

Fulfilling a Dream Deferred:

A Vision and Action Plan for
New Jersey's State Colleges & Universities
in the 21st Century



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Introduction

Higher education is so important today — to successful careers and to the region's economy — that **all** deserving citizens should have a place at a New Jersey college or university, if they so desire and adequately prepare themselves. These are strongly held citizen views, documented in New Jersey and backed by national opinion polls. Colleges and postsecondary education are key to individual success and to sustaining a prosperous and open democracy.

College is the unique and proven American pathway for achieving equal opportunity for all citizens. Moreover, it encourages individuals along a path of lifetime learning, achievement and contribution to society. College transforms attitudes and values to strengthen American democracy and our nation's sense of common purpose while helping to make diversity an advantage. Public higher education institutions, specifically the state colleges and universities, are the powerhouse of baccalaureate education in New Jersey. The state colleges and universities award approximately 43% of all four-year degrees granted at New Jersey institutions, and are committed to educating one of the most diverse student populations in the nation. A great many of the state's teachers, healthcare workers, business executives, and government and nonprofit leaders have been educated at one of the nine institutions. Enrolling approximately 67,000 undergraduates, the state colleges/universities are also a major graduate education resource, serving over 11,000 students.

At a Critical Juncture. The state colleges and universities, which have attained stature as respected and valued institutions of higher learning, are at a critical juncture. With the support of Garden State leaders and the general public, and

appropriate policy responses from state government, the institutions can fulfill a vision of a 21st century New Jersey that leads the nation in providing higher education opportunity and top-notch academic quality in the public sector.

The New Jersey Association of State Colleges and Universities (ASCU) proposes some bold steps that will make New Jersey the nation's leader in public higher education. These steps are part of a dynamic plan to help families prepare and pay for college, while ensuring that colleges and their partners in government and nongovernmental sectors are responsive to public priority needs. Some steps require discipline and will ask more of academic leaders. Some require vision, courage and imagination. Some of the steps require new expenditures in higher education, but many do not. In fact, the proposals reflect assumptions, based on a well-regarded economic study, that higher education is **not likely to receive a windfall** in the years ahead, and that it may indeed face budget constraints stemming from mandated state expenditures in other areas.

We must do all that we can to keep college affordable and accessible in New Jersey and to build on our advances in overall quality — academic, student life and facilities. It is well documented that many of our state's bright students leave New Jersey to attend college while many high school students forego college altogether, despite the substantial investment the state has made in their education. Moreover, New Jersey attracts relatively few students from other states. In addition to money, New Jersey needs to invest vision and energy in public higher education to make it a state priority, so that New Jersey and its citizens are ready to compete and succeed in the 21st century.

The Critical Problem for Citizens: *Getting Into and Paying for College in the Years Ahead*

New Jerseyans must sustain a competitive, responsive constellation of postsecondary education institutions in the 21st century, if its citizens are going to achieve the American Dream. While we cannot necessarily assume that every resident of the state will go to college someday, the time is past when achieving adulthood means an end to the learning of new concepts and skills.

Regarding public higher education, which is the keystone of postsecondary opportunity, New Jersey still lacks an overarching vision for

advancing our colleges and universities, especially in regard to:

- assisting institutions to expand their enrollment capacity;
- fulfilling shared responsibilities to help families pay for college, in light of unpredictable state funding resulting in increasing tuition and a decade of shifting costs to parents and students; and
- utilizing facilities and technology to the fullest extent in order to extend access to higher learning.

The Challenge for the State: *Making Higher Education a Top Priority in New Jersey's Future*

Building on strengths. The State of New Jersey made some major strides in helping to improve public higher education, compressing decades of growth into the last fifteen years. The state is already a national leader in many aspects of higher education opportunity and effectiveness, but is far behind in others.

For example, New Jersey ranks among the top five states in providing financial aid dollars to economically needy students. New Jersey ranks first in the nation in the percentage of full-time undergraduates receiving student aid grant awards.

