relatively recent development and was possible initially because of the Northwest Ordinance of 1787 and the Morrill Acts of 1862 and 1890 (Cohen, A., 1998; Olivas, 2006; Spring, 1986). Although private colleges were established in the early American colonies, the need for public education was recognized by the nation's founders as necessary for the survival of the nation (Cohen, A.; Cohen, W., 1967; Rippa, 1988; Spring). Yet, the development of public colleges was not possible until funding from legislation was made available.

In fact, most states did not have public colleges before the Civil War, as only 21 state or municipal colleges were founded in the 30 years prior to 1860 (Tewksbury, 1965). Legal scholars have concluded that the U.S. Supreme Court decision in *Trustees of Dartmouth College v. Woodward* (1819) delayed the “development of state universities for half a century” (Rudolph, 1990, p. 211).

The uniquely American approach to public education was intended to ensure that the nation’s citizens would be prepared sufficiently to participate in governing the nation. The concept behind this distinctive, democratic idea was that the American people then would have equal access to their government (Rippa, 1988; Spring, 1986).

With the advent of the American research university model and the significant growth of the nation’s institutions, especially following World War II, American higher education became known, world-wide, as the model to follow (Cohen, A., 1998; Lucas, 1996). Yet, public higher education in the United States has confronted challenges, especially in terms of support. For over three decades, public colleges and universities have been crippled

by declining revenues from states as well as the Federal government (Alexander, 2000; Cohen, A., 1998; Gambino, 1990; Gilley, 1991; Johnson, 2000; Travis & Davis, 2000). More recently, the Great Recession of the 21st Century, as it has been called, has become a “perfect storm” for public higher education, battering some colleges beyond repair (Ehrenberg, 2006, p. 46). Although larger institutions may be able to weather this funding catastrophe, albeit with reductions to services and admissions as well, the smaller institutions may not survive. To avoid being pushed over the budget brink, many institutions will evolve into colleges with a predominantly private focus, as some have already suggested (Ehrenberg; Kelderman, 2009; Lyall & Sell, 2006; Symonds, 2004; Yudof, 2002; Zemsky, 2003). This case study is an excerpt of an ongoing critical theory study that is shedding light on a very significant threat to public education in America.

The state of Virginia provides the first example of the slippery slope of privatizing public higher education. In 2004, state support for the University of Virginia amounted to only 8% of its operating budget. Though the

College of William and Mary fared slightly better at 18% of its budget, the state “supported” colleges and universities in Virginia were in such dire straits that the state passed the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Breneman & Kneedler, 2006). This legislation enabled the state’s public colleges and universities to secure some freedom from state regulation. Since William and Mary and the University of Virginia were essentially privately supported, the state magnanimously granted the institutions more autonomy.

Other states have considered similar approaches, given the minimal state contribution to institutional budgets. The presenter will describe the institutional variations of operations that have become essentially private. In addition, the presenter will provide session participants with a list of implications resulting from this shift of public colleges and universities to a private orientation.

Although the numbers of public institutions that have evolved into predominantly private colleges is still relatively small, the projections of state budgets do not appear to be optimistic enough to prevent further

privatizing of American higher education (Kelderman, 2012a). Furthermore, states are not inclined to adjust their relationships with colleges that have made the shift to return them to their previously public status (Kelderman, 2012a). Plus, the state budgets are not expected to improve sufficiently to retrieve these formerly public institutions (Kelderman, 2012b). Hence, the trend of privatizing public higher education will continue, and once institutions make the shift, they reach a point of no return.

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