

In this issue:

[Institutions Take Diverse Steps to Increase Affordability](#)

[Report Points to Best Practices Supporting Affordability and Student Achievement](#)

[NJASCU Takes Stand on Assembly Higher Ed Bill Package](#)

[NJASCU Testimony to Red Tape Review Commission](#)

[Dimensions of Student Affordability](#)

[More College Graduates Are Borrowing for College. Across All Income Groups](#)

[Family/Students Have a Role in Making College Affordable](#)

[AASCU: College Affordability Recommendations for State and Federal Governments](#)

College Affordability: Partnership with State is Key

Dr. Michael W. Klein, CEO

The package of bills recently considered by the Assembly Higher Education Committee — including proposals such as tuition freezes, dual-enrollment programs with high schools, and annual reports on institutional debt — provides a good opportunity to understand the reasons behind the cost of a college education, especially at the state colleges and universities, and to offer alternative ideas. See page 3 for details about the NJASCU response to these bills.

The greatest determining factor on tuition and fees at four-year senior public institutions is state appropriations for operating support at those institutions. Direct state support to the eight state colleges and universities was cut 24 percent between fiscal years 2006 and 2015, a total of almost \$62 million. Appropriations to the general budget category of “Higher Education” — which supporters of the tuition freeze have been citing — do not tell the story, because those funds include the state’s financial aid programs, which help individual students but do not keep overall costs down.

During this 10-year period of appropriations cuts, the senior public colleges and universities have been told to do more with less, and they have done just that, serving more students than ever. Enrollment is at an all-time high: in the fall of 2013, the eight state colleges and universities enrolled 83,376 undergraduates, up from 64,761 in 2003, an increase of nearly 29%. Reflecting strong student demand, applications from first-time, full-time freshmen to the nine members of New Jersey Association of State Colleges and Universities (NJASCU) increased 49% between 2002 and 2012, from 41,062 to 61,081.

When looking at institutional spending, it is important to look at spending details and priorities. For example, according to a recent study by the Delta Cost Project, public master’s institutions — institutions like most of the members of NJASCU — increased spending on instruction while the nation’s other sectors of higher education, including public and private research institutions, community colleges, and private master’s institutions, cut spending on instruction.

NJASCU institutions have reduced spending in other categories. They have reduced energy costs by, in some cases, building cogeneration plants, installing automated systems that conserve energy, and conducting energy audits. Some institutions have consolidated administrative departments and are using web-based data storage to reduce hardware costs. They all participate in cooperative purchasing contracts. The institutions have used these savings to mitigate tuition increases, which ranged between 0% and 3% this year.

To continue to control the cost of tuition and fees, New Jersey’s colleges and universities need the state government to be a stronger partner. The \$750 Building Our Future Bond Act of 2012 was a significant step in the right direction. These bonds were the first funding for higher education facilities entirely backed by the State since 1988, and they are now enabling institutions to build high-tech classrooms, labs, and libraries without absorbing new debt.

A college affordability proposal from our sister organization, the American Association of State Colleges and Universities (AASCU), would create an incentive for state governments to fund public colleges and universities adequately. Under AASCU’s proposal, the federal government would provide an annual block grant to states that fund public higher education operating costs at between 50% and 150% of

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the maximum Pell Grant award (currently \$5,550) on a per full-time-student basis. New Jersey would have received almost \$183 million in FY 2014 under this formula.

Senator Tom Harkin of Iowa included a version of AASCU's proposal in his recent draft legislation to reauthorize the Higher Education Act. Section 499 of the bill would establish the State-Federal College Affordability Partnership to increase state investment in public higher education and lower the costs of tuition. New Jersey's state colleges and universities strongly encourage the Garden State's congressional delegation to support this provision as the bill progresses.

