

NJASCU Paul Shelly Legacy Symposium on Higher Education

Making Room with a View to the Future

Growing senior public higher education capacity - an opportunity for affordability, accessibility, and contributions to New Jersey.

October 28, 2016



On October 28, NJASCU hosted at Montclair State University's Conference Center NJASCU's inaugural symposium on higher education, which this year was dedicated to the memory of Paul Shelly, who served as director of Marketing and Communications at the Association for 26 years. He was revered by many of the symposium attendees for his professional expertise, humanitarian values, and always pleasant demeanor in support of the goals of NJASCU member institutions.

The very successful event – attracting approximately 125 attendees from the business and higher education communities, plus a couple of key legislators. The goals of this substantive higher education policy lecture and discussion were to: honor Paul Shelly; generate NJASCU sponsorship; and inform state leaders about

NJASCU's role as the leading voice of public higher education in New Jersey.

The program began with a welcome by NJASCU Executive Director Michael Klein. He was followed by Montclair State University President Susan Cole, who introduced the keynote speaker; keynote address by former Governor Thomas H. Kean; two panel discussions with participation from NJASCU institution presidents, one senior administrator representing a president, and two state business leaders. Panelists on the first panel were: Dr. Susan Cole (President, Montclair State University); Dr. Sue Henderson (President, New Jersey City University); Dr. Ali Houshmand (President, Rowan University); and Dr. Kathleen Waldron (President, William Paterson University).



The second panel discussion featured: Dr. R. Barbara Gitenstein (President, The College of New Jersey); Dr. Peter Mercer (President, Ramapo College of New Jersey); Dr. Susan Davenport (Executive Vice President and Chief of Staff, Stockton University); Mr. Thomas Bracken (President and CEO, NJ State Chamber of Commerce); and Mr. Tyler Seville (Director of Technology and Workforce Development, NJ Business and Industry Association).

NJ Spotlight Co-founder, Editor, and Education Writer John Mooney moderated the discussions.

The audience comprised leaders from the NJ State Legislature, higher education, and business, and students. They complimented the substantive, lively and provocative discussions, as well as the venue – the beautiful and professionally-run MSU Conference Center.

The event was free thanks to symposium sponsors: TechXtend; Spencer Savings Bank; Blackboard; Nuventive; Kaplan Partner Solutions; ETS; Aramark; M&E Engineers; and AAA Northeast.



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NJASCU Executive Director Michael Klein set the stage by thanking all parties involved in the organization of the event, honoring the legacy of Paul Shelly, and introducing the topics reflected in the tagline of the NJASCU Symposium on Higher Education: “Making Room with a View to the Future – Growing senior public higher education capacity, an opportunity for affordability, accessibility, and contributions to New Jersey.”

President Susan Cole in her introduction of Former Governor Thomas H. Kean noted that his term in office from 1982-1990 brought the state a broad and thoughtful education policy that strengthened and supported all levels of education. She made the following points about Governor Kean’s administration and higher education:



- In 1984, he oversaw a \$90 million bond issuance for facilities at the state's higher education institutions to support the creation of employment in science and technology, including the creation of four advanced research centers in biotechnology, food technology, industrial ceramics and toxic-waste management, but also including undergraduate technology and engineering facilities.
- In 1986, he signed the State College Autonomy Act, which appropriately empowered the institutional boards of trustees and provided enormous relief to the burdensome regulation of the state’s public colleges and universities by the state bureaucracy.
- In 1988, he oversaw a \$350 million bond issuance for academic buildings, libraries, and computer facilities at the state’s higher education institutions.
- Particularly compelling are the data comparing state support at the end of Governor Kean’s term and the state support in 2016.
 - State appropriation in 1990 constituted about 65 percent of state colleges’ and universities’ annual operating budget. Today, state appropriation supports less than 20 percent of our annual appropriation.
 - The maximum state Tuition Aid Grant, that is, the grant for students with the greatest economic need, in 1990 covered essentially 100 percent of the total cost of tuition and mandatory fees at state colleges and universities. Today, the maximum TAG award covers only 59 percent of tuition and fees for our neediest students.
 - The state’s operating appropriation for Montclair State’s 13,000 students in 1990 was \$36.7 million. Today, the state’s operating support for our 21,000 students is, at \$35.8 million, less than it was back in 1990. This dismal picture is repeated, in varying degrees, at most of the other state colleges and universities.
 - General appropriation per FTE student was \$4,011 in 1990. Today, it is less than \$2,000, a decline of 50 percent, even before factoring in the effects of inflation.