Boosted especially by the Higher Education Restructuring Act of 1994, the state is now a national leader in providing state college/university trustees with autonomy to set mission and exercise initiative to improve quality and affordability, and to meet state needs. This transformation has been acclaimed by national experts. Continued progress in trustee autonomy will keep New Jersey among the leaders in college innovation, quality and public accountability.

There is evidence that the state has begun to recognize the need for consistent facilities funding and some progress has been made in devising criteria to reward institutional performance. The state has also made it clear that smooth transfers

between the county colleges and four-year public colleges and universities are desirable and should be facilitated, and institutions have responded.

The missing links — vision and commitment. Yet, New Jersey lacks a bold vision and action plan regarding state college/university capacity to meet high demand and public service in the new century. Compared to other states, New Jersey has, for too long, deferred a sustained commitment to higher education as a top state priority. While each campus must develop its own vision for the future under trustee governance, so too must the State of New Jersey do this, in cooperation with all of New Jersey postsecondary education, as well as K-12 education.

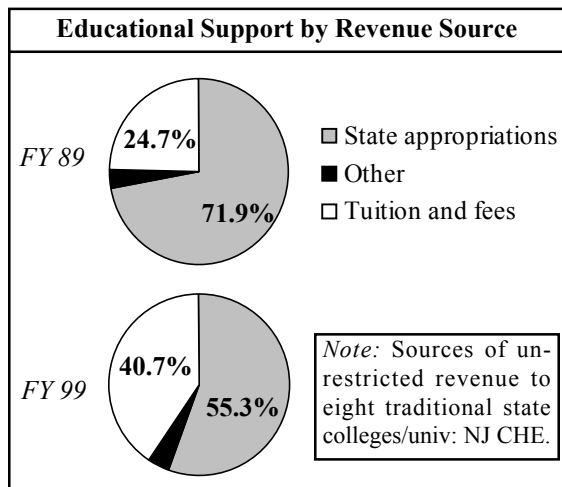
Each college has a clear mission and strives to be publicly accountable. The State of New Jersey also must have a clear public agenda for higher education, particularly at a time when the demand for higher education is expected to escalate. **It is critical that the state have a comprehensive strategy to deal with the new capacity demands** — or we run the risk of having an uncertain future for higher education and drifting in a direction that is not centered on the state's most important goals. At stake is not only college opportunity in the 21st century but also New Jersey's economic competitiveness with other states.

Anachronistic budgeting, shifting costs to families. Moreover, New Jersey’s current approach to funding state colleges and universities results in variable, and sometimes unpredictably high, tuition increases. Problems stem from budgeting on a year-to-year basis for operations, without any fundamental budget rationale for quality enhancement or enrollment growth, characterized by inconsistent funding from institution to institution, and sporadic funding of facilities. Accordingly, the burden for building new capacity for facilities and technology is placed increasingly on student tuition and fees. Furthermore, unpredictability in funding for state-mandated costs of negotiated salaries further undermines cost and price stability for public higher education.

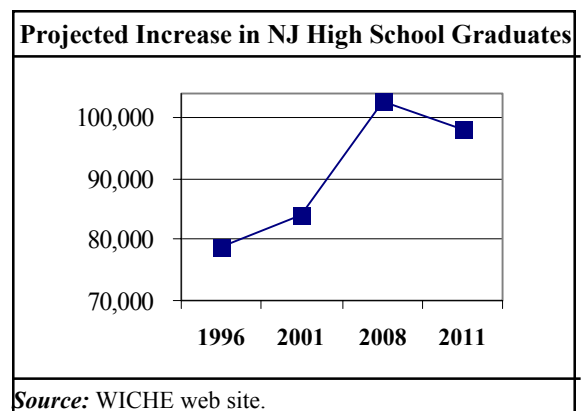
qualified students from attending college here,” and about half (45%) say, correctly, that tuition at these schools is “rising faster than the inflation rate.” The shift of costs from the state towards the student/family over the past decade has not gone unnoticed. Accordingly, ASCU polls find that the public is willing to support greater investment in the colleges through many means, including taxes.

