

APPRAISING THE FUTURE; UNDERSTANDING COSTS: Envisioning the New Normal in Higher Education

Part of what I wanted to accomplish during my interim presidency was to initiate deeper discussions on challenges we and the greater higher education community face now and in the foreseeable future. To that end, in early February I hosted a symposium that featured a number of national experts on this important topic.

The following summarizes key points from the symposium that I noted as particularly noteworthy:

 Difficult trends of ever-decreasing public support have made the present circumstances of public higher education extremely challenging. (Some would

By Dr. Willie J. Hagan

say, simply: *hard*.) For a better future, California and the nation need to reverse recent trends, find new efficiencies, and embrace sensible innovations.

- In fiscal year 2012/13, state appropriations for the 23-campus California State University system sank to levels close to those of 1996/97 (*not* adjusted for inflation) when 90,000 fewer students were enrolled (resident FTE). It is difficult to imagine any other organization or industry coping with such an incredible hit.
- Ordinary citizens know the truth.
 Responding to a November 2011 survey conducted by the Public Policy Institute of California (PPIC), two-thirds of California residents agree that public colleges and universities in California have been affected *a lot* by recent budget cuts. Another quarter believed public higher education has been affected *somewhat*.
- Our citizens are right: California public higher education has been affected a lot. Ask enrolled students about challenges getting classes need to graduate; ask student applicants about higher GPA and academic index admission requirements, or about being denied admission despite

qualifying under previous requirements; ask faculty and staff about increased workloads, furloughs, or flat or declining personal incomes in the last four years.

- Worse, studies from Illinois State University show that the priority placed on higher education in California has fallen across the last four decades. Measured as a proportion of state personal income, California's financial support for higher education shrank in 2012 to a level not seen since 1962.
- All of this arises in a context in which the United States already has fallen to sixteenth place in world rankings of nations whose 25-34 year olds obtained a college degree.
- And the consequences for our state? California citizens know. When asked in the PPIC survey how important California's higher education system is to the

quality of life and economic vitality of the state over the next 20 years, nearly threequarters of respondents answered *very important*. Another quarter answered *important*, making the total believing California's higher education system is *important or very important* to the State's economic vitality a whopping 98 percent.

The obvious conclusions constitute urgent "to-do" memos for public policy makers in California and a list of tasks as well for me (and for other higher education leaders). For my part, I pledge to continue to seek and to adopt cost reduction strategies consistent with high-quality learning and teaching. Already a national leader in degree production efficiency, we can do even better. Along with cost control, reducing drop-out rates and straightening the highways to degree attainment are essential. Success in student graduation is the flip side of the cost containment coin. Together, increased numbers of students obtaining high quality, high value degrees at reduced costs equate to efficiency.

But we cannot do it alone. California policy-makers must put public higher education at the top of their "to do" lists. Unless it becomes a top funding priority for the state, legislatures and politicians will have conceded California's place in the world economy for a generation or longer. Insufficient investment in developing and sustaining an educated workforce inevitably produces a downward economic spiral. The longer we wait, the more difficult recovery becomes.

Today's young adults must be prepared to become leaders, business people, inventors and educators of the future. And *their* children must do the same. California cannot turn a sustainable economy on and off like a faucet. An educated workforce is the heart our success. California's future depends upon it. №

President's Symposium Speakers & Presentations

Robert Shireman Needs for Higher Education: California and U.S. Goals for Degree Attainment, 2012-2025

> Jane Wellman Causes and Solutions to the College "Cost Problem"

F. King Alexander The American Higher Education Mess and What Can Be Done About It Stephen Stambough Voters Support For and Perceptions of Higher Education in California

Keith Boyum Cost Control and Public Support for Higher Education: O.C. Business Leader Opinions

Jeff J. Selingo The Coming Disruption: The Unbundling of American Education Raphael J. Sonenshein The Future of Higher Education in the Age of Obama

William G. Tierney The Disruption of California's Higher Education: Inevitable Decline or Building on Excellence

More details at the symposium website: president.fullerton.edu/symposia/appraisingfuture-understanding-costs/agenda.html

Understanding Costs

A recap & response to the presentations of Robert Shireman, Jane Wellman and F. King Alexander

By Mark Hoven Stohs

Professor and Chair, Deptartment of Finance

The three first speakers at the President's Symposium addressed a variety of concerns surrounding the costs and goals of college education in California. Below I provide a brief synopsis of the presentations by these three speakers: Robert Shireman, chief consultant of California Competes and former deputy undersecretary of education in President Obama's administration; Jane Wellman, executive director of the Delta Cost Project; and F. King Alexander, president of California State University, Long Beach.



Robert Shireman Consultant, California Competes

ROBERT SHIREMAN notes that good higher education typically translates into a good workforce, which benefits everyone with an "upwards cycle of improvement, of the communities, of education of families, of opportunity that reaches people from all back-grounds." Presumably such desirable communities — whether local, state or national — require a critical mass of well-educated individuals, with 40-60 percent of the populace possessing at least a community college education. Shireman suggests that if California aims to be among the top 10 states, we would need to produce 5.5 million degrees by 2025 — an increase of more than 70 percent above the current forecast of 3.2 million. While such an increase seems virtually impossible, he suggests that it is possible should the state commit to increasing the following rates: high school graduation; entry into college of our Latino and African American population; and community college degree production.

So far so good. However, Shireman then draws on the recent criticism of higher education set forth in the book *Academically Adrift*. Its basic argument is that all colleges are failing in their goal to have their graduates attain a significantly higher level of critical thinking skills than when they entered college, and indeed, that when using the CLA criti-

cal thinking rubric,¹ students tend not to score anywhere near the top of the scale. Colleges are apparently not producing critical thinkers, the type of educated citizen needed to create our desired communities.² And part of this "failure" in educating critical thinkers is due to budget problems. Faculty won't, don't or can't manage relevant assignments with large numbers of students in their classes.

