

New Jersey is Last (50th) in Higher Education Investment: U-Turn Needed

Data recently released by the Illinois State University Center for the Study of Education Policy show that New Jersey trails every other state in the nation in higher education investment, FY 2007 compared to FY 2006. Only Montana and New Jersey **decreased** their investment for the current academic year, with decreases of 0.7% and 2.7%, respectively. For New Jersey, continued robust funding for most student aid programs and fringe benefits masks the even larger percentage cuts to the public colleges and universities' operations (-8%).

Among the 50 states, the average one-year increase in appropriations of state tax funds for higher education expenses was 7.1% for FY 2007, according to the Center for the Study of Education Policy. Reacting to the disturbing comparison between New Jersey and other states, including all those with whom New Jersey is competing for educated workforce professionals, ASCU chief Darryl Greer recently wrote to legislators thanking them for support, without which funding would be even worse, and urging a reversal of the downward funding course. He pointed to mounting challenges to ASCU institutions in recruiting, to New

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National Group Has a Sound, 15-Step Plan to Improve Higher Education

Late last month, the National Conference of State Legislatures (NCSL) issued a special report on the higher education needs of the states.

The document, *Transforming Higher Education: National Imperative - State Responsibility*, has 15 recommendations to address improvement of America's colleges and universities amidst great demand, a crisis for which the nation is quite unprepared, and one which stems largely from government neglect. "As a result, U.S. citizens are not reaching their full potential, state economies are suffering, and the United States is less competitive in the global economy," the report states.

Transforming Higher Education places the responsibility for action on the states and in particular state legislatures. The fixes are common sense and make sound sense for New Jersey. None are as complicated as one expensive idea New Jersey is considering: a merger of public research universities. In brief, they are as follows:

1. Define clear state goals for higher education.
 2. Identify the state's strengths and weaknesses.
 3. Learn the state's demographic trends over the next 10-30 years.
 4. Hold ongoing state-level discussions toward setting state-supported goals for higher education students and institutions.
 5. Hold institutions accountable for their performance.
 - 6-9 address the need for funding of institutions, aid in support of student access, and affordable college costs, which are interrelated.
 - 10-14 address the need to help students graduate, encourage innovation and partnerships, and better prepare young and adult students for college and lifelong education.
- The final item, stated verbatim, is a call for productivity.
15. "Legislators should ensure that state dollars are spent productively and should demand that institutions become more efficient."

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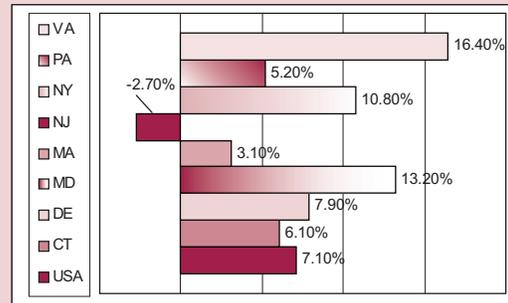
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Jersey, top-notch faculty and managers because of a decade of constrained resources.

In his communications, Dr. Greer further cited ASCU institutions' top national rating for productivity (National Center on Higher Education Management Systems - 2005 study). Greer believes that it is time to get on with the business of investing in higher education for the good of the people and the economy of this State if New Jersey wants to compete with others. ■

Appropriations of State Tax Funds for Operating Expenses of Higher Education - FY06 to FY07 Change



Higher Education Momentum in Other States

As the Garden State decreased its investment in higher education, quite a few states took, or began to consider bold moves to advance higher education for their citizens. The following state updates were derived from these publications: the American Association of State Colleges and Universities (AASCU) *Edlines* report; *The Indianapolis Star* (Indystar.com); and the *Chronicle of Higher Education*.

Arkansas voters passed a state referendum to issue bonds for \$250 million in technology and facilities upgrades at state colleges. *Chronicle of Higher Education*, November 17, 2006.

California voters approved a \$10.42 billion bond issue which includes about \$3 billion for public college building repair, upgrade and expansion. *Chronicle of Higher Education*, November 17, 2006.

Indiana state government is weighing the idea of leasing out (privatizing) the Hoosier Lottery with the expected \$1 billion proceeds going to fund "higher education initiatives, such as scholarships and professorships." *Indianapolis Star*, December 13, 2006.

In **Michigan**, the state legislature approved Governor Jennifer Granholm's new grant program, Promise, that will distribute \$4,000 scholarships to students. The program, which requires students to maintain a 2.5 GPA, replaces the state's \$2,500 Merit Award program. The program will cost about \$110 million annually in 2007-2008 and will be paid for with tobacco settlement funds. *AASCU Edlines*, December 15, 2006.

New Mexico voters approved issuance of \$118.4 million in bonds for "repairs, renovations and new construction at community colleges and state universities." *Chronicle of Higher Education*, November 17, 2006.