Inadequate and stressed capacity. New Jersey falls short when it comes to providing adequate physical space (capacity) for its high school graduates to pursue education in state and at a four-year college or university. Inadequate capacity is a vestige of a state that was, for most of its history, comfortable with a high number of students migrating out of state to attend college, and ambivalent about investing in a quality public higher education system including student residential facilities. Such defects were recognized as early as the 1960s in the incisive report issued by the Citizens’ Committee for Higher Education, chaired by Princeton University president Robert Goheen.

Today, New Jersey is still among the nation’s leading exporters of high school graduates, many of them extremely high achievers; the state ranks 44th among the 50 states — on a per capita basis — in four-year college capacity. A growing number of those who choose to attend a state college or university (and who are accepted) enroll full-time and wish to live on campus. Since there is currently no state funding policy rewarding campuses for increasing enrollment, frequently the institutional disincentives for increasing enrollment outweigh incentives.



This, in turn, makes it hard to help families plan ahead for meeting their share of the cost of attending public universities and colleges, an unfair and truly unnecessary burden. Many citizens understand the high value offered by these institutions, even when rising rates are factored. Approximately 40% of New Jersey citizens polled during 1999 indicated that the cost of tuition is **not** a barrier to attending a state college or university. But for a great many New Jersey families of modest means, this does not translate into the perception that colleges’ charges are universally “affordable.” In fact, the same poll indicated that nearly half (47%) of state residents say tuition at public colleges and universities “keeps otherwise



This capacity shortcoming for both traditional classroom learning and newer technology-based distance learning is accentuated by the expected growth in high school graduates. Within the next eight years, education demographers predict, the number of New Jersey high school graduates annually will swell from 83,000 to over 100,000. Meanwhile, recognizing value, increasing numbers of students are applying to the state colleges and universities. Many are being turned away as enrollment goals are met and exceeded. New technologies, cost containment, and distance

education cannot alone fill the gap between demand and capacity.

In summary, college access and affordability are very much at stake in the near future, as is New Jersey's competitiveness with other states. The early 21st century's freshest challenge will be addressing demand for higher education by implementing a strategic plan for investment in higher education amidst a highly competitive economic environment and a national teacher shortage. A bold response is needed.

The Response: *NJ College Bound 2008*

The New Jersey state colleges and universities — many of which were created originally to educate teachers and thus endow all citizens with knowledge — exist, as they always have, to serve the public good.

In this spirit, the New Jersey Association of State Colleges and Universities created the Advisory Commission on Financing the State Colleges, which brought together an array of business, association and college leaders to develop a long-term perspective of the needs and responsibilities of the state colleges to better serve New Jersey. The commission issued a report in early 1994. Since then, much has happened, including a state restructuring of higher education, further decentralizing and deregulating New Jersey higher education, initiation of a modest state-funded performance incentive program, and increased prerogatives for trustee boards in appointments and board size determination. These changes were consistent with recommendations in that report. Several other recommendations — such as providing campuses with authority to negotiate directly with unions, and multiyear state funding — were not implemented.

Seeking public input. Anticipating growing concerns about college capacity and affordability, ASCU decided in 1999 to embark on a new pathway to make public higher education a higher state priority, in part by building a stronger

constituency for needed policy changes. The project, called **NJ College Bound 2008**, began with the development of a statewide public opinion poll examining the attitudes of a random sample of 607 citizens regarding the importance and affordability of higher education and the perceived need for new types of student aid programs and expanding enrollment at public institutions. The poll, conducted by Penn, Schoen & Berland Associates, Inc. also asked about perceptions of the quality and value and public accountability of the state colleges and universities.

The poll, which documented concerns about access and affordability, revealed that the state colleges and universities are highly valued, and indicated support for expansion of higher education opportunity, drawing considerable outside interest. *Phase Two* of the project, which included three regional focus group meetings (involving a total of approximately 75 college officials and business and community leaders) and a second poll (based on a sample of 225 business executives) began in fall 1999. *Phase Three* included an invitational conference attended by 75 leaders. In conjunction with the conference, ASCU commissioned two national experts on access/affordability and governance/accountability — Jamie Merisotis and Richard Novak respectively — to write policy papers specifically addressing New Jersey's unique situation and proposing ideas for additional improvements.

