

OP-ED: Student Fees – The Equation is Simple, but the Problem is Complex

NJ Spotlight

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Charting the connection between student fees and state funding for higher education



State funding is the key to college affordability at New Jersey's public four-year institutions – a fact that should be considered by policymakers preparing for the Assembly Higher Education Committee's May 12th hearing on the [Office of State Comptroller's report](#) on student fees. It is important to understand the connection between the costs charged by New Jersey's state colleges and universities in tuition and fees and the appropriations the institutions receive from the state.

In fiscal year 2016, New Jersey was one of only nine states that decreased its appropriations for higher education, according to the Center for the Study of Education Policy at Illinois State University. This is the tip of an unfortunate trend: New Jersey has been cutting appropriations to its state colleges and universities for over a decade. Between FY 2006 and FY 2016, the state decreased operating funding to the eight state colleges and universities by \$76.2 million, over 29 percent.

These reductions place New Jersey near the bottom of national comparisons for state support for higher education. Between FY 2010 and FY 2015, New Jersey had the 10th-largest decrease in the United States in higher education appropriations per student, according to the most recent [State Higher Education Finance report](#) from the State Higher Education Executive Officers (SHEEO) organization.

Factoring in enrollment growth and taking an even wider view, the cuts are even steeper. Over the 25-year period between FY 1990 and FY 2015, appropriations per student at New Jersey's public colleges and universities, adjusted for inflation, [decreased 40 percent](#), from \$11,085 to \$6,697. During this same period, full-time equivalent enrollment increased 60 percent, from 169,482 students to 270,453 students.

In addition to the loss of operating funds, the state colleges and universities had to rely significantly on bond funds backed solely by the institutions until the Building Our Future Bond Act was passed in 2012. Many student fees are designated specifically to pay the debt service on bonds issued by the institutions. The state provided no capital funding for higher education between FY 2003 and FY 2014, and New Jersey was one of only five states that provided no capital funding for higher education between FY 2010 and FY 2015, according to reports from the [National Association of State Budget Officers](#).

Despite decreases in appropriations and significant reliance, until recently, on their own bonding capacity, the leaders of New Jersey's state colleges and universities have been prudent fiscal managers and have controlled costs for their students. Between FY 2011 and FY 2016, New Jersey's public four-year institutions had the fourth-lowest percentage increase in in-state tuition and required fees in the nation, at four percent, according to a [report from the College Board on college pricing](#).

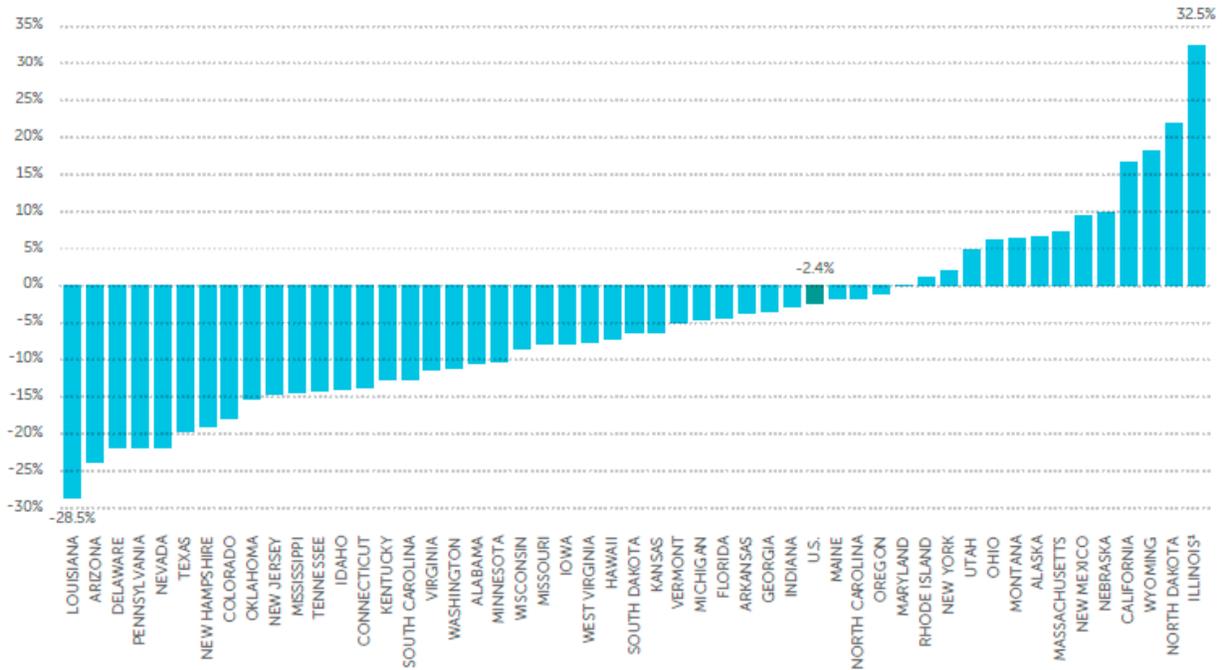
The operation of the state colleges and universities, particularly regarding budgeting and audits, is transparent and open to the public. As the state comptroller's report itself states several times, New Jersey law (C.18A:3B-6.c.) requires each board of trustees of the public colleges and universities to conduct a public hearing before adopting a tuition or fee schedule or an overall institutional budget, providing members of the college community who wish to testify with an opportunity to be heard. These meetings typically take place [around this time](#) of year.

An additional law (C.18A:3B-48) requires each public college and university board of trustees to have an audit committee. The committee must assist the board in ensuring and safeguarding the integrity of the institution's financial statements, overseeing and evaluating the performance of outside auditors retained by the institution, and overseeing and evaluating the performance of the institution's internal audit function.

Tuition and fees are just two pieces in the college affordability puzzle in New Jersey. An equally important piece is funding from the state to operate the institutions. We welcome the opportunity to discuss with policymakers how to strengthen the partnership between our institutions and the state to keep a college education affordable and accessible to New Jersey's students.

Total State Appropriations to the State Colleges and Universities FY 2006-FY 2016				
Institution	FY 2006	FY 2016	\$ Cut	% Cut
TCNJ	\$37,977,000	\$27,177,000	\$10,800,000	28.4%
Kean University	\$43,180,000	\$30,469,000	\$12,711,000	29.4%
Montclair State	\$50,355,000	\$35,859,000	\$14,496,000	28.8%
NJCU	\$33,517,000	\$24,154,000	\$9,363,000	27.9%
Ramapo	\$21,417,000	\$14,953,000	\$6,464,000	30.2%
Stockton	\$25,665,000	\$18,391,000	\$7,274,000	28.3%
Thomas Edison	\$6,651,000	\$3,292,000	\$3,359,000	50.5%
William Paterson	\$42,085,000	\$30,357,000	\$11,728,000	27.9%
TOTAL	\$260,847,000	\$185,652,000	\$76,195,000	29.2%

FIGURE 7
PUBLIC HIGHER EDUCATION EDUCATIONAL APPROPRIATIONS PER FTE:
PERCENT CHANGE, FY 2010-2015



NOTE: 1) For Illinois, a \$1.08 billion back payment in FY 2015 to their historically underfunded higher education pension program resulted in past legacy pension funds accounting for 37% of all educational appropriations.
 Dollars adjusted by 2015 HECA, Cost of Living Adjustment, and Enrollment Index.

SOURCE: State Higher Education Executive Officers

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Source: <http://www.njspolight.com/stories/16/05/11/op-ed-student-fees-the-equation-is-simple-but-the-problem-is-complex/>