Keeping a college education affordable at public colleges and universities requires a partnership among the federal government, state government, and the institutions themselves. New Jersey's state colleges and universities are willing partners, seeking to strengthen their alliance with our state and federal officials for the good of our students. ■

Report Points to Best Practices Supporting Affordability and Student Achievement

A recent draft report from the Higher Education Strategic Information and Governance (HESIG) Center, which is part of the William J. Hughes Center for Public Policy at Richard Stockton College and led by former NJASCU Executive Director Darryl Greer, offers a number of ideas for keeping college affordable and closing the achievement gap for historically underserved students. Supported by a grant from ETS, and bolstered by statewide public opinion polling and two regional focus groups of New Jersey leaders, the report includes calls for:

- ◆ Broadening partnerships with schools to teach subjects and skills needed to succeed in college and in the workforce, and increasing college-level credit available at the high school level to help shorten time needed to complete a degree and to reduce costs;
- ◆ Increasing cooperation with community colleges to smooth course credit transfer and to build "reverse" transfer programs than allow students to complete an associate's degree at a four-year college after transferring from a community college;
- ◆ Reducing the number of "degree" credits required for graduation by awarding credit based on assessment of prior learning; and
- ◆ Reforming student financial aid programs to better meet the needs of students, based on the types of institutions they attend and their programs of study.

For more information about HESIG's conclusions and recommendations concerning affordability and delivering value to students, see its recent newsletter at:

http://intraweb.stockton.edu/eyos/hughescenter/content/docs/HESIG/Newsletter/2014-Fall-Newsletter_FINAL.pdf ■

NJASCU Institutions Take Diverse Steps to Increase Affordability

NJASCU-member institutions are seeking to keep student costs and debt down in a host of different ways. In some cases, affordability steps are related to student charges, and in other cases they help streamline progress toward a degree or ensure that students at risk feel that someone cares about their progress. Understandably, delays in degree attainment drive up student costs. The following list is not exhaustive, but illustrative of innovative affordability measures to better serve our students.

- ◆ Building on Thomas Edison State College's national reputation for evaluating college-level learning acquired outside the classroom, several New Jersey institutions have joined a network allowing their students to have prior learning assessed and assigned credit when warranted, thus accelerating students' progress toward degree completion. Launched this year, the initiative is called Prior Learning Assessment Network. Studies have shown that students who earn credit through prior learning assessment were, overall, more likely to earn a degree and earn it sooner compared to those who didn't earn credit this way. For additional details, go to the Council for Adult and Experiential Learning website: http://www.cael.org/pdfs/126_pla_research_brief_1_underserved04-2011
- ◆ Many New Jersey institutions reward students with reduced charges when they take courses during off-peak times, for example weekends and during the summer. Many also offer a flat-rate price for a semester of courses, allowing students who carry a heavier than average course load to realize savings.
- ◆ For students who need help being brought up to speed in math and other areas, many of the colleges and universities offer low-cost summer courses that can eliminate the need to take remedial courses during the academic year.
- ◆ Many institutions offer internships and service learning opportunities that make coursework more relevant to the world outside of academe and help keep students academically engaged.

(Continued on page 7)

NJASCU Takes Stand on Higher Education Bill Package

The Association responded thoroughly to the package of bills heard this fall in the Assembly Higher Education Committee related to college affordability and institutional accountability. Below are highlights of the testimony delivered to the committee on some of those bills. To see the complete testimony on all the bills, go to <http://www.njascu.org/ASCU-Testimony.html>.

Assembly Bill No. 2802—Requires Statewide reverse transfer agreement.

Several state colleges and universities already have reverse-transfer agreements in place. A complete list of these agreements has been provided. As you know, under the New Jersey Comprehensive Statewide Transfer Agreement, the senior public colleges and universities essentially already have traditional transfer agreements with every county college in New Jersey.

Moreover, under the leadership of Thomas Edison State College, the New Jersey Prior Learning Assessment Network (NJPLAN) was established on July 17. Under NJPLAN, students can earn college credits by taking tests or preparing portfolios of their work. Thomas Edison State College, with its historic expertise and pioneering work in prior learning assessment, will serve as the anchor for the NJPLAN consortium, which includes New Jersey City University, Rowan University, NJIT, and Essex County College. Among other benefits, NJPLAN will promote the use of established program methods at Thomas Edison State College, thereby eliminating the need for other institutions to expend their own time and limited resources on such initiatives. Research indicates that students who earn PLA credit are more likely to complete their degrees, complete their degrees in a timely manner, and take more courses with their home institution.

