



HIGHER EDUCATION STRATEGIC INFORMATION & GOVERNANCE

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY



WINTER/SPRING 2014

FINDING SOLUTIONS, BUILDING PUBLIC TRUST IN AN ERA OF CHANGE

The HESIG 2013-2014 initiative, “Finding Solutions, Building Public Trust in an Era of Change,” in partnership with others, aspires to facilitate state and national reexamination of critical policy issues affecting college opportunity. The HESIG Council advises to continue focusing on recommending strategic policy action; promoting public engagement for constructive change, using scientific polling; and serving as an “honest broker” by convening educational and policy leaders to find solutions, free of political and institutional self-interest, in service to the broader public good.

During 2013-14, HESIG, supported by the William J. Hughes Center for Public Policy and a grant from the ETS Center for Advocacy & Philanthropy, will hold two regional “roundtables” of New Jersey college and policy leaders; conduct a second, Stockton Polling Institute, scientific poll on accountability issues; and continue analyses of “best practices” to promote positive college policy reforms.



POLICY TRENDS & OPTIONS

Centrifugal Forces and Future Directions For Higher Education

A lot can happen in a year; and it seems that it has. While environmental, if not substantive change, is typically the norm, change is happening in American higher education at a more rapid pace than in many years. At the HESIG Policy Steering Council Inaugural Meeting, during June 2012, members identified **core financial support** for colleges and **access/affordability** as the top two issues facing colleges and universities. Sustaining public trust and increasing degree productivity/completion, followed on the list of top issues, with concerns about governance and regulation bringing up the rear as matters of principal concern.

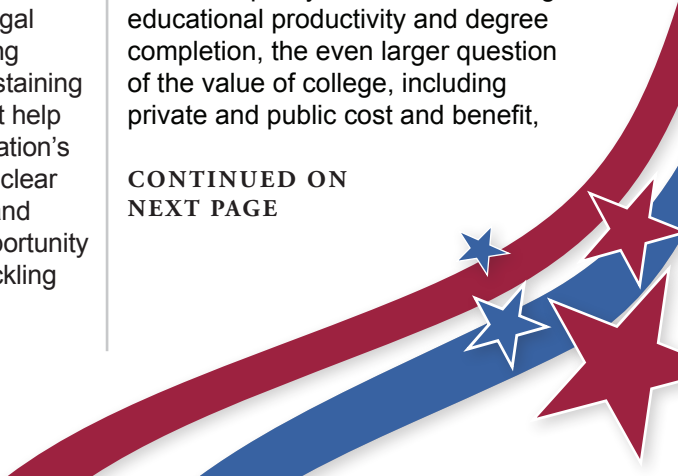
At the HESIG September 2013 Council meeting, several new issues, including the **value of college**, and **governance accountability** have joined the mix of “top of mind” concerns about where we are headed as an enterprise, and how we might get there. The big question affecting hope for accomplishing the promise of American higher education rests largely on how resilient and innovative colleges and universities can be in managing the centrifugal forces pulling apart long-standing policies and practices, while sustaining important centripetal values that help bring coherence to higher education’s broad public purposes. What is clear on the horizon is that colleges and universities have significant opportunity to shape a brighter future by tackling creatively many of emerging challenges facing them today.

TRENDS DRIVING CHANGE

1. Significant Financial Constraints- Perhaps no other issue drives college leaders’ worries more than how to sustain financially the core enterprise. Earlier this year, and again in November, Moody’s Investors Service issued a very sobering “negative” outlook for higher education, projecting more limited public financial support, and a significant limitation of colleges’ ability to increase net revenue from tuition and fees. Such a projection places great pressure on colleges to constrain cost, reduce dependence on price increases, and to lower aspirations for facilities that increase debt service. Universities are forced to rethink traditional practices concerning more efficient use of faculty, support services, facilities and the effectiveness of the traditional academic calendar. In brief, in light of growing fiscal constraints, most analysts agree that the basic financial model sustaining colleges for decades requires a major overhaul.

