# Center for Higher Education Strategic Information & Governance (HESIG)

## Policy Steering Council Supporting Material

## June 26-27, 2012

# Participant Biographies

**Peter Anthony Caporilli**
**Founder & CEO of Tidewater Workshop**

Peter Anthony Caporilli is Founder & CEO of Tidewater Workshop, the highest-grossing manufacturer and direct marketer of cedar lifestyle furnishings in the United States of America. Caporilli is a catalog marketing expert and internet marketing pioneer with over 25 years experience and leadership in direct response marketing, quantitative business analysis, lean manufacturing, and optimized production.

Caporilli received a B.S. in Mathematics from Stockton College in 1985 with a concentration in Physics and Chemistry, and holds an Honorary Doctor of Humane Letters degree from his alma mater.

Upon graduation, Caporilli was hired as a Marketing Analyst by Spencer Gifts, Inc. a $300 million marketer of novelty goods. He joined W. Atlee Burpee & Co. in Philadelphia in 1988 as Marketing Manager for the nation's largest seed catalog and retail merchant and moved to New York City in 1991 as Director, Corporate Marketing for Hanover Direct, the $1 billion direct marketing subsidiary of the Horn & Hardart conglomerate.

Tidewater Workshop, under Caporilli's leadership, transformed the marketplace for outdoor furnishings in the United States. Named as an *Inc. 500* List of the fastest-growing companies in America, Tidewater Workshop, the company, is or has also been a *Casual Living* Top 100 Retailer, *Business News New Jersey* 6$^{th}$ fastest-growing company.

In addition to his role as CEO of Tidewater Workshop, Caporilli has also lent his business acumen to numerous corporate and non-profit advisory and trustee boards including those of Boardwalk Bank, the Direct Marketing Association direct*voice, Atlanticare, The New Jersey Association of State Colleges and Universities, The LPGA ShopRite Classic, The Richard Stockton College of New Jersey Foundation, The Noyes Museum of Art and others.

**Henry A. Coleman**
**Professor of Public Policy**
**Rutgers University**

Dr. Coleman is a graduate of Morehouse College, with a B.A. in Economics; and Princeton University, with a Ph.D. in Economics.

He previously served as a full-time faculty member at Tufts University, and he has held adjunct faculty positions at the American University, the University of Maryland, George Mason University, and Rutgers University. For almost 13 years, Coleman served as the director of the Center for Government Services, then a component of the Edward J. Bloustein School of Planning and Public Policy at Rutgers, the State University of New Jersey. He is currently a professor of public policy in the Bloustein School's Public Policy Program.

Coleman was in the Office of Policy Development and Research at the U.S. Department of Housing and Urban Development (HUD). He also served as a senior economist in the Office of the Chief Economist at the U.S. General Accounting Office (GAO) as the director of Government Finance Research at the U.S. Advisory Commission on Intergovernmental Relations (ACIR).

Coleman served as the executive director of the New Jersey State and Local Expenditure and Revenue Policy (SLERP) Commission and as the assistant director of operations and research at the Office of State Planning, and as senior policy advisor in Governor Florio's Office of Management and Policy.

Dr. Coleman serves on many policy boards including: the New Jersey Public Policy Research Institute and as Vice Chair of New Jersey City University.

**Jan Colijn**
**Dean of General Studies**
**The Richard Stockton College of New Jersey**

Dean Jan Colijn joined the College in 1974 as a visiting instructor in political science. When deans were replaced by elected chairs in 1982 he was elected as the first chair of Social and Behavioral Sciences. In 1985 he was Visiting Fellow in the departments of politics and international relations at the University of Warwick, UK, and when the decanal structure returned to the College he became Dean of General Studies in 1988. His scholarly work during the past several decades has focused on the Holocaust and genocide generally. He has published eight books and more than forty articles. Dean Colijn has a kandidaat, social sciences, with distinctions from the Universiteit van Amsterdam and holds a M.A. and Ph.D from Temple University.

**Daniel J. Douglas**
**Director, William J. Hughes Center for Public Policy**
**The Richard Stockton College of New Jersey**

Daniel J. Douglas serves as Director of the William J. Hughes Center for Public Policy, having previously served as the Director of Communications for Stockton College.

Prior to joining Stockton, Dan served as Public Information Officer for the Casino Reinvestment Development Authority in Atlantic City. Previously, Dan worked at three institutions of higher education including Rutgers University (New Brunswick and Camden campuses), Seton Hall University and Eastern Michigan University. Dan also was vice president of an e-learning company that provided custom course development and project management services to universities and corporations.

Dan served as the Assistant Commissioner of Personnel for the State of New Jersey, responsible for Communications, Public and Government Affairs, Workforce Policy and Planning, and the Human Resource Training and Development Institute. The Institute had 225 employees in 38 locations and provided training to over 75,000 state employees. He also served as Policy Advisor to the Governor of New Jersey, James J. Florio, and has held staff positions in the New Jersey Legislature, a public interest association and a public opinion research firm. As the Governor's representative, he led the State Planning Commission to the completion of the first State Development and Redevelopment Plan.

Dan earned a Bachelor of Arts in Political Science and a Master of Arts from Rutgers University, where he was a Fellow at the Eagleton Institute of Politics.

**Stanley Ellis**
**Chairman of the Board of Trustees**
**The Richard Stockton College of New Jersey**

Mr. Stan Ellis has been a Board of Trustees member at The Richard Stockton College of New Jersey since 2004. He currently serves as the Chair of the Board, and the Executive Committee.

Mr. Ellis is the Vice President and Director of Strategy for the Burlington County Times. He previously held the position of Publisher for the Burlington County Times, and several management positions within Calkins Media, Inc., the parent corporation of the BCT.

Stan is a graduate of Penn State University, with a B.S. in Marketing and earned his M.B.A. from the University of Pennsylvania Wharton School.

He is currently serving as Secretary and Treasurer of Family Service of Burlington County as well as chairing their Finance Committee. He is serving on the Conceptual Planning Committee of the Family Y of Burlington County, and chairs their Public Policy Committee. He has recently been elected to the Board of Directors of St. Mary's Hall/Doane Academy in Burlington City. Additionally, he serves on the board of the Burlington County College Foundation and was 1993 United Way General Campaign Chair, having previously served on the United Way Board of Directors and Executive Committee.

Stan has been a member of the New Jersey Press Association Board of Directors since 1993 and is a past president of NJPA.

In 1993, The Burlington County Chamber of Commerce presented Stan with its prestigious "Voice of Business" award. In addition, in 1995, the United Way of Burlington County awarded Stan "Volunteer of the Year".

**Michael L. Frank**
**Professor of Psychology**
**The Richard Stockton College of New Jersey**

Dr. Frank is Professor of Psychology at Richard Stockton College, and has served on the faculty since 1977. Beyond teaching and scholarship, he has provided significant organizational leadership, serving as President, Stockton Federation of Teachers (2004-2008), and currently as President of the Faculty Senate.

Professor Frank has served on numerous college committees and local and statewide boards and commissions, including the New Jersey Council on Compulsive Gambling. He has provided technical and consulting advice to the State of New Jersey and private business, including the Department of Higher Education, the Freeholders of Atlantic County, the MGM-Mirage Casino and the Showboat Hotel and Casino.

Michael has served as a project and research director for numerous public, private, and nonprofit organizations concerning statistical trend analysis, scientific survey research and market research.

Dr. Frank earned his Ph.D. and B.A. at SUNY, Albany. Beyond his teaching and service at Stockton, he taught and led research projects in New York State, and has published and lectured broadly on the causes and effects of abusive and addictive behavior.

**Thomasa González**
**Vice President for Student Affairs**
**The Richard Stockton College of New Jersey**

Dr. Thomasa González is a social worker and educator. She currently serves as the Vice President for Student Affairs at The Richard Stockton College of New Jersey. She has worked at Stockton since 1986, holding the titles of Director of Counseling and Health Services, Associate Dean of Students, and Dean of Students.

Dr. González received her Bachelor of Social Work (B.S.W.) from Kean University, a Master of Social Work (M.S.W.) from the Graduate School of Social Work at Rutgers University, and a Ph.D. in Social Work from the Union University Graduate School of Interdisciplinary Science. She is an alumna of the Hispanic Women Leadership Institute and the Higher Education Resource Services Summer Institute at Bryn Mawr (HERS), and has received several awards and recognition for her community service and for her dedicated work with students in colleges and universities.

**Lou Greenwald**
**Assemblyman**
**New Jersey's 6th Legislative District**

Assemblyman Lou Greenwald has represented New Jersey's 6th Legislative District since 1996. He currently serves the Assembly Majority Leader, and has served as Chairman of the Budget Committee.

Majority Leader Greenwald has also been recognized as a leading advocate for the developmentally disabled, preserving funding and pushing for better care for one of New Jersey's most vulnerable populations. He has been a leader on legislation to protect children and a staunch public advocate for special needs populations. He was the architect of 2003 legislation to increase competition in New Jersey's, then, broken auto insurance market.

Majority Greenwald has been widely honored and recognized for his legislative leadership and dedication to public service. He has received the Legislator of the Year award from the Southern New Jersey Chamber of Commerce, the New Jersey Elected Official of the Year award from the Delaware Valley Regional Planning Consortium, and the Standing Ovation Award from the South Jersey Cultural Alliance. He has also been honored by the American Diabetes Foundation and the Epilepsy Foundation for his leadership. He has been recognized by the Southern New Jersey Jaycees as one of the Outstanding Young People in New Jersey, by the Cherry Hill Sons of Italy as their Person of the Year, and he received the first ever Governmental Leadership Award from the Advocates for New Jersey History.

In addition to being a member of the legislature, Majority Leader Greenwald continues to serve his community as a member of the South Jersey Chamber of Commerce and the Camden County Bar Association. He is also an active participant in the CEO/Executive Advisory Board for the Southern New Jersey Boy Scouts.

He graduated from Moravian College in 1989 with a bachelor's degree in political science and went on to earn a law degree from Seton Hall University School of Law in 1992. Later that year, he was admitted to the bar in New Jersey and Pennsylvania. He works as an attorney in Voorhees.

**Darryl G. Greer**
**Senior Fellow**
**The William J. Hughes Center for Public Policy**

Darryl joined Richard Stockton College in January 2012 as a Senior Fellow, Higher Education Strategic Information and Governance (HESIG); and is affiliated with the William J. Hughes Center for Public Policy.

Dr. Greer served as founding CEO of the New Jersey Association of State Colleges and Universities, Inc. (NJASCU) from 1986 until December 2011, advocating the collective interests of New Jersey's state colleges and universities.

Dr. Greer served as Director of Government Relations, The College Board, Washington, D.C. from 1981-1986, and as Policy Planning Officer from 1979-1981 in the office of the president of The College Board, New York City, New York.

He worked in Ohio state government as Assistant to the Chancellor of the Ohio Board of Regents (1976-1979), and as Legislative Research Associate, the Ohio Legislative Service Commission (1975-1976), the principal research arm of the Ohio General Assembly.

He has served on several public policy projects, such as the Higher Education Research Project funded by The Pew Charitable Trusts, the National Commission on Responsibilities for Financing Postsecondary Education, and the National Center for Public Policy and Higher Education, and has published on higher education opportunity, finance and governance.

Dr. Greer earned his M.A. (1972) and Ph.D. (1979) in political science at Stanford University. His B.A. degree in political science was earned at Indiana University in 1970. He was awarded an Honorary Doctor of Humane Letters by Richard Stockton College of New Jersey in May 2000; and an Honorary Doctor of Laws in 1999 by William Paterson University.

**Brad Hartman**
**Economics Major**
**The Richard Stockton College of New Jersey**

Brad Hartman is a senior economics major at the Richard Stockton College. He is a member of Stockton's Honors Program and has maintained a 4.0 grade point average. Brad has a strong academic and research focus. The last two semesters he has written numerous econometric research papers on topics such as the effects of income inequality in the United States and investigating the impact of Federal Reserve policy on the business cycle.

Brad has been a highly involved individual throughout his college career. For his freshman and sophomore years he was a student worker in the Provost's Office and for the last two years he has held the position of Resident Assistant. This upcoming semester Brad will be serving as the President of the Economics Society and will be continuing to tutor economics in Stockton's Math and Writing Center.

Brad's experience extends beyond his college activities. During the summer of 2011 Brad interned as a financial representative for Northwestern Mutual. He is currently continuing his practice as an independent broker of financial services during his spare time.

**Rochelle Robinson Hendricks**
**Secretary of Education**
**State of New Jersey**

Rochelle R. Hendricks was named the first Secretary of Higher Education for the State of New Jersey in May 2011. As Secretary she is responsible for policy and program development to enhance the capacity and competitiveness of New Jersey's higher education institutions. Since starting the position, Secretary Hendricks has engaged the agency in the national higher education reform agenda while focusing on advancing the blueprint for reforming higher education recommended by the Governor's Higher Education Task Force chaired by Governor Kean, as well as the report issued by the UMDNJ Task Force chaired by Dr. Sol Barer.

She recently served as Acting Commissioner of the Department of Education; provided critical leadership during the search for a new State Superintendent of Newark Public Schools; and was instrumental in helping the Governor's education reform plans, including the creation and appointment of the Educator Effectiveness Task Force.

She joined the Department of Education in 1987, and has previously served in various capacities within the department, including Acting Deputy Commissioner and Assistant Commissioner.

Prior to joining the Department of Education, she worked for over 15 years at Princeton University in numerous capacities, including Assistant Dean of Students, Director of the Educational Opportunities Program and Interim Director of the Women's Program.

Secretary Hendricks graduated from Temple University, garnering the Emma Jean Johnson Scholarship for "outstanding potential in the field of education" and Princeton Theological Seminary with the Edler Hawkins Prize for Academic Excellence. She is also an alumna of Princeton University's Graduate Teacher Program and Bryn Mawr University's Institute for Women in Higher Education. Centenary College awarded her an Honorary Doctor of Humane Letters in January 2012.

**David Hespe**
**Chief of Staff**
**New Jersey Department of Education**

Dave Hespe is currently serving as the Chief of Staff for the New Jersey Department of Education. He serves on the Governor's Education Transformation Task Force. He also serves on the College and Career Readiness Task Force, comprised of K-12 and higher education practitioners, and business community representatives.

Hespe is formerly the Co-Executive Director/Vice President for STEM Education at Liberty Science Center. He was the Interim Superintendent for the Willingboro School District having previously served as Assistant Superintendent. He was a faculty member in the Educational Leadership Department of Rowan University and served five years as department chair prior to becoming a school administrator.

Hespe also served as Commissioner of Education for the State of New Jersey from 1999 through 2001. Prior to that, he was the First Assistant Attorney General for the State of New Jersey. Hespe began his service in the Executive Branch of State Government as Assistant Counsel for Education and Higher Education to Governor Whitman.

Hespe also served in the Legislative Branch as Associate Counsel in the Education Section of the Office of Legislative Services where he was the Committee Aid to the Assembly Education and Higher Education Committee. Hespe received both a Juris Doctor and a Bachelor of Arts degree from Rutgers University.

**Daniel J. Hurley**
**Director, State Relations and Policy Analysis**
**American Association of State Colleges and Universities (AASCU)**

On behalf of the 400 U.S. public college and university presidents, chancellors and system heads that comprise the AASCU membership, Daniel Hurley provides analysis and commentary on a broad range of public policy issues affecting higher education at the campus, system, state and national level. His expertise includes issues related to higher education finance, student success, state relations and institutional best practices. Prior to joining AASCU in 2007, Hurley served as the director of university relations and administrative services for the Presidents Council, State Universities of Michigan. He has received degrees, associates through doctorate, in public administration, education, public relations and liberal arts, respectively.

**Dennis P. Jones**
**President**
**National Center for Higher Education Management Systems (NCHEMS)**

Mr. Jones has more than 40 years of experience in research, development, technical assistance, and administration in the field of higher education management and policy-making. A member of the NCHEMS staff since 1969, he assumed increasing levels of responsibility within that organization, becoming president in 1986. Under his leadership, and in collaboration with an extraordinarily talented staff, NCHEMS has achieved a position of preeminence as a leader in the development and promulgation of information-based approaches to policy-making in higher education.

Mr. Jones is widely recognized for his work in such areas as:

- Developing “public agendas” to guide state higher education policy-making.
- Financing, budgeting, and resource allocation methodologies for use at both state and institutional levels.
- Linking higher education with states’ workforce and economic development needs.
- Developing and using information to inform policy-making.

Dennis has written many monographs and articles on these topics, has presented his work at many regional, national, and international conferences, and has consulted with hundreds of institutions and state higher education agencies on management issues of all kinds.

Mr. Jones is a graduate of Rensselaer Polytechnic Institute and served as an administrator (in business and institutional planning) there for eight years prior to his joining the NCHEMS staff. He has served as an advisor to the U.S. Secretary of Education, the Lumina Foundation for Education, the National Center for Public Policy and Higher Education and to numerous other associations, policy organizations, and state agencies.

**Cheryl Kaus**
**Dean of Social and Behavioral Sciences**
**The Richard Stockton College of New Jersey**

Dr. Cheryl Kaus has been the Dean of the School of Social and Behavioral Sciences at The Richard Stockton College of New Jersey since 2004. She oversees programs in Criminal Justice, Economics, Political Science, Psychology, Social Work, Sociology/Anthropology, Gerontology, and Behavioral Neuroscience. Previously, Dr. Kaus was at SUNY Oswego as Chairperson of the Psychology Department, Director of the Human Development Program, and as the President's first Faculty Fellow. As Faculty Fellow, she was the President's liaison between faculty and administration. It was this position that advanced her interest in college administration and brought her to Stockton.

Dr. Kaus received her Ph.D. in Human Development and Family Studies from The Pennsylvania State University. Her B.A and M.A. degrees are in Psychology. She has taught courses in Adult Development and Aging, Lifespan Development, and Program Planning and Evaluation. Her research interests have been in successful aging, personality, and coping.

**Claudine Keenan**
**Dean of Education**
**The Richard Stockton College of New Jersey**

Dr. Claudine Keenan is the Dean of Education at Stockton, having served as Chief Planning Officer at the College since 2010. She previously held the position of Assistant to the Provost at Stockton, since 2006.

During her academic career prior to Stockton, Dr. Keenan served as Senior Consultant for SunGard Higher Education, Director of Graduate Programs for Marlboro College, and a faculty member at Penn State University, where she administered a K-12 teachers-teaching-teachers National Writing Project site.

She earned her doctoral degree in Higher Education Leadership from the University of Massachusetts, Amherst; her master's degree in Rhetoric and Composition from the California State University, Northridge; and her bachelor's degree in English and Secondary Education from Adelphi University, NY.

**Harvey Kesselman**
**Provost and Executive Vice President**
**The Richard Stockton College of New Jersey**

During his thirty year career at Stockton, Dr. Kesselman has held several leadership roles, including Dean of Education, Interim Vice President for Administration and Finance, Vice President for Student Affairs, Director of Institutional Research and Planning, and Director of Educational Opportunity Fund Program.

Dr. Kesselman has served on numerous national and state boards and organizations and is the senior public college representative to the New Jersey Higher Education Assistance Authority (HESAA) and serves on its Executive Committee. The Authority is responsible for overseeing New Jersey's $1 billion financial assistance program.

Harvey has been appointed by four different New Jersey governors to represent all of the senior public colleges and universities on several issues including accountability and outcomes, campus judicial affairs, student financial aid, and the infusion of technology into the curriculum of educational institutions.

Dr. Kesselman founded and chairs the Southern Regional Institute and ETTC Consortium. The consortium includes more than 24,000 educators from 90 school districts, and provides technology training and other forms of professional development to K-12 educators throughout central and southern New Jersey.

Dr. Kesselman holds an Ed.D. in Higher Education Administration and an M.A. in Student Personnel Services/Counseling. He holds a Leadership in Education certificate from Harvard University's Institute for Management and Leadership. He was a member of the first graduating class from Stockton, receiving a bachelor's in 1979.

**Philip Kirschner**
**President**
**New Jersey Business and Industry Association**

Philip Kirschner is president of the Trenton-based New Jersey Business & Industry Association. With 22,000 member companies, NJBIA is the nation's largest state-level employer association.

NJBIA is the leading voice for business in the state, representing the business community before the state Legislature and state agencies.

Phil Kirschner joined NJBIA in 1990, directing its Government Affairs department from 1995 to 2003. He was promoted to executive vice president in 2001, taking on the added responsibility of the Association's day-to-day administration. He became president in April 2003.

Before joining NJBIA, Kirschner was director of government affairs with the New Jersey School Boards Association, and prior to that he served as executive director of the New Jersey State Bar Association.

Mr. Kirschner currently serves on the board of the NJ commission on Holocaust Education, the NJ Minimum Wage Advisory Commission and Junior Achievement of NJ.

Phil is an honors graduate of Rutgers-Camden Law School and American University. He is a member of both the New Jersey and Pennsylvania Bars.

**Michael W. Klein**
**Executive Director**
**New Jersey Association of State Colleges and Universities (NJASCU)**

Michael W. Klein became CEO of the New Jersey Association of State Colleges and Universities (NJASCU) in January 2012, after serving the association more than 13 years as director of governmental and legal affairs.

Michael has published articles on intellectual property ownership, college finance, collective bargaining, and the First Amendment, and has made numerous national and international presentations on lay and higher education.

He was a 2003 fellow of the Higher Education Law Roundtable at the Institute for Higher Education Law & Governance, University of Houston Law Center, and a 2010-2011 Associate of the National Center for Public Policy and Higher Education. He was a fellow of Leadership New Jersey in 2002. Michael is a member of the Policies and Purposes Committee and the Council of State Representatives for the American Association of State Colleges and Universities (AASCU). Michael formerly served on the national Higher Education Government Relations Task Force.

Before joining NJASCU, Michael served for five years in former Governor Christine Todd Whitman's administration as Assistant Counsel to the Governor, Deputy Director of Legislative Affairs for the Department of the Treasury, and Special Assistant to the Commissioner of Community Affairs. Michael has also served as legislative director to then-Assemblyman Leonard Lance, now a member of Congress, and as an associate at Pitney Hardin Kipp & Szuch.

Michael received a BA in history *cum laude* from Princeton University, a J.D. from Boston College Law School, and a Ph.D. in Higher and Postsecondary Education from New York University.

**Kurt Landgraf**
**President & CEO**
**Educational Testing Service**

Kurt M. Landgraf joined ETS as President and Chief Executive Officer on Aug. 7, 2000. Since then, he has overseen ETS's entrance into the K–12 market, expanded its global business, broadened its education research activities, and nurtured its social mission through collaborations with groups serving underrepresented students.

Landgraf began his career at ETS more than 30 years ago, when he served as Associate Director of Marketing. Before returning to ETS in 2000, he held leadership positions at DuPont, including Chief Operating Officer, Chief Financial Officer and Chairman and Chief Executive Officer of the DuPont Pharmaceutical Company, and at the Upjohn Company.

Besides expanding ETS's business and research activities, Landgraf has led the company's efforts to help close the academic achievement gap between affluent and disadvantaged students.

Landgraf serves on the boards of the Louisiana-Pacific Corporation, Corning Incorporated and the Institute for Student Achievement. He has chaired the National Pharmaceutical Council, United Way of Delaware and Delaware CarePlan and has served as President of the National Consortium for Graduate Degrees for Minorities in Engineering and Science, Inc.

Landgraf earned his bachelor's degree in economics and business administration from Wagner College. He also holds three master's degrees: an M.Ed. from Rutgers University, an M.A. in economics from Pennsylvania State University, and an M.S. in sociology from Western Michigan University.

**Lewis A. Leitner**
**Dean of Graduate and Continuing Studies**
**The Richard Stockton College of New Jersey**

Over the past 40 years, Dr. Lewis A. Leitner has served as a Professor of Psychology, a Professor of Management, the Executive Director of Continuing Studies and as Dean of Social and Behavioral Sciences at The Richard Stockton College of New Jersey. He is currently the Dean of Graduate and Continuing Studies.

Dr. Leitner completed his undergraduate education at Lehigh University and received his master's and doctoral degree from the State University of New York at Buffalo. His college courses and research have focused on leadership, organizational excellence, stress, customer service, entrepreneurship, total quality management, rethinking the future and strategic planning.

Dr. Leitner has extensive experience as a human resources trainer and organizational consultant. He has served as project director for several extensive visitor profile surveys for New Jersey shore communities and has designed and conducted comprehensive customer service and leadership development programs at several Atlantic City casino hotels.

Dean Leitner has served as a keynote speaker at many conferences and organizational retreats and has published dozens of articles in a variety of journals, as well as papers.

**Lawrence A. Nespoli**
**President**
**New Jersey Council of County Colleges**

Dr. Lawrence A. Nespoli is President of the New Jersey Council of County Colleges, the statewide coordinating and advocacy organization for New Jersey's community colleges. He also teaches in Rowan University's Doctorate Program in Community College Leadership. Nespoli previously served in a number of campus and state-level positions in Maryland and Pennsylvania. He has published extensively in the area of college finance and legislative trends, serves as a board member for several national community college organizations including the College Board's Community College Advisory Panel, and is a frequent presenter at national, regional, and state conferences. He holds a bachelor's degree from Bucknell University, a master's degree from Catholic University, and a doctorate from Penn State.

**Richard Novak**
**Senior Vice President**
**Association of Governing Boards of Universities and Colleges (AGB)**

Richard Novak is Senior Vice President for Programs and Research, and Executive Director of the Richard T. Ingram Center for Public Higher Education Trusteeship and Governance at the Washington, DC – based Association of Governing Boards of Universities and Colleges (AGB).

As senior vice president, he is a member of the association's leadership team – overseeing a division that provides consulting services; national, invitational and regional programming; and research and policy analysis. While at AGB, Novak has directed special initiatives on board and presidential leadership; led a multi-state study on the effectiveness of public college and university governing boards; facilitated policy discussions with boards and state policy leaders; and directed or co-directed studies in several states, including Alabama, Maryland, South Carolina, Louisiana, Mississippi, and New Jersey.

Prior to joining AGB, he was on the staff of the American Association of State Colleges and Universities for 13 years. Internationally, he has co-directed a project on governance for the Ministry of Higher Education in Egypt funded by UNESCO, consulted with the Ireland Higher Education Authority, and worked extensively in the Republic of the Marshall Islands.

**David Payne**
**Vice President & COO**
**Higher Education Division**
**Educational Testing Service**

As Vice President & COO for the Higher Education Division, David Payne heads the *GRE*® program, as well as higher education outcomes assessments such as the *Major Field Tests* and the *iSkills*® assessment.

Payne's efforts to assist low income, first-generation and underrepresented minority students interested in graduate education earned him the Distinguished Service Award in 2005 from the Council for Opportunity in Education/Council of Graduate Schools Joint McNair Committee.

Prior to his current role, Payne served as Associate Vice President for the College and Graduate Programs in the Higher Education & School Assessments Division. Prior to joining ETS in 2003, Payne was Vice Provost and Dean of the Graduate School at SUNY Binghamton. During his tenure at Binghamton, he also served as Director of Distance Education and was a tenured professor in the department of psychology. Payne holds bachelor's and master's degrees in experimental psychology from SUNY Cortland and a Ph.D. in cognitive psychology from Purdue University. Payne has published five books, nine book chapters and more than 100 articles, technical reports and papers.

**Jon M. Regis**
**President & CEO, Reliance Medical Group**

Jon M. Regis, M.D. received his bachelor and medical degrees from the University of North Carolina, and completed his residency at Hahnemann Hospital and Medical Center in Philadelphia, Pennsylvania. He began a professional career with Cooper University Medical Center in Camden, New Jersey, and Episcopal Hospital in Philadelphia, Pennsylvania, respectively. His keen sense of business application enabled him to assume the role of Ob/Gyn Medical Director at Episcopal Hospital, while subsequently acquiring the role of Medical Director at Vanguard Medical Associates.

Dedicated to the principle that *"Access To Quality Healthcare Is a Right, Not A Privilege,"* Dr. Regis developed a vision in 1985 to ensure that high-quality, cost-effective, comprehensive medical services were provided to all patients, particularly those residing in primarily urban populations, and regardless of their ability to pay.

As a result of his dedication to service, as well as his careful evaluation of the needs of the communities, Dr. Regis developed RELIANCE MEDICAL GROUP ("Reliance"), a progressive, multi-specialty primary-care medical practice composed of a diverse, qualified team of medical professionals (i.e., physicians, mid-level providers and support staff) that, over the past two decades, have been committed to rendering a complete menu of services (i.e., Ob/Gyn, Pediatric, Family Medicine and Internal Medicine) to patients at several clinical facilities owned and/or operated by Reliance in various counties throughout New Jersey (i.e., Atlantic, Camden and Mercer).

Given Dr. Regis' leadership in providing healthcare services to varied populations and supporting local communities, he produced a worldwide division, known as RELIANCE INTERNATIONAL, which has provided over $30 million in medical supplies, assistance, and training to several countries outside of the United States. In such regard, Dr. Regis has been invited into many West African nations to assist those governments with revitalizing and/or establishing their respective healthcare delivery systems.

**Herman Saatkamp**
**President**
**The Richard Stockton College of New Jersey**

Dr. Herman Saatkamp became the fourth President of The Richard Stockton College of New Jersey in 2003. He is currently a Senior Fellow at the University of Pennsylvania's Center for Bioethics and an advisor and member of the Board of Directors, Center for Dewey Studies, Fudan University, Shanghai, China.

He earned a Ph.D. and M.A. from Vanderbilt University, a M.Div. from Southern Theological Seminary, and a B.A. from Carson-Newman College. The Aspen Institute and Harvard University are among many institutions where he has completed advanced educational programs.

Before coming to Stockton, Dr. Saatkamp was Dean of the Indiana University School of Liberal Arts in Indianapolis and held faculty appointments in Philosophy, Philanthropic Studies, American Studies, and in Medical and Molecular Genetics in the IU School of Medicine. At Texas A&M University, he was the Head of the Department of Philosophy and Humanities, the Department of Humanities in Medicine at Texas A&M College of Medicine, and Professor of Pediatrics at Scott and White Memorial Hospital. Dr. Saatkamp has published and edited 48 books and 45 articles. He has established MOUs with more than 80 international universities.

**Sharon E. Schulman**
**Special Assistant to the President for External Affairs**
**The Richard Stockton College of New Jersey**

Sharon E. Schulman is the Special Assistant to the President for External Affairs and at The Richard Stockton College of New Jersey. During her tenure at Stockton she has held the positions of Executive Director of the William J. Hughes Center for Public Policy, and Interim Chief Development Officer and Executive Director of the Stockton Foundation. Her external affairs portfolio includes marketing, public relations, publications, web and social media communications, creative services, government relations, and the Hughes Center.

Ms. Schulman has a strong background and vast experience in public relations, communications management, and regulatory and governmental affairs. Representative of this expertise were her positions as Chief of Staff and Chief Executive Officer at the NJ Board of Regulatory Commissioners and as Executive Director of the 1st legislative district offices for NJ Assemblyman Edward H. Salmon.

Prior to joining Stockton, Ms. Schulman was President and CEO of Aqua New Jersey, Inc., a State-regulated water and wastewater provider. She served as Manager, Public & Regulatory Planning, and Manager, External Affairs for Atlantic Electric in Pleasantville, New Jersey, where she was responsible for short and long range strategic and corporate community, governmental and regulatory planning. She was founder and principal of Spe-Schul Communications of Vineland, New Jersey, a public relations, government affairs and advertising firm specializing in service industries and political campaigns, and served as Executive Director for the Bridgeton-Cumberland Tourist Association.

Sharon holds a B.S. in Biomedical Communications, an M.A. in Communications, and an M.B.A./Marketing.

**Alex Vervoort**
**Chair of Student Welfare 2011-2012**
**President-Elect for Student Senate 2012-2013**
**The Richard Stockton College of New Jersey**

Alex Vervoort has been a member of the Student Senate at The Richard Stockton College of New Jersey since 2010. He currently serves as the Chair of Student Welfare on the 2011-2012 Senate and has been named President-Elect on the 2012-2013 Senate.

Alex serves as the voting student representative on the 2020 Strategic Planning Committee and on the Provost's Essential Learning Outcomes committee.

He is also a member of numerous clubs and organizations on campus.

Alex is a resident of Eatontown, NJ and is a marketing major at Stockton. After graduation in the Spring of 2013, he plans on obtaining his MBA.

**John Walda**
**President & CEO, National Association of College and University Business Officers (NACUBO)**

John Walda is the President and CEO of the National Association of College and University Business Officers (NACUBO) in Washington, D.C. John's career has been in both public policy and law. He received his B.A. degree and J.D. from Indiana University.

He was president of the Indiana University Board of Trustees for eight years, Chairman of the Association of Governing Boards, Chairman of the Board of Clarian Health Partners in Indianapolis which owns and operates the Indiana University hospitals, and Chairman of the Indiana Lottery Commission.

Before coming to NACUBO, John was a partner in the Litigation Group of Bose McKinney & Evans, representing clients in Indianapolis and Washington, D.C., and Senior Vice President – Federal Relations for BoseTreacy Associates LLC.

He was elected a Fellow in the American College of Trial Lawyers. John has been the Chairman of the Washington Higher Education Secretariat (2009-2011) and a Director of the American Council on Education (2008-2011). He is a Trustee for Carroll College, a Trustee for Stetson University, a Director of the Indiana University Foundation, and a Director of the Yellowstone Park Foundation.