Assembly Bill No. 2807—Freezes tuition for nine continuous semesters following student's initial enrollment.

The state colleges and universities oppose this bill in the absence of strong, consistent state financial support.

The nine members of our Association are cutting costs and implementing innovations that are minimizing tuition increases as significantly as possible. Increases in the current academic year, over 2013-2014, range between 0% and 3%.

Our Association members have contained costs in a number of ways:

- ◆ They all participate in a library consortium that enables cost sharing.
- ◆ They have significantly cut energy costs by, in some cases, building cogeneration plants; installing automated systems that conserve energy; and conducting energy audits.
- ◆ Some institutions eliminated or consolidated administrative departments.
- ◆ Some institutions use web-based data storage to reduce hardware costs.

Assembly Bill No. 2801—Caps baccalaureate degree awarded by a public institution at 120 credits.

We support the concept that most baccalaureate degrees should be structured to be capable of completion within four years. Our schools are already taking steps to enable students to graduate in a timely manner. Examples of the ways the state colleges and universities have streamlined students' time to degree have been provided.

Flat-rate tuition is just one idea that can accomplish the same goals as this legislation without creating a legal mandate. For example, Richard Stockton College and New Jersey City University each offer flat-rate tuition for full-time undergraduate students, which provides the opportunity for significant cost-savings and an earlier graduation timeframe. Flat-rate tuition means that any full-time undergraduate student enrolling for classes between 12 and 20 credits will pay the same rate. If students take 16 credits per semester, they can graduate in four years. Students can take advantage of the larger flat-rate class load and graduate in three years. A shorter timeline to graduation saves housing or commuting costs, in addition to tuition and fees.

Assembly Bill No. 2815—Requires New Jersey Educational Facilities Authority to report annually on debt held by public institutions of higher education.

The state colleges and universities support efforts to make their operations more transparent. Our institutions already work closely with our colleagues at the New Jersey Educational Facilities Authority on the institutional-debt reports that it produces in its annual report (which can be accessed here: <http://www.njefa.com/njefa/public/annual/>) and on its website (which can be accessed here: <http://www.njefa.com/njefa/activity/historical/>).

(Continued on page 8)

NJASCU Testimony to Red Tape Review Commission: Eliminating Regs Will Help Colleges Spend Efficiently and Contain Costs

Overly restrictive state contracting regulations hamper institutions' ability to deliver affordability and ensure quality, said Michael W. Klein, executive director of NJASCU, in testimony before the state's Red Tape Review Commission. He said that it is time to bring the 30-year-old State College Contracts Law into the 21st century.

The Red Tape panel was established by the Christie administration and is chaired by Lt. Governor Kim Guadagno. The panel's members include both Republicans and Democrats and members of both houses of the New Jersey Legislature, along with four public members.

The Association is seeking numerous changes in the law to help the state colleges and universities reduce administrative delays; allow more expeditious purchasing; help assure the quality of goods and services purchased; and build construction projects more quickly and cost effectively.

At the commission meeting, Dr. Klein asked for changes in the State College Contracts Law regarding procurement of goods and services, including:

- ◆ Increased minimum thresholds for required bidding;
- ◆ Exemptions (waivers) to bidding requirements for certain services (banking, financial and travel);
- ◆ More flexibility in bidding, including allowing advertising via website, not just newspaper; and
- ◆ The option of lengthier contract terms exceeding those currently allowed by law for certain services.

Regarding the construction provisions of the State College Contracts Law, NJASCU's executive director asked for the following:

- ◆ A design-build option for facilities construction, a common contract type that is not currently covered in the law;
- ◆ For complex, schedule-driven projects, "guaranteed maximum price" contracts, and "construction management at risk" contracts, which are also standard types of contracts currently not available to the state colleges and universities. In this arrangement, cost overruns may become the contractors' responsibility;
- ◆ Elimination of upper and lower limits on the number of multiple bids when an institution contracts directly with specialty or "prime" trades contractors;
- ◆ Changes in the language allowing for consideration of factors other than price when reviewing bids, including bidders' past performance.

