



AFT New Jersey, AFL-CIO

629 Amboy Avenue, 3rd Floor Edison, New Jersey 08837

Phone: (732) 661-9393 Fax: (732) 661-1776

Website: www.aftnj.org

New Jersey College Affordability Study Commission Testimony

**Susanna Tardi, Ph.D.
AFT New Jersey, AFL-CIO
Executive Vice-President for Higher Education**

February 17, 2016

Commission Members: Frederick Keating; Robert Barchi; Nancy Blattner; Jonathan Boguchwal; Donald Duran; John Gorman; Timothy Haresign; Ali Houshmand; Peter Mercer; and Giancarlo Tello

Good morning. I am testifying today as a concerned Sociology Professor from William Paterson University and as the AFT NJ State Federation Executive Vice President for Higher Education. On behalf of my colleagues testifying here today and the 30,000 faculty members, librarians, staff, health professionals and allied employees we represent, the leaders of the American Federation of Teachers—New Jersey State Federation (AFT NJ/AFL-CIO), the New Jersey Conference of the American Association of University Professors (AAUP), and the Health Professionals and Allied Employees (HPAE/AFT-AFLCIO), thank you for your dedication to make recommendations for reducing the cost of a college education in our State.

Let me say at the outset that not only is public higher education in the state becoming less affordable, it is becoming for many, economically unattainable. Back in the 1970's when New Jersey exercised active oversight of public higher education through the Division of Higher Education and when the state supported 70% of public college operating costs, a college education, while not cheap, was within reach of many middle class families. The yearly cost (tuition, fees, room, board, and books) of a 4 year public college represented 23% of median income. This means a family could build a 4 year college fund for one child by putting aside 10% of their income each year for 10 years. By 2012, New Jersey public colleges were largely independent, state support of college operating expenses dropped to 20%, and the yearly cost of college rose to 54% of median income. Today, with flat or declining wages, a family with median income simply can't afford to put aside 25% of their income for 10 years per child to build the

same 4 year college fund. Studies have shown that the biggest driver for this increase in college costs (accounting for 80% of the increase) is the reduction in state aid which has shifted the cost of higher education to students and their families through ever higher tuition and fees.

The challenge for this Commission is how to make public higher education more affordable or more economically attainable in a tough economic climate with essentially independent public colleges. Significantly increasing State support of public higher education is, frankly, not realistic barring unpopular tax increases or a shift in State spending priorities. Absent of a resumption of State oversight and control of public higher education, a major restructuring of higher education to reduce cost and improve efficiency would not seem realistic. One approach that I would suggest the Commission consider is to develop a matching program where colleges are rewarded for fund raising, scholarships, cost reduction, business partnerships, student internships, and student work study programs. This simple idea could incentivize colleges to be more proactive in addressing affordability issues and could provide higher education with the appropriate funds they need for academic growth and maintenance of infrastructure.

In thinking about ways to improve college affordability, it is useful to understand where colleges spend money. In 2015 a study by DEMOS, a non-partisan public policy research organization, concluded that only 50 cents of every dollar spent by 4 year public colleges goes to support academic instruction. Furthermore, the cost of instruction at these schools was essentially flat for decades largely due to the replacement of higher cost full time faculty with less expensive contingent adjunct faculty. The remaining 50% of dollars goes to supporting non-academic functions such as college facilities and administrative staff. Since 1990, the number of administrative personnel, particularly middle management, per student have doubled with the explosion in student services, career counseling, financial aid counseling, and admissions counseling. Greater collaboration and cooperation among colleges to reduce these non-academic costs through shared services or more robust high school guidance counseling would seem to be an obvious area for focus and attention to improve college affordability and efficiency.

Another area of affordability focus for this Commission should be the rampant increase in, and abuse of, student fees. Back in the 1970's, fees were course specific --a lab fee, for example, was commonplace for laboratory based courses. As tuition became a popular metric for comparing institutions, colleges began to recover more and more costs, including debt service for new facilities, through fees which were not publicized and, as a result, were less visible. Today, at many colleges, fees are widespread and are approaching the level of the tuition. Three universities Kean, William Paterson and The College of New Jersey are currently under state audit regarding fees. Questionable fee practices that are triggering this audit include: charging students a technology fee and charging the same students a second technology fee when they enroll in an on-line course; charging students a transportation and parking fee and charging a student an additional fee to park in a college or university garage; and charging students an unannounced additional fee associated with program certification and threatening to

withhold grades or certifications if the fee is not paid. Tuition and fees must be made transparent and no additional financial burdens added once students receive their bill.

Faculty and staff on the frontline of Higher Education need to be at the center of any curriculum restructuring and academic policy discussions involving higher education. All too often administrators and/or governing boards reach decisions on academic issues in the absence of input from the various constituent groups that are integral to the institution. Shared governance is often illusionary; decisions are made well in advance then are aired at a faculty or university Senate meeting or “town hall” meeting after the fact. Decisions made in the absence of shared governance are often bad decisions that add significant financial cost to the colleges and universities, and ultimately, the students and tax payers. Shared governance by way of administrative accountability is fundamental to student success. While on paper, college and university presidents are accountable to Boards of Trustees, the latter frequently tend to rubber stamp decisions. Public institutions of Higher Education need to be student centered and fully accountable to the public. Historically, the significant fiscal and academic problems that have confronted our Higher Education institutions are due to a lack of administrative accountability subsequent to the dissolution of the Division of Higher Education. In other states, there are chancellors of education to provide checks and balances on the administration. Given the cost of a college education today, there is a crying need for increased top down accountability regarding college spending. There is currently no mechanism in the State to hold members of a Board of Trustees or senior college administrators accountable for their decisions – there should be. I urge this Commission to examine ways to assure greater top down accountability.

While your focus is on making a college education more affordable, recommendations must balance quality education and affordability. It is important not to lose sight of the individual college and university missions. The stigma that was once attached to attending a two year community college has significantly diminished thanks to the law mandating all four year state colleges to accept all General Education requirements as being fulfilled if the student transfers with an associate degree. Community colleges help students with remediation and in exposing students to courses that will help them determine their future career paths. Sometimes they provide non-academic vocational paths. Certain fields such as allied health, engineering, computer science require specialized skills taught by faculty with terminal degrees. These students need to learn from the most qualified faculty so that they will perform in their chosen careers with the highest levels of skills and integrity. The future of the quality of the workforce in our State is at stake.

In closing, I want to thank each of you for taking on the daunting task of developing a report recommending modifications to Higher Education that will result in an affordable education and ultimately, a highly qualified workforce.