Phase Four of the project synthesizes findings and culminates with a vision and a concrete action plan based upon those findings. The vision and action plan emerging from **NJ College Bound 2008** are described in the next sections.

Throughout the length of the project, the common theme has been to recognize the converging responsibilities for the future success of New Jersey public higher education in service to New Jersey citizens, shared by students and their families, college leaders, state government, local

elected officials and community leaders, labor and the business sector.

Throughout, a key goal of the project has been to assist the general public — not just government and higher education officials — in coming to consensus about policies that will help ensure, in the decades ahead, that the state creates sufficient capacity to meet demand, and that New Jersey families get adequate help paying for college. Public input through **NJ College Bound 2008**, strongly advises that New Jersey needs a clear vision for the future, to guide strategic initiatives.

A Vision for the Future

New Jersey will make higher education a top state priority. The state colleges and universities will be at the forefront of, and central to, New Jersey's future, tackling emerging state needs and creating opportunities for all citizens.

These needs and opportunities include responding to a diverse and changing population, coping with the demands for educated employees, improving the environment, improving the teaching profession, and, building more civil and livable communities.

New Jersey will be #1 nationally in helping students and families to prepare for, anticipate and manage the costs of attending a state college or university.

Low- and middle-income families will know what help with college costs is available to them long before students even apply; students will know what is expected of them academically in order to stand a good chance of being admitted to a state college/university. Entering students and their families will be able to accurately forecast college costs over a four-year period.

New Jersey will expand its four-year public college/university capacity by 15,000-20,000 to rival that of neighbor states and to get itself out of the basement of national rankings in this category, toward being among the top ten states in strategic investment in public higher education.

This goal factors in current state college enrollment capacity among the states, high school graduation demographics, and the proportion of New Jersey high school graduates who currently enroll at the state colleges and universities. Furthermore, toward this goal, residential capacity will be expanded so that virtually all students who wish to live on campus can do so. Keeping pace with trends toward full-time enrollment, greater numbers of applicants, and anticipated population growth will require strategic investment in capacity expansion at many colleges and universities. Expanding capacity at this magnitude will help guarantee access to deserving students, and it would likely put New Jersey among the top ten states in new strategic investment in state colleges and universities.

A Time to Act:

A Strategic Agenda for New Jersey

Strategy 1: Build a New Jersey-specific, citizen-backed, strategic vision and agenda for the public colleges and universities tied to the state's critical future needs, including cultivation of educated employees, new technology application, K-12 and teacher education improvement, and quality of life enhancement.

The governor, as the state's chief opinion leader, should impanel a blue ribbon task force composed of prominent citizens, tentatively called *Vision 2001*, to create a New Jersey-specific strategic vision and action plan for postsecondary education in the 21st century, based on critical state needs and the special capabilities of the state's public colleges and universities to meet them.

In the absence of an explicit vision, and state agenda and funding rationale for the state colleges and universities endorsed by the governor and others, each institution should be encouraged to set its own mission-based "contract" with the state to address New Jersey's critical needs and to fulfill its mission to the citizens it serves. Such agreements would set forth, explicitly, resources the state would provide and the services to be provided by the institutions to serve the expectations of New Jersey citizens.

The institutions, individually and as a collective, need to be aggressive in addressing major state employers' staffing and leadership needs, and in getting leaders from the profit, as well as the nonprofit sector to help them build a strong case for public support for public higher education.

Strategy 2: Market explicitly the shared responsibilities for paying for college.

Institutions of higher education — specifically, the state colleges and universities — must be even more assertive in projecting and explaining college costs, including the full cost of education, the share borne by the state, the share borne by students/families paying tuition (plus the share that could be borne by other public and private entities such as business, foundations, alumni), the distribution of student financial aid, factors driving the costs, and so forth. The theme of helping families better

understand how to prepare for college academically, and how to begin early planning to pay for college should be introduced in a public relations campaign conducted by ASCU and should be reinforced in all major campus publications and communication efforts.

Strategy 3: Adopt and implement new policies to promote tuition affordability and family/student assistance.