Dr. Klein maintains that all changes sought are consistent with national best practices and effective management of limited resources in students' best interests. "This is a time when our institutions can little afford unnecessary spending and cannot spend time fixing subpar results. Making these changes will be simple and could end up saving institutions and students from the many adverse consequences of outdated restrictions."

Commission members acknowledged that cost run-ups can result from lowest bidder requirements. Contractors attempting to "game the system" eventually drive up costs through change orders.

Dr. Klein's testimony also noted that the state colleges and universities have been asked to do more with less, and have done so. "As evidence, the nine institutions serve about 20,000 *more* students than 10 years ago with about 36 million *fewer* state operations dollars."

NJASCU's leaders are hopeful that the panel will agree to update the old laws in order to support smart spending and contracting. ■

NJASCU's [2013-2014 Annual Report](#) is now available online.

The report includes an update on state bond-funded projects now underway at member institutions, including those supported by the Building Our Future Bond issue approved by voters in November 2012.

Dimensions of Student Affordability

To the general public, whether an education at a particular university or college is “affordable” might seem an easily answerable question on the face of it. Those who work in higher education and report on it know that the reality is more complex, with a number of different variables in play. For example, in making a determination about the affordability of an education for a specific student at a specific institution, one needs to look at:

The official price tag for tuition and required fees. The published cost at a public institution of higher education always reflects, in part, the degree to which government subsidizes the costs of education. It also reflects institutional spending in areas ranging from facilities costs, compensation levels for administration, faculty and staff and the amount spent on institutional aid (when the institution uses its own funds to subsidize costs for certain students.) Tuition at NJASCU institutions is among the highest in the nation among four-year public institutions because the state subsidy for college operating costs has shrunk, personnel costs have risen to keep pace with inflation, and as institutions have spent large portions of their own funds to build and maintain facilities (especially prior to the enactment, in 2012, of state higher education capital funding programs). However, published price does not immediately transfer into student cost.

The amount of aid available to the student in the form of grants and scholarships. This aid, which can come from many different sources, including charitable nonprofit organizations and the institution itself, reduces the amount that a given student needs to borrow to cover costs. For the student, maintaining aid requires a certain level of academic performance or it may require students to carry a certain course load, thus promoting active student engagement in coursework and progress toward a degree. For example, the NJSTARS II program and New Jersey’s Educational Opportunity Fund (EOF) grants require students to be enrolled full-time. Because New Jersey is relatively generous with its grant aid, ranking 9th highest in the nation in dollars awarded per student, high costs are, in many cases, offset by high amounts of aid for students with the greatest financial needs.

Borrowing need, options and other factors. Borrowing need equals cost, less what grants and scholarships can cover, less what current student/family income can cover. Borrowing makes college affordable for a great many Americans who can pay neither the full tuition price nor the aid-subsidized balance in cash. Moreover, for those families with moderate or high incomes, the failure to save for college may cause the need to borrow when a family member is ready to attend college. In any case, according to research professor Sandy Baum and policy research scientist Jennifer Ma, higher education needs to be looked upon as an investment, not just a consumer good. In this light, they say, borrowing for college is akin to other strategic individual/family economic decisions such as getting a mortgage, enabling purchase of a house, or obtaining a loan to start up a small business.

Regarding debt load, it is estimated that 65% of bachelor’s degree graduates of New Jersey institutions (public and private combined) have some debt. This share is among the highest in the nation, and the Garden State is tied with Idaho for the 11th highest slot, according to the Project on Student Debt. Among those students who have debt, the average debt load for recipients of bachelor’s degrees at New Jersey institutions is \$29,287, eighth highest in the nation. *Note: Project for Student Debt’s calculations and state comparisons may not include 100% of a state’s bachelor’s graduates. If state data covered less than 30% of graduates, the state was excluded from rankings.*

For students who take out loans, the amount borrowed, interest rates, and terms matter very much. These all have to be considered in answering the affordability question, as well as the graduate’s earning prospects. Students who qualify for government subsidized loans will have some rate and terms advantages over those who borrow from other lenders, but these advantages depend on market conditions.

