



**HIGHER EDUCATION STRATEGIC
INFORMATION & GOVERNANCE**
THE RICHARD STOCKTON COLLEGE OF NEW JERSEY



WINTER/SPRING 2013

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.

Affiliated with the William J. Hughes Center for Public Policy, HESIG 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 longterm needs of the citizens, institutions, and the state; to share comprehensive trend and performance indicators; and to promote strategic partnerships, effective trustee governance and public trust.

HESIG, founded in 2012, is directed by Senior Fellow Darryl G. Greer, PhD; assisted by Corrine N. Wilsey, MA.

POLICY TRENDS & OPTIONS

Troubled Water:

**A Broken Financial Partnership.
Questions about College Price and Value**

Some policy analysts observe that the manner in which colleges and universities are financed, both public and private, is broken, unsustainable, and therefore, requires major reform, not just incremental change. Similarly, scholars and practitioners focused on educational productivity and accountability for outcomes, offer evidence that educational and governance restructuring, driven by new technological delivery systems, will rapidly change how higher education is offered, priced, assessed and certified.

While one can debate the scope, pace and effect of policy change, it is very clear that citizens who now pay a larger share of college cost, grow increasingly frustrated with the continuing rapid rise in the price and growing personal debt. In the past decade, public college tuition has risen over 70%. Today, individuals pay about 45% of the educational cost of public college nationally, contrasted to about 30% more than a decade ago. In NJ, tax dollars account for only about 25% of total college budgets, with students paying about 60-70% of educational costs, and among the highest public college tuitions in the nation.

Still, as national and NJ polls indicate, citizens believe very strongly that college is an important means of acquiring and maintaining a "middle class" standard of living, and the chance to achieve the American Dream of equality of opportunity to prosper.

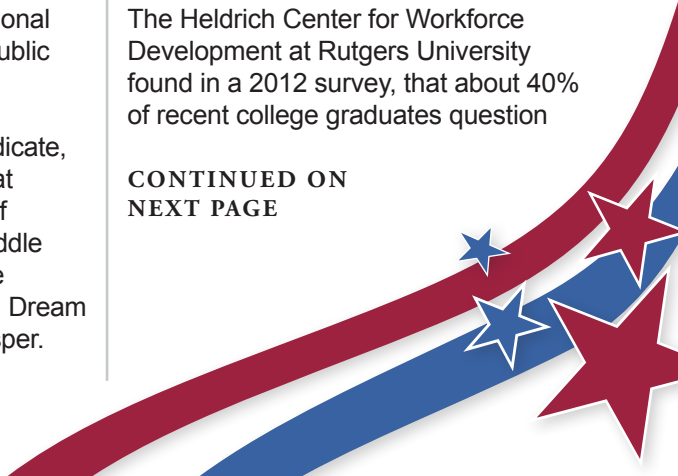
This view is so strongly held, that three out of four citizens polled by Carnegie in June 2012, believe that higher education is now a right in America.

Yet in the same poll, over 60% of those surveyed see paying for college as a major barrier to access. While students and families have been willing to pay escalating prices for college opportunity, there is growing evidence that citizens are losing confidence in colleges' ability to control costs and price, growing more disillusioned about their ability to access an affordable college education, and in some cases questioning the value of benefit for the investment.

For example, a recent TIME/Carnegie October 2012, poll indicates that 80% of recent college graduates do not think what they paid for college was worth the price of investment, twice the percentage reported by college leaders. The same survey found that respondents were split about 50/50, when asked if higher education is headed in the right or wrong direction.

The Heldrich Center for Workforce Development at Rutgers University found in a 2012 survey, that about 40% of recent college graduates question

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making the correct academic decisions tied to entering the workforce; two thirds say they would have done something different in choosing college studies; and only one in five college graduates indicate that they think they will be more successful than the prior generation. One-third of respondents said that their college education did not prepare them well for a first full-time job. Finally, respondents indicated that paying college debt (roughly \$30,000) strongly affects decisions about future life choices such as graduate school, housing and jobs.