In order to help students and families pay for college, the colleges and universities should set multiple-year tuition schedules (*e.g.*, four years), matching increases to growth in state per capita disposable income, **but only if** the state meets its funding obligations (educational operations, student aid and facilities) and if the state budgets on a longer-term basis. Specifically, in addition to other recommendations, the state should institute multiyear funding, pledge full funding of state-mandated salaries and regular facilities appropriations (and expect in return a tuition pledge from institutions). Other innovative steps to guarantee affordability include:

- A new state-sponsored work/study, business internship program should be piloted.
- A College Affordability Trust Fund should be created to assist low and middle-income students whose college cost needs may not be met by the Tuition Aid Grant (TAG) program.
- The state should institute a performance bonus, perhaps providing tuition credits, for students who complete their degrees within a specified period of time. High demand workforce development fields related to science, math and technology are places in which to develop a prototype.
- TAG and EOF program modifications should be made to better serve needy and middle-income students, to meet anticipated growth.
- The existing college savings program, NJ BEST, should continue to be improved.
- A limited, part-time student aid program, separate from TAG, should be instituted.
- Funding for state merit aid programs should be retained to assist academically talented students and future state leaders.

- Tax deduction/credit programs, although politically attractive, should be used sparingly, not as a substitute for a continuing commitment to need-based, student financial aid grants.

Strategy 4: Expand college/university capacity to meet growing demand and to keep more talented New Jerseyans in the state.

Where students attend college is critical to the social and economic vibrancy of all states. To compete nationally, New Jersey should expand capacity to serve an additional 15,000-20,000 students by rewarding institutions for growing enrollment. This can be accomplished by adopting ideas from the United Kingdom, which recognizes the cost of educating new students, and allocates government funds based on the number of students graduating and other strategic objectives. The most realistic and feasible way to accomplish this goal is to enhance existing institutions that have plans to expand capacity and the capability to meet growth in demand in creative ways.

Strategy 5: Develop new incentives to reward institutional performance.

Recognizing that accountability comes in many forms, each institution should devise a new set of market-driven performance indicators, approved by trustee boards, related to mission, capacity building, and the strategic needs of the state. Providing supplemental funding to institutions for meeting agreed-upon objectives is an approach already started here, as recommended by ASCU in 1994. New indicators should pertain to goals for institutions that are more dynamic, mission-based indicators of success. For example, the state should create more incentives for

enrollment growth, improved retention and graduation rates, student life improvement, and grantsmanship — thereby eliminating remaining disincentives to growth and private assistance to the state colleges/universities.

Furthermore, the state should do all it can to reward the development of partnerships among the colleges/universities, the state, businesses and labor that enable the institutions to be innovative and aggressively respond to the marketplace.

Strategy 6: Initiate steps to increase public awareness of state colleges and universities' value and responsibilities of public trustee boards.

ASCU should create an *Official Consumer Guide to the State Colleges and Universities*, filled with information of interest to higher education consumers, guidance counselors, state officials, the media, and the general public. The guide should include information about costs, size of the state subsidy, financial aid, student body, graduation rates, job placement of graduates and so forth, collected in cooperation with the nine ASCU members' institutional research offices.

ASCU must take the lead in impressing upon state officials, and leaders in all sectors of society, New Jersey's exemplary public accountability through trustee boards, appointed by the governor upon recommendation of the trustee boards. The integrity of a process for appointing individuals who serve the public's interest is a core aspect of the state colleges' retention of a unique level of public trust that fosters innovation and accountability, while making possible outstanding educational quality and value.

Resources

This document draws from a large number of articles, studies, polls, focus groups and other data that are available upon request and listed in a special annotated bibliography. Some are published on ASCU's website (www.njascu.org).

The New Jersey Association of State Colleges and Universities (ASCU) is a nonprofit higher educational association created by law in 1985 to

advance and support higher education in New Jersey. ASCU plays an active role in developing and proposing policy to better serve New Jerseyans. It is governed by an eighteen-member board consisting of the president and a trustee of each of its nine member institutions. Expenses are defrayed through membership dues in accordance with state law and ASCU bylaws.