Ability to cover debt responsibilities. The graduate’s ability to pay off educational debt with one’s post-college earnings is yet another aspect of an affordability determination. An excellent resource for understanding affordability in more depth is the April 2014 report *College Affordability: What Is It and How Can We Measure It?* The report, funded by the Lumina Foundation, cites several conditions to be considered. The report notes the dual aspects of rising concerns about affordability: increases in published and net prices paid, combined with the harsh reality that “incomes have fallen or stagnated in recent years for all except those at the top of the income distribution ... home values, where many people hold most of their wealth, have plummeted [and] household budgets have become increasingly strained.”

In this climate, or even in better times, the average earnings expectation for those entering the field a student has pursued, as well as the abundance, or dearth, of job openings in that field, would appear to be factors affecting a judgment about a college education’s affordability. ■

More College Graduates Are Borrowing for College, Across All Income Groups

A Pew Research report on the changing profiles of college graduates concluded that there have been significant increases in borrowing among all income groups. Among the observations:

- ◆ The share of college graduates from high-income families who borrow has doubled over the past 20 years from 24% to 50%. Similarly, the percentage of college graduates from upper-middle-income families who borrowed has nearly doubled, from 34% to 62% between 1992-1993 and 2011-2012.
- ◆ Borrowing by students from lower-middle and lower-income groups has also increased markedly: from 45% to 70% and from 67% to 77%, respectively. The highest percentage of borrowers, among all income groups, remained low-income students.
- ◆ Not surprisingly, the average amount of debt increased substantially, to \$26,885 in 2011-2012 from \$12,434 about 20 years earlier (1992-1993).

The Pew study, based on statistics in the National Postsecondary Student Aid Study, seeks to shed light on who is borrowing, why many graduates are having difficulty keeping up with debt payment responsibilities, and who might benefit from policy that shifts responsibility for repayment of loans from students to the government.

Wide-ranging effects. Observers, including Patrick Callan of the Higher Education Policy Institute, have expressed concern about students and the larger social effects of higher debt. Callan, commenting in an *Asbury Park Press* article October 13, cited the prospect of substantial debt as a cause for some students to rule out college attendance, or at least modify their college choices. Given the extended period of stagnating wages for younger workers, Callan pointed to the potential for graduates' accumulated debt to constrain their ability to make major purchases and seek graduate education.

Moody's Analytics recently found that adults under age 35 have a savings rate of negative 2%. This "will impair their ability to spend in the future," said Mark Zandi, the chief economist of Moody's Analytics. (Source: <http://on.wsj.com/1spOt81>)

In April 2013, the Federal Reserve Bank of New York released a report finding that, during the financial crisis, young adults with student loan debt became less likely than those without debt to take out a mortgage by the time they reached age 30.

The Brookings Institute, in May 2014, questioned these findings. The Brookings analysis found that the drop in home ownership among households with debt to below the rate of home ownership among households without debt did not reverse a long-term trend. In every year prior to 2004, households with student loan debt owned homes at lower rates than households without student loan debt.

The Pew report, indicating increased student borrowing across income groups, helps to inform the following caution in the Brookings report about analyzing the effects of student debt:

Borrowers and non-borrowers likely differ in ways that are hard to observe, and the growing use of debt to finance higher education over the last two decades further complicates the analysis. Additionally, it is not clear what the policy-relevant counterfactual to borrowing should be: lower college prices, more time spent working while in college, forgiveness of debt after graduation, or something else?

The Brookings report concludes with recommendation for policymakers to help students lighten their loan burden. One solution is to extend repayment periods, or to broaden existing income-based repayment programs. Another solution is to make income-based repayment programs the default option for borrowers.

