

# CEASEFIRE ANYONE? -- IN EDUCATION FUNDING WAR

*Bloody funding battles pitting higher education against K-12 are a losing proposition, says the new head of the Alabama Commission on Higher Education. He rewrites the formula as PK20.*

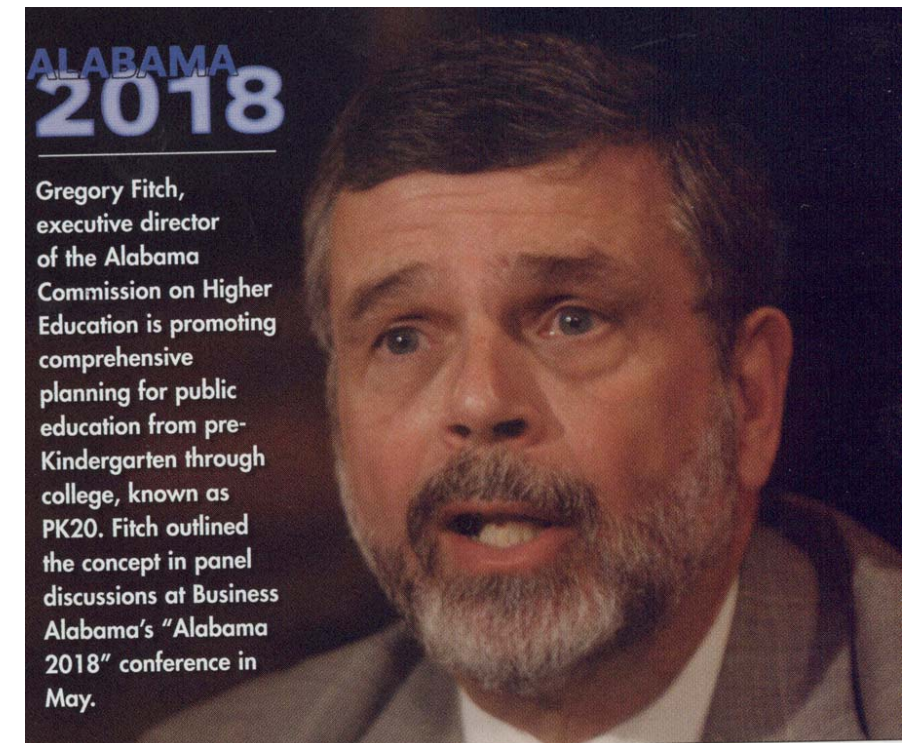
BY LINDA LONG  
PHOTO BY OWEN STAYNER

Gregory Fitch found his way to higher education by a somewhat circuitous route. First as an infantryman in Vietnam, then a beat cop on the streets of Kansas City and finally as an officer on a police bomb squad.

Now, after two years as executive director of the Alabama Commission on Higher Education, and after having held the same position in two other states, Fitch notes with a laugh, “from the bomb squad, it actually wasn’t much of a leap into higher education. The main thing — I never did cut the red wire.”

Learning that technique may be particularly apt preparation for Alabama’s annual sparring event called education funding, an exercise that often pits K-12, higher education and the state Legislature in a three-way struggle to see whose budget gets cut and by how much.

This past year was no exception as a contentious regular legislative session ended with lawmakers failing to agree on an education budget,



Gregory Fitch, executive director of the Alabama Commission on Higher Education is promoting comprehensive planning for public education from pre-Kindergarten through college, known as PK20. Fitch outlined the concept in panel discussions at Business Alabama’s “Alabama 2018” conference in May.

only to come back in special session a few days later to pass an over-\$64 million education funding.

It also was one that left higher education with an 11 to 14 percent shortfall and \$5 million short of what the original budget called for.

Though dollar amounts vary by institution “all of higher education is impacted,” Fitch says. “In the worst case scenario, these cuts could mean delayed opportunities for access to college, delays in getting certain courses, or problems with general services, such as counseling.”

In the same budget that slashed higher ed by up to 14 percent, the budget for K-12 was cut only 3 percent. On paper that disparity might seem unbalanced, but according to Fitch, the argument is that higher

education has more alternatives and income sources from which to tap. “We’re told, ‘you can charge tuition or get federal grants, and contributions from alums.’ That is true, but still we have many discrepancies.”

Noting that colleges don’t get many donations marked “for operating expenses only,” he explains that college donations and grants are earmarked.

“Sure, we might have \$25 million in federal funds coming in, but we can only spend it in certain areas. The same is true with alumni donations. Those donors specify where they want their money spent.”

But, as Fitch points out, this system does nothing for situations like deferred maintenance or paying

the bills.

“Institutions continue to suffer from past years of lower funding and budget cuts. Buildings need to be refurbished; areas like Auburn’s and Alabama’s historic sites must be maintained.”

Fitch often compares operating a state’s higher education system to running a corporate business. “In business terms, our institutions provide training and institutional process. In doing so, we have certain mandated costs that we can’t control, such as health benefits and salaries to remain competitive, and retirement issues. If you have a budget of \$100 and plan \$10 to pay your power bill, but your power bill goes up to \$30, then you’ve got trouble.”

“It’s always a case of push and pull,” Fitch says. “This is the ninth state I’ve worked in, and it seems to be the same everywhere. Education funding is based on an old formula of revenue projection. Alabama plans education budgets just for one year at a time, and, about the time we get a budget for this year, our department is already looking at 2010. Too often, it seems we end up throwing money at the symptom. What we really need to do is look at the source of the problem.”

Fitch thinks a new formula for funding might be found in an ACHE-recommended initiative called PK20 — signifying pre-kindergarten through college — an approach to education unlike anything yet tried in Alabama, which would bring industry and educators to the same table to discuss not only budgeting but curricula, an improved workforce and strengths and weaknesses of the system.

“As far, as I know,” says Fitch, “Alabama is one of only eight states across the nation that doesn’t have something along this line. A move like this would bring them all to the table: legislators, college presidents, parent-teacher groups, business people, members of chambers of commerce.”

Right now, Fitch is the plan’s biggest cheerleader, but he’s working hard to convince others of the merits of marrying public education with the needs of business. His strategy of moving the PK20 proposal from concept to action plan includes meetings with editorial boards, community and business leaders and creating public awareness.

“It only makes sense to combine the strengths of our educational system with industry’s needs, and it will pay huge dividends in the future,” he says. “A more cooperative and consolidated effort will provide expanded education opportunities for students, reduce the number of dropouts and increase high school and college retention and graduation rates.”

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## Alabama 2018

*Editor’s note: The PK20 program will be one of many topics addressed in October at Business Alabama’s second “Alabama 2018” conference on issues facing Alabama in the coming decade. A distinguished panel of Alabama business leaders will lead the discussions. To make reservations, go to [www.busincssalabama.net](http://www.busincssalabama.net)*