**Steven D. Weinstein**
**Florio Perrucci, Steinhardt & Fader**

Mr. Weinstein has an extensive background in higher education, having served as the Chair of the New Jersey Commission on Higher Education; Chair of the Rowan College (now University) Board of Trustees; a Member of the Development Board of the former Glassboro State College; Member on the New Jersey State College Governing Boards Association, the American Council of Trustees & Alumni, as well as Chair of the Southern New Jersey Chapter of the American Associates of Ben Gourion University in Israel.

He has also served as counsel to Rowan University, Richard Stockton College of New Jersey and The College of New Jersey, and currently serves as special counsel to Rowan University on the prospective merger with Rutgers-Camden.

Mr. Weinstein also serves as President of the Haddonfield Board of Education, whose school district is regularly recognized as one of the top districts in New Jersey, and whose high school is currently ranked 125$^{th}$ in the country by Newsweek Magazine. He maintains a busy law practice with the firm of Florio Perrucci Steinhardt & Fader with a practice focused on development transactions, as well as litigation and state and local government law.

In addition, he serves as Vice President of his local United Way, as Vice President of New Jersey Future, a statewide group of developers, environmentalists, and planners concerned with “smart growth,” and as a board member of the New Jersey Alliance for Action.

**Dennis Weiss**
**Dean of Natural Sciences and Mathematics**
**The Richard Stockton College of New Jersey**

Dr. Dennis Weiss is currently the Dean of Stockton College’s School of Natural Sciences and Mathematics, a position he has held since July 2001. He was at the City College of New York for over thirty years prior to coming to Stockton, where he was a faculty member and served as its Dean of Science from 1992 to 2001.

Dr. Weiss is a geologist by training and practice, and studied sea level change, and its impacts on human history and development, especially in the New York metropolitan area. This work enhanced his interest in the Earth’s environment and the sustainability of its natural resources. It was these factors which drew him to Stockton because of its strong academic programs in Environmental Sciences and Marine Science. At Stockton, working closely with his faculty, Dean Weiss played an instrumental role in the developed of the College’s Professional Science Master’s in Environmental Sciences, and the recently approved Bachelor of Science/Bachelor of Arts in Sustainability.

**Jane Wellman**
**Executive Director, National Association of System Heads (NASH)**
**Founding Director, Delta Project on Postsecondary Costs, Productivity and Accountability**

Jane Wellman is the Executive Director of the National Association of System Heads, a membership organization of the CEOs of public multi-campus college and university systems in the United States. NASH's mission is to improve the functionality of public systems to best meet future needs for higher education. Wellman is also the founding director of the Delta Project on Postsecondary Costs, Productivity and Accountability, an independent research and policy organization located in Washington, DC.

Wellman is widely recognized for her work in public policy and higher education, at both the state and federal levels, with particular expertise in state fiscal policy, cost analysis, and strategic planning. In addition to research and writing, she consults with national and international organizations, and is a frequent speaker on the topic of college finances. She began her career in higher education finance at the University of California system, served as the staff director of the California Ways and Means Committee, was Deputy Director of the California Postsecondary Education Commission, and Vice President of Government Relations with the National Association of Independent Colleges and Universities. She received bachelors' and masters' degrees from the University of California at Berkeley.

**Corrine Wilsey**
**Student in the Masters of Arts in Criminal Justice Program**
**Forensic Psychology Concentration**
**The Richard Stockton College of New Jersey**

Corrine Wilsey is pursuing her master's in criminal justice with a concentration in forensic psychology at The Richard Stockton College of New Jersey, where she earned a B.S. in psychology, a B.A. in criminal justice and a minor in chemistry in 2010. She is a member of the national psychology honors society Psi Chi and the MACJ club. Corrine has served four graduate assistantships, and has been an intern, a teaching assistant, and a Presidential Scholar. She is employed full-time by the college in the William J. Hughes Center for Public Policy, where she is assistant to Director Daniel Douglas as well as Senior Fellow Dr. Darryl Greer.

**John B. Wilson**
**President & CEO**
**Association of Independent Colleges and Universities**

John B. Wilson is the president and chief executive officer of the Association of Independent Colleges and Universities in New Jersey, and the Independent College Fund of New Jersey. The Association is the trade association for New Jersey's fourteen independent colleges and universities, and the Fund is the corporate fund raising consortium for those institutions.

Prior to his current assignment, Wilson served in various administrative positions at Saint Peter's College and Seton Hall University in external affairs and intercollegiate athletics including nine years as the director of athletics at Saint Peter's. He is one of the founders of the Metro Atlantic Athletic Conference.

Wilson attended the U.S. Coast Guard Academy, received his B.S. degree in economics from Saint Peter's College and an M.B.A. from Rutgers Graduate School of Management. He earned a J.D. from Seton Hall University School of Law where he was editor of the *Journal of Sport Law,* and was admitted to the New Jersey Bar upon graduation.

**David Wolfe**
**Assemblyman**
**New Jersey's 10th Legislative District**

Assemblyman David W. Wolfe graduated from Westminster College in Pennsylvania with a B.A. in History in 1964 and went on to receive his Masters of Education and Guidance from the University of Delaware in 1967. Assemblyman Wolfe moved to New Jersey in 1969 and started his career at Ocean County College in Toms River as Professor of Psychology.

Assemblyman Wolfe was elected as Councilman for Brick Township from 1975 to 1991 and served as Council President from 1980-81 and 1987-88. In 1991, he was elected as New Jersey Assemblyman for the 10th Legislative district and has been representing the district for over 17 years.

He has served as Chairman for the Education Committee and Vice Chairman for the Joint Legislative Committee on the Public Schools. He also serves on the Joint Legislative Committee on Public School Funding Reform. Aside from education, he is also assigned to the Telecommunications and Utilities Committee. He worked closely with the Governor's (Whitman's) Advisory Panel on Higher Education Restructuring in 1994.

During his time in office Assemblyman Wolfe has been recognized by many organizations and schools, and has been honored by the NARFE, ASAH, COSAC, the Ocean County Council Boy Scouts of America, and the Ocean County Bar Association. In 1995, he received the Brick Township Republican of the Year Award. He has been given a Certificate of Appreciation from Richard Stockton State College of New Jersey and Veterans Memorial Elementary School.

# Introductory Materials

Introduction Essay

HESIG Mission – Draft

Top Ten Issues

# A New Model for Financing Public Colleges and Universities

Excerpted from: *On the Horizon,* Vol. 18. No. 4, (2010)

By: Darryl G. Greer & Michael W. Klein

***Introduction***

Put simply, the means by which we finance public colleges and universities, that serve over 70 percent of college students nationally, is severely and irreparably broken and needs to be changed. Without a new model, public higher education will fail its principal purpose of providing a broad college opportunity, especially to low-and middle-income students – and an emerging population of new Americans. Moreover, without a new funding rationale that has transparency and predictability for all funding partners, these colleges will lose the public trust – a critical element in sustaining the American democratic experience through education.

A fundamental assumption is that public colleges are central to educating citizens to sustain a democratic society and to help insure the hope of both liberty and prosperity for all citizens. Beyond the broad public benefits of public colleges, they also provide important benefits to individuals related to aspirations for jobs and immediate and intergenerational economic prosperity.

Accordingly, public colleges can achieve the dual goals of public and private benefits only by: demonstrating equity and fairness for who goes to college; legitimacy for who pays and how; and responsibility for how colleges account for educational outcomes and sustaining public trust.

***A Broken Financial Partnership***

There is widespread evidence, in addition to opinion, that the long-standing model for financing public colleges that has seemed to work so well in many states for decades, now seems, even with an expected economic recovery, to need radical change. Comprehensive regional public colleges and universities have been financed principally by state governments and tuition reserve, with a significant amount of funding supplementing these two main revenue sources through state and federal student financial aid.

Statements that the system is broken come not only from educators and policy analysts, but also from top elected officials, such as the Governor of the State of New York, who states explicitly in the *State of New York 2010-2011 Executive Budget Briefing Book* that support for the New York public higher education system is “broken” and needs an “overhaul” (Paterson, 2010, p. 107). The governor’s budget offers specific recommendations regarding tuition policy flexibility and greater autonomy for CUNY and SUNY institutions as a remedy. In California, facing the nation’s largest budget imbalance the governor announced at the end of 2009 a somewhat ill-conceived plan for a constitutional amendment to fund public colleges at a level no less than that of corrections. Colorado and growing western states such as Arizona and Nevada are other states among many seeking the means to stabilize public college funding from the discretionary whims of an annual budget.

New Jersey, ironically one of the nation's richest states measured by per capita income, stands out as an example of a state in bankrupt status, with revenue and expenditures wildly out of balance for at least 15 years, and offering little hope for investing further in higher education as a discretionary state spending item.

The American Association of State Colleges and Universities (2010), in its January 2010 summary of *Top Ten State Policy Issues,* lists states' fiscal crisis as the number one issue, and tuition and enrollment policy as numbers three and four. Virtually no higher education expert places the blame for a breakdown in the traditional rationale for financing public colleges on the current economic recession. Public sector disinvestment in public colleges has been an ongoing trend for two decades, principally because of high demand from other priority entitlements, high state debt burden, and self-imposed limits on tax revenue, all leading states to shift appropriations not only from higher education to other public goods, such as Medicaid (Husch, 2009), but also within higher education to shift operating and capital appropriations to student financial aid as a means of rationing the scarce dollars on the side of affordability.

The broken balance wheel for shared responsibility is national in scope. State tax appropriations in 2008-2009 per full-time equivalent student at public colleges and universities were 12 percent lower in constant dollars than ten years ago (Baum and Ma, 2009). The decrease is not a one-shot reaction to the current "Great Recession." The share of public college and university budgets provided by the states dropped from a peak of about 50 percent in 1979 to about 36 percent in 2000 (Breneman, 2004), and down to 27 percent in fiscal year 2006 (Snyder et al., 2009). State appropriations for higher education per $1,000 in personal income "have declined steadily from a national average of $9.74 in 1989-1990 to $736 in 199-2000, and $6.50 in 2008-2009" (Baum and Ma, 2009, p.14).

As state appropriations go down, tuition goes up. The average increases in tuition for in-state undergraduates at public four-year institutions between 2008-2009 and 2009-2010 was 6.5 percent (Baum and Ma, 2009). Again, this increase is not an isolated response to the recent recession. Between 1979-1980 and 2009-2010, tuition and fees at public four-year institutions grew about 325 percent in inflation-adjusted dollars (Baum and Ma, 2009).

The twin problems of shrinking appropriations and increasing tuition are more acute in New Jersey than in most states. Between FY 2007 and FY 2009, New Jersey was one of only three states to decrease its state tax appropriations for higher education (Grapevine, 2009). Appropriations shrunk again in FY 2010 when Governor Christopher Christie cut $62 million from the public colleges and universities to help plug a $2.2 billion budget hole, while also staring at an $11 billion deficit in FY 2011 (Heininger and Fleisher, 2010). The Pew Center on the States identified New Jersey as one of the ten states most stricken by the recession (Urahn, 2009). New Jersey state government is plagued by fiscal mismanagement, structural budget deficits, high debt payments, an underfunded pension system, and "the woes of nearby Wall Street – which supports approximately one-third of New Jersey's economy" (Urahn, 2009, p. 5).

In New Jersey, higher education as a share of state spending has fallen to 5 percent from 9.8 percent since 1983 (Mann and Forsberg, 2006). As the state has disinvested, the student family share of paying for college has increased 60-70 percent from a low of 30-40 percent in the early 1990s. Educational appropriations per FTE are down 19 percent (2004-2009), the third worst in the nation (State Higher Education Executive Officers (SHEEO, 2010)). New Jersey's FTE appropriations are $4,000 below the national average for the past 25 years, according to SHEEO. As the College Board's coast studies (Baum and Ma, 2009) illustrate, as states have disinvested, tuition has risen at a rapid rate, and new investment in student financial aid has not been able to match it, placing the most at-risk students in jeopardy regarding access and ability to pay fro college. Net tuition (tuition minus student aid) has doubled nationally since 1984 (SHEEO, 2010).

The situation will not improve anytime soon. National studies project that state revenues are not likely to recover until 2014 or 2015, largely because of entrenched unemployment (National Governor's Association, 2009). Few states are as bad off as New Jersey, ranked among states in the worst financial position for many years with long-term debt commitments outpacing new revenue. New Jersey's structural budget program virtually guarantees disinvestment in higher education as a discretionary budget item.

Given these trends, it is worthwhile to review briefly the antecedents of the basic principles underpinning the current broken system. For example, in his groundbreaking international comparison of *Sharing the Cost of Higher Education* (Johnstone, 1986), predicted that a major change in the public/private share of financing public colleges was highly unlikely, given the relatively stable balance of interests of taxpayers who pay for college through both taxes and tuition, and who also consume the product.

In this context, it is interesting to note that the model for financing public colleges and universities, while viable for several decades, only reached maturity, recently. For example, the Zook Commission, appointed by President Truman in 1946, offered the first substantive blueprint for our current segmented system of higher education. The Commission's 1947 report envisioned, for the first time, creation of community colleges; expansion of the missions of teachers colleges to become comprehensive universities, especially in the context of veterans returning from World War II; and a major expansion of the role of public research universities. Yet, the Commission did not offer the great detail on how states would finance these institutions. With the explosion of public college enrollments in the 1950s and 1960s, greater clarity in defining shared responsibilities for college finance, under great strain today, evolved from the 1960 California Master Plan and significant studies of the Carnegie Commission, headed by Clark Kerr in the early 1970s; creation of state-level higher education coordinating boards during the same period of time; and significant investment in state and federal student financial aid grants and loans by the 1980s.

But, it is no longer a viable policy to assume that many states can sustain being the principal funding source for public colleges and universities. Neither can we expect to sustain public colleges by continuing to shift the cost of the enterprise to students and families, thereby pricing many out of college, or alternately leaving citizens with loan repayment burdens far into the future.

***Eroding Effect on Public Trust***

Even with current evidence that we cannot go "back to the future" to fix a broken financing system, those who desperately want to find a new model for shared responsibility for public college finance will be poorly served by the continuing misperception that higher education can be fixed as a whole, meaning failing to recognize that there are many different types of higher education enterprises, that student and service markets are mature and well-defined, and are local and regional, not national in scope.

Accordingly, seeking a unified theory for financing public higher education will be unproductive. Instead, different models for financing enterprise and accountability that fit different types of institutions serving different types of students, will lead to more effective policy and educational outcomes. These assertions become apparent, for example, in *Trends in College Spending – Where does the money come from? Where does it go?* a report of the Delta Cost Project, supported by the Lumina Foundation (Wellman, 2009). How much students pay for college (net cost meaning subtracting institutional subsidy and student financial aid) varies a great deal by educational sector. However, the report makes several trends clear. For comprehensive public colleges, there is a significant loss of public funding during the early part of the first decade of this century for full-time equivalent (FTE) student state support; and there has been a dramatic increase in tuition and fees. Disturbingly, as tuition has risen, and state investment has declined, less money has been spent on instructional, and educational and general, expenditures for public comprehensive colleges. More money is being spent on administration and support services.

These trends underscore what national and New Jersey scientific polls reflect about the mood of citizens served by public colleges. The public is not only correct that tuition has risen for a decade at a pace faster than that of student financial aid, but moreover is disquieted about the substitution effect of tuition replacing public dollars, as well as uneasy about how colleges spend these dollars to support access, quality and achievement.

As the Delta Project report indicates for New Jersey, as of 2006, tuition paid for 64 percent of educational cost at public master's institutions, while state investment paid for 36 percent. Roughly, the amounts are the reverse of ten years prior. Even more disturbing, *Trends in College Spending* points out, as financing the cost of public college has shifted to students and families, higher education has become more stratified meaning that the fastest growth in enrollment has occurred, since the beginning of this decade, at those institutions with the fewest resources, and with the greatest evidence of spending cuts and state appropriations reductions – public comprehensive institutions.

These trends indicate clearly that a new financial model, one that is explicit, transparent and sustainable over time, backed by public trust, is a fundamental missing element in defining how the purposes of public colleges will be fulfilled in the twenty-first century.

Since the 1990s, organizations such as the National Center for Public Policy and Higher Education, as well as the New Jersey Association of State Colleges and Universities (NJASCU), have conducted scientific polls on how citizens view college opportunity; college quality, paying for college, and public accountability since the 1990s. The most recent scientific poll conducted by the National Center in collaboration with Public Agenda, a nonpartisan, nonprofit "think tank" organization, expert in public opinion and scientific polling, finds that Americans are increasingly skeptical about colleges and universities' ability to control costs (Immerwahr and Johnson, 2010).

The recent poll indicates that an increasing number of citizens – 60 percent in 2009, compared to 52 percent in 2007 – think that colleges seem to be more like businesses, and care mainly about the financial bottom line.

Ironically, while more citizens over the last decade believe that college education is necessary to be successful in today's work force, significantly fewer citizens believe that they will have the opportunity to attend college. These policy organizations characterize this finding, appropriately, as "trends on a collision course."

NJASCU polls since 1999, which focus squarely on New Jersey's comprehensive public universities and colleges, conducted by a well-known national political polling and marketing firm, Penn, Schoen and Berland Associates, reflect similar research findings. New Jerseysans, like their national counterparts, have high aspirations for college, generally believe that public colleges and universities are doing a good job, but are increasingly disturbed by the rapid increase in the share of college costs paid by students and families.

Interestingly, national and New Jersey data indicate that citizens significantly overestimate their share of paying for college by as much as 50 percent more than the actual costs; but they perceive correctly that cost of college is rising more rapidly than other goods and services, and that costs have been shifted from the state to the citizens. In NJASCU's October 2009 poll, citizens blamed rising college costs more on the current economic recession and state disinvestment than on college management, but they did not give the institutions a pass on the matter; however, indicating that colleges must do more to contain costs to sustain access, quality and affordability.

Another major area of disenchantment, indicated by NJASCU research, is that citizens who strongly support investing in college opportunity for all citizens, also support investment in student financial aid, but 70 percent do not believe that student financial aid will be available to them. This finding points to a large disconnect between public aspirations for college and perceptions about ability to pay for it. It underscores, too, misdirected public policy that disinvests in basic funding for public colleges, consciously transferring the revenue burden to students, and rationing student aid.

Unsurprisingly, when asked directly about public trust in new investment to support college opportunity and trust in managing any new investment without political interference, New Jerseysans by a 4:1 margin trust presidents and boards of trustees over the governor, legislature and state agencies to protect public colleges. But this finding alone does not explain away growing public uneasiness about decreasing college affordability and how public colleges spend money.

A critical question, then, beyond the failing system for financing public colleges, one in which the public increasingly believes they are getting the short end of the stick, is how much longer can citizens place confidence in public colleges to provide access to affordable, quality educational experience? The values of how to pay for the enterprise; who benefits from it; and how trust is sustained, are highly interactive parts of defining new shared responsibilities.

Progress on a new model for shared responsibilities for paying for college must include not only a predictable, sustainable means of finance, but also a means of building and maintaining public trust in the overall enterprise, meaning measurable public value received for the investment.

***Barriers to Change***

Clearly, we did not achieve the diverse and expansive system of postsecondary education overnight. It has taken many decades of development to achieve such diversity. But the public policy decisions made in earlier times to expand the capacity of higher education, meaning building and expanding the missions of new public institutions, preceded the matter of determining precisely how these new institutions would accomplish their jobs, and how they would be financed in the long-term. Unlike in a business setting – where productive capacity would not be expanded without documenting explicit business goals, markets and financing – public policymakers, especially at the state level after World War II, expanded public college capacity as a social decision, trusting higher education to fill in the substance regarding specific education goals, student makers, outcomes, and sustainability. In other words, we backed into a system for financing public higher education on the assumption that states would fundamentally support the enterprise with the lion's share of revenues – about two-thirds from the state and about one-third coming from students. Since the 1980s, tremendous focus has been placed on financing higher education through burgeoning student financial aid grant and loan programs, and tuition transfer proposals, as contrasted to fundamentally revisiting the assumption of the state's key role.

With the state pillar collapsing, and as we search for a new model, a number of macro-level issues beyond revenue and expenditures stand in the way of our moving forward. There is not only a loss of a sense of purpose about the fundamental value of public higher education, there seems to be a dramatic loss of a sense of purpose about government at large. Higher education suffers, too, from a sense of loss of special status, as reflected n the National Governor's Association report (Wakelyn, 2009), which laments American higher education's declining international ranking in college completion, and the concomitant concern about slower job and economic growth and the negative effect of intergenerational income transfer.

Another factor outside of financial investment, itself, is the politicization of higher education as a policy issue at the state level, and unproductive debate about state vs. campus or system control. State-level coordinating and governing boards in many states, such as New Jersey and New York, respectively, have either been captured by governors to constrain policy debate about declining investment in public colleges, or to inform it through ideology; or by legislators who actively intervene in academic, personnel, and tuition policy in an expedient attempt to achieve affordability and accountability goals in bad economic times (Wellman, 2006).

Regarding finance alone, Dennis Jones from the National Center for Higher Education Management Systems and Jane Wellman from the Delta Project (Jones and Wellman, 2009) suggest in "Rethinking Conventional Wisdom about Higher Ed Finance" that there are ten reasons why we are having difficulty in developing a new model for financing public colleges, one in which shared responsibilities are clearly understood and sustainable. In a nutshell, these ten reasons boil down to financial expediency and conventional thinking that institutions can use existing management tools to muddle through.

Finally, a major factor inhibiting change is state government itself. As a disinvesting partner, it clings to outdated regulatory and statutory controls over colleges that no longer apply to a high-demand, low-support environment that public colleges face (New Jersey Presidents Council, New Jersey Association of State Colleges and Universities, 2009).

***Signs of Hope***

Higher education continues to move forward incrementally, too, on issues closely related to who pays for college, such as studies on academic productivity by the Delta Cost Project; studies of cost containment by the American Association of State Colleges and Universities; recommendations of “best practices” in governance and financial management by organizations such as the Association of Governing Boards, National Association of College and University Budget Officers, and the National Center for Higher Education Management Systems; and work of the National Center for Public Policy and Higher Education, deeply concerned about college access, affordability, and outcomes. But even with these positive endeavors, none alone or together get to the heart of the problem of how public colleges will be financed in the twenty-first century, and how shared responsibilities will be defined and sustained as a matter of public trust.

# Center for Higher Education Strategic Information and Governance (HESIG)
# Draft Mission Statement

The mission of HESIG, Richard Stockton College of New Jersey, is to serve as an agent for constructive higher education policy change, aligned with a public agenda to serve the public good. Guiding principles include: enhancing college access, affordability, college completion, accountability and public trust. Initially, the Center will focus, partnering with others, on new models for financing public colleges to achieve these ends.

The Center (affiliated with the William J. Hughes Center for Public Policy) collects, analyzes, evaluates and disseminates objective, timely empirical information and governance best practices critical to the delivery of quality higher educational service. An important goal of the Center is to inform higher education leaders, policy makers and citizens to help bridge the gap between policy and practice; to align better higher education policymaking with the long-term needs of the institutions and the state; to develop and maintain a set of comprehensive trend and performance indicators; and to promote autonomous self-governance by enhancing effective trustee governance and public trust.

The means by which the Center informs institutions, policymakers and the public include data-driven publications and web-based information, project engagements, scientific polling, facilitation and training, and unique conferences and forums to convene all parties.

The Center will benefit colleges and universities, the state, policymakers, and citizens by:

- Collecting, analyzing, integrating, and disseminating important strategic information related to enrollment, student attainment, finance, facilities, and to a broader strategic vision for state and national prosperity;
- Advising state policy makers, and assisting trustee governing boards, and affiliated organizations, with information and activities that facilitate college acceptance and affordability, good governance practice that enhances mission effectiveness, openness and transparency, accountability and public trust;
- Creating analytical tools that enhance the coherence of policy and higher education practice, so that the whole is greater than the sum of the parts; and
- Publishing objective trend data related to demographics, the economic condition of the state, and the condition of institutions to facilitate building long-term strategies to meet institutional and state needs.

Important outcomes include:

- Stronger alignment of institutions' missions with demographic, economic and competitive trend data leading to greater institutional confidence in decision making:
- Better informed policy makers and boards of trustees, more institutional collaboration, and stronger public accountability for governance practices;
- Improved awareness of student markets, competitive forces and the effect of state and institutional policy on access, affordability, completion and outcomes;
- Integrated management data informed by institutions, leading to more coherent objective information on which public policy decisions can be made;
- Creation of analytical tools that allow for continuous and interactive evaluation of policy performance; and
- Better informed citizens, greater public trust, and stronger support for investment in higher education.

**Top Higher Education Policy Issues – 2012**

***Association of Governing Boards of Universities and Colleges *(AGB)***

1. Continuing financial pressure
2. Advancing student success
3. Regulation of higher education
4. Greater expectation for p-20 alignment
5. Productivity, efficiency, affordability
6. Student financial aid
7. Negative public perceptions about higher education
8. Relationship between higher education and government
9. Tax policy

***American Association of State Colleges and Universities **(AASCU)***

1. State operating support
2. Productivity
3. Governance restructuring, regulatory reform
4. College completion
5. Performance-based funding
6. Tuition policy
7. Student aid
8. College readiness
9. Veterans education
10. Immigration policy

*AGB top public policy issues for higher education in 2011 and 2012, March 2011

**AASCU top 10 higher education state policy issues for 2012, January 2012

DGG 5-11-12

# Information about
# New Jersey and Stockton

## State of New Jersey: Office of the Secretary
## Higher Education

## About Us...

**Pursuant to Governor Christie's Reorganization Plan 005-2011, The Commission on Higher Education has been abolished, and the responsibilities, duties, and authorities of the former Commission have been transferred to the Secretary of Higher Education.**

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The former New Jersey Commission on Higher Education, established by the Higher Education Restructuring Act of 1994, provided coordination, planning, policy development, and advocacy for the state's higher education system. The Commission was also responsible for institutional licensure and the administration of the Educational Opportunity Fund and other programs.
NJ Higher Education serves as the principal advocate for an integrated system of higher education which provides a broad scope of higher education programs and services. The system includes both 31 public and 35 independent institutions and enrolls over 440,000 full- and part-time credit-seeking students statewide.

The 31 public colleges and universities are comprised of Rutgers, The State University of New Jersey; the University of Medicine and Dentistry of New Jersey; the New Jersey Institute of Technology; 4 state colleges and 5 state universities; and 19 community colleges. The 34 independent institutions include 14 senior colleges and universities with a public mission, 2 independent two-year religious colleges, 12 rabbinical schools and theological seminaries and 7 proprietary institutions with degree-granting authority.

## Overview of Higher Education Restructuring in New Jersey

The Higher Education Restructuring Act, signed into law by Governor Christine Todd Whitman in June 1994, dramatically restructured higher education governance in New Jersey. The legislation, which became effective on July 1, 1994, established the governance structure outlined below.

**I.** Public institutional governing boards have the general powers and duties to:

- Develop an institutional plan and determine programs and offerings consistent with this plan and the institution's programmatic mission;
- Supervise and operate the institution, including oversight of fiscal affairs, employment and compensation of staff who are not classified members of the civil service system, and capital improvements in accordance with law;
- Set tuition and fees after a public hearing;
- Establish admission standards and requirements for granting diplomas, certificates, and degrees; recommend individuals for appointment by the Governor to the institution's governing board;

- Serve as the final authority in controversies and disputes concerning tenure, personnel matters of unclassified civil service employees, and other issues arising under Title 18A of the NJ Statutes involving higher education (**NOTE**: the final administrative decision of a governing board may be appealed to the courts);

- Invest institutional funds (**NOTE**: public institutions that invest their funds through the director of the Division of Investment in the Department of Treasury must continue to do so unless the Treasurer annually waives this requirement);

- Retain independent legal counsel (**NOTE**: with respect to tort claims, each state institution had to elect within 75 days of the restructuring act's effective date whether it, and its employees, would be represented in all such matters by the Attorney General (AG). Institutions electing not to be represented by the AG must provide employees with defense and indemnification that would otherwise be sought from the AG);

- Prepare and make available to the public an annual report that provides all required data and information on the condition of the institution;

- Be accountable to the public for fulfillment of its mission, statewide goals, and for effective institutional management;

- Submit an annual request for state support to the Department of Treasury and to the Commission on Higher Education; and

- Prepare and make available to the public an annual financial statement, a statement regarding expenditures for government relations, public relations and legal costs, and an independent financial audit.

**II.** The act establishes the Commission on Higher Education. It is a lay body consisting initially of 15 members: 10 public members appointed by the Governor with the advice and consent of the Senate (six of whom must be current members of a governing board of a New Jersey higher education institution); four public members appointed by the Governor, two recommended by the Senate President and two recommended by the Assembly Speaker; and the chair of the Presidents' Council (ex officio). In addition, two student members, appointed by the Governor from recommendations by student government associations, serve one-year terms on the Commission as nonvoting members. The Executive Director of the Commission also serves as an ex officio, nonvoting member. Beginning on July 1, 1998, the Commission will consist of nine members: six public members appointed by the Governor with the advice and consent of the Senate; two public members appointed by the Governor, one recommended by the Senate President and one recommended by the Assembly Speaker; and the chair of the Presidents' Council (ex officio). The student members and Executive Director will continue to serve as nonvoting members.

Public members of the Commission serve six-year terms, although initial appointees who are not governing board members have staggered terms. The Governor appointed the first chair of the Commission for a two-year term from among those public members not serving as governing board members. Succeeding chairs are elected for two-year terms by the Commission.

The Commission is responsible for:

- Statewide planning including research on higher education issues and the development of a comprehensive master plan;
- Advocacy on behalf of higher education;
- Making recommendations to the Governor and Legislature on higher education initiatives and incentive programs;
- Licensing institutions and granting university status;
- Adopting a code of ethics for higher education;
- Rendering final administrative decisions on: new academic programs that go beyond the programmatic mission of an institution; new academic programs referred to the Commission by the Presidents' Council because they are unduly expensive or duplicative; or a change in the programmatic mission of an institution (**NOTE**: programmatic mission means all program offerings of the institution within those levels of degrees or certificates authorized by the former State Board of Higher Education or the Commission on Higher Education);
- Reviewing budget requests from the institutions in relation to their missions and statewide goals and proposing a coordinated budget policy statement to the Governor and Legislature;
- Communicating with the State Board of Education and Commissioner of Education to advance public education at all levels;
- Applying for and accepting grants from the federal government and acting as the lead agency for communication with the federal government regarding higher education;
- Approving capital projects financed by the New Jersey Higher Education and Building Construction Bond Act of 1971, the New Jersey Medical Education Facilities Bond Act of 1977, the Jobs, Science and Technology Bond Act of 1984, the Jobs, Education and Competitiveness Bond Act of 1988, the Higher Education Equipment Leasing Fund Act, and the Higher Education Facilities Trust Fund Act;
- Establishing the form and content of annual institutional reports to the public on the condition of each institution;
- Within its first year, conducting studies and making recommendations to the Governor and Legislature regarding: collective bargaining and civil service at the state colleges, the administration of student assistance, articulation between higher education and K through 12, and long-term funding of higher education including tuition establishment;
- Within its first year, amending, continuing, or repealing all regulations pertaining to licensure of institutions, code of ethics and outside employment of agency and public institution employees, residency requirements for tuition purposes, personnel policies, tenure and multi-year contracts, rights and procedures for reductions in force, student trustee policies, length of academic year, and early retirement policies; and

- Reporting to the Governor and Legislature in 1996 and 1999 on the effectiveness of the restructuring of higher education; the final report shall also include a variety of required data for each public institution.

The chair of the Commission has the power of visitation at public institutions at the request of the Governor.

The Educational Opportunity Fund program retains its form and functions, and reports to the Commission on Higher Education. The program may, however, use the services of the Office of Student Assistance to distribute grants.

**III.** The act establishes a Presidents' Council consisting of the president of each New Jersey institution of higher education that receives direct state support, as well as four presidents representing the 11 other degree-granting institutions. The Presidents' Council is an advisory, self-funded body. A 14-member executive board performs duties as specified by the Council. The executive board consists of the presidents of: Rutgers University, the University of Medicine and Dentistry of New Jersey, New Jersey Institute of Technology, three state colleges and universities, five county colleges, and three independent institutions. The chair of the executive board is rotated among one of the presidents of Rutgers University, New Jersey Institute of Technology, and the University of Medicine and Dentistry of New Jersey; a state college president; a county college president; and a president of an independent college or university. The chair of the executive board serves a two-year term.

The Presidents' Council is responsible for:

- Providing public information and research on higher education issues;
- Reviewing and making recommendations to the Commission on Higher Education concerning new programs which exceed an institution's programmatic mission or which require significant added resources or raise significant issues of duplication;
- Reviewing and making recommendations to the Commission concerning changes in the programmatic mission of an institution;
- Encouraging the formation of regional and cooperative programs among institutions and developing criteria for "full faith and credit" transfer agreements between county colleges and other institutions of higher education;
- Advising and assisting the Commission in developing and updating a statewide plan for higher education;
- Providing policy recommendations on statewide higher education issues;
- Making recommendations regarding state aid levels, higher education issues, and student aid;
- Upon referral from the Commission, providing recommendations concerning institutional licensure and university status;

- Appointing subcommittees made up of presidents of various sectors to decide matters within the authority of the Council. With respect to requests for state aid, the presidents of the independent institutions will develop a unified request for state support, as will the presidents of the county colleges; and

- Consulting with other higher education institutions that do not receive state aid when actions of the Council directly affect such institutions.