2. Questions About the Value of the Investment- Following several years of intense policy focus on increasing educational productivity and degree completion, the even larger question of the value of college, including private and public cost and benefit,

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has emerged as a leading concern. Several studies have been published which confirm that individuals that attend college earn more and suffer less from economic downturns than do those without a college degree. A 2013 Organization for Economic Cooperation and Development (OECD) report confirms that this is true on an international scale, and goes farther to illustrate that college graduates not only earn more money in a lifetime, but also enjoy broader personal and social benefits, than do individuals without tertiary education. The OECD analysis finds, too, that the benefit of investment in college outweighs the public and private cost of college.

Yet, in spite of these data, the critical policy question about the overall value of college remains a hot topic among policy makers and citizens, perhaps driven more by the perception of high price/cost, than any other single issue, as well as growth of interest in alternative, lower-cost approaches to service delivery. Blurred lines about colleges' missions is another contributor of questions about value, as two-year and four-year colleges extend academic programming, and non-traditional colleges offer a wider variety of degrees. In a nutshell, higher educators and others are grappling with how to define and talk about the value of college, during a time of policy uncertainty. The matter of college value is at the heart of building greater public trust.

3. Concern about Inequity of Opportunity- It is paradoxical that citizens strongly support broad college opportunity and hold high aspirations to attend college, but increasingly question its public benefit. And it is disheartening, following decades of effort to expand college opportunity for low-income and racial/ethnic minorities, to observe how much more needs to be done to accomplish

greater equity in college access, especially to highly-selective private colleges that receive significant public subsidy. Recent studies (e.g. "Separate and Unequal", Georgetown University Center on Education and the Work Force) showing the paucity of low-income and minority students attending and graduating from elite private colleges underscore the need for larger policy examination not only of recruitment and admission policy, but also fundamentally of institutional and national student financial aid policy.

4. Accountability for Attainment and Completion- Encouraged by foundations such as Lumina and Gates, policy makers are actively considering adopting incentives for colleges to help students complete degrees faster, and performance measures to account for college effectiveness. A majority of the states have adopted, or are considering some form of performance-based budgeting for higher education. Closely tied to the performance/completion agenda, many advocates of college opportunity assertively tie college completion policy to school and college readiness programs to help close the educational achievement gap for minority and low-income students. Accordingly, colleges are being pushed to be more accountable for retaining and graduating the students they already serve, and to be more effective in partnering with schools and others to increase the chances of historically disadvantaged populations and adults



achieving access to college, and degree completion.

5. Uncertainty about Student Financial Aid- Our federal student financial aid structure, built on the foundation of "choice," among many types of colleges faces stronger calls for policy reform concerning both equity and performance. Related to issue # 4, need-based student aid coupled with need-blind admission policy at highly selective private colleges has hindered opening the doors of elite colleges for greater numbers of low-income students. Reform of student financial aid, reigning in loan subsidy and tying Pell Grants to academic performance, are high on the agenda for Congress during consideration of the Higher Education Reauthorization Act.

At the state level, where only about 10 states account for two-thirds of all need-based financial aid, the slow-growth economy and demands on state treasuries from other government agencies, indicate slower growth in these programs, and greater rationing of assistance to fit the student population. Some states, too, are considering linking grants to educational performance measures. A lingering question behind these issues, often not explicitly articulated is: Who pays for, and who benefits from the significant amount of money invested in student financial aid?

6. Governance Reform- Following several years of intense policy focus on accountability for college pricing and educational outcomes, the issue of governance rises as an important topic on the college reform agenda. Policy advocates concerned about college effectiveness are turning more attention to the role of governance in setting educational and financial policy, recognizing that new business models and new educational delivery methods

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cannot be developed effectively without review and reform of governance practices. As new educational delivery modes evolve, clearly the matter of the role of faculty in academic governance must be addressed.

