

**SECURING NEW JERSEY'S FUTURE
THROUGH PUBLIC HIGHER EDUCATION
Three Challenges and How They Can Be Met**

Challenge 1: *Address inadequate college capacity, increase college opportunity, and keep talented students in New Jersey as the college-bound population grows rapidly.*

New Jersey is facing unprecedented growth in demand for higher education and currently has inadequate capacity to meet demand. New Jersey is 46th in the nation in four-year public college/university seats per capita. We would have to add 70,000 new undergraduate spaces to reach the national mean. From about 85,000 high school graduates in the 1990's, it is predicted that throughout the decade of 2008 to 2018, the number will exceed 100,000 per year. This represents the fifth-highest increase in college bound high school graduates, nationally. New Jersey is by far the nation's leading net-exporter of high school graduates (because so many attend college out-of-state and so few from other states attend here).

In 2008, there were 54,000 applications from about 25,000 New Jersey students for fewer than 11,000 full-time freshmen slots. As a result, thousands of students, and more each year, are being turned away from four-year public colleges and universities. Many county colleges are packed as they accommodate more of those who had originally planned to attend a senior public institution. Many more continue to attend higher-priced private colleges, or leave the state altogether for higher-priced colleges. The cost to the state of such unparalleled outmigration is as much as \$6 billion per year.

Meet the challenge with:

- ◆ New public/private partnerships that encourage investment, leveraging the strengths of the private sector;
- ◆ An annual capital budget for state colleges and universities renewal;
- ◆ A voter-approved \$3 billion bond issue for all of higher education to expand academic facilities (not residential facilities which are amply financed by student use fees), or alternatively, some other major program to help build facilities without adding to student and institutional debt;
- ◆ A new Higher Education Trust Fund to support affordability initiatives and high priority investment areas;
- ◆ Support for state college innovations and public K-12 initiatives that shorten students' time to degree without diminishing educational quality; and
- ◆ Continuing productivity gains at colleges and universities.

Levers for change:

- ◆ Public opinion poll data show that New Jersey adults, and likely voters, support an investment to grow the state's higher education capacity, and understand the tie to jobs, the economy and individual prosperity.
- ◆ State college/university presidents support investment tied to mission accountability, workforce needs, and public commitments.
- ◆ A plan for facilities expansion has already been approved at the state-level, embraced by the higher education community.
- ◆ State colleges already ranked among the nations most productive, have renewed efforts to shorten students' time-to-degree, and increase graduation rates.

Challenge 2: *Stop shifting public higher education cost burden onto students and parents, and help families pay for college.*

Specifically, there are rampant public concerns about college in New Jersey becoming unaffordable, thereby leaving too many students behind. In fact, there has been an increasing burden and debt load on students and parents who are currently in college. The state is a disinvesting partner, supporting about 25-30% of total institutional spending. Educational costs are now shared about 45% state, 55% students/families – down from about 70% (state) and 30% (families) two decades ago. Adjusted for inflation, institutions receive about the same state funding as in FY 1999. Today, families worry as much about tuition predictability as they do about current costs.

Tuition and fees at public colleges have risen at a very rapid rate over the past twenty years despite institutional efforts to cut costs and apply technological innovations increasing efficiency. There are three principal driving factors: reductions (and lack of restorative increases) in state appropriations; failure of the state to fund the salary increases it negotiates; and a major burden placed on institutions to do repair, renovation and renewal of academic buildings at their "own expense," *i.e.*, through student academic fees. (New Jersey, unlike a great many other states, has no capital budget for higher education.)

New Jersey's significant investment in student financial aid, while historically generous, can not grow at a rate fast enough to fix the affordability challenge by itself.

Meet the challenge with:

- ◆ More predictable, multi-year budget and planning for higher education at the state level to keep tuition increases predictable;
- ◆ Predictable funding, allowing institutions to set tuition within national and state higher education and cost-of-living context or establish multi-year tuition by cohort;
- ◆ A new Higher Education Trust Fund that could provide innovative financial aid to students;
- ◆ Careful policy review of the effectiveness of merit and need-based student financial aid programs in promoting college access and affordability;

- ◆ Reinstatement of state matching grants as an incentive to fund raising/endowment;
- ◆ Voter-approved bond issue (or other facilities assistance initiative) that would lessen the burden on students/parents to pay for academic facilities;
- ◆ Incentives for collaboration among institutions and new public-private partnerships for programs and facilities;
- ◆ Grant authority for collective bargaining, minimally for AFT faculty and professionals, to state colleges and universities; and
- ◆ Support for new efforts to shorten time to graduation, thereby promoting affordability and helping to resolve the capacity challenge.

Levers for change:

- ◆ Poll opinion data show New Jersey citizens' high concern for affordability, and their support for college affordability through investment in public colleges and universities.
- ◆ Multi-year tuition setting experiments by institutions in New Jersey and across the U.S. have been well received by parents/students who often worry more about unpredictable increases than actual, current rates.

Challenge 3: *Tie college opportunity to emerging state economic development workforce needs, with the Governor driving the agenda, and cutting Trenton red tape.*

New Jersey must have a well-educated professional workforce to fuel state and regional economic development, to maintain first-rate education and healthcare systems throughout the domain, and to solve the state's most perplexing problems in areas such as health, child welfare, P-12 and vocational education, and environmental sustainability.

Meet the challenge with:

- ◆ Strategic investment and incentives for expansion of critical programs related to nursing, allied health, math, the sciences, engineering and teacher education;
- ◆ A continued, non-regulatory approach to coordination of higher education at the state level;
- ◆ A common agenda for economic and workforce competitiveness and improved quality-of-life forged at state and regional Business/Workforce Roundtables hosted by the state colleges and universities, convened by the Governor and with members appointed by the Governor. The Roundtable agenda would be tied to priority funding areas for a Higher Education Trust Fund, jobs and economic development; and
- ◆ Support for effective trustee governance and innovation at the campuses by appointing the best trustees available, while preserving nonpartisanship, and acknowledging progress by institutions regarding expansion of capacity, foundation success, affordability, and more timely graduation of students.

- ◆ Use NJASCU, a nonprofit corporation, to support new private partnerships and college accountability, while cutting bureaucratic red tape in Trenton.

Levers for change:

- ◆ Working models for roundtables exist in other states (Georgia, Michigan, North Carolina, Ohio, Indiana, and California).
- ◆ New Jersey is in a prime, strategic position to benefit from these groups with its strengths in technology, communications, bio-med research and development, with strong transportation links, and ample leisure and cultural opportunities.
- ◆ 25 years of successful state college/university cooperation, policy coordination, and accountability, through NJASCU.
- ◆ Results in these areas are measurable.

NJ Association of State Colleges & Universities
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