A compelling case for how the United States can achieve ambitious and necessary educational attainment goals is made in *Financing American Higher Education in the Era of Globalization* (2012, Harvard Education Press). The book’s four authors, each of whom are longstanding scholar-activists, have teamed up to persuasively demonstrate how the current funding model is broken and the profound economic and societal implications this will have if left unchecked. The unsustainable patterns of state investment in higher education, growth in tuition prices, and clashing demographic and college completion trends serve as the foundational arguments for why William Zumeta, David Breneman, Patrick Callan and Joni Finney call for a fundamental rethinking of higher education finance.

The book succinctly discusses the trends that are broadly affecting American higher education, which all told, beckon for a decisive shift in the policies, structures and leadership that undergird postsecondary finance. The authors’ discourse is steeped in current fiscal reality, recognizing that even as the effects of the Great Recession slowly dissipate, several capacity problems will face state leaders for years to come: among them, fiscal capacity, physical capacity, motivational capacity and political capacity. Failure to address these challenges will lead to a further erosion of social equity and economic competitiveness.

The book provides a thoughtful and concise primer on U.S. higher education finance, sketching out key historical factors and milestones—political, economic, demographic, social and cultural. A portrait of policy themes is provided, including institutional and state policy trends, and major federal legislation, post WWII through today, on a decade-by-decade account.

Considerable affirmation is given to the role that AASCU institutions should play in meeting the nation’s educational attainment goals. The authors call for more energy and resources to be placed on comprehensive public universities, in recognition that it is at these institutions where increases in undergraduate enrollment and degree production are most likely to occur, and especially as it involves populations that have been traditionally underserved by higher education. The authors convey a frustration commonly held by AASCU member presidents and chancellors: That while these institutions are best positioned for undergraduate growth, they receive too little attention in the media and in discussions about higher education policy.

The authors’ primary objective is to offer a public policy and finance framework for boosting degree production; one that is rooted in the American model of federalism, is based in fiscal and political reality, and can be tailored to state conditions. Among their fundamental arguments is the need for well-designed finance policies to serve a constructive role in enrolling and graduating a much larger share of underrepresented populations, along income and ethnicity lines, and including working adults.

The slate of federal reforms proffered are logical and rational; among them are a restructuring of student aid policies to ensure consistent funding and improved accountability, greater oversight of for-profit higher education, and a modification of policies for the allocation of research funding, to prevent institutional mission creep. The authors’ signature federal policy recommendation is for the revival and substantial expansion of a strictly needs-based federal matching state student aid program; this comes despite the recent elimination by the Obama administration of the federal matching program in its most recent form, the Leveraging Educational Assistance Partnership (LEAP).

It is in the state level arena where the authors’ policy prescriptions are most detailed. Several policy levers available to states are discussed, as are the primary policy challenges for
boosting educational attainment. The authors do a nice job of matching policy tools with specific states, taking into account the structure of states’ higher education systems, the nature of state-level governance arrangements, as well as their historic tuition and financial aid policies.

A concise yet comprehensive state policy agenda is set forth in the book. It includes the setting of degree attainment goals and reforms in financial aid and tuition policies. The authors call for adequacy and constancy in state funding, while recognizing that “there are no good solutions on the revenue costs, although many successful approaches haven not yet been implemented systemically or at scale,” the authors write.

Two themes interwoven throughout the book are those of urgency and advocacy. The authors seek to convey a sense of urgency in raising attainment levels, and to illuminate the role of higher education finance policy in reaching this goal. Despite a long menu of espoused financial reforms, the authors recognize that at the heart of the matter, boosting attainment levels is first and foremost a political challenge, and thus must be addressed by building and sustaining awareness of the scope.

Among a steady stream of books on higher education, this one stands out for its holistic perspective, and the realistic and compelling case it sets forth for restructuring the American higher education financing model.

side to the problem of state funding instability.” Calls are made to continue development of statewide longitudinal data systems, improve the assessment of program outcomes and student learning, and boost state policy leadership capacity.

The formula prescribed by the authors for restructuring state financial support to institutions is heavy on performance-based funding. While they are quite sympathetic to the plight of public universities in the face of state funding reductions that have been endured, they call for stronger alignment of funding incentives with institutional performance. New additional state monies are called for, to be allocated for such budgetary incentive systems, with metrics to include student progress, course and program completion, and bonus payments for graduating low-income students (using Pell Grant eligibility as a proxy). Potentially met with less enthusiasm by institutional leaders is the authors’ simultaneous call for a reorientation in student-linked funding, thus spurring the trend in many states to drive larger proportions of state funding through direct support to students in the form of need-based student aid; the primary benefit being increased competition among institutions for enrollments.

The book’s treatise is not limited to discussions involving the restructuring of finance mechanisms; it also touches on non-fiscal educational capacity-building opportunities. Some leading-edge instructional delivery models are discussed, with great deference given to new capabilities of technology and distance learning. “Much is now known about innovations with potential to improve educational effectiveness while reducing of the challenge and the rational for embarking upon it. They call for a comprehensive approach to boosting public and policy-maker confidence in higher education by creating broad public awareness of the need for increased degree production, determined political leadership, and an energetic and well-coordinated effort to institutionalize changes rapidly.

Among a steady stream of books on higher education, this one stands out for its holistic perspective, and the realistic and compelling case it sets forth for restructuring the American higher education financing model. It aptly summarizes key trends and presents policy prescriptions, buttressed with informative and data-rich digressions. And while the authors set forth reasons for concern, they strike an optimistic tone, lending encouragement to higher education leaders that despite a future of constrained allocations of state resources, the education levels of the nations’ citizenry can be lifted through a concerted national focus and bold, grassroots policy leadership at the campus level.

Daniel J. Hoegst, the director of state relations and policy analysis at AASCU.