**IV.** Student assistance programs are administered by the Office of Student Assistance. The programs established under the Student Assistance Board and the Higher Education Assistance Authority are administered by the Office of Student Assistance. The Executive Director of Student Assistance Programs supervises the Office of Student Assistance and the Higher Education Assistance Authority. The executive director consults regularly with the Commission on Higher Education.

## Lumina Foundation: A Stronger Nation through Higher Education

# NEW JERSEY

In New Jersey, 45.3 percent of the state's nearly 4.8 million working-age adults (25-64 years old) hold at least a two-year degree, according to 2010 Census data. Attainment rates in New Jersey are increasing slightly. The higher education attainment rate of young adults — those 25 to 34 years old — is 47.9 percent, higher than that of the adult population as a whole.

In 2010, the percentage of Americans between age 25 and 64 — working-age adults — who held a two- or four-year college degree was 38.3 percent. The rate is rising slowly. In 2009, the rate was 38.1 percent, and in 2008 it was 37.9 percent. For young adults (25-34), the rate is 39.3 percent.

In New Jersey and nationally, attainment rates must increase more rapidly to reach the Big Goal of 60 percent attainment by 2025. If the current rate of degree production continues, about 54 percent of New Jersey's adult population — 2.7 million people — will hold a college degree in 2025. To reach 60 percent, New Jersey will need to add more than 283,000 degrees to that total.

*Help Wanted*, a report by the Georgetown University Center on Education and the Workforce, explains why increasing higher education attainment is so important. According to the Center's analysis of occupation data and workforce trends, 64 percent of New Jersey's jobs will require postsecondary education by 2018. Between now and 2018, New Jersey will need to fill 1.3 million vacancies resulting from job creation, worker retirements and other factors. Of these job vacancies, 794,000 will require postsecondary credentials. Clearly, New Jersey's economic future depends on producing more college graduates.

New Jersey can produce a lot more graduates by helping its residents who have attended college but not earned a credential. In 2010, nearly 852,000 New Jersey adults — almost 18 percent of the adult population — had gone to college but did not have either a two- or four-year college degree. Encouraging and helping these adults to complete degrees would go a long way to helping New Jersey reach the 60 percent goal.

**Tracking the trend**

Percentage of the state's working-age population (25-64) with at least an associate degree

2008 – 44.6%

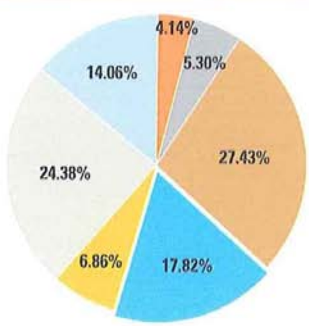
2009 – 44.5%

2010 – 45.3%

To increase higher education attainment, states must work systematically to close achievement gaps. To help New Jersey develop and implement these strategies, this document features a detailed breakdown of the attainment rate in each county. The data show that, while increasing attainment is a statewide need, it is a particular challenge in rural counties. Assuring that all New Jersey communities have access to high-quality higher education is essential.

Finally, to reach the Big Goal, New Jersey must increase college success among the fast-growing groups that will account for a growing proportion of the state's population, including working adults, low-income and first-generation students, and students of color. Meeting the educational needs of these 21st century students will help build New Jersey's economy and ensure a bright future for the state.

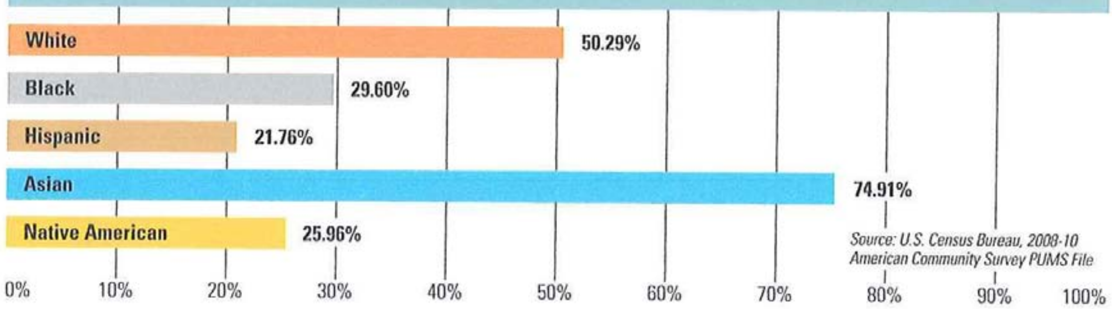
### Levels of education for New Jersey residents, ages 25-64




| | | |
|---|---|---|
| Less than ninth grade | 198,058 | 4.14% |
| Ninth to 12th grade, no diploma | 253,519 | 5.30% |
| High school graduate (including equivalency) | 1,311,288 | 27.43% |
| Some college, no degree | 851,810 | 17.82% |
| Associate degree | 327,692 | 6.86% |
| Bachelor's degree | 1,165,568 | 24.38% |
| Graduate or professional degree | 671,939 | 14.06% |
| TOTAL | 4,779,874 | 100% |

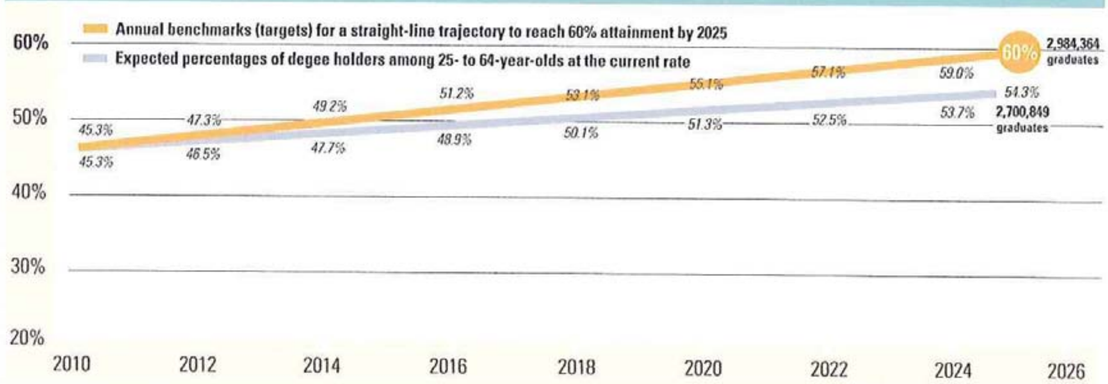
*Source: U.S. Census Bureau, 2010 American Community Survey*

## Degree-attainment rates among New Jersey adults (ages 25-64), by population group




*Source: U.S. Census Bureau, 2008-10 American Community Survey PUMS File*

## The path to 60% degree attainment in New Jersey




*Source: U.S. Census Bureau, 2000 Census and 2010 American Community Survey*

## Percentage of New Jersey adults (ages 25-64) with at least an associate degree, by county

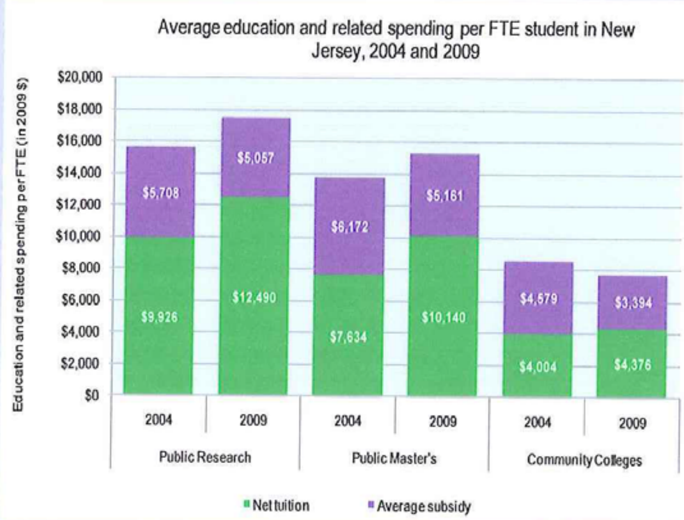
| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Atlantic | 33.06 | Cape May | 36.40 | Hudson | 42.69 | Monmouth | 50.67 | Salem | 29.31 | Warren | 40.39 |
| Bergen | 55.32 | Cumberland | 20.61 | Hunterdon | 59.25 | Morris | 59.16 | Somerset | 60.75 | | |
| Burlington | 45.33 | Essex | 39.28 | Mercer | 47.66 | Ocean | 36.26 | Sussex | 42.00 | | |
| Camden | 37.19 | Gloucester | 38.76 | Middlesex | 49.29 | Passaic | 33.31 | Union | 39.88 | | |

*Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates*

## Delta Cost Project IPEDS State Database

2004-2009

# New Jersey




Total number of students enrolled at public and private postsecondary institutions:

| | |
|---|---|
| New Jersey: | 431,216 |
| United States: | 19,440,553 |

Percentage of students enrolled in public institutions:

| | |
|---|---|
| New Jersey: | 77% |
| United States: | 72% |

Distribution of enrollments at public institutions:

| | NJ | U.S. |
|---|---|---|
| Research: | 17% | 30% |
| Master's: | 27% | 19% |
| Bachelor's: | 5% | 3% |
| Community Colleges: | 51% | 48% |

**Average education and related costs per FTE student, student share, instruction share, and performance**

| | New Jersey | | | | United States | | | |
|---|---|---|---|---|---|---|---|---|
| | Public Research | Public Master's | Public Bachelor's | Community Colleges | Public Research | Public Master's | Public Bachelor's | Community Colleges |
| **Education and related costs per FTE student** | | | | | | | | |
| 2009 | $17,547 | $15,301 | n/a | $7,770 | $15,919 | $12,363 | $13,235 | $10,242 |
| *Change from 2004-2009* | 12% | 11% | n/a | -9% | 12% | 9% | 8% | 7% |
| **Net tuition share of education and related costs** | | | | | | | | |
| 2009 | 73% | 67% | n/a | 58% | 52% | 49% | 44% | 32% |
| *Percentage-point change from 2004-2009* | 9 | 11 | n/a | 11 | 3 | 4 | 3 | 2 |
| **Instruction share of education and related costs** | | | | | | | | |
| 2009 | 65% | 52% | n/a | 44% | 62% | 51% | 48% | 50% |
| *Percentage-point change from 2004-2009* | 3 | 2 | n/a | -1 | -1 | -1 | -1 | -1 |
| **Completions per 100 FTE students** | | | | | | | | |
| 2009 | 27 | 26 | n/a | 16 | 25 | 24 | 20 | 26 |
| *Change from 2004-2009* | 0 | 1 | n/a | 1 | 1 | 1 | 1 | 1 |
| **Education and related spending per completion** | | | | | | | | |
| 2009 | $66,233 | $59,955 | n/a | $51,227 | $64,179 | $54,167 | $68,393 | $46,759 |
| *Change from 2004-2009* | 15% | 5% | n/a | -17% | 8% | 4% | 2% | -2% |

*Delta Cost Project IPEDS State Database, 2004-2009.*

*Institutions included in the data:*

**Public Research:** New Jersey Institute of Technology, Rutgers U.-New Brunswick, Rutgers U.-Newark **Public Master's:** Rowan U., New Jersey City U., Kean U., Montclair St. U., Ramapo College of New Jersey, Rutgers U.-Camden, The Richard Stockton College of New Jersey, The College of New Jersey, William Paterson U. of New Jersey **Community Colleges:** Atlantic Cape, Bergen, Brookdale, Burlington Co. College, Camden Co. College, Co. College of Morris, Cumberland Co. College, Essex Co. College, Gloucester Co. College, Hudson Co., Mercer Co., Middlesex Co. College, Ocean Co. College, Passaic Co., Salem, Raritan Valley, Union Co. College, Warren Co., Sussex Co.

## NJASCU Sourcebook
2012

### How New Jersey Measures Up

#### Demand and Capacity to Serve College-Bound Students

- Net out-migration (loss) of high school graduates attending college[1] — **1st**
- Public four-year college/university enrollment (capacity) per capita (1,000 residents)[2] — **46th**
- Public four-year college/university capacity per 100 public high school graduates[3] — **46th**

#### Admissions Data for Eight Traditional Institutions[4]

*The eight are: The College of New Jersey, Kean University, Montclair State University, New Jersey City University, Ramapo College of New Jersey, Richard Stockton College of New Jersey, Rowan University, and William Paterson University (combined). Thomas Edison State College is excluded because all of its students are part-time.*

- Number of **applications** for first-time, full-time freshman enrollment ........58,479
- Estimated number of **applicants** for first-time, full-time freshman enrollment........25,000
- Estimated number of **openings** for first-time, full-time freshman enrollment..........11,000

#### State and Local Spending on Education

- K-12 spending per pupil[5] ........ **2nd**
- Higher education spending *per capita*[6] ........ **32nd**
- Higher education spending as percent of general spending[7] ........ **36th**
- Higher education spending per $1,000 personal income[6] ........ **42nd**
- Percentage increases in appropriations for higher education, FY 2006-FY 2011[6] ........ **42nd**

#### Tuition, Fees and Student Aid

- Magnitude of tuition and fees charged to state residents attending public colleges and universities as full-time undergraduates[8] ........ **4th**
- Dollars expended on need-based student financial aid[9] ........ **7th**

**Productivity** among public baccalaureate and master's institutions[10] ........ **3rd**
*Defined as graduation rate/degrees attained, adjusted for enrollment and funding.*

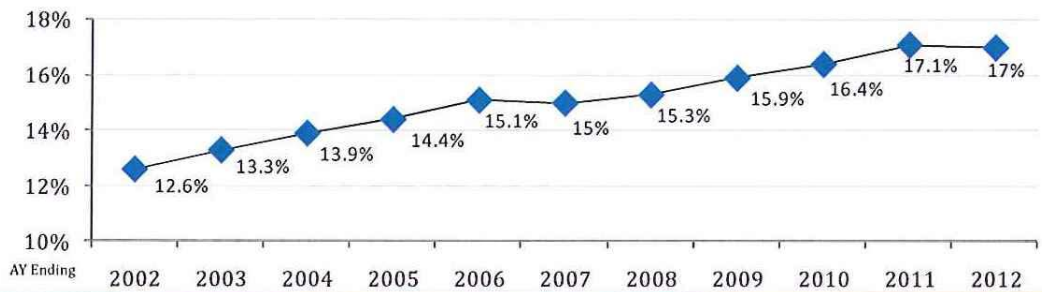
#### Graduation and Retention

- Six-year state college/university graduation rates[11] NJ ........61.2%
  US ........56.1%
- Freshmen to sophomore retention rates at public four-year institutions[12] ........ **4th**
- Undergraduate awards by public institutions per 100 FTE undergraduate students enrolled Academic 2008-2009[12] ........ **7th**

**Index of Sources (in order of reference):**

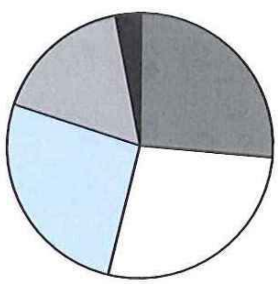
1. National Center for Education Statistics, Fall 2008. http://nces.ed.gov/programs/digest/d09/tables/dt09_222.asp
2. ***The Chronicle of Higher Education:*** 2010-2011 Almanac. ASCU analysis of enrollment and population.
3. ASCU analysis based on enrollment information in ***The Chronicle of Higher Education*** 2011-2012 Almanac, and NCES data on public high school graduates in 2007-2008.
4. Institutional reports to ASCU.
5. National Education Association's Rankings and Estimates, December 2010. (www.nea.org/assets/docs/010rankings.pdf).
6. Illinois State University: ***Grapevine*** data for FY 2010 (Center for the Study of Education Policy). *Note: Figures do not include federal stimulus funds.*
7. National Association of State Budget Officers State Expenditure Report for Fiscal 2011, published Fall 2011. Mean percentage for 50 states=10.1%, NJ=7.9%.
8. Enrollment weighted, for all four-year public colleges and universities. Source: The College Board: ***Trends in College Pricing 2011***.
9. National Association of State Student Grant and Aid Programs (2010 report on AY 2008-2009) annual survey—www.nassgap.org
10. National Center for Higher Education Management Systems (NCHEMS), 2005, 2007.
11. College Board, College Completion Agenda website http://completionagenda.collegeboard.org and New Jersey higher education website. Figures for US are based on Fall 2002 starts; figures for NJ are based on Fall 2004 starts, and ASCU calculation of unweighted average.
12. National Center for Higher Education Management Systems (NCHEMS), 2009.

## Tuition as Percentage of State *Per Capita* Disposable Income




**NOTES:** Tuition figures reflect averages for the eight traditional institutions; fees are not included. *Per capita* disposable figures are for the start of the academic year and are preliminary for FY 2012. *Source*: Bureau of Economic Analysis, US Department of Commerce, December 2011.

## 2010-2011 State Grant and Scholarship Distribution

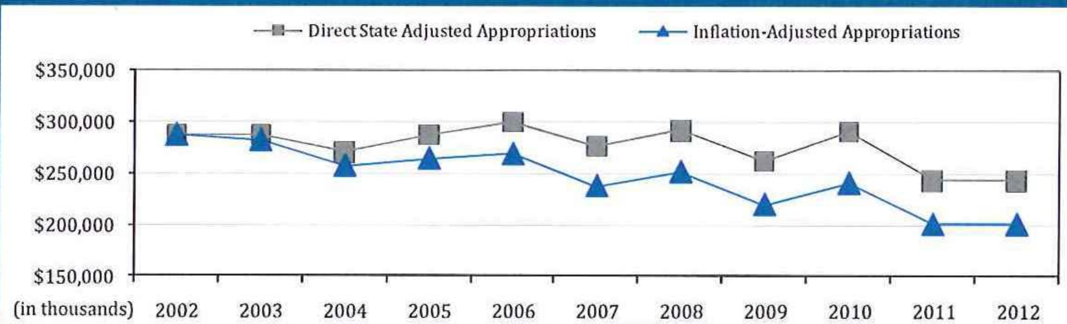


| Sector | # Awards | Amount |
|---|---|---|
| Independent Colleges | 12,635 | $81,274,507 |
| Public Research Universities | 16,658 | $83,906,053 |
| State Colleges/Universities | 21,603 | $80,852,094 |
| County Colleges | 39,215 | $51,792,723 |
| Approved, Non-Traditional (non public) | 2,643 | $9,526,178 |
| **Totals** | **92,764** | **$307,351,555** |

*Grant and scholarship programs include the Tuition Aid Grant (TAG), Part-Time TAG for County Colleges, Part-Time TAG for EOF, NJ STARS, NJ STARS II, Law Enforcement Officer Memorial, Coordinated Garden State Scholarships, Survivor Tuition Benefits; but excludes EOF.*

***Source***: HESAA

## Adjusted for CPI, State Support for NJ State Colleges/Universities is Declining



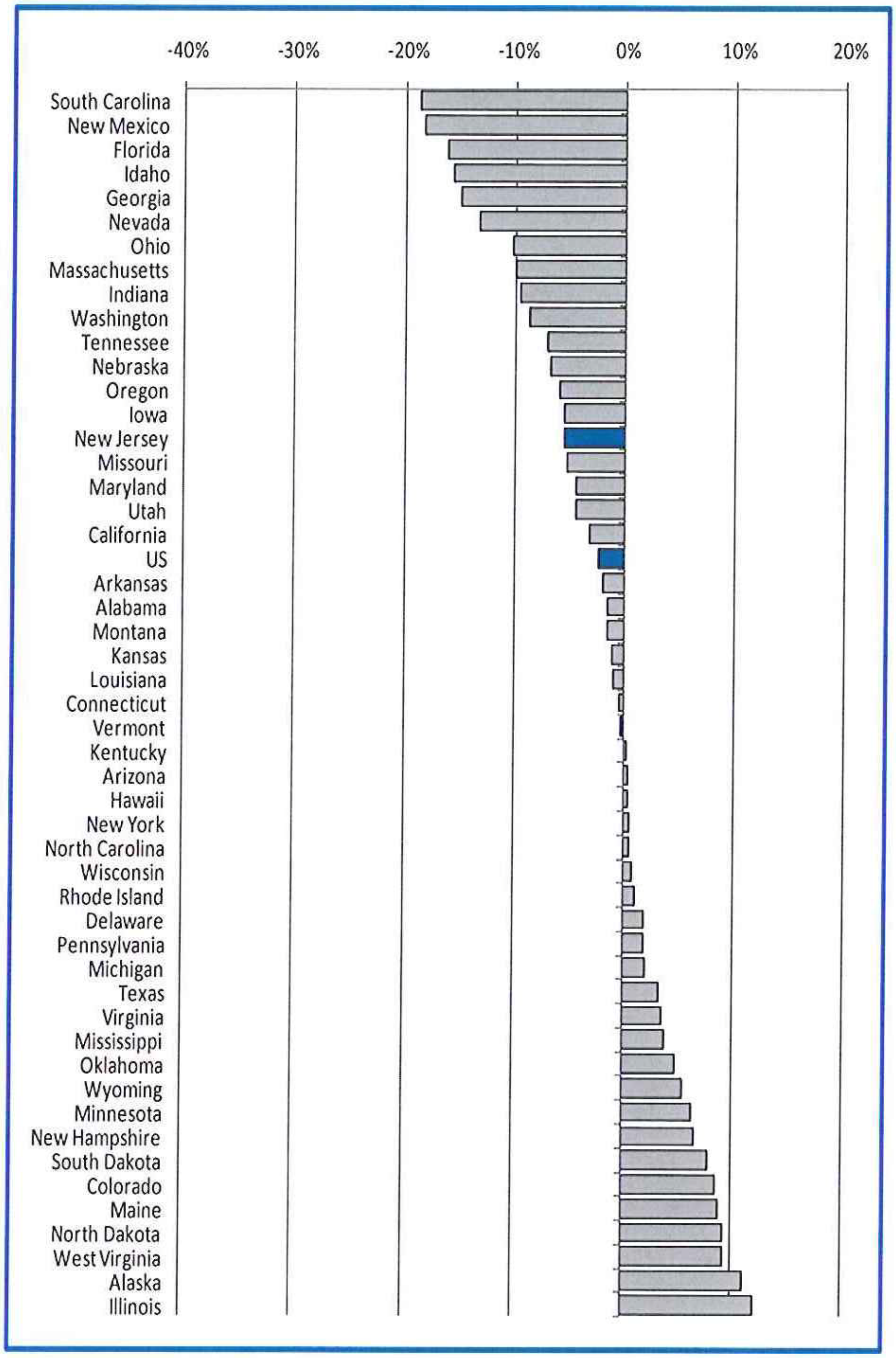

**NOTE:** *Inflation-adjusted figures are based on changes in the Consumer Price Index for Northeast urban consumers. 2002 is the base year. FY 2011 total includes new funding for the development of a medical school at Rowan University.*

***Sources***: Direct State Adjusted Appropriations.

**New Jersey Ranks 36th Nationally in Higher Education Appropriations**

Educational Appropriations per FTE (constant adjusted 2011 dollars)

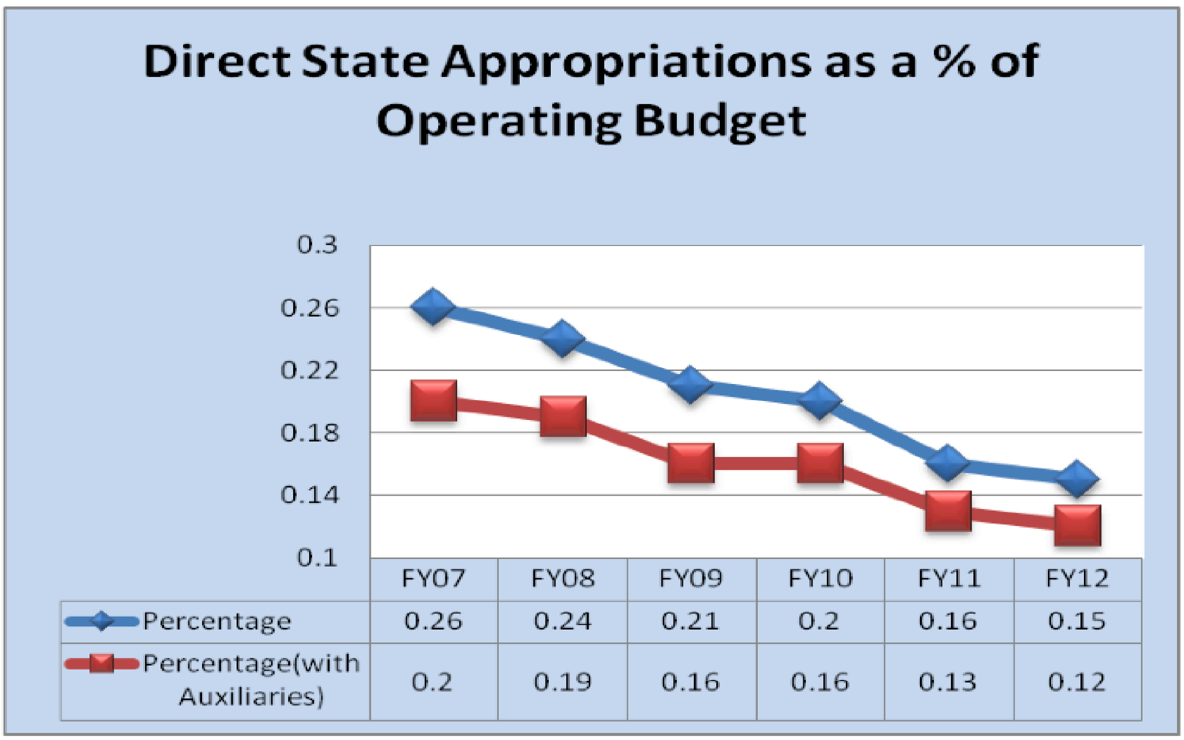
Percent Change by State, Fiscal 2006-2011




**Note:** Dollars adjusted by 2010 HECA, Cost of Living Adjustment, and Enrollment Mix.

***Source***: State Higher Education Finance Report, FY 2010
State Higher Education Executive Officers, April 2011

**Excerpt from: "Opportunities, Challenges, and Trends"**
College Address to Faculty Assembly
President Herman Saatkamp
February 14, 2012

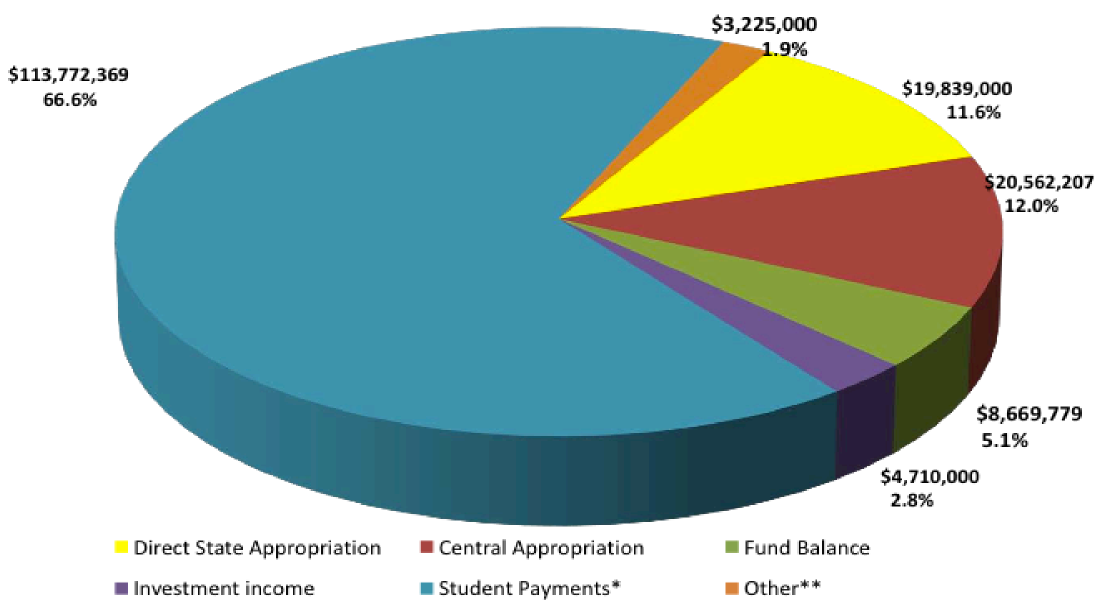


# Average Undergraduate Student Debt - Class of 2010

| COLLEGE | DEBT AMOUNT | STUDENTS WITH DEBT |
|---|---|---|
| ROWAN | $29,073 | 73% |
| RUTGERS | $16,766 | 68% |
| COLLEGE OF NEW JERSEY | $27,057 | 56% |
| STOCKTON COLLEGE | $30,843 | 74% |
| PRINCETON | $5,225 | 23% |
| RIDER | $35,404 | 71% |
| PENN STATE | $31,135 | 67% |
| ST. JOSEPH'S | $44,336 | 62% |
| VILLANOVA | $37,267 | 55% |
| UNIVERSITY OF DELAWARE | $17,200 | 44% |
| DELAWARE STATE | $36,410 | 91% |