This sense of unease, left unchecked, not only leads to greater uncertainty among citizens about the value of investing in college opportunity, especially public colleges, which serve 80% of all students, but fundamentally undermines the most critical element supporting college opportunity in the first instance- public trust. Dissatisfaction will only worsen, if the citizens they serve and who help to finance the institutions are left out of the conversation about policy reform.

Policy Options, Responsibility and Public Trust

The confluence of these trends are at the heart of the mission of HESIG. Accordingly, this first newsletter is dedicated to recent survey research trends on higher education policy and public trust.

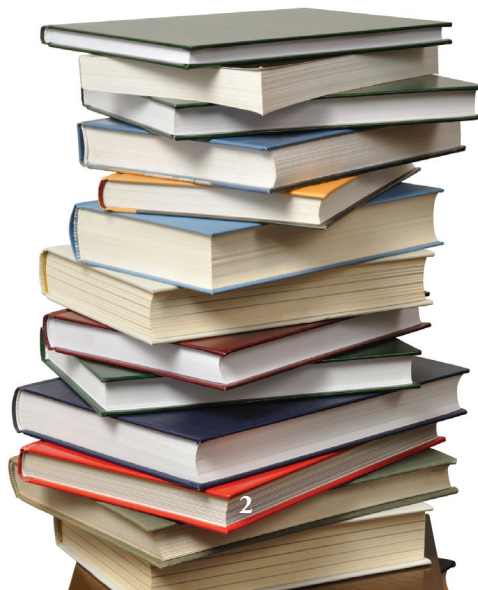
Following advice from its Policy Steering Council in July 2012, HESIG is initiating an ambitious project during 2013-15, titled "Building Public Trust in an Era of Change." Under this banner, HESIG plans to conduct at least four scientific polls to provide an empirical base for exploration of "top of the mind" policy issues affecting higher education, options for change, desired outcomes, and shared responsibilities for taking action. The first poll, to be

conducted by the Stockton Polling Institute will be in spring 2013. Policy makers, higher educators, and others will be engaged in exploring what to do, and how to get it done through unique forums and information dissemination strategies.

In preparation for this initial poll, it is useful to review briefly recent polling research conducted by five reputable organizations: the Association of Governing Boards (AGB); the National Center for Public Policy and Higher Education; Northeastern University; the NJ Association of State Colleges and Universities; and Sallie Mae, which helps to market student loans nationally. These polls are especially helpful in illustrating citizens' perceptions about college access, cost, and the need for change; as well as how views of citizens compare to the views of policy makers.

Bad Vibes: Public Misgivings about College Opportunity and Affordability; and Possible Disconnect Among Trustees Who Govern Colleges

"Squeeze Play 2010: Continued Public Anxiety on Cost, Harsher Judgments on How Colleges Are Run." The National Center for Public Policy and Higher Education/Public Agenda (National sample=1031 adults; margin of error= 3.05%).



- A majority (55%) view college as increasingly important to succeed, but citizens worry that college opportunity is diminishing, principally because of price, with 70% indicating that many qualified students may not have the chance to attend.

- Over 80% believe students borrow too much to pay for college.
- 60% think that colleges increasingly put "bottom line" business concerns ahead of educational needs of students.

"2011 Higher Education Reform Study." NJ Association of State Colleges and Universities/Penn, Shoen & Berland (NJ sample= 750 likely voters; margin of error 3.58%).

- NJ public colleges are viewed as doing a good to excellent job (80%); but for the first time over 6 years of polling, a majority (51%) says that colleges are not affordable.

- Citizens blame state funding cuts (32%) and lack of college productivity (22%) as major reasons for tuition increases.

- They strongly support helping others through student financial aid, but a majority (62%) believe aid will help others, not "me and my family."

- Four in five surveyed chose trustee authority over state regulation to guard against political intrusion; while trustees are favored 7:1 over state entities to manage new investment in colleges.

"How America Pays for College 2012." Sallie Mae/ Ipsos (National sample=1601; parents (800), and 18-24 year- old students (801); margin of error= 2.5%).