For more information about the Pew analysis, go to: <http://www.pewsocialtrends.org/2014/10/07/the-changing-profile-of-student-borrowers/>

The New York Fed report can be found here: <http://libertystreeteconomics.newyorkfed.org/2013/04/young-student-loan-borrowers-retreat-from-housing-and-auto-markets.html#.VF1BkvmjNQ>

The Brookings Institute paper can be found here: <http://www.brookings.edu/research/papers/2014/05/08-student-loan-debt-and-home-ownership-akers> ■

Family/Students Have a Role in Making College Affordable

It's important to remember that there are things that a family or individual student can do before college starts and the bills roll in to help ensure that higher education in New Jersey is affordable. These include:

Saving ahead of time. The state's 529 plan is better than it has ever been and has robust participation from those who are willing and able to set aside funds to address future costs. The state plan, called NJ Better Education Savings Trust (NJBEST), requires only \$25 to initiate; the first \$25,000 of the saved amount is exempt from consideration in the award of state aid, and it can result in the beneficiary receiving up to a \$1,500 (one-time) scholarship if she or he attends college in New Jersey. Someone who puts aside \$25 per month for 12 consecutive years, under the program, will generate a NJ college scholarship equal to 60 of their \$25 payments. For more details, go to this Higher Education Student Assistance Authority website address: <http://www.hesaa.org/Pages/NJBESTScholarshipFAQs.aspx>.

File the FAFSA by all means. Students getting ready for college should fill out and file the Free Application for Federal Student Aid (FAFSA), which is needed for both federal and state aid eligibility. Among state programs that require the FAFSA to be completed and filed: Tuition Aid Grant (TAG), Educational Opportunity Fund (EOF), Governor's Urban Scholarship, and NJSTARS I and II. For more information, go to www.hesaa.org.

Seek out high school opportunities for college credit. College-bound students in high school can earn college credit during high school years if their school district offers either dual enrollment programs with colleges or Advanced Placement programs. They must perform well in these courses, and the transferability into credit may vary with institutions, but these courses provide low-cost ways of abbreviating degree completion time or increasing students' opportunities to engage in extracurricular or internship opportunities while in college. Find out if such programs are available in your local high school.

Explore private financial aid opportunities. These can be based on one's religious denomination, affiliation with fraternal groups or sororities, or intended area of study. High grades and extracurricular leadership or initiative are often important factors. Some websites to find aid online include: CollegeBoard.com, CollegeNet.com, scholarships.com, and fastweb.com.

Consider a public college or university. When selecting an institution, sticker price matters. By any measure, NJASCU institutions are a great value. Without state support, tuition and fees would be \$25,000, maybe more — as opposed to the current average tuition and fees of about \$12,400. At a four-year public institution, the sticker reflects the state subsidy. County colleges are also a high-value local option, being subsidized by both state and county funds, and they may offer four-year degree options on-site in partnership with one of New Jersey's senior public colleges or universities. ■

"Sticker Price" and Cost May Differ

While the average tuition at NJASCU institutions for 2014-2015 is about \$12,400, what the typical student actually has to pay is significantly less: about \$9,400 taking into consideration average federal and state aid amounts in the form of grants and work study.

NJASCU Institutions Take Diverse Steps *(Continued from page 2)*

- ◆ All offer academic advising and mentor support programs in some form to help connect students' personal goals with their degree goals, a prime example being the state-funded Educational Opportunity Fund program.
- ◆ Four-year institutions are partnering with two-year colleges in new ways. A major goal is a seamless transfer experience for students who start at two-year colleges. A newer facet of the partnership is assisting students who start at two-year college courses to complete an associate's degree so they have a first college credential as they work toward a higher degree (so-called "reverse transfer" programs). Another recent development is colleges and universities offering bachelor's degrees on-site at two-year colleges.
- ◆ Institutions also provide their own financial aid to needy students, and they also may help students find other financial aid sources.
- ◆ Some institutions have selectively reduced certain course and degree requirements. ■