*Source: Project on Student Debt*

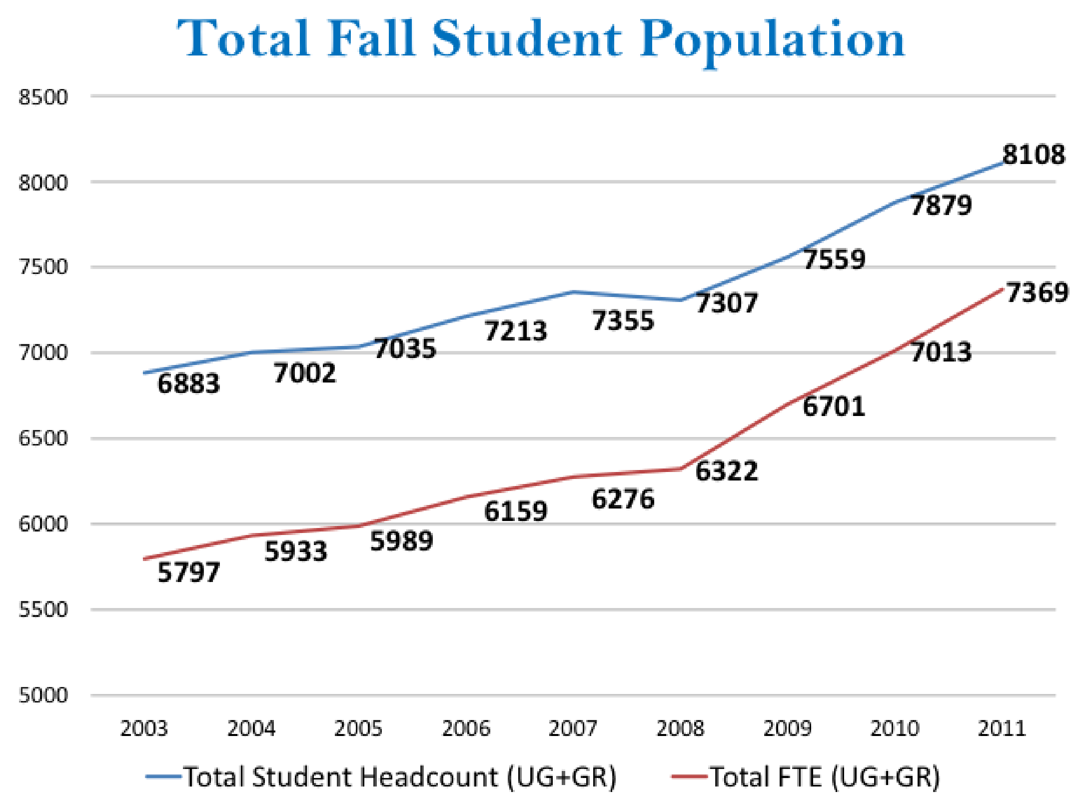
# FY12 Budget Sources

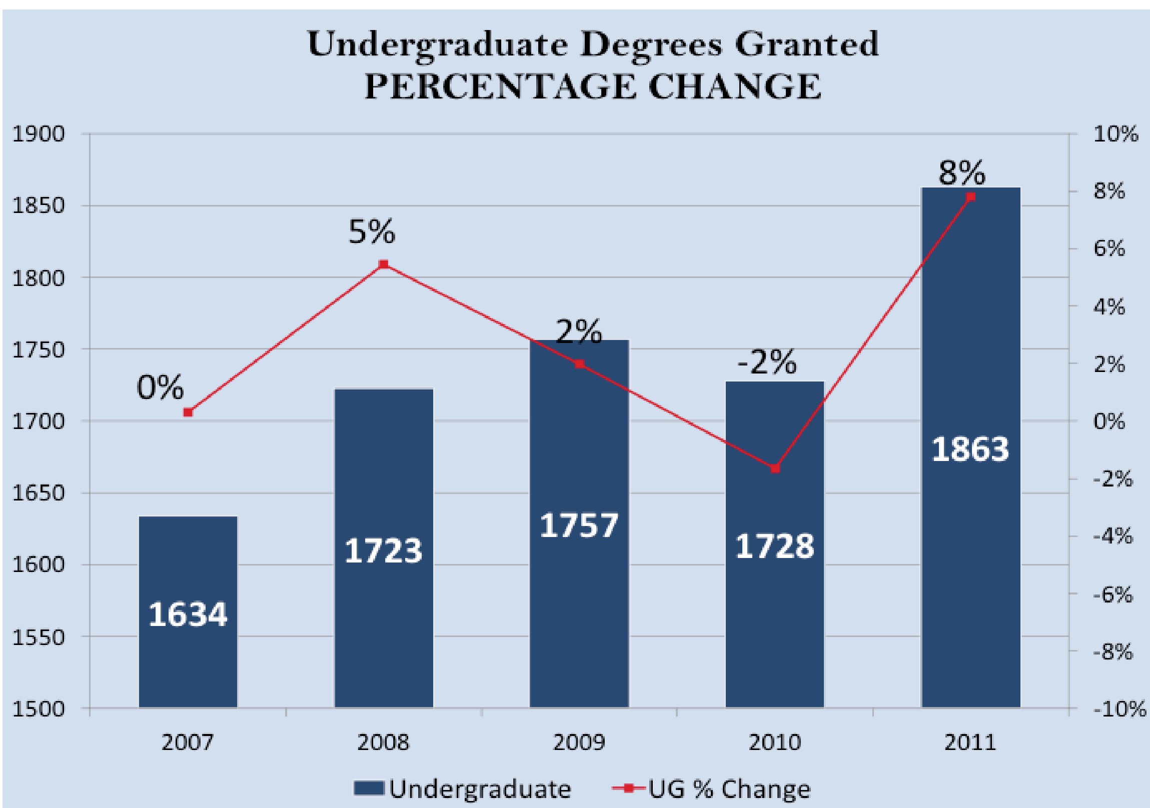


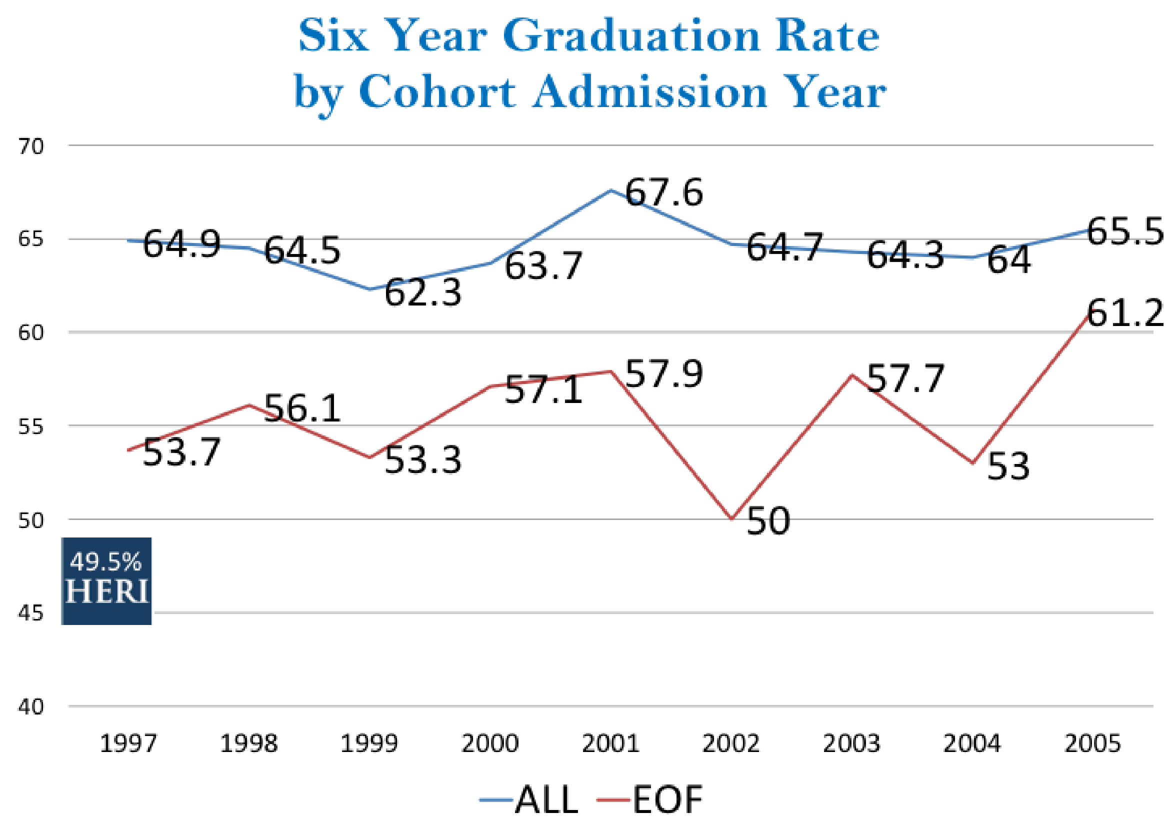

*Includes Tuition and Fees, and Housing Rental

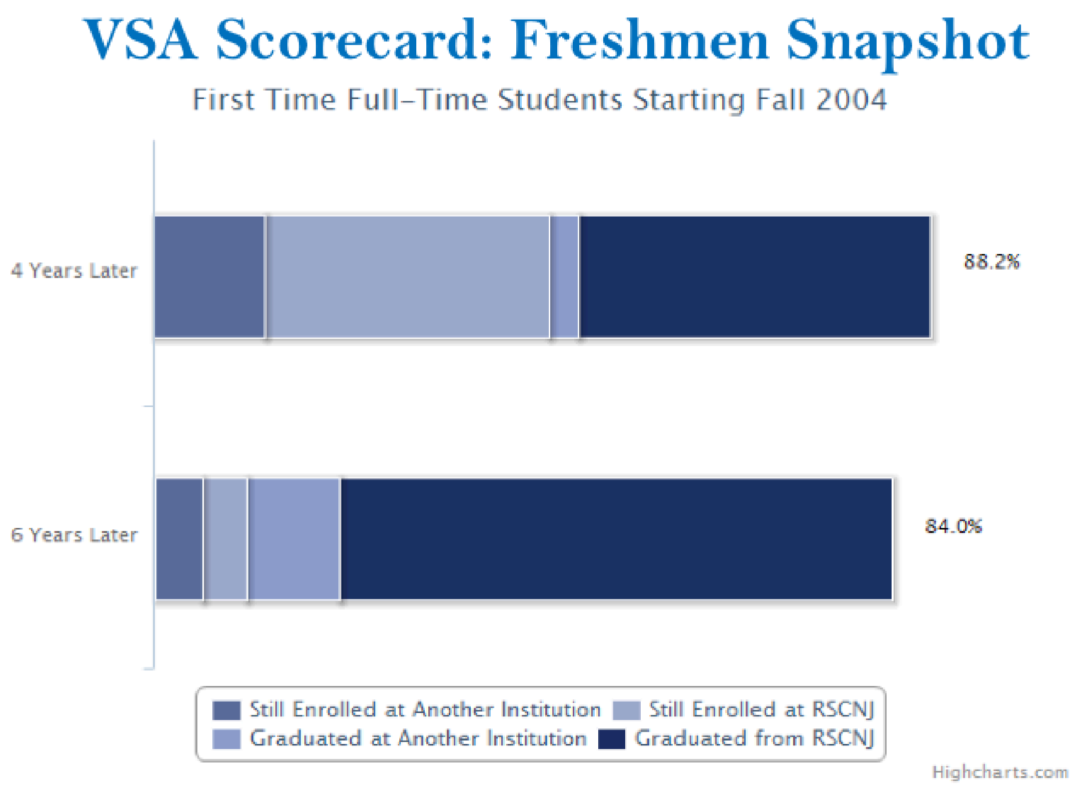
**Includes commission, other fees, conference rental and other income

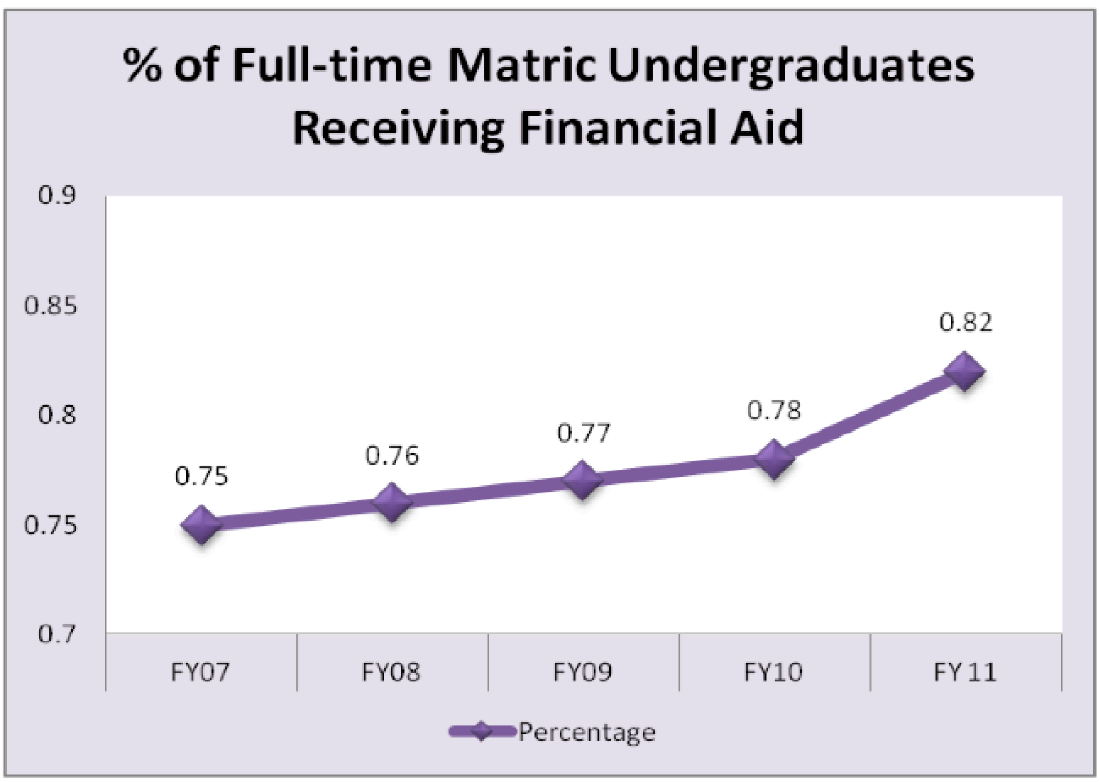
Graph does not include grants and contracts


Total Fall Student Population
8500
8000
7500
7000
6500
6000
5500
5000
2003
2004
2005
2006
2007
2008
2009
2010
2011
6883
7002
7035
7213
7355
7307
7559
7879
8108
5797
5933
5989
6159
6276
6322
6701
7013
7369
Total Student Headcount (UG+GR)
Total FTE (UG+GR)

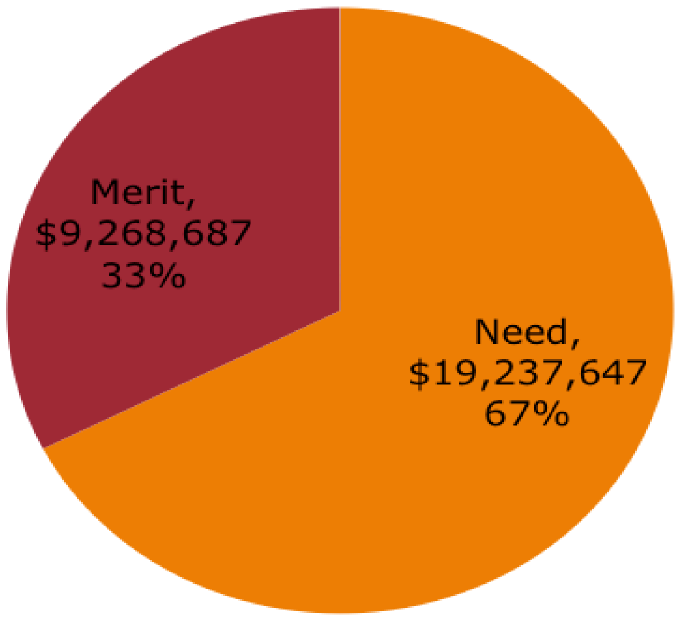

Undergraduate Degrees Granted
PERCENTAGE CHANGE
1900
1850
1800
1750
1700
1650
1600
1550
1500
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%
-8%
-10%
0%
5%
2%
-2%
8%
1634
1723
1757
1728
1863
2007
2008
2009
2010
2011
Undergraduate
UG % Change


Six Year Graduation Rate
by Cohort Admission Year
70
65
60
55
50
45
40
64.9
64.5
62.3
63.7
67.6
64.7
64.3
64
65.5
53.7
56.1
53.3
57.1
57.9
50
57.7
53
61.2
49.5%
HERI
1997
1998
1999
2000
2001
2002
2003
2004
2005
ALL
EOF


VSA Scorecard: Freshmen Snapshot
First Time Full-Time Students Starting Fall 2004
4 Years Later
88.2%
6 Years Later
84.0%
Still Enrolled at Another Institution
Still Enrolled at RSCNJ
Graduated at Another Institution
Graduated from RSCNJ
Highcharts.com


% of Full-time Matric Undergraduates Receiving Financial Aid
0.9
0.85
0.8
0.75
0.7
0.75
0.76
0.77
0.78
0.82
FY07
FY08
FY09
FY10
FY 11
Percentage

# Merit v. Need-Based Grants FY11



## New Jersey Council of County Colleges

New Jersey's Community Colleges
# FACTS
At A Glance

### Major Revenue Sources
$899,196,000 Revenue in FY2009

$183,604,000 in State Funding.................21%
$218,206,000 in County Funding..............24%
$497,386,000 in Tuition and Fees ............55%*
**State, federal and other student financial aid covers over one-third of tuition and fees.*

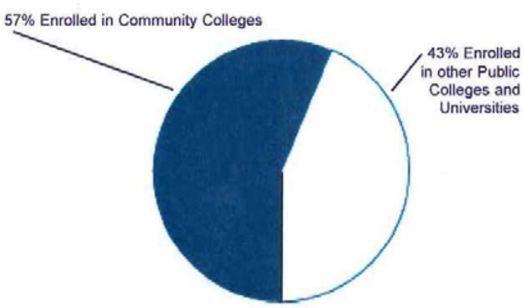
### Fixed Assets
Over $1 billion in land, buildings, equipment and other fixed assets in FY2009.

### Employees
7,153 full-time employees as of Fall 2009

### Tuition
Statewide average as of Fall 2009

Full-time (per year) ..............$2,910
Part-time (per credit hour) ........$97

### Total Undergraduate Credit Enrollment in N.J. Public Colleges & Universities
In Fall 2009, 57 percent of of all undergraduate students who enrolled in New Jersey's public colleges and universities enrolled at community colleges.




New Jersey Council of County Colleges
330 West State Street
Trenton, NJ 08618
Phone: (609) 392-3434 • Fax: (609) 392-8158
Web site: www.njccc.org • E-mail: info@njccc.org

New Jersey's Community Colleges
FACTS
At A Glance

### Number of Colleges
19 community colleges with over 60 campuses serving 21 counties

### Mission
To provide quality transfer, occupational, continuing education, business support and community service programs at a reasonably low cost in response to local and state needs.

### Governance
Local boards of trustees govern community colleges. The governor appoints two members to each board, county superintendent of schools serves ex-officio, freeholders appoint all others.

### Attendance at Community Colleges
Over 258,000 credit students
Over 104,000 noncredit students
Over 52,000 students in customized workforce training

### Student Profile
Fall 2009 Credit Students

Full-time ........................55%
Part-time ........................45%

Male ...............................43%
Female ...........................57%

White ..............................50%
African American ...........16%
Hispanic .........................17%
Asian ................................6%
Other ..............................11%

Age 17 to 24 ...................66%
Age 25 to 34 ...................18%
Age 35 to 49....................11%
Age 50 and up...................5%

### Programs
Over 1,700 credit degree and certificate programs and non-credit courses leading to Associate in Arts (A.A.), Associate in Science (A.S.), Associate in Applied Science (A.A.S.) degrees, certificates, licensure, certification, and career opportunities.

New Jersey's Community Colleges

# FACTS

At A Glance

New Jersey's Community Colleges

FACTS

At A Glance

## Economic Benefits for Students

- Students with associate degrees earn nearly $400,000 more in additional lifetime income over the course of their careers. This is 37 percent more than people with only a high school diploma or GED.

- Students with a one-year community college certificate earn as much as 16 percent more than people with only a high school diploma or GED.

- Part-time community college students can expect to earn about $500 more per year for each community college course they complete.

- For every $1 a student spends on a community college education, his/her lifetime earnings will increase $7.91.

- Students recover all costs, including wages forgone while attending community college, within six years.

## Economic Benefit for Taxpayers

- For every $1 invested in New Jersey's community colleges, over $18 dollars in overall benefits are returned throughout the state – an impressive 18-to-1 benefits-to-cost ratio.

## Economic Benefits for Government

- The rate of return on tax money invested in community colleges is an impressive 14 percent. The state and counties actually make money by funding community colleges.

- State and local government support for New Jersey's community colleges is fully recovered in nine years, in the form of higher tax receipts from increased student wages and avoided costs from reduced public expenditures.

## Economic Benefits for NJ's Economy

- New Jersey's annual workforce earnings are $6.3 billion greater (the equivalent of 135,000 jobs) due to the past and present operation of community colleges.

- Ninety-five percent of community college students stay in New Jersey and contribute to the statewide economy after they leave the community college.

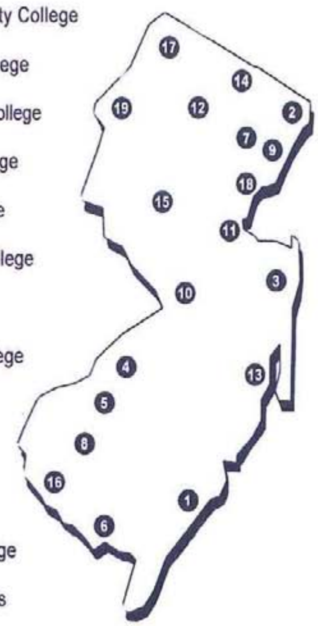
- New Jersey's business sales are $16 billion larger due to the operation of community colleges.

## Workforce Training

Community colleges work with over 500 businesses each year to train members of New Jersey's workforce.

In addition, community colleges provide statewide training services through the New Jersey Community College Consortium for Workforce and Economic Development. Since its inception, the Consortium has trained over 40,000 employees at over 1,600 companies throughout New Jersey.

## New Jersey's 19 Community Colleges



1. Atlantic Cape Community College
2. Bergen Community College
3. Brookdale Community College
4. Burlington County College
5. Camden County College
6. Cumberland County College
7. Essex County College
8. Gloucester County College
9. Hudson County Community College
10. Mercer County Community College
11. Middlesex County College
12. County College of Morris
13. Ocean County College
14. Passaic County Community College
15. Raritan Valley Community College
16. Salem Community College
17. Sussex County Community College
18. Union County College
19. Warren County Community College

## Association of Independent Colleges & Universities in New Jersey (AICUNJ)

### New Jersey's Independent Colleges & Universities

*The 14 independent colleges and universities in New Jersey have a long history of meeting the needs of the State and its residents. The following is a quick list of how independent higher education is helping the State of New Jersey.*

**Enabling Student Success**

- Our member institutions enrolled 67,229 students in Fall 2011 providing opportunities for students to find the right academic, cultural and social blend to enhance individual learning.
- We enroll 25% of all students attending four-year institutions in New Jersey.
- Our students earned 25% of the baccalaureate degrees and 40% of all advanced degrees conferred in FY2011.
- Our colleges and universities provide over $425 million in institutional grant aid to undergraduates.

**Serving Diversity**

- One in six college students in New Jersey attends an independent college or university.
- The overall average minority enrollment at our member institutions is 28% with the average undergraduate minority enrollment even greater at 33%.

**Meeting the Workforce Demand**

- While enrolling 15% of all higher-education students, New Jersey's independent colleges awarded 22% of all degrees in FY2011.
- Our students earned 29% of all education degrees and 35% of all advanced education degrees in FY2011.
- New Jersey's independent colleges excel in the degrees awarded in Science and Technology:
  - 25% of all math degrees
  - 30% of all health profession bachelor degrees
  - 49% of all engineering degrees
  - 61% of all physical science advanced degrees
  - 43% of all chemistry degrees
  - 48% of all computer science advanced degrees

**New Jersey's Investment in Independent Higher Education**

- Direct State support in fiscal year 2012 to our 14 member institutions equaled zero dollars.
- Our member institutions saved the State of New Jersey over $219 million in FY2011 – the price it would cost the State to educate the New Jersey residents our institutions enrolled at the undergraduate level.

**Contributions to New Jersey**

- The fourteen institutions collectively have more than 423,700 living alumni. About 54% of all graduates of these institutions still live in New Jersey.
- New Jersey's independent colleges and universities employ 18,155 people, who pay over $25 million in State income tax.
- There are 13,998 out-of-state students attending our schools. The economic value to the State of New Jersey is more than $250 million.
- Our members spend over $637 million on purchases of goods and services (other than construction) from companies located in New Jersey.
- Our 14 member institutions will spend over $362 million in 2012 on new construction and renovation of campus facilities. These projects will generate over 1,600 full-time equivalent jobs in construction and related industries.
- There are currently 36 New Jersey state legislators who are alumni/ae of our institutions.

# Topic # 1

Access, Capacity & Completion: Who Will Colleges Serve?

**Inside Higher Ed**

*Not Quite Complete*

Paul Fain

March 27, 2012

The college "completion agenda" is running behind schedule, at least in substantially boosting the national proportion of degree-holders. But from a policy and public-relations perspectives, the foundation-led campaign has been a home-run.

On Monday the Lumina Foundation released its third annual report tracking progress toward the foundation's goal for 60 percent of Americans to obtain a "high quality" degree or credential by 2025. The report found that 38.3 percent of working age adults held at least a two-year degree in 2010, which is up from 37.9 in 2008.

At that pace, less than 47 percent of Americans will hold a degree by 2025, according to the report, which will leave the workforce short by 23 million needed degree-holders.

"We are nowhere near at the pace we need to be," said Jamie Merisotis, Lumina's president and CEO.

The good news, at least from the foundation's perspective, is that their objective is now shared by many state leaders and President Obama (although the target percentage varies). Specific degree-holder goals are on the books in 36 states, either through laws, executive orders or statewide strategic plans, according to the report.

"The value of setting specific and measurable goals for college completion and attainment should not be underestimated," the report states, noting that because of these goals, factors that influence completion rates "are receiving much more attention at the federal, state and institutional levels."

The report features degree attainment breakdowns for each state. And, for the first time, it includes data for the 100 largest metropolitan areas. As a result, the report echoes a growing belief that planning efforts to link workforce development and higher education should be tailored to local economies – often with focuses on the city, rather than the lowest statewide level.

Merisotis, at a news conference here, described several barriers that have slowed progress toward the completion goal, including college costs and the academic and financial preparation of incoming students.

He also had some tough love for higher education, saying the industry must become much more productive. The "p-word" can be a controversial one for professors, who have heard it used by lawmakers who call for increased teaching loads, often while looking to simultaneously cut funding for public colleges.

The report does not delve into productivity in much detail, saying only that colleges must serve students without increasing costs or harming academic quality. But it does point to potential gains in serving adult students who already have some college credit but lack degrees, an area Merisotis said was an increasing focus for the foundation as its campaign has developed over the last three years.

"This group represents the proverbial low-hanging fruit," said Merisotis, who noted that 4 million adults hold college credits but no degrees in California alone.

Anthony P. Carnevale, director of the Georgetown University Center on Education and the Workforce, praised Lumina's inclusion of the metro-area data. "States aren't real economies," said Carnevale, an economist whose research has made him the national guru on a college degree's value in the workforce.

Merisotis singled out Louisville as a city that is ahead of the curve for linking degree production with jobs. The Business-Higher Education Forum has been active in that city.

Lt. Governor Sheila Simon of Illinois spoke at the event on Monday. She recently introduced a reform package aimed at improving the 20 percent graduation rate for the state's community colleges.

Simon said Peoria County has made solid progress toward increasing its percentage of degree holders – 40 percent of working adults hold at least a two-year degree despite the fact that there is no public four-year institution in the county. A strong partnership between Illinois Central College and Caterpillar, Inc., a hometown machinery manufacturer, has helped drive up that relatively high completion rate, Simon said.

## The Press of Atlantic City

*Report Finds U.S. Must Find Better Ways to Match Training to Jobs*
Diane D'Amico
March 26, 2012

New Jersey ranks sixth nationally in percentage of adults with at least a two-year college degree, according to a report released Monday by the Lumina Foundation, a private nonprofit working to help more Americans graduate from college and meet demands for a higher-skilled work force.

A large gap exists, however, between the northern and southern counties: Cumberland County had the lowest college attainment rate in 2010 of 21 percent, while Somerset County had the highest at 61 percent. According to the report, based on U.S. Census Bureau data, the rate was 33 percent in Atlantic County and 36 percent in Cape May and Ocean counties.

The statewide average is 45 percent, higher than the 38 percent national average but lower than the foundation's goal of 60 percent by 2025.

Jamie Merisotis, president and CEO of Lumina, said colleges must retool to give students the most access at the best cost. He said nationally a first option might be to target adults who attended college but never finished. In New Jersey, about 852,000, or almost 18 percent of all adults, fit that criterion.

Colleges in so-called low-wage, low-skill areas, such as Cumberland County, face the challenge of trying to improve their local economies by training students for jobs that may not yet exist, and doing it in a way that is both faster and less expensive for students.

Tony Carnevale, director of the Georgetown University Center on Education and the Workforce, said the country has a problem in matching training to jobs.

"(Despite high unemployment,) there are jobs going unfilled for too long because people don't have the right skills," he said.

Carnevale said community colleges and industry-based certificates are helping to meet immediate employer demands but colleges and high schools need to do a better job of matching programs to new careers by helping students find a college or training program that suits them.

Atlantic County has seen casino employment drop by almost a third since its peak in 2004. Even with the new Revel megaresort slated to open next month, with 5,000 new employees, Atlantic Cape Community College's Casino Career Training Institute has reported no major increase in enrollment, Atlantic Cape spokeswoman Chelsea Pizzi said Monday.

Atlantic Cape has begun offering aviation-related programs for the proposed NextGen Aviation Park in Egg Harbor Township, but that project is stalled, with no hiring.

Area community colleges are also working with local health care agencies to expand training programs. Health care was named as one growing service career that offered jobs with good wages.

At a news conference announcing the Lumina Report, titled "A Stronger Nation through Higher Education," speakers said colleges in low-wage, low-skill areas must expect, at least for a while, that many of the people they train will leave the area to find work. But if workers are not trained, it will be harder to attract new industry.

Richard Stockton College last week announced it expects students to graduate with 10 "essential" skills that could be applied to many jobs, such as creativity, critical thinking and teamwork.

The college has also begun a study on how to better fund and deliver higher education in New Jersey.

"The means by which we finance public colleges is irreparably broken," Darryl Greer, former executive director of the New Jersey Association of State Colleges and Universities and now a senior fellow at the William J. Hughes Center for Public Policy at Stockton, said in a recent interview. "We have to change the whole process by which we make operations more effective, more affordable and allow students to complete faster."

## The New York Times

*Where the Jobs Are, the Training May Not Be*

Catherine Rampell

March 1, 2012

As state funding has dwindled, public colleges have raised tuition and are now resorting to even more desperate measures – cutting training for jobs the economy needs most.

Technical, engineering and health care expertise are among the few skills in huge demand even in today's lackluster job market. They are also, unfortunately, some of the most expensive subjects to teach. As a result, state colleges in Nebraska, Nevada, South Dakota, Colorado, Michigan, Florida and Texas have eliminated entire engineering and computer science departments.

At one community college in North Carolina – a state with a severe nursing shortage – nursing program applicants so outnumber available slots that there is a waiting list just to get on the waiting list.

This squeeze is one result of the state's 25-year withdrawal from higher education. During and immediately after the last few recessions, states slashed financing for colleges. Then when the economy recovered, most states never fully restored the money that had been cut. The recent recession has amplified the problem.

"There has been a shift from the belief that we as a nation benefit from higher education, to a belief that it's the people receiving the education who primarily benefit and so they should foot the bill," said Ronald G. Ehrenberg, the director of the Cornell Higher Education Research Institute and a trustee of the State University of New York system.

Even large increases have not fully offset state cuts, since many state legislatures cap how much colleges can charge for each course. So classes get bigger, tenured faculty members are replaced with adjuncts and technical courses are sacrificed.
State appropriations for colleges fell by 7.6 percent in 2011-12, the largest annual decline in at least five decades, according to a report from the Center for the Study of Education Policy at Illinois State University. In one extreme example, Arizona has slashed its college budget by 31 percent since the recession began in 2007.

It is cumulative public divestment – and not extravagances like climbing walls or recreational centers advertised on a few elite campuses – that is primarily responsible for skyrocketing tuitions at state institutions, which enroll three out of every four college students.

Colleges have found ways to hold costs per student relatively steady. Since 1985, the average amount that public institutions spend on teaching each full-time student over the course of a year has barely budged, hovering around an inflation-adjusted $10,000, according to a State Higher Education Executive Officers report. But in the same period, the share of instruction costs paid for by actual tuition – not the sticker price, but the amount students actually pay after financial aid – has nearly doubled, to 40 percent from 23 percent.

"I understand why students are angry," said George R. Blumenthal, the chancellor of the University of California, Santa Cruz, where student protests have erupted. "They have to write bigger checks every year, and they can't get into classes they want. The reality is they're paying more and getting less."

In cutting educational subsidies, states may be penny-wise and pound-foolish, Mr. Ehrenberg said.

Economists have found that higher education benefits communities even more than it benefits the individual receiving the degree. Studies show that an educated populace leads to faster economic growth and a more stable democracy, and benefits the poorest workers the most. The post World War II economic boom, for example, has been attributed to increased college enrollment thanks to the G.I. Bill.

Less skilled workers have much to gain from enrolling in higher education, given the wage premium that additional training brings. State funding cuts not only reduce the ability for the poor to receive more training, but also disproportionately limit access to the fields that are most important to economic and job growth: sciences, engineering and health care.

These courses are especially expensive to teach partly because of equipment and safety precautions. Because these skills are in such high demand, professors also have more opportunities in the private sector and so can command higher pay.

State laws usually bar colleges from charging different tuition amounts for different undergraduate subjects, regardless of costs. Traditionally the higher cost of technical training has instead been subsidized with state funds.

“When they don’t get the appropriate level of funding, there’s a flight to cheaper programs, like general studies or the humanities,” said Nate Johnson, a higher education consultant and former associate director of institutional research for the University of Florida.

Florida International University graduates more Hispanic engineers each year than any other institution in the 50 states. Since the 2007-8 school year, the state funding the university receives annually per full-time student has fallen by $2,628. The university has been allowed to raise tuition by $1,233 in that time, covering less than half the shortfall.
Florida International has found efficiencies, like reducing energy costs. But it has also increased student-teacher ratios and eliminated some academic programs, like industrial engineering and dance, even as enrollment has surged. (Fine arts courses are also expensive to teach, partly because they require so much one-on-one time with professors.)

“There’s a lot of soul-searching in Florida,” said Mark B. Rosenberg, president of the university. “In the end if higher education is viewed by most states as a cost and not an investment, then it’s inevitable that this kind of cost shifting will continue to occur.”

If they are not eliminating job-friendly technical programs outright, many colleges are simply not expanding them to meet demand. Students then have to stay in college longer to squeeze in required classes, increasing both their debt and the chance that they will drop out.

At Wake Technical Community College in Raleigh, N.C., enrollment has grown by about 30 percent in the last three years, while total state funding has fallen by 21 percent, an amount not fully offset by tuition increases. The college cannot afford to expand its popular nursing program beyond its 275 slots, leaving 1,000 frustrated students on the waiting list. To keep these students, the college has enrolled them in a “pre-nursing” program, a new prerequisite for staying on the waiting list. But even those courses have a waiting list of more than 400 students. Some flagship universities in state systems, with relatively wealthy alumni and robust endowments, have survived the state cuts with less damage. The University of California, Berkeley, for example has started a $3 billion fund-raising campaign and begun investing its working capital more aggressively.

Many state colleges have been leaning more heavily on the federal government, including through expanded Pell Grant funding and Recovery Act money. President Obama recently proposed a $8 billion federal package for community colleges to provide additional job training.

“There is this narrative out there that we have enough money in the system, that if we only spent it better we could increase degree attainment,” said Jane V. Wellman, founding director of the Delta Cost Project, which released a comprehensive report on college costs. “But we are not going to get the degree attainment levels the economy needs exclusively from finding ‘efficiencies’ here and there. This is not a miracle of the loaves and fishes.”