Chronology

NJ College Bound 2008 is a project begun by the New Jersey Association of State Colleges and Universities in the context of anticipated demand for undergraduate educational opportunity predicted to peak in the year 2008, when there will be over 100,000 New Jersey high school graduates produced annually. Building upon public opinion polls, discussions with informed leaders, and the analysis of policy experts in higher education, **NJ College Bound 2008** seeks to aid the people of New Jersey and their leaders in coming to consensus about what actions will be needed, before the end of the decade, to preserve college access and affordability in the 21st century. *Note: this project is not affiliated in any way with the state-funded College Bound program, which helps prepare and encourage middle and senior high school students to attend college.*

January 1999: ASCU approves a comprehensive communications strategy to promote understanding of the role and value of higher education — and the state colleges and universities, specifically — as a priority for the state’s public policy agenda. The plan envisions use of public opinion polling as a baseline for communications.

March/April 1999: Penn, Schoen & Berland, a nationally-recognized firm, designs a survey to gather opinion on higher education — and the state colleges and universities, in particular — from the general public. The poll of a random sample of 607 New Jersey adults is conducted in May 1999.

August 1999: ASCU holds a news conference to announce results of the poll. Journalists call upon the Association to propose ideas to address concerns raised by the poll, including: “Will I be able to afford a state college education?” and “Will there be a place for me/my son/my daughter at a state college in the years ahead?”

September 1999: ASCU answers journalists’ challenges by stepping up efforts to gather additional opinion regarding higher education and to propose policy solutions to citizen concerns. An ambitious plan — involving focus groups, consultation with national experts, a statewide conference, and more polling — is sketched out. The project is tentatively named **NJ College Bound 2008**.

November 1999 through February 2000: The Association assembles about 75 community leaders in three regional focus groups: one in Trenton, one in Union (at Kean University) and one in Glassboro (at Rowan University) to gather the views of diverse opinion leaders regarding the twin concerns of capacity and affordability — and related issues — raised by the polling.

November 1999: ASCU distributes to 700 people the first issue of *College Countdown*, a newsletter on the **NJ College Bound 2008** project, and begins to work with Penn, Schoen & Berland on a second poll focusing on business executives’ views concerning higher education.

February 2000: The poll of business executives’ views on higher education — and the state colleges and universities, especially — is conducted.

March 2000: The second issue of *College Countdown* is published and distributed to nearly 800.

April 2000: The results of the poll of 225 business leaders are released to the public. The Association hosts a statewide conference which brings together national experts on higher education accountability and financing, academic administrators, trustees, business executives, and other New Jersey opinion leaders.

April/May 2000: The Association publishes and distributes two reports by consultants suggesting some possible solutions to improving higher education affordability, accessibility and capacity in New Jersey. The reports are *Trust in the Future: New Strategies for College Opportunity and Affordability in New Jersey* by Jamie P. Merisotis and Melissa Clinedinst, and *Creating a Public Agenda: Accountability and the New Jersey State Colleges and Universities* by Richard J. Novak.

June 2000: The third issue of *College Countdown* is published and distributed.

June through August 2000: The Association begins to draft recommendations based on the information and ideas gathered through **NJ College Bound 2008**. The Policy, Goals & Objectives Committee reviews several drafts of a project summary and recommendations.

September 2000: With the support of the Policy, Goals & Objectives Committee, the Association adopts formal recommendations on **NJ College Bound 2008**. The board also adopts a plan to communicate directly with the public about the need for the state to place a high priority on higher education — and, specifically, about the state colleges and universities as vehicles for maintaining affordability and broad access to high quality higher education.

ASCU Board Members

The College of New Jersey	Stacy Holland, trustee R. Barbara Gitenstein, president
Kean University	Kenneth Estabrook, trustee Ronald Applbaum, president
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William Paterson University	Henry Pruitt, trustee Arnold Speert, president
ASCU Executive Director:	Darryl G. Greer

Recommendations of the **NJ College Bound 2008** project were adopted by the NJ Association of State Colleges and Universities (ASCU) on September 26, 2000



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