The Association of Governing Boards of Colleges and Universities' (AGB) recently created Commission on Governance is a case in point. As it relates to quality assurance and reform of business practices during a time of fiscal constraints, and greater competition for students, governance at the institutional and state levels is likely to get more attention. Greater tension between capitals and public college campuses is likely to be fostered by increasing demand from policy makers for more accountability, and on the other hand, colleges' desire for less regulation and greater policy flexibility, as they develop new business practices with limited public financial support.

7. Explosion of Interest in

Technology- Not too long ago, few educators knew what a "MOOC" was. Within just two years, most individuals around higher education know more

than they wanted to learn, with higher education news outlets covering the topic relentlessly. The rapid emergence of interest in Massive Open Online Courses is a proxy for changing the long-standing place-bound, face-to-face approach to delivery of traditional college education. Initial excitement about what MOOCs might accomplish through competency-based, modular e-learning, has cooled, as many private companies and college partners have experimented and learned that new technology in itself may not be the panacea for delivering low-cost "all-the-time" learning to the masses. Huge policy issues beyond course content must be overcome concerning the efficacy of a business model, student equity, and ultimately assessment and certification of learning outcomes. Still public policy makers, together with colleges and university systems (as in CA) are likely to encourage vigorously new modes of delivering higher education, using technology.

8. Demographic Shifts- One of the most fundamental issues providing a platform for reform of higher education policy rests with the matter of which citizens will attend college in the first instance. The demographics and geography of higher education deserve significant attention, too. In some cases colleges themselves may be

more attuned to shifts in prospective student populations than are public policy makers. As a recent Western Interstate Commission on Higher Education (WICHE) analysis indicates, some states will lose population and will experience a downturn in high school graduates headed to college, while others will experience significant increases. For example, New Jersey will lose about 10% of high school graduates heading to college over the next decade. And a larger percentage of college-bound students will be minorities and new immigrants. Ironically, many of the states facing population increases lack the tax base to expand higher education aggressively, while many of the states shifting to fewer students graduating from high school will have some of the most mature higher education systems with larger student capacity, but fewer financial resources.

Certainly, given the diversity of demographic and financial change facing states, one-size-fits-all policy approaches to college access, affordability and accountability are an undesirable and unlikely outcome. Instead, different states will adopt different strategies to provide

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college opportunity for their citizens. Accordingly, this suggests that the environment may be rich for analysis of local and regional policy solutions to the challenges facing higher education; and certainly points to the need for assertive engagement of citizens as well as policy makers on a local level, to build support for policy change and mutual trust in proposed solutions.

**A FRAMEWORK FOR
HESIG PRIORITIES**

This year, with an emphasis on the issues of defining **college value** and improving **governance accountability**, some of the Council's top advice includes:

On college value:

- Define value in a manner that relates directly to the educational needs and aspirations of students served and

others supporting higher education, especially recognizing the rapidly changing college-bound population.

- Partner closely with K-12 policy makers and business leaders on emerging national core academic standards and new assessment tools for school completion and college readiness, a matter on which Stockton currently plays a state leadership role.
- Assure that college value is tied explicitly to measurable, mission-related educational outcomes, and especially to degree completion and affordability.
- Communicate the educational and economic value of college in a manner that is understandable to citizens and diverse constituencies that is transparent about cost, and emphasizes public benefits.

On governance reform:

- Engage boards of trustees actively on strategic trends, and emphasize internal policy reform needed to achieve long-term mission-related goals.
- Expand partnerships that engage new business approaches and educational delivery technology, and help boards understand their changing role and scope of authority.
- Actively work with the state to strengthen the composition of boards, trustee education and self-evaluation, the trustee appointment process, and appointment of highly qualified citizens to new affiliated organizations.
- Involve others from business and nonprofit backgrounds to provide guidance on good governance practice from outside of higher education.

MISSION STATEMENT

The mission of HESIG is to serve as an agent for constructive higher education policy change, by recommending strategic policy action aligned with a public agenda to serve the public good. Guiding principles include: enhancing college access, affordability, college completion, productivity, accountability, and building new partnerships to achieve these ends.

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