Governor Kean’s Keynote Address: Governor Kean reviewed the restructuring of higher education in New Jersey during his administration, including signing the law that established the NJ Association of State Colleges and Universities in 1985 and putting into place the governance changes in 1986 that helped each state college carve out its own identity and attain excellence in subjects ranging from business to communications to engineering, while maintaining a solid grounding in the liberal arts and true to their roots as teachers colleges, in education. And there were subsequent changes in governance, including Governor Whitman’s Higher Education Restructuring Act of 1994 and Governor Christie’s New Jersey Medical and Health Sciences Restructuring Act of 2012. But restructuring alone

has failed to get at some of the major challenges faced by the public colleges and universities. He emphasized the following:

- Action in Trenton alone cannot lead our colleges and universities to fulfill their potential. It takes a partnership with the leaders of our institutions. That partnership was a theme running through the report of the New Jersey Higher Education Task Force, which Governor Kean chaired when Governor Christie asked him to lead that effort. Some of the recommendations of the Task Force have come to fruition:
 - The creation of the Office of the Secretary of Higher Education and making it a cabinet position.
 - Addressing the facilities needs at New Jersey's colleges and universities with proceeds from general-obligation bonds and a revolving fund. The Building Our Future Bond Act of 2012 infused \$750 million into the public research institutions, state colleges and universities, county colleges, and independent institutions for building academic facilities. Close to another \$706 million has been made available from renewed revolving funds through the NJ Educational Facilities Authority.
 - Merging components of UMDNJ with Rutgers University to propel Rutgers from a good university to a great research institution. Rutgers now is in the top 20 in research expenditures among public universities in the nation.
- Two key Task Force Recommendations regarding funding remain unfulfilled:
 - The state must provide greater financial support for the operating budgets of New Jersey's colleges and universities. Operating support, which began to decline slowly 20 years ago, snowballed downhill ... placing New Jersey at the bottom of national comparisons. That was the Task Force's conclusion written more than five years ago, and since that time, most of the senior public colleges and universities have seen their appropriations reduced still more.
 - New Jersey should develop and implement a more rational approach to allocating state aid among Rutgers and the senior public institutions of higher education. ***The state must develop a master plan/cohesive policy for higher education and must commit the resources with the same zeal that the state commits to K-12 education. It makes no sense for NJ to be a leader in K-12 funding and then drop the ball when it comes to higher education.***

The two panel discussions elaborated on the themes outlined by Governor Kean. The ***first panel*** discussion focused on funding – state financial aid to students and state aid to the institutions. NJASCU's Executive Director Michael Klein compiled data points relevant for New Jersey public colleges and universities:

- Educational appropriations per full-time equivalent (FTE) student (adjusted for inflation) decreased nearly 40 percent from \$11,085 to \$6,697 between FY 1990 and FY 2015.
- Tenth largest percentage increase nationally in FTE enrollment in public institutions, fall 2004 to fall 2014: 19 percent.
- Eighth lowest five-year percentage change nationally in in-state tuition and fees (sic percent).
- Four major cost drives in the state budget – Medicaid, school aid, health benefits, and pension costs – will grow faster than state revenue, and thus decision makers will need to make many serious policy decisions to keep the budget in balance over the next several years, according to the Report of the State Budget Crisis Task Force, 2012.

The presidents responded by suggesting a variety of ways to deal with the fiscal challenges – strategies that would not require a massive increase in state funding.

- The state could reinstate the policy facilitating public-private partnerships, which have led to important infrastructure and facility improvements at the universities. Such partnerships are a win for the state's economy and all residents and a win for higher education and the students.
- The state could cut red tape in regulations and make sure that new rules and regulations do not impose unfunded costs.
- The colleges and universities could assess their operations and ensure the institutions are being managed as though the university were a disciplined business.
- The state could restructure financial aid to students (Tuition Aid Grants) so that students at public colleges and universities have enough money to finish all four years of their education.

The **second panel** discussion on building capacity and stemming outmigration continued the themes of the first panel while adding some new perspectives. NJASCU Executive Director Michael Klein again prepared relevant data points.

- Ninety-one percent of first-time students at New Jersey's public four-year institutions were New Jersey residents in 2014; this was the third highest in-state college population in the United States.
- NJ is a national leader in net-outmigration of first-time degree-seeking undergraduates in degree-granting post-secondary institutions: 34,813 left New Jersey; 5,712 entered New Jersey; net loss of 29,101 students.
- First general-obligation bond issue for higher education construction since 1988: 2012 Building Our Future Bond Act, \$750 million.
- Sixty-eight percent of New Jersey's jobs will require a post-secondary education by the year 2020, up from 62 percent in 2010.
- New Jersey Higher Education Task Force recommendation: "To increase the efficient operation of all New Jersey's colleges and universities and to help them achieve their missions, the bipartisan Red Tape Review Commission should act favorably on the New Jersey Presidents' Council's 'Regulatory Relief and Unfunded Mandates' report submitted to the governor in February 2010.

The panelists all reiterated the need for a rational higher education plan with predictable funding, rational regulations with no unfunded mandates, more extensive partnerships with the business community partnerships that would increase capacity (and thus stem the out-migration) and business partnerships such as internships that would contribute to workforce development in New Jersey.

Assemblywoman Mila Jasey, chair of the Assembly Higher Education Committee, said she found the information presented and the conversation "compelling" and will inform for future legislative actions.

NJASCU Executive Director Michael Klein concluded the program with a reminder that NJASCU – in its role as the leading voice for higher education in New Jersey – will continue the conversation in early April (date TBD) when it hosts a screening of the higher education documentary "Starving the Beast." The screening, taking place at Princeton's Garden Theatre will be followed by a discussion with audience



members and NJASCU CEO Michael Klein. ***Starving the Beast*** tells the story of a potent one-two punch roiling public higher education right now: 35 years of systematic defunding and a well-financed market oriented reform effort. It's the story of a little known and misunderstood ideological fight, the outcome of which will change the future of public higher education.