

OP-ED: THE BIG PROBLEM IN HIGHER ED IS UNDERFUNDING OF PUBLIC INSTITUTIONS

MICHAEL W. KLEIN | MARCH 25, 2019

Operation Varsity Blues, while lurid, isn't the biggest problem in higher education in the United States. The underfunding of public colleges and universities is



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“Let me tell you about the very rich,” F. Scott Fitzgerald wrote. “They are different from you and me.” How different? As we learned from **Operation Varsity Blues**, some rich people are willing to pay bribes and commit fraud to help students gain admission to elite colleges and universities.

There are many ways to look at the admission scandal to glean something about higher education in the United States. You could choose the **influence of athletics**, the **vulnerability of standardized tests to cheating**, or the overall **advantages of wealthy families**. I want to focus on the big picture of college opportunity and redirect the conversation to how we strengthen public colleges and universities, expand access, and lower the anxiety over college admissions and paying for college.

As happens too often in our national discourse, the actions at a few prestigious institutions are blown out of proportion to reflect the entire higher education enterprise. The FBI investigation involved eight institutions: Georgetown, Stanford, UCLA, the University of San Diego, the University of Southern California, the University of Texas at Austin, Wake Forest, and Yale. These universities are some of the roughly 200 institutions that are considered “**elite**,” based on their competitive admissions. They enroll fewer than 1.5 million undergraduates.

The big picture? There are **4,360** degree-granting institutions in the U.S. that enroll **17 million undergraduates**.

Record numbers of students

Where do most students go to college? Public institutions. There are 1,623 public colleges and universities that enroll 13.15 million undergraduates (77 percent of the national total).

So if the country wants to discuss how to improve access to a bachelor's degree, I suggest we turn the conversation away from elite institutions and toward the public sector.

Yes, two of the institutions involved in the FBI investigation are public – UCLA and the University of Texas at Austin – but only 41 public institutions are considered “elite,” and five of them are U.S. service academies.)

America's public colleges and universities are serving record high numbers of students with historically low levels of public funding per student, causing an almost inevitable increase in the cost of attendance.

Over the 25-year period between 1992 and 2017, full-time enrollment at public colleges and universities increased from 8.1 million to **11 million** students. State spending, however, has not keep pace with this increase in demand. Although public appropriations increased over the last six

consecutive years, funding per student is \$1,000 below 2008 levels and almost **\$2,000 lower than 2001 levels**.

Students pay the price

When state funding goes down, tuition and fees go up, and students pay the price. Between fiscal years 2008 and 2018, average in-state tuition and fees at public four-year institutions, adjusted for inflation, increased from \$7,280 to \$9,970, just under **37 percent**.

The story in New Jersey reflects the national trends. Enrollment at public institutions grew 58 percent over 25 years, and state funding per student dropped 41 percent. Over 10 years, from 2008 to 2018, New Jersey reduced funding per student at public colleges and universities by \$2,387, or 23.5 percent.

This underfunding in public higher education jeopardizes our future. In the current academic year, the average tuition and fees for in-state students at public four-year institutions in New Jersey is \$14,180, **fourth-highest** among the states. The University of Pennsylvania's Institute for Research on Higher Education, in its College Affordability Diagnosis **report on New Jersey**, concluded that "the financial burden for families at the state's public four-year colleges and universities put the state's future of affordable higher education at risk."

We are in danger of squeezing low-income students out of college. According to the Pell Institute for the Study of Opportunity in Higher Education, students from wealthy families enroll in postsecondary education at a rate of 78 percent, compared with 46 percent of students from low-income families. That's a **gap of 32 percent**.

How do we close this gap? First, we make public colleges and universities – the institutions where the vast majority of college students attend – more affordable. Then, we help students complete their applications for admission and financial aid.

Governor's down payment

In New Jersey, Gov. Phil Murphy has proposed a significant down payment toward restoring the decades of cuts to the public four-year colleges and universities. His **fiscal year 2020 budget** would add \$16.6 million in direct appropriations. Combined with the governor's **free community college initiative**, the cost of attending college in New Jersey should decrease.

The state of Washington proved that a significant increase in state funding can lower tuition. In a **two-year deal** in 2015, Washington provided \$200 million to its public colleges and universities in exchange for immediate tuition cuts of 5 percent, followed by 20-percent cuts at state colleges and 15-percent cuts at public research universities. Tuition increases are now tied to annual percentage growth rates in the median hourly wage.

To help students apply to college, states should expand their support for the **American College Application Campaign**. ACAC has teams at participating schools in each state that help low-income and first-generation high school seniors complete an application to at least one college. Nationally, ACAC has served half a million students. I was proud to help ACAC expand its presence in New Jersey five years ago, and it still has a lot of room to grow.

Students need help applying for financial aid, too. Over **72 percent** of undergraduates receive some form of financial aid, and the key to unlocking it is the Free Application for Federal Student Aid (FAFSA). A recent study revealed that **30 percent** of low-income students submitted their FAFSA too late in many states and at several institutions for need-based aid. Too many eligible students don't apply at all, forgoing an **estimated \$24 billion** annually in Pell Grants, student loans, work-study, and state aid. We need to expand free workshops and support efforts like the National College Action Network's **FAFSA Challenge** that provides grants to cities to increase the FAFSA completion rates for their graduating high school class.

We need to increase need-based aid at the federal and state levels, but that's an essay for another day.

It will be hard to turn the national conversation to public higher education as Operation Varsity Blues continues. More indictments are possible, but as F. Scott Fitzgerald knew, not all cheaters get caught. In *The Great Gatsby*, when Nick Carraway asks why the man who fixed the 1919 World Series was not in jail, Jay Gatsby replies: “They can’t get him, old sport. He’s a smart man.”

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