NJASCU Takes Stand on Higher Ed Bill Package *(Continued from page 3)*

The information required under this bill—debt ratios and debt-burden ratios—must be placed in the proper context. Several statements from the New Jersey Higher Education Task Force, chaired by Governor Tom Kean, describe this context:

With little capital support from the State, many of New Jersey's colleges and universities have increasingly relied on their own debt to finance facilities. New Jersey's public colleges and universities are more highly leveraged with debt than most public institutions in the country. They pay this debt in part through tuition and fees, depending on future growth of tuition revenues. Using a debt-to-revenue ratio, rating agencies indicate that almost all of New Jersey's senior public colleges and universities exceeded the national median of 0.5 in Fiscal Year 2009 (p. 44).

The trustees of New Jersey's public colleges and universities have implemented logical strategies and exercised reasonable stewardship when issuing institutional debt (p.44).

The Building Our Future Bond Act, and the recent reauthorization of several bond programs administered by NJEFA are helping to lighten the debt burden on our institutions. Going forward, it is important to heed another statement from the Kean Task Force on this subject:

Maintaining the ability of New Jersey's colleges and universities to borrow in the marketplace requires a strong partnership with the State. Greater capital support would reduce the debt burdens carried by the institutions, shoring up their finances and strengthening their position in the bond markets when they do need to borrow to build facilities (p. 44).

Assembly Bill No. 2813—Requires closure of a four-year public institution of higher education that fails to achieve a six-year graduation rate of at least 50% for full-time undergraduate students.

The state colleges and universities unalterably oppose this bill.

This bill would severely compromise accessibility and opportunity for underserved populations in New Jersey. The bill does not recognize that graduation rates, as calculated by the federal government, do not include transfer students or part-time students.

The state colleges and universities serve thousands of students whose success is not measured in the federal calculation of “graduation rate.”

- ◆ In 2011, the state colleges and universities enrolled 16,438 new transfer students.
- ◆ In 2012, the state colleges and universities enrolled 30,076 part-time students.

When these transfer students and part-time students graduate from our institutions, they are not counted in the current federal statistics. Thus, our current graduation rates do not accurately reflect the success of our entire student body. ■

AASCU: College Affordability Recommendations for State and Federal Governments

The American Association of State Colleges and Universities (AASCU), which is in many respects NJASCU's national counterpart, has a number of policy recommendations for preserving and increasing affordability at the state and federal levels in its 2014 Public Policy Agenda (www.aascu.org/policy/public-policy/).

They include, at the state level:

- ◆ Encouraging and promoting strategies for leveraging federal resources to incentivize state higher education funding (see lead article in this newsletter “College Affordability: Partnership with State is Key” on AASCU's specific recommendation for a federal matching fund for state appropriations for public colleges and universities);
- ◆ Promoting increased state investment in need-based student aid programs; and
- ◆ Discouraging “pay it forward” proposals that may have the effect of shifting the full cost of public higher education from one generation to the next.

Continued on page 9

AASCU: College Affordability Recommendations *(Continued from page 8)*

At the federal level, policy recommendations include:

- ◆ Reforming need analysis for federal aid eligibility to more accurately assess families' ability to pay and to eliminate special treatment of different classes of assets and income;
- ◆ Increasing grant aid and basing it solely on financial need, not on other factors, such as "predicted likelihood of completing a postsecondary program;"
- ◆ Reducing student (and parental) loan interest rates, simplifying loan repayment, and creating a well-configured, income-based repayment plan with opt-out provisions for borrowers;
- ◆ Making permanent the American Opportunity Tax credit and expanding student loan tax deductions; and
- ◆ Supporting continuation and proper funding of the Department of Defense Tuition Assistance Program and the maintenance and improvement of GI Bill educational benefits for veterans.

NJASCU supports all of these recommended policy actions and will continue to work with its member institutions, AASCU, and sister institutions across the nation toward government adoption of them. ■

Policy Outlook

Committed to College Opportunity for NJ Citizens

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NJASCU Member Institutions:

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
Thomas Edison State College
William Paterson University

* * *

Rowan University

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