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- Nearly 70% of respondents eliminated choices of colleges because of cost.
- Roughly one-half of families would rather continue to depend on borrowing money to attend college, rather than fail to attend.

“Innovation in Higher Education, 2012.” Northeastern University/FTI Consulting (National sample=1251 adults; margin of error=3.1%).

- College is viewed as very important to achieving the “American Dream” (70%), but nearly one-third believe college opportunity will diminish for future generations.
- While 80% surveyed nationally find college cost to be worthwhile, or reasonable for the benefit, one-half respond that they know someone who postponed college because of cost; and most (86%) view paying for college as the biggest barrier to obtaining a degree.
- Four in five surveyed believe that the US system of higher education

needs to change the ways it delivers educational service, to remain globally competitive.

“College Prices, Costs, and Outcomes 2012, Who’s Minding the Gap Between Higher Education and the Public?” AGB (National computer survey of 14,000 trustees; 2539 respondents.

- 21% of trustee respondents disagree that the US needs more college graduates.
- 55% believe that tuition is too high at other colleges, relative to its value; while 62% believe tuition is about right for their institution.
- One half say that they are doing all that can be done to control expenses; while an equal number say more needs to be done.

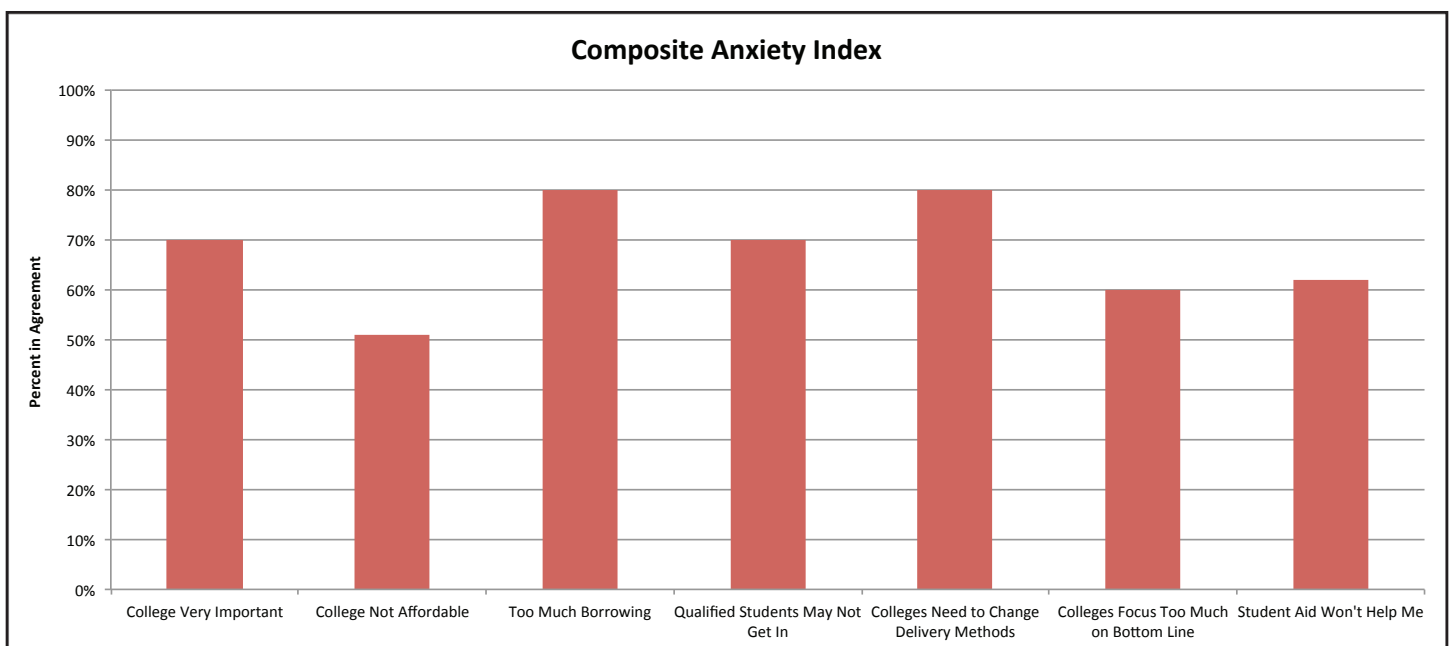
Adding It All Up: Signs of Hope

In the public’s mind, higher education is highly regarded as a means of upward mobility in America. Furthermore, individuals in charge of colleges generally are trusted in a relative sense more than business or political leaders to make good decisions about the industry. Recent

significant electoral victories (2-1) for taxes to support education in CA, and a higher education facilities bond in NJ, serve as only two examples of public trust in colleges translating into positive support for investment, all linked to individual aspirations for success. Clearly, public trust in the traditional benefits of college is a key element in the hope for future investment and improvement of higher education.

But, taking together polling research and other policy trend data, citizens, public policy makers, presidents and governing boards of colleges appear to be on a collision course on the matters of reforming the cost/price structure, and accountability for outcomes. Whereas citizens view college a key component in workforce preparation and hope for their economic futures, they are increasingly dissatisfied with the rising price of college, mounting personal debt, and college leaders’ inability to control escalating costs. Many feel that college opportunity for their children will be diminished without structural reform.

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The response of governors and state legislators, responsible for funding public colleges, has been to demand greater accountability by introducing budget, enrollment or programmatic reforms, and limiting tuition and fee revenue increases. But, with state budgets stressed by current unsettling global economic conditions, states have reduced discretionary funding to public colleges and rationed student financial aid, while at the same time demanding greater degree productivity.