## The Chronicle for Higher Education

*National Goals for College Education Depend on the States*
David W. Breneman
February 19, 2012

Consider this dilemma: The Obama administration, the Lumina Foundation, and numerous state governors have set goals for increasing sharply the proportion of college graduate (or at least the proportion of people with some form of postsecondary training) by 202-25, while for more than a decade, state-government support for higher education has been diminishing, leading to ever-higher tuition charges and escalating student debt.

The federal government lacks effective tools to change this contradictory financial context because penalizing colleges by threatening to withhold student aid harms only students. That leaves “jawboning” as the main (and ineffectual) recourse. The most recent administration proposal, to redirect campus-based aid (Supplemental Educational Oppurtunity Grants, Federal Work-Study, and Perkins Loans) to colleges that moderate tuition, is a classic case of trying to wag the dog, as the dollar amounts are too small to offset the gains from tuition increases. So what to do?

Several years ago, four of us (Patrick M. Callan, Joni E. Finney, William Zumeta, and I) began wrestling with this dilemma of preserving access and completion for the next generation of college students in an already hostile financial environment. We took a comprehensive look at the changing demography of the next generation of potential college students; at labor-market forecasts of demand for highly educated people; at the institutional capacity to increase enrollments, including distance learning and online education; and at the history and potential policies of federal and state governments.

What we found, as reported in our new book, *Financing American Higher Education in the Era of Globalization,* is that successful policies of earlier eras are no longer relevant, and that if the United States is to remain competitive in the knowledge-based world, we must examine and rethink the attitudes and incentives embedded in our current system.

Many Americans have yet to realize the extent to which other developed countries have surpassed us in rates of college participation and completion. The United States had a first-mover advantage in developing mass higher education, but since the 1990s our rates have been nearly flat, while countries like Canada, Denmark, France, Japan, New Zealand, Norway, and South Korea have exceeded us in the share of degree holders in the 25-to-34-year-old population. Our research universities remain tops in the world, but they enroll a tiny share of undergraduates, while the vast bulk of our four-and two-year colleges have not kept pace.

If we are to compete with developed and emerging nations, our focus must shift to our broad-access institutions. The recently released federal budget proposal for an $8-billion job-training partnership with community colleges is yet another sign of this new policy direction.

Better known than our relatively flagging completion rates is the changing demography of our youth population. Potential college students in coming decades will increasingly be minority, low-income, and first-generation students. Increasing their rates of attendance and success in college would be challenging under ideal financial circumstances; in the real world of sharply rising tuition charges and heavy reliance on debt, the challenge threatens to overwhelm.

We looked closely at the rationale for trying to increase the proportion of degree holders and found none of the projection methods particularly compelling, at least with regard to specific numbers or percentages. Indeed, some observers have questioned the need to do more. While we do not endorse any given set of numbers, we do argue that the weight of evidence sides with those who seek to raise the percentage of college-educated people in our population. Our economic comparative advantage as a nation will continue to depend on innovation and skilled human capital. Continuing to lose ground to other developed (and developing) nations would be a disastrous outcome.

With regard to future educational capacity, we sought to identify those sets of institutions that might be expected to increase enrollments and degrees significantly, provided they could do so responsibility. As we examined past patterns of enrollment change, it became clear that the major research universities, public and private, are not likely to pursue undergraduate enrollment growth, nor should public policy push them to do so, as they are the least cost-effective institutions for that purpose. Similarly, nonselective independent colleges and universities, while able to absorb some growth, are not likely to contribute significantly to solving the enrollment problem.

Our conclusion is that the focus must be on community colleges, regional public colleges, and the for-profit sector, which has grown significantly in the past decade, accounting now for roughly 10 percent of total enrollment. Reliance on the for-profit sector, however, will require enhanced regulatory and quality controls.

The federal government has more than done its share financially, with outlays on Pell Grants rising from $10-billion in 2000-01 to nearly $35-billion in 2010-11. Additionally, the move to direct lending, eliminating commercial banks as sources of capital, creates the potential for a comprehensive income-contingent loan program, since the banks' opposition to income-contingent lending is no longer relevant. That opens the possibility of handling collections through the IRS, which is important because a truly comprehensive program would require repayments tied to income reported to that agency.

Washington should also explore a new incentive-based matching program to increase state need-based student financial aid. As noted, however, leverage to constrain tuition increases will continue to elude the national government.

Although most states face trying fiscal situations, the responsibility for attaining increased output goals rests firmly on them, and on the institutions within their borders. The value of setting an explicit target for increased degree production is that it allows detailed analysis of what would be required state by state for the nation to succeed. Nationally, to hit the president's 2020 goal would require 8.2 million additional associate and bachelor degrees beyond current production by then, an average annual increase of 4.2 percent. For most states, a portion of that increase will have to be met by increasing degree attainment in the adult population as well as in the traditional age cohorts. How are states to achieve those goals? First, the growing focus on degree completion is key, as the wastage in numbers of students who begin but fail to complete programs is a national disgrace. The Paris-based Organisation for Economic Co-operation and Development ranks the United States 15$^{th}$ in degree-completion rate, with roughly one out of every two people who start college going on to receive degrees. Simply cutting those losses will carry us a good distance toward the goal. No single policy will solve this problem, but emphasizing the importance of program completion, providing performance incentives to keep open-enrollment colleges focused on that mission, the strategic use of financial aid, and resisting "mission creep" all have a role to play.

Other tools are early commitment programs for financial aid to students while they are in high school, support for part-time students in state student-aid programs, use of excess capacity at private nonprofit colleges by helping finance enrollment there, and incentive-based funds for institutions that increase their course- and degree-completion rates. For governors and legislators, meeting the challenges will be, in large measure, a test of political will.

In short, our task is to redesign our 20th century education system for the challenges of the 21st century. One could paint this need negatively, as a lost golden age of institutional growth and ever-expanding resources. But for leaders with a clear grasp of the need for change and of the constraints within which they must operate, the prospect, while daunting, will also prove exhilarating.

## University World News

*Higher Education Redesign Needed to Boost the Economy*
Jamie Merisotis
February 13, 2012

High-level officials including US Secretary of Education Arne Duncan and Undersecretary of Education Martha Kanter have been travelling across the US to raise public awareness of the need to make higher education more affordable. Their messages are critically important and solutions must be found if more Americans are to gain access to the educational opportunities they need to succeed in today's economy.

As President Barack Obama indicated in his state of the union address, higher education is an economic imperative. Jobs that require skills and knowledge that can only be obtained through post-secondary education, including an increasing number of advanced manufacturing jobs, are growing much faster than those that do not.

According to the Georgetown University Center on Education and the Workforce, more than 60% of American jobs will require some form of post-secondary education by 2018, including a growing number of jobs demanding skills and knowledge that can best be developed in community colleges. Unfortunately, only 40% of adults in America currently have an associate or bachelor degree.

In decades past, the US ranked first when it came to educating its citizens. The US produced enough graduates to meet the needs of employers and the nation's economy was the envy of the world.

Today the US has dropped all the way to 15th in the college attainment level of young adults, based on OECD data. And while the unemployment rate hovers above 8% nationally, employers are still struggling to find enough workers to fill the skilled positions that they need to grow.

Clearly, the only path out of this deep hole is through a redesign of the higher education system, with a dual focus on increasing capacity while maintaining or improving quality.

The decline of the US in post-secondary attainment rankings corresponds with a dramatic increase in what it costs to earn a college degree. Tuition fees have outpaced inflation for nearly three decades and the price of obtaining a degree is now prohibitive for far too many Americans.

The nation must both reduce the cost of college and increase the number of students who succeed in post-secondary education. The only real way to do that is to change how higher education is structured, funded and delivered, with the explicit goal of making the system more productive.

Higher education institutions must find ways to graduate significantly more students with high-quality degrees while controlling the costs of delivery.

Part of the solution lies in performance-based funding that rewards institutions not for the number of students they enroll, but for how many of their students succeed. For example, the state of Tennessee is now distributing 70% of its higher education appropriations based on results and quality rather than enrolment.

Introducing business efficiencies like joint purchasing of products and services can also help produce savings that are used to graduate more students at a lower cost. In Ohio, more than $900 million has been saved by public colleges and universities over the last few years.

Developing new models of delivery, such as the competency-based learning model of Western Governors University, can increase the pace and accessibility of learning while lowering costs.

The US must also shift away from a higher education system based on time (the foundation for how credits are awarded) to one based on learning. In a knowledge-based economy, degrees and other credentials – rather than the amount of time a student has spent sitting in a classroom – must represent real skills and knowledge.

For example, Carnegie Mellon University’s Open Learning Initiative offers users highly advanced, technologically delivered general education courses, which can be completed much faster than traditional courses, with the same or better student performance.

Degrees and credentials should recognize skills and knowledge however or wherever they are obtained, including through workforce development programs and higher education.

To better determine a measurement of education quality, Lumina has introduced a new program called the Degree Qualifications Profile, or DQP.

Drafted by experts in American higher education, the DQP is a framework for clearly defining learning outcomes. Much like the qualifications frameworks that have been developed in many other nations, it is a baseline set of reference points for what students in any field should be able to do to earn their degrees.

Currently, it is being tested at more than 100 institutions in 30 states, representing virtually every sector of non-profit higher education in the US. The hope is that this ‘beta version’ of the DQP will develop into an effective tool for use at every level of education.

Partnerships between the public, private and social sectors are critical to building a higher education system capable of meeting the growing need for skills and knowledge to lead in the 21st century.

It is not enough for employers to sit on the sidelines and clamor about how higher education institutions are not delivering all of the skilled workers that are required. Employers must become more active advocates for policy changes and they must offer programs that can more effectively address the skills gap.

Lumina Foundation encourages employers to join the national Goal 2025 movement that aims to have 60% of Americans with high-quality degrees by 2025.

Other ways employers can help include: offer tuition-reimbursement plans to employees; make space available to local colleges and universities to offer on-site classes; and support employees who started on the path to a degree but never finished.

As an independent NGO, Lumina is committed to working with a variety of American organizations to enable this critical shift to an affordable, learning-centered higher education system.

If we achieve that goal, we can strengthen the US economy, grow jobs and improve the earning power of more Americans.

## The Chronicle of Higher Education

## *The Changing Face of Higher Education?*

Sandy Baum and Michael McPherson
October 1, 2011

Discussion of improving postsecondary outcomes and increasing educational attainment frequently refer to the changing character of the student body. It is easy to visualize “college students” as those who graduate from high school, enroll full-time, and earn a college degree in the prescribed time-frame. But many students – and a disproportionate number of those who never make it through – are older, enroll part-time, have dependents, attend two-year colleges. Unfortunately, efforts to call attention to this reality are too frequently combined with the claim the “traditional” student is an anachronism – that over time students have come less and less to look the way they did in the 1950s and the 1960s. Fewer and fewer students fit the stereotype, the argument goes, so designing policies focused on those rare (and priveled) few misses the point.

Is there really a long-term trend away from traditional college students? Let’s look at some simple data from the *Digest of Education Statistics* about fall enrollments over time.

| | % Part-Time | % Full-Time |
|---|---|---|
| 1970 | 32% | 28% |
| 1980 | 41% | 37% |
| 1990 | 43% | 42% |
| 2000 | 41% | 39% |
| 2005 | 38% | 39% |
| 2006 | 38% | 39% |
| 2007 | 38% | 39% |
| 2008 | 39% | 39% |
| 2009 | 38% | 42% |

During the 1970s, when the number of public two-year colleges in the United States grew by about 25 percent, the percentage of all students who were over the age of 24 increased from 28 percent to 37 percent. This trend continued at a slower rate in the 1980s, and by 1990, 42 percent of enrolled postsecondary students were over the age of 24. But the pattern has not continued over the most recent two decades. In 2008, 39 percent of students were of "nontraditional" age. Not surprisingly, the number rose in 2009 as labor-market oppurtunities dwindled. But it's certainly too soon to call this the resumption trend.

Part-time enrollments show a similar pattern. In 1980, 41 percent of students were enrolled part-time – an increase from 32 percent in 1970. But after rising to 43 percent in 1990, the percentage of students enrolled part-time fell to 41 percent in 2000, 38 percent in 2005 – and was 38 percent in 2009.

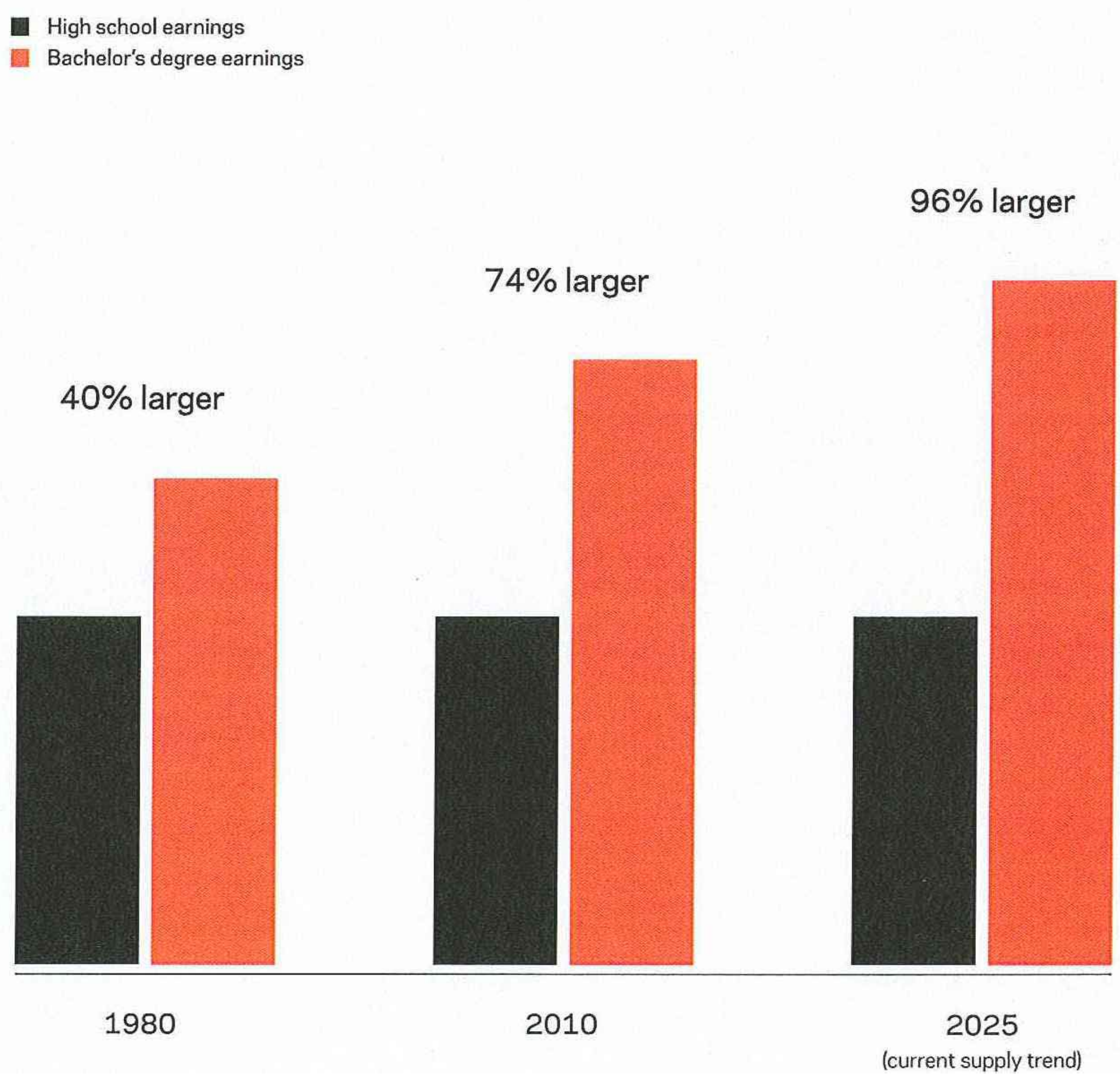
We do need to focus on the needs of older students, of part-time students, of students with other risk factors that make it more difficult for them to succeed in postsecondary education. But traditional college students are not disappearing. The number of enrolled students ages 24 and younger grew from 8 million in 1990, to 9.3 million in 2000 and to 11.8 million in 2009. About 60 percent of these "traditional age" students (as opposed to 30 percent of older students) attend exclusively full-time.

A substantial majority of these "traditional" students are pursuing a "college degree," either a B.A. or an A.A. (the latter often as a way station, they hope, to a B.A.). Some traditional and a great many "non-traditional" students are not seeking academic degrees, but rather vocational training or professional certifications of one kind or another. These endeavors are pretty different from one another, and there is every reason to doubt that they are all best provided in the same way, or even always in the same institutions.

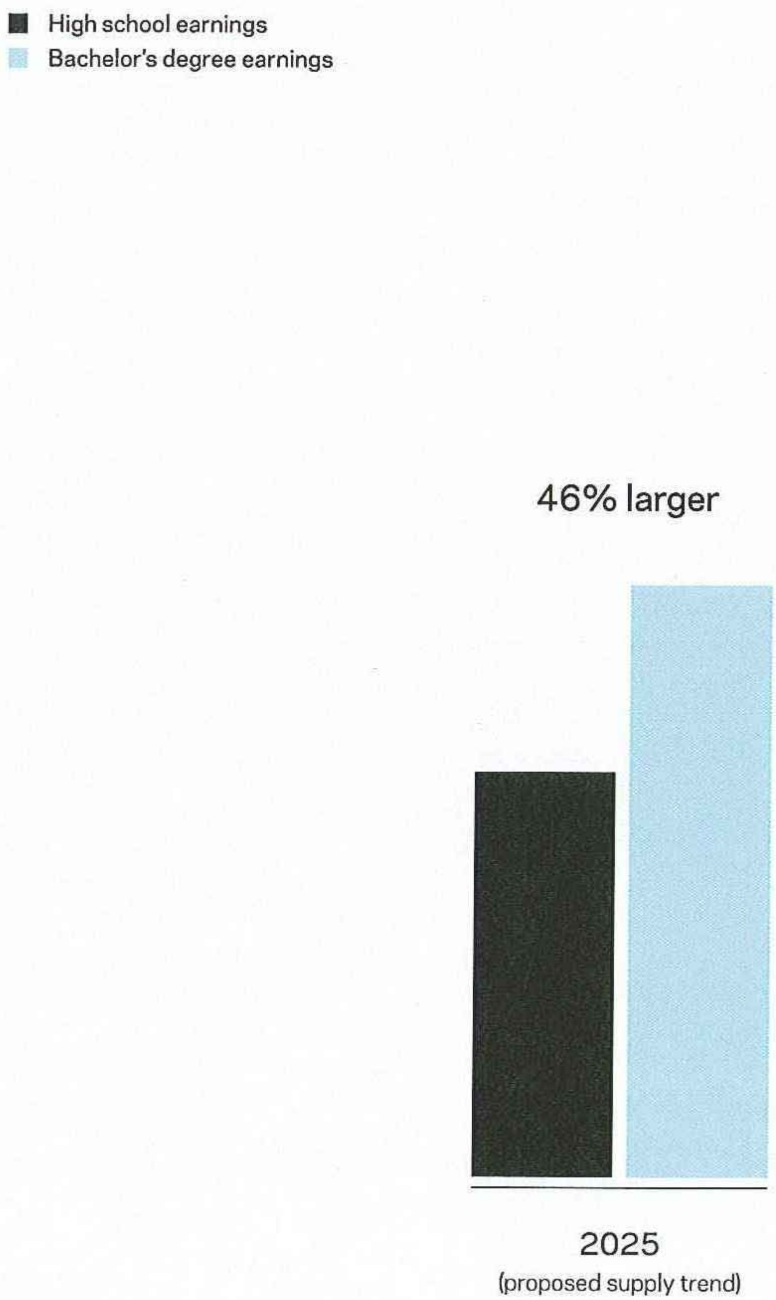
We have a diverse population with multiple needs. Using the word "college" to label every educational activity undertaken by a person too old to be in high school does not contribute to clear thinking about how to do educational work of different kinds well. Once concept of "college," one way of designing classroom experiences, one model of incorporating technology, and one mode of financing educational expenses cannot address such varied experiences and purposes. We might begin by developing a vocabulary that recognizes and respects both "traditional" and "nontraditional" students.

**The Undereducated American, Executive Summary**
Georgetown University Center on Education and the Workforce
June 2011

## If we continue to underproduce college-educated workers, the large and growing gap between the earnings of Americans of different educational attainment will grow even wider.



# What's the solution? If we were to add 20 million postsecondary-educated workers to the workforce, income inequality would decline.



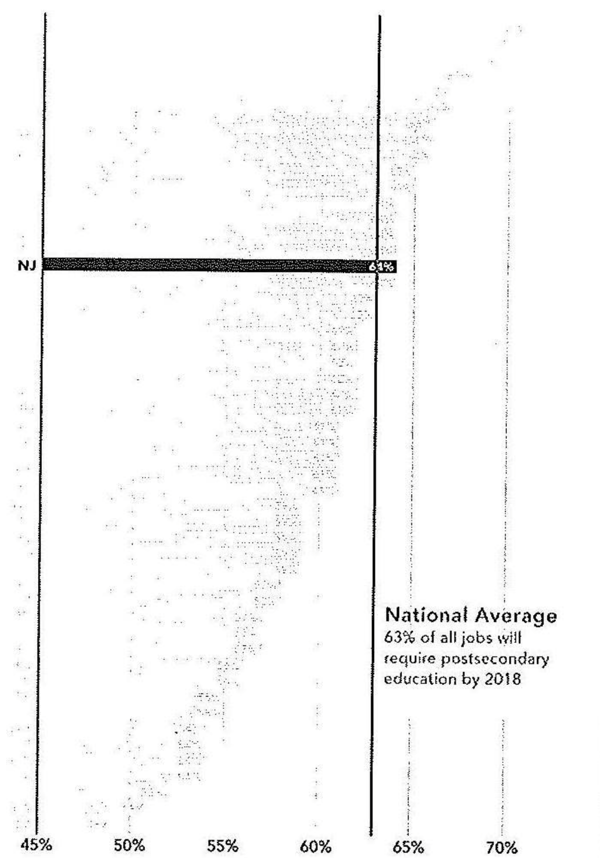
**Georgetown University Center on Education and the Workforce**
June 2010

# New Jersey

- Between 2008 and 2018, new jobs in New Jersey requiring postsecondary education and training will grow by 148,000 while jobs for high school graduates and dropouts will grow by 43,000.
- Between 2008 and 2018, New Jersey will create 1.3 million job vacancies both from new jobs and from job openings due to retirement.
- 794,000 of these job vacancies will be for those with postsecondary credentials, 376,000 for high school graduates and 118,000 for high school dropouts.
- New Jersey ranks 2nd in terms of the proportion of its 2018 jobs that will require a Bachelor's degree, and is 33rd in jobs for high school dropouts.
- 64% of all jobs in New Jersey (2.7 million jobs) will require some postsecondary training beyond high school in 2018.

*Job vacancies arise from two sources: There are brand new positions created as an occupation grows, and there are pre-existing jobs that people leave behind when they retire, or move into other occupations.*

Percentage of jobs in 2018 that will require a postsecondary education, by state.




| NEW JERSEY'S RANK IN JOBS FORECASTED FOR 2018, BY EDUCATION LEVEL. | | |
|---|---|---|
| **Education level** | **2018 Jobs** | **Rank** |
| High school dropouts | 408,000 | 33 |
| High school graduates | 1,300,000 | 34 |
| Some college, no degree | 808,000 | 46 |
| Associate's degree | 334,000 | 46 |
| Bachelor's degree | 1,059,000 | 2 |
| Graduate degree | 538,000 | 7 |

By 2018, **64%** of jobs in New Jersey will require postsecondary education.

This is **1** percentage point above the national average of **63%**.

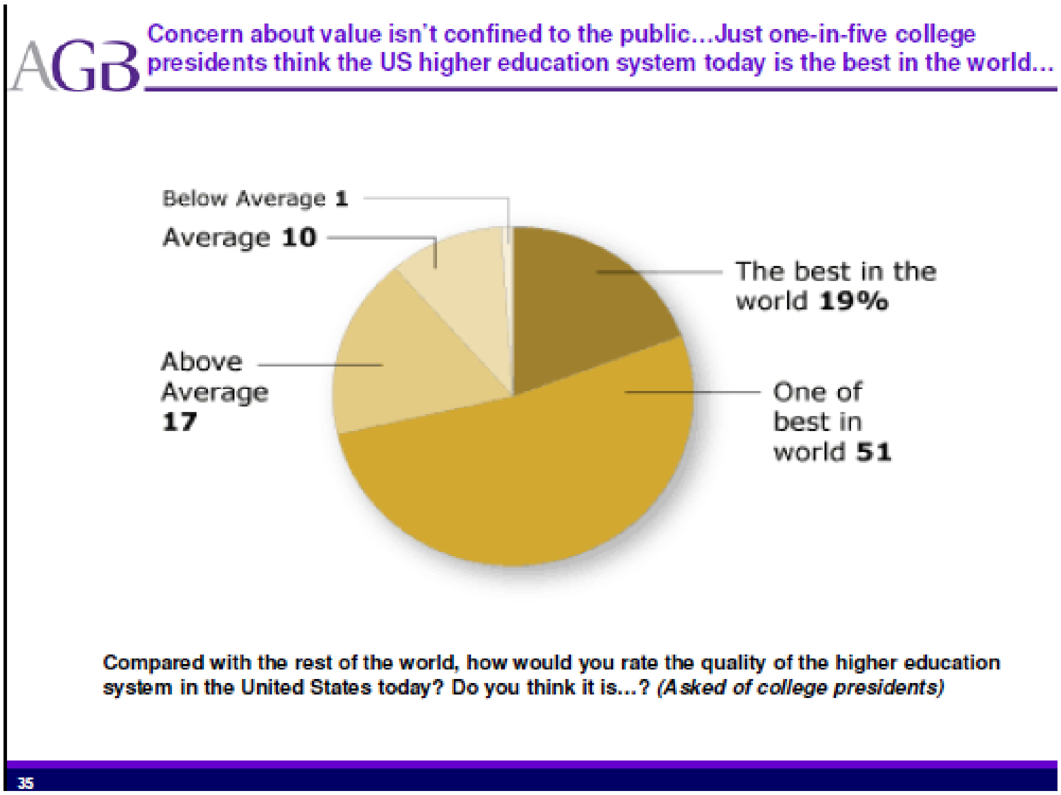
New Jersey ranks **16th** in postsecondary education intensity for 2018.

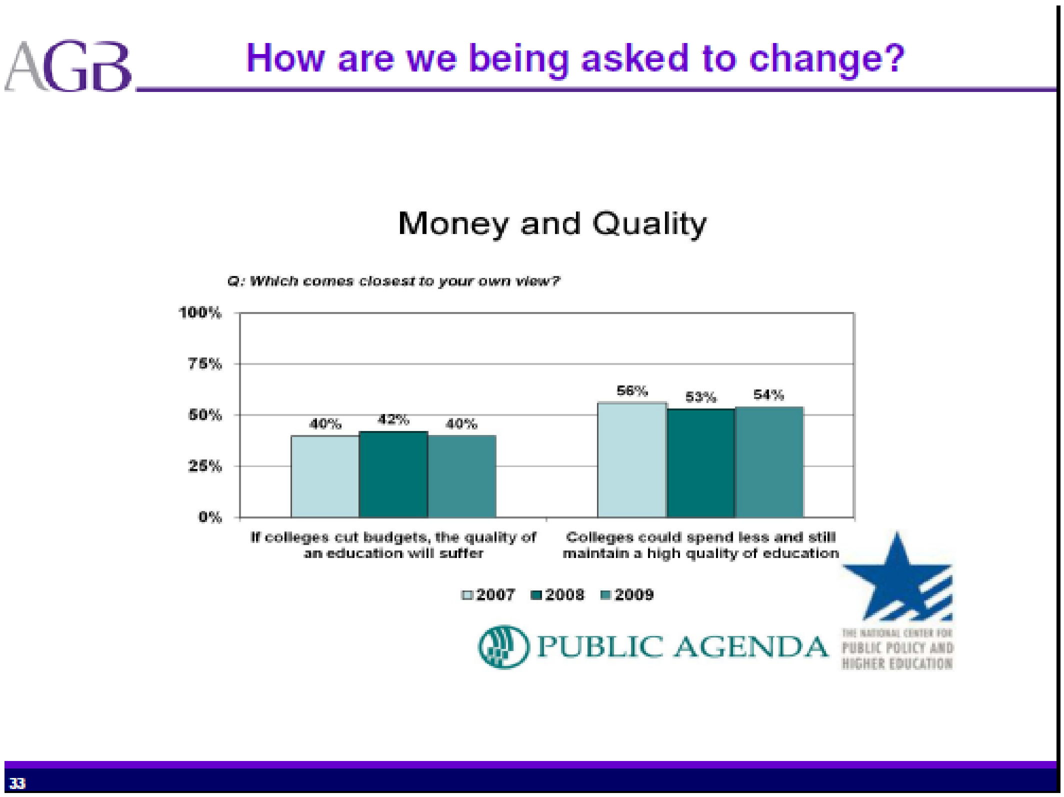
# Topic # 2

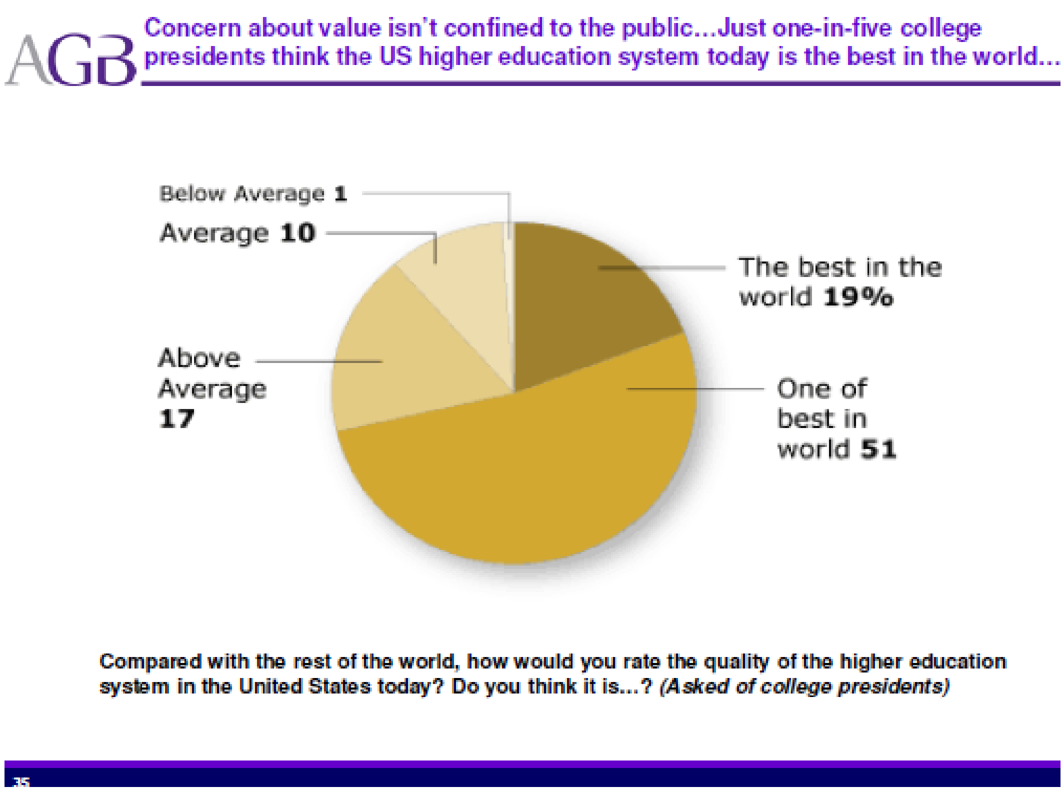
Alignment of Purposes of College with Broader Public Agendas: How to Engage the Public and Account for Public Trust?

## The Current State Fiscal Outlook
### *AGB Webinar*

Richard Novak, AGB
Scott Pattison, National Association of State Budget Officers (NASBO)
Jane Wellman, NASH & Delta Project
May 14, 2012




AGB
How are we being asked to change?
Money and Quality
Q: Which comes closest to your own view?
100%
75%
50%
25%
0%
40%
42%
40%
56%
53%
54%
If colleges cut budgets, the quality of an education will suffer
Colleges could spend less and still maintain a high quality of education
2007 2008 2009
PUBLIC AGENDA
THE NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION
33


AGB
Concern about value isn't confined to the public…Just one-in-five college presidents think the US higher education system today is the best in the world…
Below Average 1
Average 10
The best in the world 19%
Above Average 17
One of best in world 51
Compared with the rest of the world, how would you rate the quality of the higher education system in the United States today? Do you think it is…? (Asked of college presidents)
35

## NJASCU Public Opinion Polls

*2011 Public Opinion Polling*

*Poll indicates a New Jersey "disconnect": Voters See Public Colleges as a Priority Investment Linked to Jobs and Future Prosperity, But Don't See a State Plan*

According to a new, scientific public opinion survey by Penn, Schoen & Berland Associates (PSB), Washington, DC, office for New Jersey Association of State Colleges and Universities (NJASCU) the state's likely voters say that New Jersey's state colleges and universities are key to economic recovery, merit more state investment to fulfill this role, and are trusted to make educational and financial decisions. However, the polls show that these public institutions need to do more to demonstrate that they are working hard to contain costs and keep tuition and fees affordable -- a big concern of Jersey residents, many of whom have experienced economic setbacks.

