Good afternoon. Welcome to Richmond. I appreciate this opportunity to talk with you, along with my esteemed colleagues. I am certain that Secretary Ybarra and Secretary DuVal believe, as I do, that spending time with Virginia’s citizens, particularly with community and business leaders such as yourselves, is one of the most valuable, most important uses of our time. We thank you for finding time in your schedules to meet with us.

The fact that I am sharing the agenda this afternoon with Secretary Ybarra and Secretary DuVal leads me to ponder connections between and among transportation, education, and economic development. Education and transportation are, of course, two of the most important factors that contribute to the economic development of a region or state. The importance of both factors is emphasized in *The Virginia Strategy: Prosperity into the New Century*, the plan for economic development generated under Governor Gilmore’s direction and just released by Secretary DuVal’s office.

Some other connections that I want to touch on briefly might best be illustrated by two anecdotes. There is a learning process that precedes our making use of the transportation system and some of us learn more quickly than do others. I asked a friend recently how long it took his young son to learn to drive. “About two and a half cars” was his response. We parents also find that going off to college typically generates a request from the youngster for a new car. Another friend of mine tried to convince his daughter that she could manage with a used vehicle by noting the large number of older cars in one of the parking lots at her campus. She quickly pointed out that this was a faculty-only parking lot!

But there are other, more relevant connections between transportation and education, as well as economic development, which I’d like to use as a jumping off point for my short comments to you today.
Let’s start by recognizing outright that these three sectors have strong records of success in Virginia. The just-released plan for economic development notes that because of its strategic location, “Virginia is an international transportation cross-roads” and boasts a world-class network of ports, highways, rail service and airports. George Washington, who originally planned such a network to make Virginia central to United States commerce, would be proud. Virginia is also acclaimed for its system of higher education – long acknowledged as one of the best in the nation. We find external recognition of the quality of Virginia’s colleges and universities in the consistent high ratings that a large number of them receive from U.S. News & World Report, Money Magazine, Kiplinger’s and other sources. We see first-hand evidence of the quality of our colleges in the success of their graduates. Thomas Jefferson, who designed the University of Virginia, would be proud. As for our record of success in economic development, we see a solid indicator in the budget surplus that will enable the Governor and General Assembly to undertake some exciting initiatives this session.

As the Commonwealth has traveled on this road to economic prosperity, we have witnessed many changes. The changes in the transportation sector in the past century – evolving, for example, from dirt roads to “smart roads” – have been dramatic. Equally dramatic are the increases in the numbers of high-school graduates who go on to some form of postsecondary education. At the turn of the century, about the time that Americans were discovering in the horseless carriage a new medium for our national restlessness and passion for travel, only about three percent of the population attended college nationally. Today, just under fifty percent of Americans aged twenty-five or older have acquired some postsecondary education. The percentage is likely to continue to increase. For example, we estimate that about two-thirds of today’s high-school graduates go on to college, although a lower percentage than that go on to complete a full four-year college degree.

In today’s economy, a college degree is rapidly becoming, not the key to a golden future, as it was in the past, but rather the key to a future. A college diploma will soon become a minimum requirement for productive employment — the modern day equivalent of a union card. Those who are unable to obtain this union card are likely to be left behind.

Given this reality, the Commonwealth has a strong obligation to make sure that college is affordable for all of our citizens. Governor Gilmore proposes to achieve that goal, in part, by lowering the tuition charged at Virginia’s public colleges and universities. His proposal would offset the tuition revenue with General Fund support. Other groups – including the Blue Ribbon Commission on Higher Education and the Joint Legislative Subcommittee on Higher Education Funding Policies, as well as the Council – are studying how best to put in place a long-term framework of policies that will keep college affordable. One important mechanism that will continue to play a role in making college affordable is financial aid, both for students attending Virginia’s public colleges and universities and the aid awarded to Virginia students attending our private colleges, through the Tuition Assistance Grant program. The Council has recommended an increase of nearly $28 million in financial aid, which would allow institutions to provide about 50 percent of “unmet need” for their students.

As work proceeds to craft a new set of funding policies for higher education in Virginia, I encourage our business leaders and other concerned citizens to consider these aspects of the proposed approaches:

- First, what is the underlying public policy framework for the proposal? What societal goals are we trying to accomplish?