Fundamentally, with a large part of the blame for the college opportunity/price squeeze placed on public policy makers because of funding cuts to colleges, they are responding to the need to reform the cost structure of higher education simultaneously through a mix of rational bureaucratic budgetary, political and even ideological remedies, not all of which may be responsive to individual or college needs.

Add to this picture the findings of the AGB survey, which indicate that college trustees - the critical actors



trusted by the public to do the right thing to sustain access to an affordable and useful college education - may be out of touch with public perception of substantive financial problems, as well as needed reforms.

With huge project investments by foundations such as Gates and Lumina to increase college completion rates nationally, it is very surprising that one-fifth of trustees surveyed believe that the US does not need more college graduates to compete in a global economy. It is also disquieting to find that trustees see the cost-price squeeze as "the other guy's problem," but not at their institution.

Conversely, a 2012 survey of college presidents, by *Inside Higher*

Education, indicates that about 65% of presidents responding view tuition increases as a major challenge.

As one recent scholarly contribution points out, "American higher education and public policy infrastructure cannot tweak or spend its way to the future."* Substantive rather than incremental policy reform is needed.

Accordingly, citizens, public policy makers, and presidents and trustees - who lead and govern colleges - need to come to some clear and timely public judgments about what needs to be done to fix perceived problems, and share responsibility for policy action to sustain greater public trust in our colleges and universities, in service to the broader public agenda.

*Zumeta et al. [Financing American Higher Education in an Era of Globalization](#), 2012. See also, Greer and Klein, "A New Model for Financing Public Colleges," [On the Horizon](#), 2010.

**HESIG Working Paper No. 1 "New Assumptions and New Solutions for Higher Education Reform," 2013.



As HESIG prepares for its first NJ poll, at least four broad policy reforms appear to have merit:**

- Sustain the core educational function by increasing degree productivity;
- Reform state and federal student financial aid policy to keep college affordable;
- Create more explicit accountability measures for college outcomes;
- Innovate governance to promote partnerships and public trust.

HESIG will test during the next two years public support for specific options among these reforms.

FOR MORE INFORMATION

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Darryl G. Greer

L-212K • HESIG

The Richard Stockton College of New Jersey

101 Vera King Farris Drive • Galloway, NJ 08205-9441

darryl.greer@stockton.edu • 609-626-3849 • 609-626-6054 (Fax)