The results are taken from an online study, focusing squarely on New Jersey's nine state colleges and universities, conducted by PSB March 31 - April 4, 2011 of 750 New Jersey likely voters. The margin of error for this study is plus/minus 3.58% at the 95% confidence level.

**College Investment Tied with Jobs, Economic Development.**
The vast majority (95%) of likely voters think it is important for the state to have a plan to connect higher education with jobs and the economy. A 57% majority said they were not aware that the state has such a plan.

Most residents seem to understand the need to invest in higher education. Among likely voters, 57% strongly agree that excellent and affordable state colleges are vital to New Jersey's economy. More than 60% say they are likely to support investment in college and university facilities, including a bond issue of $1.3 billion or $2.6 billion. Better than four out of five likely voters agree -- and 39% strongly agree -- that the state should provide consistent, predictable support to state colleges and universities so they can make long-term plans.

**Colleges Viewed as High Quality, but Affordability Concerns Deepen.**
According to Dr. Darryl Greer, NJASCU's CEO, affordability is an especially big concern because people don't want to be locked out of state colleges by their economic circumstances. Citizens recognize the education at state colleges and universities is of high quality: 14% say quality is excellent, 67% say good, 17% say fair, and 1% say poor.

Likely voters were divided about the affordability of state colleges; citizens' perception that college remains affordable continues to slip in the bad economy. In the current poll, 51% say the colleges are not affordable (not very + not at all), while 42% say colleges are somewhat affordable, and 7% say the colleges are very affordable. By comparison, in 2007, 16% of residents said state colleges were not affordable.

Greer says that the perception of college affordability is shaped by several factors: estimations of costs and student aid to cover costs; awareness of the pace of increases over time; and changes in personal economic circumstances.

The poll found that about one-half (51%) of likely voters had experienced at least one personal setback (e.g., job loss, pay cut, reduced hours) over the past year. Greer added, "While citizens are basically correct about the rising cost of college, they do tend to overestimate the cost, sometimes by 50% or more."

Many of those surveyed (38%) accurately responded the current state college tuition and fees rate range (above $10,000 but below $15,000), although approximately the same share think that tuition is above $15,000. (Note: the question specified "excluding room and board"). While citizens support helping others through student financial aid, 38% of likely voters think financial aid to those at NJ state colleges benefits "people like me and my family." A majority (62%) respond that such programs "benefit others but not me and my family."

**Beyond State Investment, Productivity is Key to Affordability.**
While the colleges have been cutting costs, improving productivity, and finding new revenue to supplement lost state funds, much of the public may be unaware of these efforts. Twenty-two percent (22%) of likely voters say that the main reason for tuition increases is colleges' inability to cut back on spending. A large segment of the public cites state budget cuts as the chief reason for tuition increases (32%).

**Confidence in Trustees is Strong.**
Most likely voters favor giving college trustee boards, rather than the legislature or state agencies, the freedom and responsibility to manage personnel, operations and programs. Four out of five believe that more Trenton control will lead to more political interference.

As in past PSB polls, citizens are far more likely to trust college presidents and the nonpartisan trustee boards than state bodies and agencies to make the best decisions for institutions. For example, when it comes to decisions about planning and facilities construction, trustee boards are favored over state entities nearly 2:1, and they are favored 3:1 when it comes to decisions regarding managing employees.

**Scholarships Should Not Restrict Choice.**
The public is not at all keen about state student financial aid programs that are limited to one type of New Jersey college. Seven out of ten likely voters say that state-funded scholarships should be available to students attending any New Jersey college or university. Another 21% say scholarships should be limited to those attending four-year colleges, and 9% say they should be limited to those attending county/community colleges.

**Capacity Problem Understood.**
Better than four out of ten (42%) of likely voters are aware that New Jersey state colleges have to turn away students. Several of the questions showed that a majority of residents favor investing in state colleges and universities to serve more New Jerseyans. Darryl Greer says he believes that the shortage of state college first-time, full-time freshmen slots (currently only about 11,000 for over 20,000 applicants) is being felt in many homes. The capacity problem persists despite the fact that the colleges are now enrolling, collectively, about 17,500 more full-time students than they did a decade ago, and Thomas
Edison State College continues to grow by thousands of students as the leading college serving adult learners attending part-time.

**Low Support for In-State Tuition for Undocumented Students.**
The public has moved, over the past six years, toward a less favorable view of granting in-state tuition rates to undocumented, but otherwise qualified, New Jersey students: 62% say no, 38% say yes. In the 2005 PSB poll for NJASCU, opinion was split: 46% said yes, 45% said no.

Other questions covered in the poll include factors contributing to student graduation rates, perceptions about spending on higher education compared to spending on K-12 education, and importance of addressing New Jersey's (nation's worst) loss of high school graduates to out-of-state institutions (net 30,000 per year).

## *2009 Public Opinion Polling*

The New Jersey Association of State Colleges and Universities (ASCU) sponsored a poll conducted between September 30 and October 5, 2009 by Washington, DC-based Penn, Schoen & Berland Associates. The poll consisted of online interviews about New Jersey's nine state colleges and universities, conducted with 671 likely gubernatorial election voters in New Jersey. The margin of error for the entire sample is +/- 3.78 at the 95% confidence level.

**On the Importance of, And Quality of, Education at New Jersey State Colleges and Universities.**

- 86% said the colleges are important to keeping good jobs in New Jersey (44% very important; 42% somewhat important);
- 79% said the colleges are important to keeping NJ families in New Jersey (37% very important; 42% important);
- 91% said they have a favorable view of the NJ state colleges and universities (32% very favorable; 59% somewhat favorable);
- Very favorable ratings were 37% among those with children under 25.
- 82% said the nine New Jersey state colleges and universities (The College of New Jersey, Kean University, Montclair State University, New Jersey City University, Ramapo College of New Jersey, Richard Stockton College of New Jersey, Rowan University, Thomas Edison State College and William Paterson University) do a good or excellent job at providing education to students (18% excellent; 64% good).

**Control Over Colleges, Accountability and Trust.**
More than four out of five (81%) agree that less government bureaucracy and less state regulation would help the colleges and universities be more efficient and serve more students.

Nearly four out of five (79%) agree that if the state is going to invest more money to support higher education and serve more New Jersey students, nonpartisan boards of trustees and the presidents should make the decision, as opposed to "letting the governor decide how to spend the money" (11%), or "letting state agencies in Trenton decide how to spend the money" (10%).

Similarly, seven out of ten (71%) say that, when it comes to future progress on college affordability, quality and accountability, they trust state college/university presidents and their nonpartisan trustee boards, as opposed to the governor (12%) or legislature (7%).

A majority of likely voters think that if Trenton had more control over state colleges and universities the result would be less, not greater, college opportunity (56% said less; 44% said greater). On the question of whether more Trenton control would make state colleges subject to less or more political interference, a large majority (87%) agreed that it would make them more subject to such interference.

**Student Enrollment and Capacity, Ties to the Economy.**
Many likely voters mistakenly think that state colleges serve large numbers of out-of-state residents. Only 16% said they thought the colleges enroll fewer than 10% out-of-state students -- which is the case. 39% said the percentage of out-of-state students was 11-20%; 33% said it was 21-30%; 12% said it is 31% or more; 2% think it is 41% or more.

Likely voters support the need to expand college capacity: 92% agree that NJ students should have the opportunity to live on campus at the state college or university of their choice; 82% agree that expanding capacity will help keep NJ's brightest students here; 86% agree that expanding college access will help create new jobs and businesses and expand NJ's economy.

**College Affordability and Tuition Trend Lines, Causes.**
Likely voters are split about whether the cost of education at the nine state colleges is affordable. Very affordable was listed by 9%; somewhat affordable 43%; not very affordable 38%; and not at all affordable 10%.

Likely voters do not hold colleges responsible for tuition increases. 45% think it is the bad economy and state budget cuts; 19% attribute it to rising costs of new programs and technology; another 19% believe the cause is state mandated costs and regulation. Only 18% believe that it is the inability of colleges to cut back on spending.

**Financial Aid.**
41% indicate that financial aid for students at state colleges and universities is available to most students; 59% say that it is not.

70% say financial aid "benefits others, but not me and my family;" while 31% say financial aid "benefits people like me and my family."

**Need for State Investment.**
When asked whether the current NJ funding for a college student (about half what is spent per student in K-12) is appropriate, only about one-third surveyed (34%) agreed. Two-thirds (66%) think that spending on college students should be greater than it is now.

Similarly, when asked whether the state should have a plan to invest in higher education facilities (it currently has none), in light of the state's current investment of $3.9 billion in K-12 construction, 77% of likely voters agreed that the state should plan to spend somewhere between $1.3 and $3.9 billion on higher education facilities over the next decade.

**Public Agenda**
John Immerwahr and Jean Johnson
February 2010

# Squeeze Play 2010: Continued Public Anxiety on Cost, Harsher Judgments on How Colleges Are Run

A Joint Project of The National Center for Public Policy and Higher Education and Public Agenda

PUBLIC AGENDA

THE NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION

By John Immerwahr and Jean Johnson
With Amber Ott and Jonathan Rochkind
February 2010

A Report Prepared by Public Agenda for The National Center for Public Policy and Higher Education

# FULL SURVEY RESULTS

The findings in "Squeeze Play 2010" are based on landline and cellular telephone interviews with a national random sample of 1,031 adults aged 18 and over. Interviews were conducted from December 9 through December 13, 2009. The margin of error for total respondents is plus or minus 3.05 percentage points. It is higher when comparing percentages across sub-groups or on question items that were not asked of all respondents. Interviews were conducted in English and Spanish.

The response rate for this study was calculated to be 14.3 percent, and six attempts were made to reach each respondent. The survey data was weighted to provide nationally representative and projectable estimates of the adult population 18 years of age and older. The weighting process takes into account the disproportionate probabilities of household selection, and the sample is post-stratified and balanced by key demographics—age, sex, region and education. The sample is also weighted to reflect the distribution of phone usage in the general population, meaning the proportion of those who are cell phone only, cell phone mostly, landline only and mixed users.

Results of less than 0.5 are signified by an asterisk (*). Results of zero are signified by an en dash (–). Some data are not available, because not all questions were asked in each iteration of the survey. Missing data are signified by an em dash (—). Responses may not always total 100 percent due to rounding. Combining answer categories may produce slight discrepancies between the numbers in these survey results and numbers in the report.

| | | 2009 (%) | 2008 (%) | 2007 (%) | 2003 (%) | 2000 (%) | 1998 (%) | 1993 (%) |
|---|---|---|---|---|---|---|---|---|
| 01. | Do you think that a college education is necessary for a person to be successful in today's work world, or do you think that there are many ways to succeed in today's work world without a college education? | | | | | | | |
| | College education is necessary | 55 | 55 | 50 | 37 | 31 | — | — |
| | There are many ways to succeed in today's world without a college degree | 43 | 43 | 49 | 61 | 67 | — | — |
| | Don't know | 2 | 2 | 1 | 2 | 3 | — | — |
| 02. | Compared with other things, are college prices going up at a faster rate, are college prices going up at a slower rate, or are they going up at about the same rate? | | | | | | | |
| | Faster rate | 65 | 63 | 58 | — | — | — | 64 |
| | Slower rate | 3 | 2 | 3 | — | — | — | 17 |
| | Same rate | 20 | 25 | 20 | — | — | — | 5 |
| | Going down [vol] | – | * | – | — | — | — | - |
| | Don't know | 12 | 10 | 19 | — | — | — | - |

# FULL SURVEY RESULTS

| | | 2009 (%) | 2008 (%) | 2007 (%) | 2003 (%) | 2000 (%) | 1998 (%) | 1993 (%) |
|---|---|---|---|---|---|---|---|---|
| 03. | Compared with HEALTH CARE, do you think college prices are going up at a faster rate, are college prices going up at a slower rate, or are they going up at about the same rate? [Base: Asked of total who think college prices are going up at a faster rate compared with other things.] | | | | | | | |
| | Faster rate | 36 | 35 | 20 | – | – | – | – |
| | Same rate | 38 | 42 | 39 | – | – | – | – |
| | Slower rate | 17 | 17 | 22 | – | – | – | – |
| | Going down [vol] | * | * | * | – | – | – | – |
| | Don't know | 9 | 6 | 19 | – | – | – | – |
| 04. | I am going to read you some statements about colleges, meaning both two-year institutions, such as community colleges, and four-year institutions, such as state universities and private four-year colleges. For each statement, please tell me if you agree or disagree. | | | | | | | |
| | Almost anyone who needs financial help to go to college can get loans or financial aid. | | | | | | | |
| | Agree strongly | 37 | 30 | 38 | 35 | 33 | – | – |
| | Agree somewhat | 25 | 27 | 29 | 27 | 29 | – | – |
| | Disagree somewhat | 14 | 17 | 14 | 16 | 17 | – | – |
| | Disagree strongly | 19 | 22 | 15 | 16 | 15 | – | – |
| | Don't know | 4 | 4 | 3 | 6 | 6 | – | – |
| | Students have to borrow too much money to pay for their college education. | | | | | | | |
| | Agree strongly | 65 | 67 | 60 | 55 | 56 | – | – |
| | Agree somewhat | 18 | 19 | 18 | 22 | 24 | – | – |
| | Disagree somewhat | 8 | 7 | 12 | 13 | 11 | – | – |
| | Disagree strongly | 6 | 5 | 8 | 6 | 4 | – | – |
| | Don't know | 3 | 2 | 3 | 4 | 5 | – | – |
| | Colleges could take a lot more students without lowering quality or raising prices. | | | | | | | |
| | Agree strongly | 33 | – | 30 | – | – | – | – |
| | Agree somewhat | 27 | – | 28 | – | – | – | – |
| | Disagree somewhat | 22 | – | 20 | – | – | – | – |
| | Disagree strongly | 11 | – | 16 | – | – | – | – |
| | Don't know | 7 | – | 6 | – | – | – | – |
| 05. | Do you think that currently, the vast majority of people who are qualified to go to college have the opportunity to do so, or do you think there are many people who are qualified to go but don't have the opportunity to do so? | | | | | | | |
| | Have the opportunity | 28 | 29 | 36 | 37 | 45 | 49 | 37 |
| | Don't have the opportunity | 69 | 67 | 62 | 57 | 47 | 45 | 60 |
| | Don't know | 3 | 4 | 2 | 7 | 8 | 5 | 4 |

# FULL SURVEY RESULTS

| | | 2009 (%) | 2008 (%) | 2007 (%) | 2003 (%) | 2000 (%) | 1998 (%) | 1993 (%) |
|---|---|---|---|---|---|---|---|---|
| 06. | Which comes closer to your own view? | | | | | | | |
| | Colleges today care mainly about education and making sure students have a good educational experience | 32 | 35 | 43 | – | – | – | – |
| | Colleges today are like most businesses and care mainly about the bottom line | 60 | 55 | 52 | – | – | – | – |
| | Don't know | 7 | 9 | 5 | – | – | – | – |
| 07. | Which comes closer to your own view? | | | | | | | |
| | Your state's public college and university system needs to be fundamentally overhauled | 49 | 48 | 48 | – | – | – | – |
| | Your state's public college system should be basically left alone | 39 | 39 | 39 | – | – | – | – |
| | Don't know | 12 | 13 | 12 | – | – | – | – |
| 08. | Which comes closer to your own view? | | | | | | | |
| | If colleges cut budgets, the quality of education will suffer | 40 | 42 | 40 | – | – | – | – |
| | Colleges could spend less and still maintain a high quality of education | 54 | 53 | 56 | – | – | – | – |
| | Don't know | 6 | 5 | 4 | – | – | – | – |
| 09. | Do you think that colleges and states that receive federal stimulus money for higher education should...? | | | | | | | |
| | Use all or part of it to hold down tuition and fees, even if that means colleges have less money to spend on operations and programs | 64 | – | – | – | – | – | – |
| | Use most of the money to maintain current operations and programs, even if that means increases in tuition and fees | 25 | – | – | – | – | – | – |
| | Don't know | 10 | – | – | – | – | – | – |

# FULL SURVEY RESULTS

| | | 2009 (%) | 2008 (%) | 2007 (%) | 2003 (%) | 2000 (%) | 1998 (%) | 1993 (%) |
|---|---|---|---|---|---|---|---|---|
| 10. | Please think about your (oldest/youngest) child in high school.... How likely is it that this child will attend college after graduating high school? [Base: Asked of total who have a child currently enrolled in high school.] | | | | | | | |
| | | n=108 | | n=313 | | | | |
| | Very | 59 | | 61 | – | – | – | – |
| | Somewhat | 31 | | 25 | – | – | – | – |
| | Not too | 4 | | 11 | – | – | – | – |
| | Not at all | 6 | | 2 | – | – | – | – |
| | Don't know | – | | 1 | – | – | – | – |

# Topic # 3

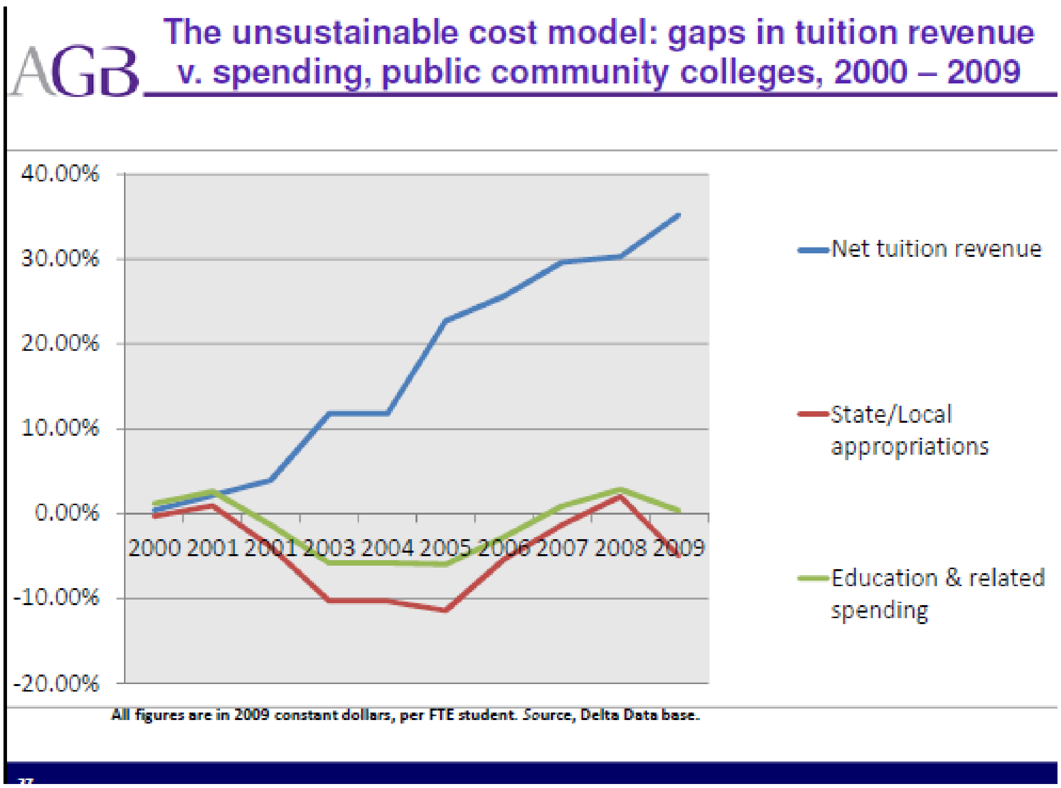
New Models of Financial Accountability, Productivity & Affordability:

How will College be Financed and Paid for?

**The Current State Fiscal Outlook**

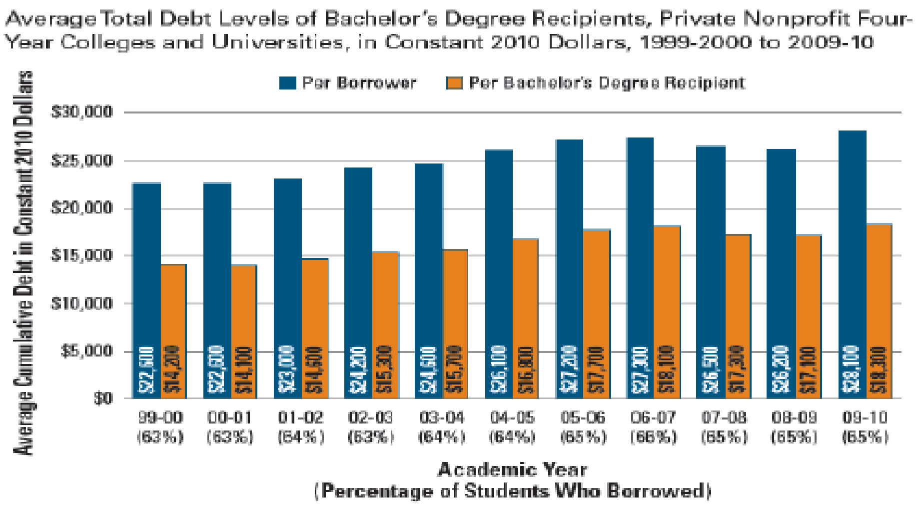
***AGB Webinar***

Richard Novak, AGB
Scott Pattison, National Association of State Budget Officers (NASBO)
Jane Wellman, NASH & Delta Project
May 14, 2012



AGB

## Student indebtedness now a major national political issue

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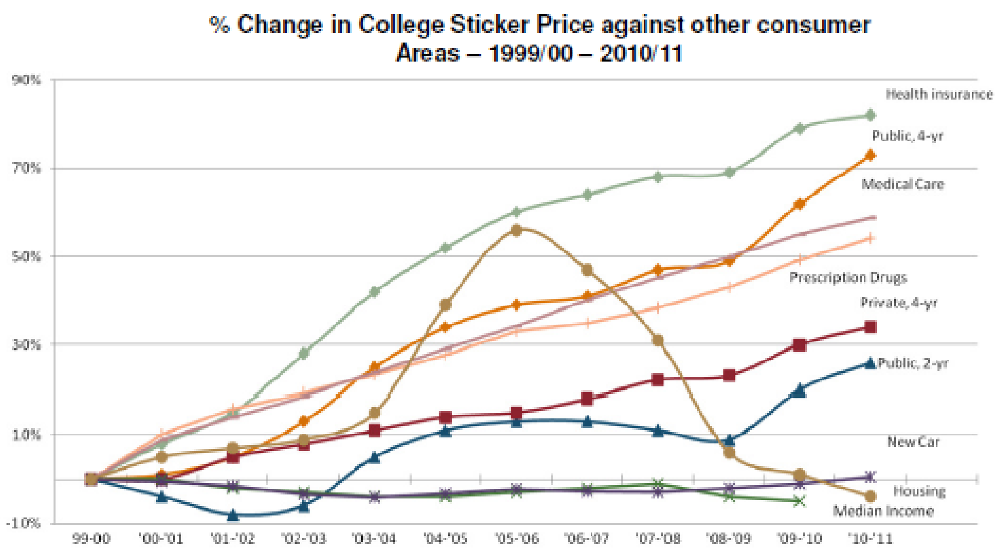
AGB

## The consequence of declining state subsidies and rising demand…Tuition increases

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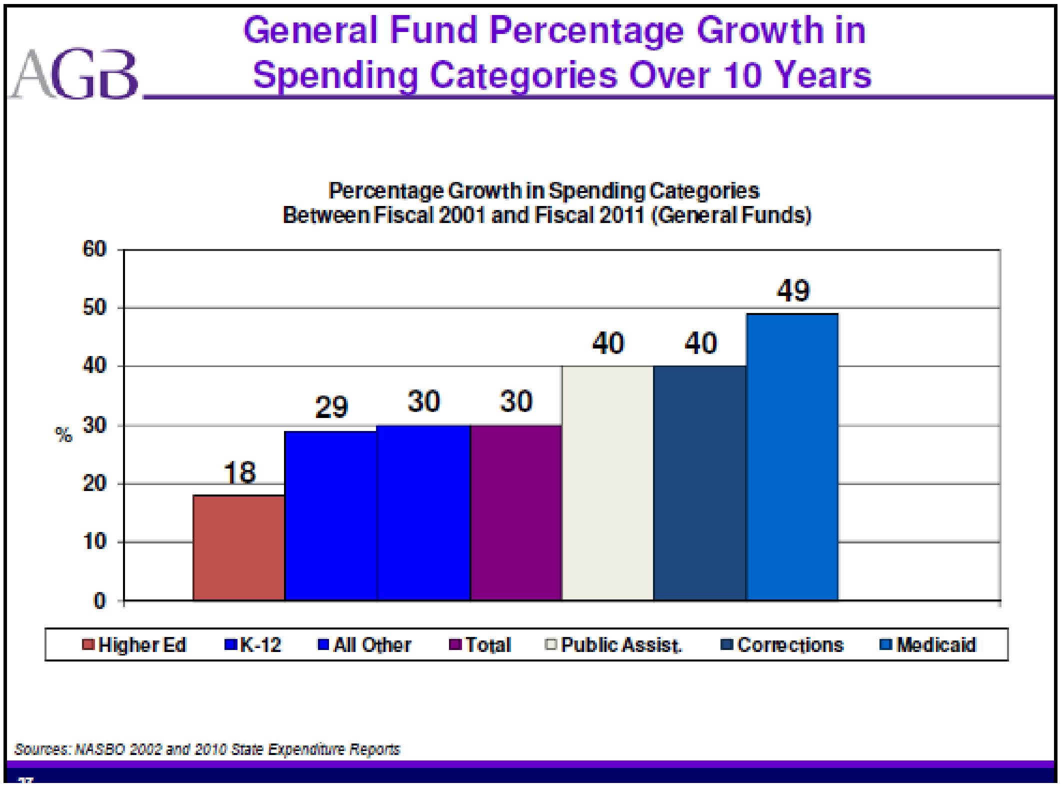


**The New York Times**

*A Generation Hobbled by the Soaring Cost of College*

Andrew Martin and Andrew W. Lehren

May 12, 2012

Kelsey Griffith graduates on Sunday from Ohio Northern University. To start paying off her $120,000 in student debt, she is already working two restaurant jobs and will soon give up her apartment here to live with her parents. Her mother, who co-signed on the loans, is taking out a life insurance policy on her daughter.

“If anything ever happened, God forbid, that is my debt also,” said Ms. Griffith’s mother, Marlene Griffith.

Ms. Griffith, 23, wouldn’t seem a perfect financial fit for a college that costs nearly $50,000 a year. Her father, a paramedic, and mother, a preschool teacher, have modest incomes, and she has four sisters. But when she visited Ohio Northern, she was won over by faculty and admissions staff members who urge students to pursue their dreams rather than obsess on the sticker price.

“As an 18-year-old, it sounded like a good fit to me, and the school really sold it,” said Ms. Griffith, a marketing major. “I knew a private school would cost a lot of money. But when I graduate, I’m going to owe like $900 a month. No one told me that.”

With more than $1 trillion in student loans outstanding in this country, crippling debt is no longer confined to dropouts from for-profit colleges or graduate students who owe on many years of education, some of the overextended debtors in years past. As prices soar, a college degree statistically remains a good lifetime investment, but it often comes with an unprecedented financial burden.

About two-thirds of bachelor's degree recipients borrow money to attend college, either from the government or private lenders, according to a Department of Education survey of 2007-8 graduates; the total number of borrowers is most likely higher since the survey does not track borrowing from family members.

By contrast, 45 percent of 1992-93 graduates borrowed money; that survey included family borrowing as well as government and private loans.

For all borrowers, the average debt in 2011 was $23,300, with 10 percent owing more than $54,000 and 3 percent more than $100,000, the Federal Reserve Bank of New York reports. Average debt for bachelor degree graduates who took out loans ranges from under $10,000 at elite schools like Princeton and Williams College, which have plenty of wealthy students and enormous endowments, to nearly $50,000 at some private colleges with less affluent students and less financial aid.

Here at Ohio Northern, recent graduates with bachelor's degrees are among the most indebted of any college in the country, and statewide, graduates of Ohio's more than 200 colleges and universities carry some of the highest average debt in the country, according to data reported by the colleges and compiled by an educational advocacy group. The current balance of federal student loans nationwide is $902 billion, with an additional $140 billion or so in private student loans.

"If one is not thinking about where this is headed over the next two or three years, you are just completely missing the warning signs," said Rajeev V. Date, deputy director of the Consumer Financial Protection Bureau, the federal watchdog created after the financial crisis.

Mr. Date likened excessive student borrowing to risky mortgages. And as with the housing bubble before the economic collapse, the extraordinary growth in student loans has caught many by surprise. But its roots are in fact deep, and the cast of contributing characters — including college marketing officers, state lawmakers wielding a budget ax and wide-eyed students and families — has been enabled by a basic economic dynamic: an insatiable demand for a college education, at almost any price, and plenty of easy-to-secure loans, primarily from the federal government.

The roots of the borrowing binge date to the 1980s, when tuition for four-year colleges began to rise faster than family incomes. In the 1990s, for-profit colleges boomed by spending heavily on marketing and recruiting. Despite some ethical lapses and fraud, enrollment more than doubled in the last decade and Wall Street swooned over the stocks. Roughly 11 percent of college students now attend for-profit colleges, and they receive about a quarter of federal student loans and grants.

In the last decade, even as enrollment at state colleges and universities has grown, some states have cut spending for higher education and many others have not allocated enough money to keep pace with the growing student body. That trend has accelerated as state budgets have shrunk because of the recent financial crisis and the unpopularity of tax increases.

Nationally, state and local spending per college student, adjusted for inflation, reached a 25-year low this year, jeopardizing the long-held conviction that state-subsidized higher education is an affordable steppingstone for the lower and middle classes. All the while, the cost of tuition and fees has continued to increase faster than the rate of inflation, faster even than medical spending. If the trends continue through 2016, the average cost of a public college will have more than doubled in just 15 years, according to the Department of Education.

Much like the mortgage brokers who promised pain-free borrowing to homeowners just a few years back, many colleges don't offer warnings about student debt in the glossy brochures and pitch letters mailed to prospective students. Instead, reading from the same handbook as for-profit colleges, they urge students not to worry about the costs. That's because most students don't pay full price.

Even discounted, the price is beyond the means of many. Yet too often, students and their parents listen without question.

"I readily admit it," said E. Gordon Gee, the president of Ohio State University, who has also served as president of Vanderbilt and Brown, among others. "I didn't think a lot about costs. I do not think we have given significant thought to the impact of college costs on families."

Of course, economists and many parents say that the only thing worse than graduating with lots of debt is not going to college at all, since study after study has shown that graduates earn more over a lifetime. And most college students in the United States manage to eventually pay back their student loans.

To that end, the Obama administration has given out more grants and loans than ever to more and more college students with the goal of making the United States first among developed nations in college completion. The balance of federal student loans has grown by more than 60 percent in the last five years. And in 2007, Congress made sure the interest rates on many of those loans were well below commercial rates; currently, a debate over keeping those lower rates from doubling in July is roiling lawmakers.

But even if student loans are what many economists consider "good debt," an increasing number of borrowers are struggling to pay them off, and in the process becoming mired in a financial morass.

Education Department data shows that payments are being made on just 38 percent of the balance of federal student loans, down from 46 percent five years ago. The balances are unpaid because the borrowers are still in school, have postponed payments or have stopped paying altogether.

Nearly one in 10 borrowers who started repayment in 2009 defaulted within two years, the latest data available — about double the rate in 2005.

Economists do not predict a collapse of the student loan system, which would, in essence, mean wholesale default. And if there were one, it would be unlikely to ripple through the economy with the same devastating impact as the mortgage crash. Though now larger than credit card and other consumer debt, the student loan balance remains smaller than the mortgage market, and most student loans are issued by the federal government, meaning banks wouldn't be affected as much.

Still, economists say, growing student debt hangs over the economic recovery like a dark cloud for a generation of college graduates and indebted dropouts. A study of recent college graduates conducted by researchers at Rutgers University and released last week found that 40 percent of the participants had delayed making a major purchase, like a home or car, because of college debt, while slightly more than a quarter had put off continuing their education or had moved in with relatives to save money. Roughly half of the surveyed graduates had a full-time job.

"I'll be paying this forever," said Chelsea Grove, 24, who dropped out of Bowling Green State University and owes $70,000 in student loans. She is working three jobs to pay her $510 monthly obligation and has no intention of going back.

"For me to finish it would mean borrowing more money," she said. "It makes me puke to think about borrowing more money."

**'Nothing Is Free'**

Christina Hagan is an Ohio lawmaker who says students need to understand that attending college is not an entitlement. Last year, she was appointed to fill a seat once occupied by her father in the Ohio House of Representatives.

Ms. Hagan, 23, is also a college student.

She will graduate shortly from Malone University, an evangelical college in Canton, Ohio, with more than $65,000 in student debt (among her loans is one from a farm lender; she had to plant a garden to become eligible). Though she makes $60,000 a year as a state representative, she plans to begin waiting tables in the next few weeks at Don Pancho's, a Mexican restaurant in Alliance, Ohio, to help pay down her student loans and credit cards. She pays about $1,000 a month.

