We live in a time of dramatic change in how we fund higher education. At many institutions, financial stress and continuous cost cutting has become a way of life. This funding path is not sustainable, particularly in light of national needs to increase educational attainment. Some of the academic programs most essential to helping students learn and to meeting our national educational goals have taken the worst beating from the funding crisis, even as the population of students coming to our institutions has become more diverse and in greater need of academic and student support services to be successful. Despite the best of intentions, future investments in the often time-intensive educational experiences that produce the greatest value are at risk, victim to the elimination of full-time faculty and reductions in program offerings. This publication focuses on ways to put resources—however scarce they may be—into high-impact educational practices and offers guiding questions to help institutions implement these practices in order to improve student success and learning outcomes.

As a nation, we do not have a strategy to address the disconnect between our professed goals for educational attainment and the way we finance our educational institutions. Some argue that the best solution lies in the use of technology to expand course availability and drive down the cost of production (Young 2012). Others, including economist Richard Vedder, argue that our goals for attainment are overblown, and that we are already sending too many students to college (Vedder 2012). And still others, such as the Association of American University Professors (AAUP) in its “Campaign for the Future of Higher Education,” argue that we need to be doing a better job of making the case for increased revenues on the grounds of social equity and as a necessary investment strategy for workforce development (AAUP 2011).

In this report, the authors take a position somewhere in the middle: we believe that our funding problem is caused both by inadequate revenues and insufficient attention to the way that money is spent within institutions. New revenues alone will not solve our student success problem. Educators have to spend the money they have in ways that better align with student success. Even without new money, each institution—including some of best funded and the most cash strapped—can do a better job of using resources to increase student success. Getting there will require campus and system leaders willing to change historic budget and funding practices and prepared to focus, and help their institutions focus, on student success and academic quality. We may not solve all of our financing problems with better attention to the connection between spending and student learning and attainment outcomes, but we’ll get a lot closer than we would without it.