Rhode Island voters approved issuance of \$72.8 million in bonds for buildings and renovations at two state institutions. *Chronicle of Higher Education*, November 17, 2006.

Wyoming voters approved a state amendment authorizing creation of a permanent fund for higher education "with a value of up to \$200 million." *Chronicle of Higher Education*, November 17, 2006. ■

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Following this last recommendation requires clear goals and sufficient resources. Efficiency is likely to require giving public institutions even more freedom from bureaucratic regulation.

When New Jersey citizens and elected officials look closely at higher education in our state and begin in earnest to have the conversations called for in the NCSL report, here is some of what they will learn:

- New Jersey's public baccalaureate/master's-level colleges and universities have been rated as among the nation's five most productive sets of state institutions by the National Center for Higher Education Management Systems;
- New Jersey has among the nation's most generous need-based student grant aid programs;
- There are not yet clearly stated goals for public institutions nor is there a sustained, robust commitment to support them from the state; and
- The state's net loss of high school graduates going to college is unrivaled, yet we have done very little to prepare for the college bound Baby Boom echo crunch hitting full force in 2009.

We should draw upon NCSL's insight. New Jersey's Senate Education and Assembly Higher Education committees, with bipartisan participation, could look at these recommendations. It is encouraging that Assemblyman Craig Stanley (D-Essex) not only served on the panel that produced the report, but appears intent on taking seriously its call for informed, state-level discussion among many sectors about sustaining higher education.

What the report requires is straightforward: thorough research, broad deliberation, clear goal definition, thoughtful policy formulation, fitting investment, and goal-based accountability. Such statewide efforts, though, are not always easy to get started without the strong support of the governor and legislature. They do not require a higher education czar or a costly university merger. They do require political will and higher education's cooperation. ■

ASCU Assists Trustees

ASCU serves the public interest by helping to clarify and communicate what is expected of state college/university trustees as well as being a voice for responsibility in state-level policy affecting trustee autonomy. It also assists board members in assimilating new information to keep them current with state-level policy developments, as well as issues and trends coming to light nationally. In this vein:

- ASCU, this past year, updated its Trustee Reference Guide which provides governing board members, administrators, and interested citizens and policy makers with an overview of higher education governance, including state college/university trustee board composition, requirements and responsibilities, with citations of applicable statutes.
- The Association is offering, in March, a seminar geared to the concerns and information needs of newer trustees. The seminar will feature Richard Novak, a national expert on trustee accountability issues and governance policy at public institutions of higher education. Novak heads the Center for Public Trusteeship and Governance at the Washington, DC-based Association of Governing Boards of Universities and Colleges (AGB).

- ASCU will work with its member institutions to mine the recommendations of two recent policy papers emerging from AGB: one on trustee board accountability, including fiduciary responsibilities; and one on the critical relationship between the trustee board and the president.

ASCU serves New Jersey and shares a common goal with AGB: reaffirm public trust in higher education by clarifying to all how accountability should work and precisely what should be expected of college and university leaders. ■

Out-Migration Hurts New Jersey

If recent trends continue, New Jersey would stand to lose a congressional seat and district after 2010, according to the U.S. Census Bureau, reports Robert Gebeloff of *The Star Ledger* (12/21/06). New Jersey's population growth is trailing that of many other states; more people are exiting the state and there is less robust migration into the state. Taxes and less affordable housing are cited as explanations.

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Progress on Transfer Issues Between County Colleges, Four-Year Institutions

The county colleges and state colleges and universities have made significant progress in making it easier for students from county colleges to transfer to one of the ASCU-member institutions. The agreement being forged cooperatively among several sectors of higher education addresses the concern of several legislators, who have sponsored a bill that would require a universal transfer system. The Association is working with the major sponsors of the bill - Asm. Pamela Lampitt (D-Camden) and Asm. Patrick Diegnan (D-Middlesex) - to support a voluntary solution.

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The Gebeloff article cites major changes since the beginning of the decade in the cross currents of in-migration and out-migration; a net annual loss of 25,000 residents has apparently tripled to about 70,000. Not coincidentally, New Jersey continues to be the greatest net-exporter of college bound high school graduates, now losing an unprecedented 26,000 per year. ■



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- 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
- William Paterson University

Widening Earnings Gap a Big Incentive to Get Degree

The U.S. Census bureau now pegs the earnings difference between adults with a bachelor's degree and those with only a high school diploma at \$23,000 yearly, *The Star Ledger* reported in late October. In 2004, those with a four-year college degree earned \$51,554 on average while those who held only a high school diploma earned an average of \$19,169.

These average differences in pay should not be construed as expectations of likely earnings for any one person and there is, no doubt, plenty of variation from the mean. *The Star Ledger* article quoted Lisa Barrow, senior economist at the Federal Reserve Bank of Chicago, who offered this appropriately cautious interpretation: "There appear to be strong incentives to get a college degree." ■