"I placed a priority on a Christian education and I didn't think about the debt," said Ms. Hagan, who says she takes responsibility for her debt and others should do the same. "I need my generation to understand that nothing is free."

While Ms. Hagan's perspective is unusually personal, it is a common view among lawmakers here in Ohio and many states. Across the country, elected officials are increasingly unwilling to assume a large share of the bill for public colleges and universities, which seven out of 10 students attend. The change has contributed to sharp increases in tuition and more fund-raising — and the need for students to borrow more.

From 2001 to 2011, state and local financing per student declined by 24 percent nationally. Over the same period, tuition and fees at state schools increased 72 percent, compared with 29 percent for nonprofit private institutions, according to the College Board. Many of the cuts were the result of a sluggish economy that reduced tax revenue, but the sharp drop in per-student spending also reflects a change: an increasing number of lawmakers voted to transfer more of the financial burden of college from taxpayers to students and their families. (Local funding is a small percentage of the total, and mostly goes to community colleges.)

“To say that tuition goes up because the state doesn’t pay enough money, well, that is the taxpayers’ money,” said Ohio’s governor, John Kasich, a Republican elected in 2010 whose budget included cuts to higher education because of the end of federal stimulus money.

Donald E. Heller, an expert on higher education, said elected officials in both parties had figured out that colleges were one of the few parts of state government that could raise money on their own. If lawmakers cut state financing, the schools could make it up by raising tuition.

“It lets legislators off the hook and makes universities look like the bad guy,” said Mr. Heller, dean of the College of Education at Michigan State University.

Ohio’s flagship university, Ohio State, now receives 7 percent of its budget from the state, down from 15 percent a decade ago and 25 percent in 1990. The price of tuition and fees since 2002 increased about 60 percent in today’s dollars.

The consequence? Three out of five undergraduates at Ohio State take out loans, and the average debt is $24,840.

If any state is representative of the role government has played in the growth of student debt, Ohio makes a good candidate. While other states have made steeper cuts in recent years because of the recession, Ohio has been chipping away at it far longer. It now ranks sixth from the bottom in financing per student, at $4,480.

In the late 1970s, higher education in Ohio accounted for 17 percent of the state’s expenditures. Now it is 11 percent. By contrast, prisons were 4 percent of the state’s budget in the late 1970s; now they account for 8 percent. Federal mandates and court orders have compelled lawmakers to spend more money on Medicaid and primary education, too. Legislators could designate a greater percentage of the budget to higher education by raising taxes, but there is no appetite for that. Governor Kasich has signed a pledge not to raise taxes, as have about two dozen legislators.

Some Ohio elected officials say state colleges and universities have brought the debt problem upon themselves.

They suggest, for example, that state schools are bloated, antiquated and don’t do a good enough job graduating students or training them for the work force. Some complain about the salaries of football coaches and college presidents, like Mr. Gee, who has a compensation package of $2 million a year as president of Ohio State. Mr. Kasich questions why all state universities need to offer every major, like journalism or engineering, instead of parceling those programs among the schools.

“It’s not just inefficiencies,” said the governor, an Ohio State graduate. “It’s, ‘I want to be the best in this.’ It’s duplication of resources. It’s a sweeping change that is needed across academia.”

There is an ideological and political tug of war as well. State Representative John Patrick Carney, a Democrat, said if legislators were serious about financing higher education they could find a way, like eliminating tax breaks for corporations. He noted that even as funds for higher education were being reduced, Mr. Kasich and the Republican-controlled Legislature eliminated the state’s estate tax, which will cost the state an estimated $72 million a year.

Mr. Carney said he worried that the constant tuition and fee increases would limit access to college for lower- and middle-income students — a founding principle of public universities. At least two-thirds of Ohio lawmakers attended public colleges or universities, including Mr. Carney, an Ohio State graduate.

“It’s hard to say it’s affordable when students leave with that much debt,” he said.

The new financial reality for colleges has left administrators scrambling to maintain academic quality and all-important rankings with diminished state resources. That puts an even higher premium on attracting top-tier students — the rankings depend on them — and playing down the burdens of college debt.

**Buy Now, Pay Later**

At Ohio State, “college can be a reality for everyone, no matter your income or background,” its Web site says, while at Ohio Northern, future students are urged to get over the “sticker shock,” and focus instead on “return on investment.”

Oberlin College’s Web site tells prospective students that its financial aid policy is simple: “We meet the full demonstrated financial need of every admitted student.” The University of Dayton declares itself “one of the most affordable private Catholic schools in the country” and a “lifetime investment, appreciating over the course of time.”

The costs for these colleges? At Ohio State, about $25,000 a year for tuition and fees, room and board and living expenses; at Ohio Northern, about $48,000; at Oberlin $60,000; and at Dayton $48,000.

Colleges are aggressively recruiting students, regardless of their financial circumstances. In admissions offices across the country, professional marketing companies and talented alumni are being enlisted to devise catchy slogans, build enticing Web sites — and essentially outpitch the competition.

Affordability, or at least promising that the finances will work out, is increasingly a piece of the pitch.

Almost all colleges promote the money they give away in financial aid, though generally only the most elite schools — like Oberlin in Ohio — are able to provide enough in grants and scholarships to significantly keep student debt down.

College marketing firms encourage school officials to focus on the value of the education rather than the cost. For example, an article on the cover of Enrollment Management, a newsletter aimed at college admissions officials, urged writers of admissions materials to "avoid bad words like 'cost,' 'pay' (try 'and you get all this for...'), 'contract' and 'buy' in your piece and avoid the conflicting feelings they generate."

"There are direct marketing 'words' that can make or break your piece," the article, published in 2009, added.

The financial aid award letters to newly admitted students can also be a minefield for students and parents sorting through the true costs of a school. Some are written in a manner that suggests the student is getting a great deal, by blurring the line between grants and loans or not making clear how much the student may have to pay or borrow.

A quick reading of an award letter from Drexel University, received by a New Jersey applicant in March, implied that the student would owe nothing and might actually walk away with money. The expected payment to Drexel, it said in highlighted bright yellow, would be a negative $5,900. The calculation presumed grants, student loans and a $42,120 loan taken out by the parents toward the $63,620 estimated cost — figures also included in the letter but not highlighted.

A Drexel spokeswoman said that the letter was not misleading and that it had not received complaints about it. But for many students, the financial realities of attending a college conflict with the optimistic rhetoric of campus tours, financial aid materials and salesmanlike admissions officers. And many of them don't realize it until it is much too late.

"The overall message was, 'It's doable and normal to go into that much debt,' " said Jillian Potter, 23, who grew up in Ohio and attended Anderson University, a nonprofit private Christian school in neighboring Indiana.

Ms. Potter figured she would have to borrow about $10,000 a year. But the tuition increased every year, and because she didn't declare a major until her junior year, she needed five years to graduate.

A social worker, she now owes $80,000. "I try not to think about it because it's really depressing," she said.

For Evan Frank, Ashland University, a nonprofit private school in Ohio, dangled the possibility of a sports scholarship, he said. Mr. Frank liked the campus and was promised a spot on the football team. His high school guidance counselor encouraged him and so did his family, though they couldn't help financially.

Ashland offered to knock about $12,000 off the costs, and when Mr. Frank called financial aid to ask for more, they suggested he keep applying for scholarships. No one at the time said to consider a cheaper alternative, he said. Ashland costs about $42,000 a year.

"Maybe at the time I was a little naïve," said Mr. Frank, 22, a senior who owes $80,000. "Everyone was like, 'You can get grants, you can always get loans.' I wanted to play football really bad, and I hoped eventually I'd get a football scholarship."

Many students and parents don't have a firm understanding of the cost of attending college, or the amount of debt they will incur. And most colleges aren't much help. Student debt is not their primary concern in the end — the loan money usually gets deposited directly with the colleges, so they get paid either way — and the main job of the admissions staff, after all, is to admit students.

"Ultimately with everything in financial aid, from start to finish, the student and their family need to take responsibility and monitor their aid," Melanie K. Weaver, the director of financial aid at Ohio Northern, said in an e-mail. "With over 3,000 on aid it is difficult for our office of 10 staff members to stay on top of every student."

While there are standardized disclosure forms for buying a car or a house or even signing up for a credit card, no such thing exists for colleges.

Instead, college pricing is complicated by constant tuition increases, a vast array of grants and loans and a financial-aid system that discounts tuition for most students based on opaque formulas. "No one has a vested interest in simplifying the process but families," said Mark Kantrowitz, the founder of FinAid, a Web site devoted to explaining college financial aid. "It obscures the price of a college and makes the choice of college not depend on the price but other factors."

Federal regulations require financial aid officers to counsel students when they take federal loans and again when they graduate. The counseling typically consists of making sure they complete a brief online course about student loans and repayment.

Beyond that, it is up to the college to decide what, if any, debt counseling to provide. With a few exceptions, their track record is not very good, according to students and experts on college finance. Until Congress banned the practice a few years ago, some colleges outsourced counseling to private lenders, the same ones offering loans. Now many colleges do little beyond what is required by law, experts say.

Ohio Northern administrators said they were trying to come to grips with the growing debt of their students — an average of $48,886 for borrowers — at a time when enrollment is down slightly, as it is at many of the small nonprofit private colleges with which it competes.

Financial aid officers have not yet told any prospective students that they cannot afford to attend, school administrators said. But Ms. Weaver, the director of financial aid, noted, “We are having that conversation.”

Mr. Frank, at Ashland, said he did eventually receive financial counseling — on the day he arrived for football camp as a freshman.

A financial aid adviser suggested Mr. Frank rethink his decision to attend “because the way it’s looking you are going to be looking at a high amount of debt if you are going to stay here,” he recalled. “I wanted to play football really bad, and I was already moving in for camp,” he said. “I wasn’t going to turn back then.” He never did receive a football scholarship.

Officials at both Ashland and Anderson Universities said they provided thorough financial aid counseling to incoming students.

Ms. Griffith, the Ohio Northern student whose mother is taking out life insurance on her — a precaution that might be unnecessary because some lenders forgive loans upon death — said she wished someone had been frank with her about the consequences of taking on so much debt. (She also received grants.) She is searching for a full-time job in marketing, her major, while earning $225 a week at two restaurants.

“When I was young, I wanted to get out of Putnam County, get out of the cornfields,” said Ms. Griffith, who is from rural Ottawa, Ohio. “I would love to get away. But it would be more financially responsible if I got a job near here and lived with my parents.”

**The Shadow of For-Profits**

Wanda McGill has stopped opening her student loan bills.

She isn’t sure how much debt she has accumulated, though she thinks it’s about $100,000. But Ms. McGill, a 38-year-old single mother, knows for sure she cannot pay it.

Ms. McGill said she dropped out of DeVry University, a for-profit college with a branch in Columbus, two years ago after she ran out of money — even with the loans. She now makes $8.50 an hour working for an employment training center in Florida.

“I was promised the world and was given a garbage dump to clean up,” she wrote in an online complaint at consumeraffairs.com. “Like my life was not already screwed up with welfare and all.”

The student loan crisis has spread from for-profit colleges to more traditional institutions, but the for-profit colleges continue to represent the worst of the problem. Students complain that they were misled about the costs of education and that their job prospects were exaggerated. Government reports and lawsuits have accused some for-profit colleges of outright fraud, including doctoring attendance records or peddling near-worthless degrees.

The result? Students at for-profit colleges are twice as likely as other students to default on their student loans. Moreover, among students seeking a bachelor's degree, only 22 percent succeed within six years, compared with 65 percent at nonprofit private schools and 55 percent at public institutions. (For-profit students, however, tend to do better at obtaining associate degrees and certificates.)

Leaders of the for-profit industry defended themselves, saying they were providing higher education for lower-class students that traditional colleges had left behind. "The reality is the type of students we attract have no other opportunity," said Steven Gunderson, head of a leading trade organization. "We are the ones that provide a path to the middle class."

Still, the outcomes for many students have been so poor — and the reported abuses and misdeeds by the colleges so abundant — that the for-profit colleges have played another role in the worsening debt problem: drawing attention away from nonprofit private and public colleges and universities, which have been slow to face public scrutiny.

The situation has parallels to the mortgage crisis of a few years ago, said Barmak Nassirian, associate executive director of the American Association of Collegiate Registrars and Admissions Officers. The for-profit colleges are like the subprime lenders — attracting the limelight because they represent the worst of the problem, he said.

"Mainstream higher ed can really self-righteously look at the big problem out there and say, 'The problem lies with the other guy,' " Mr. Nassirian said. "If you are looking at highway robbery and raping and pillaging, that is true. But there are all kinds of unfortunate practices in traditional higher education that are equally as problematic that are reaching the crisis point." Last year, Congress approved regulations to curb abuses in the for-profit sector, but there has been less focus on establishing broader rules for traditional colleges and universities.

The Obama administration has tried to make college pricing easier to understand; as of last year, colleges and universities were required to post calculators on their Web sites that explain the net price after grants and loans, but critics say they can be confusing, misleading or hard to find. And the administration has proposed that colleges be required to offer a "shopping sheet" to make it easier for families to measure the true costs and benefits.

"We just have to get them much more information," said Education Secretary Arne Duncan. "If you're going to college, you need to know not what the first year costs. You need to know what it's going to cost for the long haul."

But even with more information, students and their parents seem willing to pay the ever-escalating price of a college degree, which remains the key rung up the ladder of economic mobility.

Denise Entingh, 44, dropped out after two quarters at Columbus State Community College because she didn't want to wait any longer to get into the nursing program. So she signed on at the Hondros School of Nursing, a for-profit college that advertises "No Waitlist!" on a billboard a few blocks from Columbus State.

Ms. Entingh said she expected to borrow about $45,000 to get a bachelor’s degree in nursing from Hondros, which costs more than three times as much as Columbus State.

“It scares the hell out of me,” she said of her debt load. “But I think it will be all right. I’m not going to worry about it right now. I had to take that plunge.”

Andrew Martin reported from Ada, Ohio, and Andrew W. Lehren from New York.

This article has been revised to reflect the following correction:

**Correction: May 16, 2012**

An article on Sunday about college students’ debt, and an accompanying chart, misstated the percentage of bachelor’s degree recipients who had borrowed money for their education from the government, private lenders, or with the help of family members.

The article stated that the percentage had increased to 94 percent from 45 percent in 1993, based on data from the Department of Education, whose officials reviewed The Times’s methodology before publication. While the percentage of students borrowing for college has indeed increased significantly, the 94 percent figure reflected an inaccurate interpretation of the data, which came from a survey of 2007-2008 graduates.

That survey showed that 66 percent of bachelor’s degree recipients borrowed from the government or private lenders; an additional percentage of graduates had family members who borrowed on their behalf or who lent them money, meaning that the total percentage with college borrowing increased to more than 66 percent. But the precise figure isn’t known because the department survey did not address borrowing involving family members. (The earlier survey, of 1992-1993 graduates, found that just 45 percent of graduates had borrowed from all sources, including from family members.)

## Inside Higher Ed

*Community College Leaders Told Privatization is Wave of the Future*

Scott Jaschik

April 23, 2012

"My own college behaves much more like a private college these days than a public." Stephen M. Curtis, president of the Community College of Philadelphia, told fellow community college leaders here Sunday that this statement was true of his institution and many others. And he's not ashamed. When talking to elected officials, potential donors and others, "that's a line I use all the time," he said, in a session at the annual meeting of the American Association of Community Colleges.

The steady erosion of state and local support for community colleges is often bemoaned at AACC sessions. Sunday's session, however, was different. Curtis -- and his fellow panelist, Rufus Glasper, chancellor of the Maricopa Community Colleges -- made clear that they wished that trends had unfolded in different ways. But they said it was time to get over it, and to recognize that community colleges must embrace ideas associated with privatization if they are to succeed in their various missions.

"We have no choice. The state funds are gone forever," said Glasper. Arizona is ahead of most states in withdrawing state support, and Glasper has been making versions of this argument (with regard to Maricopa) for several years. But now the conversation is about community colleges generally, and it's not just Glasper making the case.

Curtis and Glasper said that they decided to speak out based in part on recent discussions among the presidents of institutions that are members of RC-2020, an invitation-only group of urban community colleges that periodically come together for private meetings. The emerging sense in that group, Curtis and Glasper said, is that discussions of community college financing need to be based more on realism than on mourning political trends. Glasper said that Maricopa's high point in terms of state share of its budget was in 1986, when Arizona provided 27 percent of the funds.

Curtis shared a table, showing the evolution of the Community College of Philadelphia budget between 1977-78 and 2010-11. Officially, Pennsylvania policy calls for the budgets of community colleges to be shared equally by three parties: state government, local government and students (through tuition). The table shows the gradual but clear path Pennsylvania has taken away from that philosophy.

**Sources of Support for Community College of Philadelphia**

| Year | Operating Budget | % From State | % From City | % From Tuition |
|---|---|---|---|---|
| 1977-78 | $18,331,000 | 36.4% | 34.7% | 29.7% |
| 1987-88 | $39,163,000 | 31.3% | 31.1% | 30.4% |
| 1997-98 | $65,563,000 | 36.0% | 25.0% | 36.5% |
| 2010-11 | $120,085,000 | 26.1% | 15.1% | 57.6% |

Both Curtis and Glasper referenced a table created by D. Bruce Johnstone, a leading scholar of higher education who is former chancellor of the State University of New York. In the table, Johnstone looked at various qualities such as "mission" "ownership" and "sources of revenue," and established a continuum from "high 'publicness' " to "high 'privateness.' "For sources of revenue, the continuum goes from public funds as the primary source of college budgets to tuition funds as the primary source.

By such measures, Curtis said, his college is private. By next year, he said, the college will be close to having two-thirds of its revenue come from tuition revenue. But Curtis stressed that his college is embracing many other characteristics of privatization "and they are not all bad."

He noted that he does not need state approval for new degrees or curricular changes, that tuition increase are controlled by his board without state or local authorities having veto power, and that his board also has final say on use of budget funds. While tuition increases raise concerns about access, he said that the Community College of Philadelphia just finished its first fund-raising campaign, significantly exceeding a $10 million goal and raising $3 million for scholarships. And he read a long list of operations at his college and elsewhere that he said should be outsourced and could be in a private model: cleaning services, child care, snow removal and more.

Much of the private money raised financed building projects, which the state has largely stopped supporting. "We're working around the state. We're not counting on the state," Curtis said.

Glasper said that he doesn't see any meaningful rebound in state appropriations for another 7 to 10 years, so he wants Maricopa to consider a range of ideas -- many of them, he acknowledged, radical in the traditional definition of community college mission. He would like to see units of community colleges operate as profit centers, providing specialized training to businesses or others and producing revenue. "If we build a private for-profit, revenues come into the system." And this also means not worrying about calling students "customers," something many academics resist.

It's also time for colleges to consider larger shifts in their traditional means of providing education. He said, for example, that low-level remedial mathematics instruction is more expensive than other instruction. It is time, he said, to look for ways to increase effectiveness and bring down costs by, among other things, asking what would happen "if we didn't have a faculty member in front of every student; if we had computers instead."

**Stopping Short of Santa Monica**

In their presentations, Curtis and Glasper didn't mention the recent furor over Santa Monica College, which planned to charge more for some high-demand courses and then backed off the idea amid widespread criticism.

“I would never have done it the Santa Monica way," Curtis said. "We can talk about privatization all we want, but we have to talk about core principles as well." Still, he was quick to note that his college -- and many others -- already charge fees for high expense programs such as those in the health sciences. "I think that's reasonable and inescapable."

One member of the audience also brought up Santa Monica, and argued that the motivation of the college -- to move transfer students more quickly to four-year campuses and to bring in revenue to create more sections -- was entirely lost in the public debate. This administrator embraced Curtis and Glasper's arguments that moving away from traditional models could help students, and he called Santa Monica's idea "progressive."

"If there is a lesson to be learned, it is about public relations," he said.

**Practicalities and Worries**

The audience at AACC events is largely composed of presidents and senior administrators and typically does not include faculty or student leaders who might be quick to challenge a philosophy of accepting privatization. Indeed Curtis is currently in a dispute with the faculty union at the Community College of Philadelphia over spending and other priorities.

But even in the audience of administrators here, not everyone seemed entirely comfortable with the idea of simply embracing privatization as a model. Some questions were practical: How would you get faculty members on board? How far can you take privatization? Can you own the buildings and land that have been presumed to be owned by the state or a local entity?

There were also some philosophical questions -- although no one challenged the idea that traditional means of financing community colleges are likely dead or dying. One administrator asked how, if such a vision were to be embraced, community colleges would be different from for-profit colleges.

Another asked how the idea of community colleges competing for contracts with businesses, creating new profit-making ventures and looking for new markets might make them all competitors with one another. The AACC meeting is one where community college leaders today share ideas and talk of shared values, not one where people talk much about competition with one another.

"In the private world you do not necessarily share your best innovations with those who you begin to see as competitors," said one official here. He asked Glasper if he thought about "the impact on collegiality as we begin to see each other as competitors."

Replied Glasper: "I not only think about it; I live it." He joked that among the 10 campuses in the Maricopa system, "we have to come to national conferences to find out what we’re doing on the other side of town." But he returned to his theme that community colleges have no choice. Once, they could rely on enrollment-based formulas to pay the bills. Now, he said, competition to spur creative new approaches to revenue is needed for "our collective survival."

**New York Times**

*Where Your Money Goes*

Tamar Lewin

April 15, 2012

Q & A WITH JANE WELLMAN

# Where Your Money Goes

## And where it should go, according to a college-cost oracle.

IN December, when President Obama was considering what the government should do to promote college affordability, he convened a White House round table with 10 college presidents, the head of a prominent education foundation, and Jane Wellman, whose tiny Delta Project on Postsecondary Education Costs, Productivity and Accountability has produced some of the best-regarded data and reports on the issue.

Ms. Wellman, a self-described data geek, started the Delta Project (named for the mathematical symbol for change) in 2006, not long before the recession and shriveling state revenues dragged the problem of spiraling tuition into the national spotlight. Since then, Ms. Wellman has been an oracle of the college-cost conundrum, consulting with chancellors and legislators and policy makers, offering plain talk on what needs to be done to ensure that higher education is widely accessible and affordable.

Now the project is merging its database into the National Center for Education Statistics; the policy analysis is moving to the American Institutes for Research.

Ms. Wellman is by no means abandoning the field, however. She will continue as an adviser, while serving as executive director of the National Association of System Heads, a group for those who lead public universities and community colleges. TAMAR LEWIN

**Q** *What are the big things that need to be done to stop college costs from going up so fast?*

We've got to change how we think about a lot of things that have been on autopilot, starting with things that people think of as fixed costs. Health care costs are growing faster than any other item. Right now, the math on this is that every dime in new tuition revenue that's coming in is going out the door to pay for health care benefits, and frequently that's health care benefits for people students will never see in the classroom. We should be cutting employee benefits, restructuring administrative and support costs, and changing the way we provide academic services. And there's no reason we should have as many payroll, procurement or I.T. offices as we do.

**Q** *There has been a lot of criticism lately of the high salaries of university presidents, which are going up far faster than pay for professors, and of administrative bloat generally. Are those real problems?*

It's a real symbolic problem, a messaging problem. But if you took those presidential salaries that people think are too high, and reallocated them, it wouldn't make that much difference in the overall budget. And do I think those leaders are working hard? Yes. Do they deserve what they're paid? Yes. Particularly in public institutions, the leadership jobs are really tricky. You're a pincushion for everybody, particularly in this political environment.

**Q** *Another element of academia that has been coming under fire is the tenure system.*

People frequently talk as if it's all about tenure, but there's been a snowballing of habits and practices that are academically questionable.

What the evidence shows is that we've done more to cut costs in the faculty area than elsewhere in the budget, and we've done it by bringing in more adjuncts and part-timers. So there's a handful of professors with tenure, who don't teach very much, and then there's lot of people who have no benefits who do more of the teaching. I think it's probably hurting academic quality, especially at institutions where the students are not well prepared. The attrition is mostly in the first two years, and that's mostly where the adjuncts are.

**Q** *Where should we be putting more of our higher-education money?*

Community colleges should get more attention and more resources. There's a real change under way, a good one, in paradigms: for a long time we've used community colleges as filters, and expected students to fall out. Now we are setting expectations that students will go further, and the numbers are improving, with more and more students getting to the finish line of some kind of credential. Not everybody needs a degree. If you spend a year getting a certificate, that may be enough to lead to a job.

There's a big problem in that the public institutions that serve the most people have the least money, the poorest students and the greatest needs. And they've historically been dependent on public financing, which isn't going to be there in the future as it used to be.

**Q** *Why are states backing away from their support of higher education? Do they not see it as important to the economy?*

Well, it was either that or cut prisons. I think the case can be made that higher education is a much better use of funds. But the conversation is so siloed that people don't think of comparing that way. The average cost of prison is $35,000 and recidivism is 41 percent. In higher ed, our numbers are much better. Attrition is about a third, across all institutions, and the financial impact is much less than a third, since most students leave the cheaper institutions and the cheaper courses.

If we don't fix our funding model, that will become the reason we fail in educational attainment. Fixing the budget is a matter of choice, a public responsibility that elected officials can do something about.

Meanwhile, this generation is at risk of being less educated than the one before. I don't care if we're behind Finland in educational attainment, but that one bothers me. ■

*This interview has been edited and condensed.*

## NACUBO.org

### *2011 NACUBO Tuition Discounting Study Shows Discount Rate Approaches 43 Percent for Freshman*

Lisa Jordan
April 5, 2012

Data gathered from 400 private, nonprofit four-year colleges and universities participating in the 2011 NACUBO Tuition Discounting Study (TDS) indicate the tuition discount rate (defined as institutional grant dollars as a share of gross tuition and fee revenue) for first-time, full-time freshmen reached 42 percent in 2010 and is estimated to have reached 42.8 percent in 2011. The discount rate for all undergraduates rose from 36.4 percent to an estimated 37.2 percent in 2011.

Under tuition discounting strategies, colleges and universities use their institutional grants to aid students who might otherwise be unable or unwilling to pay the full tuition and fee “sticker” price to attend a particular college or university. Many four-year private, nonprofit colleges and universities use tuition discounting strategies in order to increase their undergraduate enrollments. Study data show that nearly 45 percent of participating institutions suffered a loss or maintained their total undergraduate enrollment between fall 2010 and fall 2011, and 53.2 percent suffered a loss or had no increase in their numbers of first-time, full-time freshmen students. More than three quarters of institutions that suffered a loss in both freshmen and total undergraduate enrollment were small institutions (those enrolling fewer than 4,000 students). These findings suggest that other factors besides raising institutional grant aid have been having a greater effect on students’ college enrollment decisions.

The tuition discount rate has been on the rise since the recession began in late 2007. While the discount rate has risen, the portion of freshmen receiving an institutional grant declined slightly from a record high of nearly 87 percent in 2008 to 85.5 percent of freshmen in 2011. However, the average institutional grant as a percentage of tuition and fees has increased slightly from 48.5 in 2009 to 51 percent in 2011.

The TDS results show that the average change in net tuition revenue from 2009 to 2010 was 5.4 percent, a return to the level of growth in revenue that institutions achieved prior to the 2008-09 economic recession. It is questionable, however, whether institutions can keep up this change in net tuition revenue in 2011, as the rate of revenue growth is projected to drop to 3 percent. This loss of strength could be influenced by the decline in enrollment that several participating institutions are experiencing.

In addition, the study found that, on average, approximately 10.6 percent of institutional grant aid is funded by the earnings from institutions’ endowments. Approximately 73 percent of institutional grants met students’ financial need, regardless of the criteria by which the grants were awarded.

NACUBO President and CEO John Walda remarks, “The data show that institutions appear to be transitioning from the austerity measures that were implemented during the recession. Fewer institutions reported having to implement hiring freezes or taking other budgetary actions in order to increase their grant spending. This result suggests optimism for independent colleges and universities as they strive for balance between enrollment and discount rate. However, given the decline in enrollment that a number of tuition-dependent institutions appear to have faced in fall 2011, institutions will need to be even more vigilant when making tuition discounting decisions in the years ahead."

## The Chronicle of Higher Education

*State and Local Spending on Higher Education Reached a New 25-Year Low in 2011*

Eric Kelderman
March 16, 2012

As if anyone associated with public higher education needed a reminder, 2011 was a lousy year for higher-education finance.

A new report from the State Higher Education Executive Officers confirms just how awful it was: State and local money for higher education fell to a quarter-century low for the second consecutive year, while enrollments continued their climb to record highs.

From the beginning of the recession, in the 2007-8 fiscal year, through the 2011 fiscal year, college enrollment increased nationally by 12.5 percent, to 11.5 million students, the report says. But state and local appropriations have decreased by $1.3-billion over the same period.

The national average for combined state and local support is now down to $6,290 per full-time student—2.5 percent less than in 2010 and the lowest amount in the past 25 years, the report concludes.

Largely to make up for the loss of state and local dollars, tuition revenue per student reached $4,774 in 2011, an all-time high, according to the report. Over the past 25 years, the percentage of educational revenue supported by tuition has climbed steadily, from 23.2 percent in 1986 to 43.3 percent in 2011.

States and institutions alike should work to reverse the trends of decreasing government support and increasing costs to students, the report concludes in a commentary section. Otherwise, it says, the economic future of the United States will be at risk.

"Other countries are rapidly improving the postsecondary education of their citizens; if the United States falls behind in either quality or the number of students who enroll and graduate, it will not be easy to catch up," George Pernsteiner, chair of SHEEO's executive committee and chancellor of the Oregon University System, said in a written statement accompanying the report.

**Demos**
*The Great Cost Shift*
John Quinterno
March 2012

## KEY HIGHLIGHTS OF THE REPORT INCLUDE:

### COLLEGE POPULATION TRENDS

- Compared to the generation that came of age in the 1990s, the current population of young adults is much larger in size, much more racially and ethnically diverse and more apt to enroll in college.
  - In 2010, the United States was home to 30.7 million young adults between the ages of 18 and 24, up from 26.7 million in 1990.
  - In 1990, 71.7 percent of young adults were White; 13.5 percent were African American; and 11.6 percent were of Hispanic origin. By 2010, persons of Hispanic ethnicity accounted for 20.1 percent of the young adult population, African American persons 12.3 percent, and White persons 57.2 percent.
- Public institutions have played an important role in serving the growing numbers of undergraduate students. Public institutions absorbed 65.6 percent of the undergraduate enrollment increases that have occurred since 1990.

### STATE INVESTMENT IN HIGHER EDUCATION

- A review of financial data from 1990 onwards suggests that structural change in state support for higher education is underway.
  - While state spending on higher education increased by $10.5 billion in absolute terms from 1990 to 2010, in relative terms state funding of higher education declined. Real funding per public FTE dropped by 26.1 percent from 1990-1991 to 2009-2010.
  - After controlling for inflation, states collectively invested $6.12 per $1,000 in personal income in 2010-2011, down from $8.75 in 1990-1991, despite the fact that personal income increased by 66.2 percent over that period.
- Over the past 20 years there has been a breakdown in the historical funding pattern of recessionary cuts and expansionary rebounds. The length of time for higher education funding to recover following recessions has lengthened for every downturn since 1979 with early evidence suggesting that the recovery from the Great Recession will be no different.

### PATTERNS IN TUITION AND FINANCIAL AID

- As state support has declined, institutions have balanced the funding equation by charging students more. Between 1990-1991 and 2009-2010, published prices for tuition and fees at public four-year universities more than doubled, rising by 112.5 percent, after adjusting for inflation, while the real price of two-year colleges climbed by 71 percent.
- In many states, the tuition increases of the past 20 years have occurred alongside expansions in state-sponsored financial aid programs. Between 1990-1991 and 2009-2010, the aggregate investment in state grant and loan programs more than tripled, rising to $10.8 billion from $3.5 billion. However, an increasing percentage of that aid is taking the form of merit-based aid which is awarded without regard for students' financial situations.

### CHALLENGES FOR STUDENTS, FAMILIES, AND STATES

- The steady escalation in college prices has occurred alongside stagnant incomes for most American households. Median household income in the United States in 2010 was just 2.1 percent higher than in 1990.
- To bridge the gap between cost and financial aid, increasingly students are borrowing from federal loan programs and private sources like banks. The volume of outstanding student loan debt has grown by a factor of 4.5 since 1999.

### POLICY RECOMMENDATIONS

This report demonstrates that states have reached a turning point in their relationship to public higher education, and the policy choices of the next few years will determine the extent to which public institutions of higher education continue to function as a bridge to the middle class for young adults, especially for those from low- and moderate-income backgrounds. Public leaders should consider the following recommendations when weighing investments in public higher education.

- State leaders should invest more of their wealth in higher education, especially given the growth in student enrollments—growth that will not abate anytime soon.
- State leaders should reform their tax system to ensure that funding for higher education will not continue to get squeezed out of their budgets.
- State leaders should prioritize funding for institutions that educate the largest fraction of college students in funding decisions. Similarly, public leaders must recognize the extent to which student bodies have changed. A different student body requires different sorts of services and supports.
- State leaders must recognize that any specific percentage reduction in state aid requires much larger percentage rises in tuition. Such increases price low- and moderate-income students out of higher education.
- States leaders should align investments in higher education with the goal of completion.
- State leaders should reorient their financial aid policies back toward need-based aid.
- State leaders should steer students toward more affordable sources of debt like the federal student loan program.