Since 1974, higher education policies in Virginia have focussed on three broad aims: to ensure the full and equal opportunity for access to higher education to every Virginia citizen; to
ensure the quality of that educational opportunity; and to keep the cost affordable. Those aims are still the guiding principles for the Council, affirmed most recently in our current strategic plan.

We need to review all policy proposals, including those for funding approaches, by asking whether these broad aims will be achieved.

- Second, there are several basic policy areas that ought to be addressed by our funding approach:
  - Does the approach provide an adequate base of funds for each institution?
  - Does the approach address enrollment levels in a manner that takes into account economies of scale? Does it address marginal costs in a sophisticated way? Most importantly, does the approach give institutions broad flexibility to allocate faculty and staff to meet essential program demand?
  - We need to come to terms with a reasonable way to proportion the cost of college education between tuition and taxpayer support.
  - We ought also to develop a policy framework for how financial aid fits into the equation.

As the Council proceeds in reviewing and developing proposals in this arena, we will welcome the advice of business and community leaders, in addition to seeking the involvement of the college presidents and financial officers. Throughout, we will be guided by the principles of quality, access, and affordability.

At the same time that we take steps to keep the cost of college within the reach of all of Virginia’s citizens, we should not lose sight of the fact that a number of Virginia’s colleges and universities are already rated as “best buys” by some of the rating services. For example, Virginia is the only state in the nation with five of the “Top 25” public colleges and universities ranked by Kiplinger’s Personal Finance Magazine as offering “best values in public higher education.” Those five institutions are the University of Virginia, the College of William and Mary, Virginia Tech, Mary Washington College, and James Madison University. Virginians can justifiably take pride in the fact that UVA and William and Mary, respectively, ranked second and third in the nation in Kiplinger’s rankings. The next closest states after Virginia in these rankings are Florida with three, and California, Georgia, Michigan, New Jersey, and New York, which each have two listed. Virginia institutions also fared well in another rating service’s accounting of value for cost. Money Magazine rated five Virginia institutions among its best buys: the College of William and Mary, James Madison University, Mary Washington College, UVA, and Washington and Lee. Only New York State had a greater number of institutions listed among Money’s top fifty. These ratings look at the combination of quality and cost. It is not enough to keep college affordable; we must also guarantee the quality of the education offered.

Before taking your questions, I want to mention one other parallel that comes to my mind when thinking about transportation, education, and economic development in combination. While our transportation and our education infrastructures are vital to the economic development of the Commonwealth, I hope we will remember that economic development is not the sole raison d’etre for either our system of “trains, planes, and automobiles” or our system of higher education. Virginia’s citizens use our highways, railways, airports, and rivers to take them where they want to go – whether their destination at any given moment is work, a sports event, the theatre, church, visiting family or friends, or enjoying our mountains, beaches, and other natural treasures.

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I want to remind you that, when we speak of leisure, we speak of the ways in which we seek to draw the greatest meaning from our humanity. Work has an end, a goal. Leisure is for itself. We work to earn leisure. Thus economic success and ready transportation are essential to flowering of our humanity: “life, liberty, and the pursuit of happiness.” But do not forget, that very word, “leisure,” only translates a good old-fashioned Greek word, schola. Yes, originally, the highest and best use of leisure was learning! We draw transportation, the economy, and education together, because we still support the same end long ago ancestors dreamed, the highest and best use of our humanity.

Virginia’s citizens use their college education to take them where they want to go. One destination that most college students seek through their education is to reach their career goals. As I mentioned earlier, a college education has becoming the entrée into more and more careers today.

But a college education can open the door to other, less tangible, but no less important vistas. Surely economic prosperity is but a means, not an end in itself, for us as individuals and as a society. Listen, for a moment, to these words from Billy Wireman, president of Queens College:

Two concepts are keys to the future of the human race: productive careers and noble lives. We must design academic programs and institutions, which unite the two powerful ideas and use them to transform our students’ lives. Either concept, alone, is an orphan. Together, they two can become a forceful theme for liberal education in the 21st century.

As the Commonwealth of Virginia advances toward its dream of making a top quality college education affordable and accessible for every one of our citizens, I invite us to imagine what the future of the human race might hold if built upon the foundation of productive careers and noble lives for all. My own dream envisions a very bright future for Virginia – one in which a still larger percentage of our citizens travel a highway of higher education toward their own dreams. Will you join me in that dream and help to make it a reality?