## Inside Higher Ed

*Study Finds Increasing Numbers of Public Colleges with Differential Tuition*
Scott Jaschik
February 21, 2012

A longstanding tradition in American higher education -- that undergraduates are charged the same tuition, regardless of major -- is eroding, especially at doctoral universities.

That is the finding of a new survey by the Cornell Higher Education Research Institute. Researchers checked the websites of every public institution that awards bachelor's degrees, and then surveyed some of the institutions identified as having differential rates. A total of 143 public colleges or universities were found to now have differential tuition policies. That figure includes 29 percent of bachelor's institutions, 11 percent of master's institutions, and 41 percent of doctoral institutions.

When further analyzing the doctoral institutions, the institute found that a slight majority of flagship universities now have differential rates.

Up until 1980, differential tuition rates within an institution were largely unheard-of, although some colleges did charge laboratory fees associated with certain courses. As state appropriations failed to keep up with growing enrollments and higher education expenses, many public institutions started to charge more for certain programs, arguing either that they cost more to offer, that student demand was greater or that students in these fields were on a track to better-paying jobs than were those studying other fields. But the policies have sometimes been controversial, as some educators have argued that students should be encouraged to pick fields based on their academic interests, not the price tag.

Other findings of the new survey include the following:

- At doctoral and master's institutions, differential tuition is generally based on a student's field of study, but at bachelor's institutions, differential tuition is equally likely to be based on how far along students are in their programs (with juniors and seniors charged more than others, for example).
- The most common majors facing extra charges are business, engineering and nursing.
- Since public colleges and universities started to adopt variable tuition policies, the number doing so has gone up steadily, with no years from 1980 on showing a decline in the number of institutions with variable tuition.

The Cornell Institute's report does not take a stand on whether differential tuition is a sound policy. But it questions whether so many institutions should be embracing a policy about which relatively little is known (except that it seems to generate revenue).

"The process by which differential tuition policies have arisen and been have spread across American public higher education institutions has not been examined," the report says. "Neither has there been any research on the possible consequences of differential tuition policies. For example, does differential tuition by major influence students' choice of majors? Do higher tuition levels for upper-level students affect students' persistence and graduation rates? If such effects exist, are they larger for students from lower-income families and how do such effects interact with state and institutional financial aid policies?"

## Inside Higher Education

*Virginia Governor Seeks to Cap Use of Tuition Revenue for Financial Aid*
Kevin Kiley
February 7, 2012

Ensuring access to higher education is an expensive proposition, and right now, the state of Virginia is debating who should foot the bill.

In his proposed budget, Virginia Governor Bob McDonnell is seeking to cap the use of tuition dollars from in-state students to provide financial aid, a practice employed by almost all colleges and universities, public and private. McDonnell has said he is pushing the cap to spur conversation about aid policies and to keep down the cost of college education, saying the current structure is placing a higher burden on middle-income students.

“A lot of middle-income students might be paying tuition increases that go toward [someone else's] need, but they may not be benefiting from that,” said Laura Fornash, Virginia’s secretary of education, a position appointed by the governor. Under the governor's budget, the state would take more responsibility for ensuring access, increasing general appropriations after several years of declines and adding more money to the state's financial aid program, which has been consistently growing even during the recession. But the budget would prohibits universities from increasing the amount of tuition revenue they use as aid above what they spent in the current fiscal year.

Most higher education administrators declined to criticize the governor, but a handful have spoken out against the plan. They noted that the measure would likely have the opposite effect from the one McDonnell intends, making college more expensive, particularly for low-income students.
“Given that tuition has been for some time used as a source to meet the financial need of students, the university sees the language in the introduced budget as likely to have unintended consequences in terms of the net price and affordability for student and families as well as on the capacity of higher education institutions of the Commonwealth to meet the objectives of the Higher Education Opportunity Act," said Michael Strine, executive vice president and chief operating officer at the University of Virginia.

McDonnell’s proposal gets at a question that several public universities are struggling with as states pull back funding, driving the institutions to rely on tuition for a larger share of their revenues: Who ultimately bears responsibility for ensuring access to higher education? If states aren’t willing to pay, do institutions have the right to charge more to students who can pay in order to subsidize those who can’t?

“It is a policy that has been in place since Harvard opened 350 years ago and since the founding of the University of Virginia,” said Don Heller, a professor of higher education finance and policy and dean of Michigan State University’s College of Education. “Thomas Jefferson raised concerns about keeping the institution accessible for poor students in the state. It’s something well-intentioned public and private institutions do to ensure that poorer students have access.”

**‘Middle-Class Squeeze’**

McDonnell’s proposal grows out of a commission that met in 2010 and 2011 to discuss the state’s higher education policies. The commission found that the current aid policies were squeezing students who come from middle-class families. Students who come from low-income backgrounds receive a combination of state, federal, and institutional aid that makes college affordable. Students who come from high-income families often have to pay the full cost of tuition, but increases don’t have a large effect on the family’s overall budget. But families who fall between the two groups are having an increasingly difficult time paying for their education, state administration officials said.

Virginia, like most states, has been grappling with decreased tax revenues and increased entitlement costs, such as pensions and health care, over the past four years, leaving less money for higher education. At the same time, lawmakers have been reluctant to increase taxes to maintain historic funding levels, so appropriations have decreased and institutions have had to cut their own budgets and find new revenues to make up the difference. Tuition prices at Virginia institutions doubled on average in the past 10 years.

According to the Grapevine report, which tracks state spending on higher education and is compiled by Illinois State University's Center for the Study of Education Policy and State Higher Education Executive Officers, state support for higher education in Virginia dropped more than $200 million between 2007 and 2011. At the same time, enrollment increased, so the decline was even greater when calculated on a per-student basis.

The public university model tends to provide for access through state subsides, which let universities keep tuition low. But as state support has slowly declined over the past few decades, public institutions have adopted a policy long used by private institutions -- charging wealthy students more and putting that money toward subsidizing low-income students.
The amount of the University of Virginia's total financial aid that comes from the institution, rather than the government, is growing. For the 2010 fiscal year, government aid made up 43 percent of the university's financial aid, while grants coming from tuition made up 37 percent. Last year the numbers swapped, with government support dropping to 39 percent and grants from tuition rising to 41 percent.

Institutions keep track of aid dollars differently, so comparisons across universities are difficult, but, in general, the picture at other state universities looks similar. At William and Mary, about 24 percent of the institution's fiscal year 2011 budget financial aid came from tuition, according to a presentation the university prepared for a state senate hearing. At Virginia Tech, 30 percent of aid came from institutional aid came from institutional support rather than governmental sources.

Virginia lawmakers have increased funding for the state's primary financial aid program for several years, and this year the governor called for increasing the program another $13 million to $141 million. But according to institutions, that has not kept up with the need to increase tuition to compensate for general appropriations declines, which is why they need to cross-subsidize students.

Laura Perna, a professor at the University of Pennsylvania's Graduate School of Education who researches access and affordability, said she did not know of another state restricting the use of tuition for aid purposes, and noted that some other states have actually required universities to use a certain percentage of tuition revenue for financial aid purposes. But she said the fact that Virginia is trying to link the various aid streams together into a single policy is something to commend. "To Virginia's credit, the fact that they are trying to link tuition and financial aid and appropriations to statewide goals and priorities, that is a good thing," she said.

**'A Conversation About Aid**'

The increased use of institutional aid can have a distorting effect on sticker prices. The sticker price for in-state students at the University of Virginia grew an average of 7 percent annually between 2004 and 2009, and 5.5 percent for out-of-state students. But the average revenue the university derives from tuition after financial aid is applied has only increased an average of 2.2 percent annually, meaning most students are not feeling the full effect of tuition increases.

The University of Virginia regularly competes for students with private universities, such as Duke and Cornell Universities, which often have greater financial resources and can meet more need. In a brief prepared for the media on the governor's proposal, University of Virginia administrators wrote that it is cheaper for "a family of four with one in college and an income of $70,000" to send a student to one of those universities. The governor's proposal could make it harder to attract those students to Virginia, administrators wrote. "While financial resources for aid come from numerous resources, institutional aid is the primary strategy for our program and our ability to address unmet need," they wrote.

The governor's budget also calls for the governor's higher education advisory committee to "evaluate the appropriate use of tuition and fee revenue generated from in-state students that is used to support financial aid with the goal of enhancing affordability for low-income and middle-income in-state students and their families."

Fornash said the main purpose of the budget language is to get policy makers talking about the universities policies. But she noted that the governor felt that some action needed to be taken immediately, which is why the cap would be imposed before the advisory committee reviewed institutional policies. "We didn't have time prior to the budget being put in place," she said.
The education subcommittee of the state senate's finance committee already held a hearing on the measure on Jan. 24, where they heard presentations from the state's universities. At the committee hearing, University of Virginia President Teresa Sullivan acknowledged the need to have a conversation about aid policies, but noted that the governor's plan would put the universities in an unnecessary bind. "All of us need to have a conversation about how to fund financial aid," Sullivan said. "The language in the budget prematurely curtails that conversation by restricting the use of tuition for financial aid."

## Financing Future Attainment: Strategies for Sustainable Funding Models

Delta Project & NASH
February 7, 2011

### ... on the public policy side

- Instability and decline in public funding
- Rising tuitions, growing debt levels, eroding affordability
- Attainment goals often not explicit, and are not connected to needs to increase funding or capacity
- Rationing of access v. goal to increase attainment
- Public opinion
- Crowding out of public funds at both state and federal levels
- No coherence to federal/state roles – disconnect & even conflict
- Growing divides between haves and have-nots
- Regulatory controls hurt rather than help institutional capacity to manage resources
- Unfunded mandates and mandatory pressures on spending

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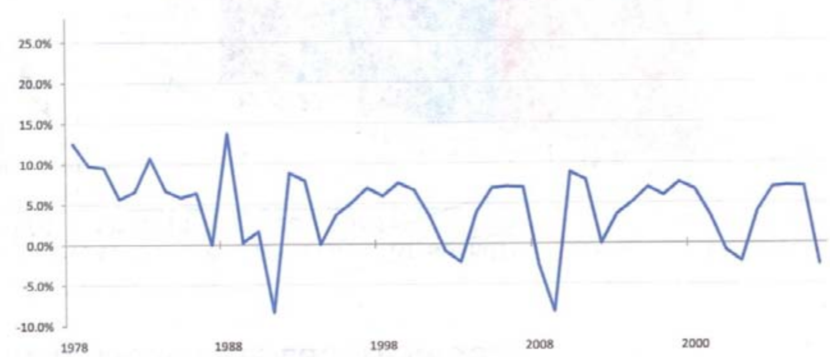
### Percent Change in Appropriations for Higher Education, 1978-2009

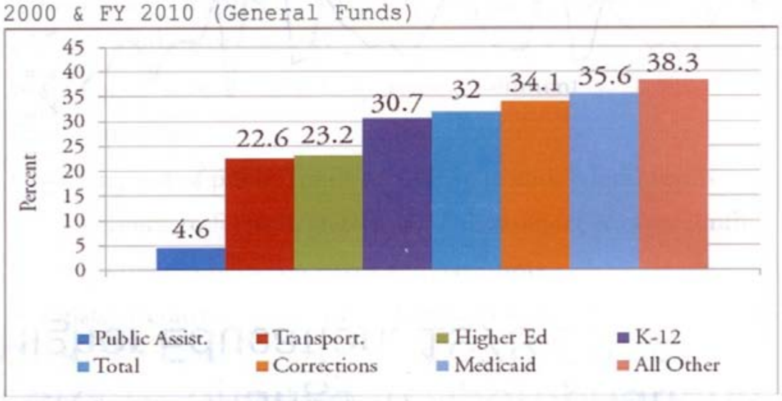



7

Source: Census of State and Local Governments and Grapevine

## All Areas of State Government Increased in the Last Decade

Figure 4: Percentage Growth in Spending Categories Between FY 2000 & FY 2010 (General Funds)




*Sources: NASBO 2001 and 2009 State Expenditure Reports*

NCSL/NASBO

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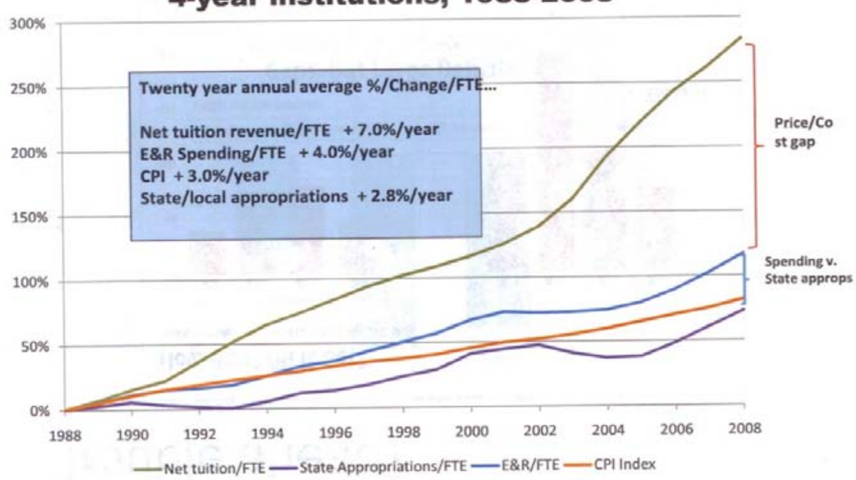
## The unsustainable funding trends at public 4-year institutions, 1988-2008




*Source: Delta Cost Project IPEDS database, 1987-2008, 22-year matched set.*
Notes: Percent change since 1988 based on unadjusted dollar amounts.

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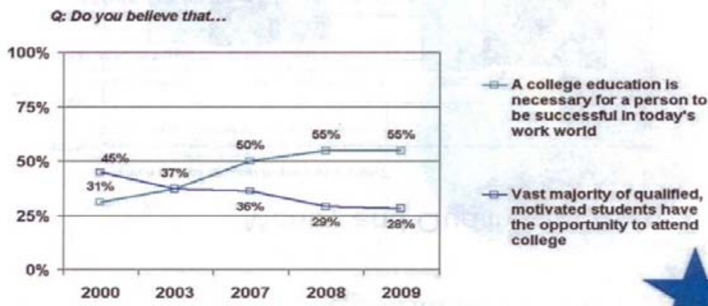
# How well are we doing?

The Higher Education "Misery Index"




PUBLIC AGENDA

THE NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION

15

# … and on the institutional side

- "Upside-down" spending – greatest protection of resources/costs at graduate/upper division
- Heavy sunk costs, inflexibility in reallocation
- Administrative layering and duplication
- Inefficient use of facilities
- Cost intensive instructional delivery
- Underfunding of growing need for 'co-curricular' academic/student support necessary for academic success
- Curriculum 'drift' and program fragmentation
- Competition pushing spending increases in areas that may not be 'public' priorities –
  - Merit aid
  - "Star" faculty
- Weak definitions and measures of learning outcomes
- Low graduation/transfer rates
- Rising benefits costs
- Weak use of evidence to guide strategic decision making

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# Topic # 4

HESIG Mission and Stockton as a Model for Change: What are HESIG Priorities and Comparative Advantages?

# Center for Higher Education Strategic Information and Governance
# Richard Stockton College of NJ

### *Vision*

To be a state and national leading information resource about higher education policy options and solutions regarding access, finance and affordability, accountability and public trust.

### *Comparative Advantage*

HESIG is outcome oriented. HESIG recognizes that STRATEGY denotes scarcity, competition (for resources and ideas), and change; and connotes flexibility, dynamic/interactive engagement, and winning outcomes.

- In cooperation with others, HESIG, affiliated with Stockton and the Hughes Center, has the capacity to be first in the marketplace in NJ about independent (nonpartisan), objective policy options and solutions.
- HESIG has the capacity to test solutions related to public trust directly, through public judgment/public engagement strategies.

### *How HESIG achieves the vision*

1. Designing and disseminating information on the condition and effectiveness of higher education.
2. Recommending policy reform and evaluating policy performance.
3. Convening key constituencies through unique policy summits.
4. Serving as a clearing house for information.
5. Conducting scientific public opinion polls.
6. Engaging and informing through consultations, education and, training institutions, policy makers, opinion leaders, and citizens.

**Boosting Postsecondary Education Performance**
**Committee for Economic Development**
**2012**

# Boosting Postsecondary Education Performance


## Policy Statement

CED

Committee for Economic Development

## Executive Summary

**America's colleges and universities, long the envy of the world, no longer produce all the graduates needed in the 21st century to ensure both national prosperity and individual opportunity.** After decades as the international leader, the United States is falling behind other nations in providing students with postsecondary credentials that have value in the workplace. Despite high unemployment, American business leaders report that they cannot find workers with the necessary training and skills. Individuals without appropriate education and training beyond high school are increasingly unlikely to find jobs that support acceptable standards of living or contribute to innovation and productivity growth throughout the economy.

### The Challenges to America's Post Secondary Education System

**Meeting national needs will require that postsecondary institutions improve their success rates with current students and attract and graduate individuals who have traditionally been under-represented in postsecondary education,** notably adults of working age and minorities who make up a growing proportion of the population. Moreover, institutions must address these challenges when fiscal pressures leave relatively few new financial resources available. Thus, despite the importance of investment in education, **postsecondary institutions likely will have to achieve better results with the resources they already have.** Existing institutions must boost performance to become more productive and more effective. New kinds of institutions utilizing new delivery systems and new business models will need to be created and nurtured.

**The majority of current college students attend "broad-access" institutions (less-selective, less-expensive regional public and private colleges, community and technical colleges, and for-profit colleges) rather than the better-known research universities and highly selective schools. The challenge of enlarging the pool of skilled American workers will disproportionately fall on these broad-access institutions.**

Broad-access institutions (those already in existence and those that might be "invented" by utilizing new instructional technologies and business models) are an under-appreciated component of American postsecondary education. They need influential advocates who value their vital role and who understand that state-level public policy innovation is essential to create the conditions to induce transformative increases in postsecondary productivity and effectiveness.

**CED calls on the business community to become active advocates at the state level for the broad-access institutions that are so vital to the nation's economic future.** Businesses must have a much greater supply of well-trained workers. Business leaders also have a strong stake in promoting the nation's general economic and social health. Many business executives are influential leaders at the state level, and also work with individual educational institutions as board members and funders of research, for example. And business executives depend for their own success on their ability to manage change and increase productivity and effectiveness in their companies and industries. They are therefore well positioned to motivate and help assure similar managed change in postsecondary education.

**Business leaders should become vigorous participants in shaping state postsecondary education and finance policies. They should focus attention on the colleges that**

**shoulder the major responsibility for undergraduate education and training, and on creating the conditions that foster their effectiveness.** Too often the broad-access institutions suffer from political neglect by comparison to better-known and more "prestigious" schools. Business leaders should eschew traditional institution-by-institution approaches to postsecondary policy and press states to adopt strategic agendas for strengthening the capacity of broad-access institutions as a whole to meet the workforce challenge. This approach should be neither top-down micromanagement of education, nor truncated curricula that reduce content and quality. Rather, it should motivate innovation to increase value for each individual student.

## Summary of CED Recommendations

**Business leaders should work with and through state officials to foster state adoption of:**

- **Explicit goals** for the awarding of postsecondary degrees and certificates for the state as a whole, for each sector of the postsecondary system, and for each publicly supported institution of postsecondary education, based on state economic and demographic conditions.
- **Strategic financial resource allocation plans** that are aligned with state goals and specifically designed to motivate increases in productivity and effectiveness.
- **Annual indicators and metrics** that measure progress toward state goals.
- **"Policy audits"** to review the state regulatory environment and identify statutes, regulations, policies, and procedures that impede efficiency, productivity, and innovation.
- **An annual statewide education "summit"** or other exchange among stakeholders to maintain accountability and focus on state goals, to assess progress, and to discuss how to continue and accelerate postsecondary improvements.

**Business leaders should support state strategic objectives through their own corporate policies by:**

- Directing their own tuition assistance programs to the most productive and effective colleges and universities, whether they operate through traditional educational programs or offer innovative approaches such as on-line instruction and competency-based credentials, and
- Assisting the 37 million workers who have some postsecondary experience but no degree or credential so that they can complete their programs of study.

**Without quantum increases in the educational productivity and effectiveness of the nation's postsecondary institutions, particularly those with broad-access missions, there is little likelihood that America will have the quality and quantity of human capital to compete successfully in the global economy or assure its citizens access to acceptable and rising standards of living. Our nation needs ingenuity and process improvement throughout the economy, and needs a well-educated workforce to innovate and move the economy forward. By training that workforce, our broad-access educational institutions can drive productivity growth and leadership in the competitive world marketplace.**

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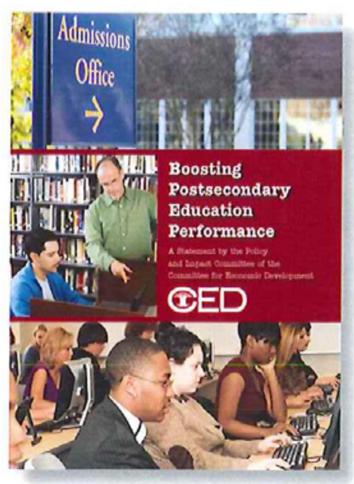


**The complete policy statement, as well as other CED publications, is available online at www.ced.org.**

**Governor's Higher Education Task Force Report**
**New Jersey Higher Education Task Force**
**December 2010**

## Recommendations (Partial)

***Quality***

1. All institutions should be challenged to identify peer and aspirational peer institutions, select relevant metrics regarding missions for comparison, and publish the results annually on their Web sites.
2. The State should dedicate more resources toward the collection and analysis of higher education data, and the proposed Secretary of Higher Education should oversee this task.

## Financing/Affordability

***Capital Financing***

1. New Jersey should address the critical capital needs at the state's colleges and universities with proceeds from general-obligation bonds, one issued as soon as possible to support a revolving fund, and one issued as soon as practical to provide a significant infusion of financial resources.
2. Institutions should receive annual capital support.
3. The statutory ceiling on the total principal amount of the county colleges' Chapter 12 bonds for which the State pays debt service, last raised in 2004, should be raised above the current limit of $265 million.
4. New Jersey should restore appropriations for the Higher Education Incentive Funding Program (P.L. 1999, c. 226) to help institutions attract private endowment contributions and other donations they would not otherwise receive.

***Operating Support***

1. While fully recognizing the State's immediate budgetary concerns, we recommend that the State must, as soon as possible, provide greater financial support for the operating budgets of New Jersey's colleges and universities.
2. Current policies for providing funding to the county colleges and to the independent colleges and universities should be maintained.
3. New Jersey should develop and implement a more rational approach to allocating State aid among Rutgers and the other senior public institutions of higher education. We recommend, as soon as fiscal realities permit, both the additional operating funding called for throughout this report to place New Jersey where it should be to build its economic future, and separate, additional funding to help correct existing disparities in operating funding.
4. New Jersey should reinstitute Challenge Grants.
5. The Secretary of Higher Education should review annual budget requests from institutions, and after consultation with the Governor's Higher Education Council, make recommendations to the governor for distributing any new funds based on criteria for Challenge Grants and other new grant programs.

***Tuition***

1. The governor and legislature should not impose tuition caps on Rutgers and the other senior public colleges and universities.
2. To help mitigate tuition increases, the State should fund increases in salaries negotiated at the 12 senior public colleges and universities at least at the same level as any increases in salaries negotiated with State employees.
3. Institutions should not increase tuition in one-year increments that are unreasonably large compared to past years' increases.

***Student Assistance***

1. The State should maintain current policies regarding TAG funding for students at all eligible institutions of higher education in New Jersey.
2. The State should provide a sufficient investment in the Educational Opportunity Fund, including an increase in funding as soon as possible.
3. The NJ STARS programs and the Coordinated Garden State Scholarship Initiative should be transformed into a broader-based, more comprehensive program to achieve the important objective of retaining New Jersey's best and brightest students more effectively, and to maximize the value from the State's $26.49 million investment in merit-based scholarships.
4. New Jersey must improve the application process for student assistance.

***Student Debt***

1. The State and our colleges and universities must be mindful of the debt burden carried by students and their families to afford a college education by putting policies in place to help mitigate unreasonable annual increases in tuition or to spread increases over time.

## Workforce Development and Economic Development

***College Readiness***

1. The State should sharpen its focus on key transition points in the educational system where students might lose momentum toward developing postsecondary skills and aspirations.
2. The State should accelerate its development of an accessible, comprehensive, longitudinal data system to track meaningful indicators of college readiness for all the state's students.
3. New Jersey should examine best practices that focus attention on the college readiness and college support needs of low income and minority students.
4. More New Jersey colleges and universities should reach out to their local school systems with opportunities to increase students' "college knowledge" about what is required to apply to and succeed in college.

***Remediation***

1. New Jersey should conduct a study to understand the extent of the cost of remediation at its colleges and universities, and should adopt a plan to address the issue.

**The National Center for Public Policy and Higher Education**
**December 2010**


# Strengthening College Opportunity and Performance

## Federal, State and Institutional Leadership

**A policy report from The Delta Project on Postsecondary Education Costs, Productivity, and Accountability, The National Center for Higher Education Management Systems, and The National Center for Public Policy and Higher Education**

LEADERS in all sectors–government, business, philanthropy–are calling on American colleges and universities to enroll and graduate more students to bolster the nation's economic competitiveness and to enhance its standard of living. The urgency of strengthening college opportunity informed President Obama's articulation of what amounts to a national goal for higher education–that the U.S. will have the best-educated workforce in the world by 2020. But the collective effort to strengthen higher education performance has yet to materialize. And in the current environment, the public is wary of ambitious new initiatives that may fail to deliver. Over the last year, instead of vigorous debate about strategies for increasing educational attainment, we saw technical arguments among a few think tanks and foundations about how goals are set.

Admittedly, the president made his statement of national expectations at a time of great financial stress. Economic circumstances have curtailed the flow of funds for higher education. The same circumstances have created real hardships for students and parents struggling to pay skyrocketing tuition bills when jobs are scarce and many families face declining income.

It is clear that American colleges and universities must enroll and graduate more students to meet workforce needs and help ensure the country's economic competitiveness. Yet we do not have a policy strategy to support producing the graduates we need. In fact, current funding policies are eroding rather than increasing opportunity and attainment.

But even before the recession, American higher education was underperforming in two areas critical to the national welfare: increasing the proportion of Americans who participate in and complete programs of education and training beyond high school, and closing educational gaps associated with income, race, and ethnicity. The great recession has exposed deeply rooted problems in our higher education funding system that have been developing for the better part of the last 20 years: incremental disinvestment by states, growing tuition dependency, declining affordability. Moreover, most state policymakers and higher education leaders have neglected to devote systematic attention to the urgent need to control spending and to increase institutional performance.

**The collective effort to strengthen higher education performance has yet to materialize. And in the current environment, the public is wary of ambitious new initiatives that may fail to deliver.**

The challenge to American higher education is clear, yet this crisis of epic proportions has yet to spur an adequate response. This leadership failure is equally shared by institutional leaders and policymakers–too many have simply walked away from the public agenda for higher education. The public–who have for so long been so generous with their faith in, and support of, higher education–is past disenchantment. They are increasingly questioning not the value of higher education, but the values of the leaders of the institutions that provide it. And once the public trust in the academy is lost, regaining it will take years, if not decades.

Leadership is needed now as never before, and it is essential that we provide those who are committed to the task at hand with the tools they need to lead effectively. At the state level—the real focal point for policy leadership and change in higher education—the primary tool for change is funding policy. It is clear that the funding approaches relied upon in the past are broken. While there is no question that more public resources will be required to significantly raise national and state levels of educational attainment, expectations for more funding must be tempered by the fact that the U.S. currently spends a substantially greater proportion of GDP on postsecondary education than any other country. Significant progress can and must be made through more effective use of resources already available. That will require restructuring of deeply rooted budget policies and funding practices that are disconnected from public goals and priorities and have brought us to this precipice. These counterproductive practices:

- Encourage an almost single-minded focus on increasing revenues rather than on managing costs and are often predicated on the expectation that tuitions can and must increase each year at rates that outpace inflation and the growth of family income;
- Promote a pattern of incremental cost shifting rather than cost management—tuition increases cancel out growing federal support for student financial aid (including recent increases in Pell grants)—resulting in no net national gain in college access and affordability;
- Contribute to the erosion of financial support for the educational missions of colleges and universities—the resources devoted to instruction of students—even during recent periods of revenue growth;
- Focus accountability on procedural and regulatory compliance rather than results;
- Provide few incentives for innovation in policy or practice.

**Even before the recession, American higher education was underperforming in two critical areas to the national welfare: increasing the proportion of Americans who participate in and complete programs of education and training beyond high school, and closing educational gaps associated with income, race, and ethnicity.**

The nation needs a concerted effort to build broad understanding and consensus around national higher education goals: What are the requirements of the nation and the states for education and training beyond high school? What portion of the American people should have access to and complete college-level certificate programs and associate's and baccalaureate degrees? President Obama's challenging goal of international leadership by 2020 is achievable, but there is little evidence of deep commitment beyond some initiatives by a few national foundations. An early proposal to use resources (freed up from the redesign of the loan program) to construct a federal-state-institutional partnership to support attainment ended up on the cutting room floor. Meanwhile, the responses of most states and colleges to economic troubles have reduced accessibility and affordability and raised new impediments to college completion, even as various initiatives to improve college participation and completion are being planned and launched.

**Once the public trust in the academy is lost, regaining it will take years, if not decades.**

Building consensus around goals is fundamentally a political and leadership responsibility and must be addressed as such. There is a need for a well-designed strategy for a national discourse that will build commitment to explicit national goals, from policymakers at the national and state levels, college and university leaders, and business and community leaders.

Even with goals, the nation lacks a comprehensive strategy for paying for the college opportunity and success it needs and wants. Additional public investment must be part of any strategy to significantly increase the proportion of Americans who enroll in and complete college programs. But it is unlikely that increases in funding will be commensurate with the increasing numbers of students who must be successfully served. Two tests of effective funding strategies must be that: (1) the colleges and universities bearing the greatest responsibility for improving access and completion have adequate resources; and that (2) the productivity of all institutions of higher education is substantially improved. This will require significant revision of federal and state financing of higher education to:

- Create greater clarity about the roles of the partners in funding—federal and state governments, students, and institutions;
- Ensure that state and federal programs and funding are mutually reinforcing;
- Better align the components of public finance—appropriations and grants to colleges and universities, tuition, and financial aid around public needs and priorities.

Leaders at national, state, and local levels have unique responsibilities. Failure at any level will consign the overall effort to the list of notable initiatives that have come up short.

**The federal government** has two critically important roles to play. First, it must take the point more proactively in the political/leadership aspects of the strategy. To date, the Obama Administration has articulated a national goal, but its emerging strategy is federal not national, and even then, it is partial rather than comprehensive. There is no clear outline of a national strategy that would mobilize the public, state governments, campus leaders, and the business community around the goal, and it is unlikely new federal expenditures and programs, however well designed, can be successful information to intervene with new or revised policies when progress falls below expectations.

**Colleges and universities** and their leaders–presidents, trustees, and faculty–face what is arguably the most difficult challenge. They must lead in the creation of a new operational culture, one that focuses primarily on (1) cost management rather than revenue enhancement; (2) on the core instructional mission rather than extending the mission to pursue new sources of revenue and status (i.e., research, graduate programs); and (3) on strategic choices rather than short-term fixes. The new culture will have to make the successful education of undergraduates the dominant priority of all but a handful of institutions. This will require a commitment to using whatever resources are available to achieve outcomes that are enhanced in both qualitative and quantitative terms; productivity must be a mantra, not an epithet. College and university leaders should:

**Leaders at national, state, and local levels have unique responsibilities. Failure at any level will consign the overall effort to the list of notable initiatives that have come up short.**

- Establish clear goals for increases in degree and certificate production;
- Develop clear metrics for measuring progress toward institutional goals and widely communicate the results each year;
- Develop a strategic financing plan that: creates and supports the capacity to achieve goals; restructures institutional budgets to assure that programs necessary for access and success have the highest priority and can be sustained; reinforces the pursuit of student success; reflects an expectation of productivity improvement; and controls costs and maintains affordability for states and students.

For many institutions this agenda will involve wrenching change and will require extraordinary leadership. To support institutional leaders in this daunting work, goals must be communicated explicitly, and state and federal policy must be formulated in ways that reinforce leaders for enlisting their institutions in pursuit of the larger good.

**To support institutional leaders, goals must be communicated explicitly, and state and federal policy must be formulated in ways that reinforce leaders for enlisting their institutions in pursuit of the larger good.**

We cannot afford to wait. For too long, policymakers and higher education leaders have engaged in a "we need to change, but you go first" conversation. Meanwhile, costs have skyrocketed, attainment has stagnated, and the public has grown skeptical. Failing to act will not result in catastrophic failure in American higher education, but a slow and steady erosion of confidence, investment, and quality. We will be able to claim only that we have the most expensive system of higher education in the world rather than the best. We encourage all in a position to lead to do so with deeds, not words. Waiting for conditions to improve or for optimum conditions for change will ensure that neither will occur. The right time for action is now. ◆

DELTA PROJECT on Postsecondary Education Costs, Productivity, and Accountability

NCHEMS National Center for Higher Education Management Systems

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