In the end, Shireman appears to endorse an increase in community college fees (tuition), which would then offset some of the problems with faculty being able to educate our students to become better critical thinkers; a quality, I think, obviously needed to be a good citizen and a productive member of society.

 $\ ^{1} \textit{ See CLA critical thinking rubric: } cae.org/content/pdf/CLA_Scoring_Criteria_(Jan\%202008).pdf$

² You can easily find the recent CSUF CLA reports by searching the CSUF homepage

In terms not used by Shireman, though ones both he and I would probably agree upon, education provides a public good but also obviously a private good, in the very simple sense that individuals with bachelor's degrees easily earn double the lifetime income of those with high school diplomas only. However, this implies that students and/or their families should pay for some significant proportion of their own education. Unfortunately, it appears that voters across the nation believe that the "old" proportions were too low.

But is the situation as dire as *Academically Adrift* (AA) or Shireman would have us believe (concerning our success at training critical thinkers)? Shireman suggests that he has not found a good criticism of AA. Perhaps none have been published yet.

Just a little critical thinking about AA should make us pause. Allow that the CLA rubric is a good measure of critical thinking, meaning in part that those with high scores are excellent critical thinkers. And allow that completing college courses doesn't always increase student scores on the CLA. Does it follow that our college graduates are severely lacking in critical thinking skills? No! For the simple reason that we have no "norms" for these skills, especially in relation to the quantified *amount* of critical thinking that society or employers may require. Math skills, in comparison, are easily measured and normed — consider the SAT or similar exams. We often accept that students are not as skilled at math as we would like. Should we therefore require all students to complete enough math courses until they have a 600 quantitative SAT (or GRE) score? Some or many of us would respond that such a requirement is mistaken on many grounds. One ground is that math skills appear to be normally distributed. In contrast, we know virtually nothing about critical thinking skills (perhaps AA is a first step). So while it is important to have colleges reflect upon whether our students learn these skills, I would argue that almost no sound evidence yet exists to suggest that our colleges are academically adrift (despite what appears as evidence in AA).

Can we do better? No doubt. Although a recent "blog" in the *Chronicle of Higher Education* (4/2/12, Bauerlein) suggests that our freshmen are not even ready for the basic critical thinking skills. His title suggests it should be "All Summary, No Critical Thinking." Is that too pessimistic? I'll leave that up to you. Top scores on the SAT, CLA, GMAT or MCATs are certaintly good and even required in some fields. We don't want physicians making diagnoses without the ability to construct cogent inductions! But it does not follow that we as faculty are failing if some CSUF graduates score below 600 on the quantitative GRE, or haven't scored highly on the CLA.

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JANE WELLMAN of the Delta Cost Project provides a well of excellent information about college costs, funding, public concern, cost shifting, employee benefits, accessibility gaps between rich and poor and a lack of overall fiscal transparency in higher education. Perhaps the most important feature of the data she provides is that it breaks down total average fiscal figures by institution type.

Why is it important to have fiscal data by type of institution? Many public reports focus on aggregate numbers, such as the total average indebtedness of the typical college graduate (information not discussed during her presentation). My guess would be that the average indebtedness of a CSUF graduate is miniscule compared to the reported national "sensational" averages. Yet, when families hear about college debt loads, an immediate response might easily be that all college costs are too high. California residents may then jump to the conclusion that that student fees (tuition) are too high at the CSUs. Personally, I would agree that tuition in the CSUs has risen much too fast during the past decade. The increases that individuals and families have faced makes it almost impossible to create rational plans for saving for college.

But aside from increases, the overall cost levels at all the CSUs are important. Wellman indicates that total spending per student nationally is about \$13,000 for public master's universities (although CSUF may now be classified as a public research university, which would bring that figure up to \$16,000). In either case, CSUF costs less than average, and the current student tuition is close to the national average. Compare these costs to the private college averages of \$17,000 for master's, \$22,000 for bachelor's and \$36,000 for research universities. The point is that national aggregates distort the immense differences, for example, between obtaining a Ph.D. from a private school at a cost of over \$35,000 annually, versus only \$16,000 annually at a university like UCLA.

Overall, Wellman's presentation provides a fresh and welcome picture of recent fiscal data in the United States, while addressing some obvious concerns. Most importantly, as is obvious in California for public higher education, is the fact that state appropriations for education have dropped about 20 percent (nationally) in the last decade, while student tuition has increased 50 percent. Wellman notes that this is an "unsustainable cost model," at least in the sense that if these trends continue, public higher education will no longer be public, but private. If it is true that education is good for society, as Robert Shireman argues and I fully agree, then the private model of higher education is not good for society, and we are currently traveling down an unsustainable path.



Jane Wellman Executive Director National Association of System Heads

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F. KING ALEXANDER wonders what we can do about the American Higher Education "mess." Relying on data from the Delta Cost Project, President Alexander confirms several of the main points from Wellman's presentation, although from slightly different perspectives. For example, he provides the total cost (spending) for a degree from a variety of California universities, with a few of these presented here for comparison:

University	Spending Per Degree
Stanford	\$305,038
USC	\$117,930
UCI	\$94,014
Pepperdine	\$84,852
UC Berkeley	\$82,941
Pasadena City College	\$74,956
CSUF	\$42,689

Alexander then focuses on a much needed analysis of both access to students with need and the related compensation provided by government for such students. The simplest and most dramatic comparisons are between the CSUs and the private research universities,

with 34 percent of CSU freshmen receiving Pell Grants, compared to only 12.4 percent at private institutions. While other government aid (i.e., government compensation to the university) is relevant, the most direct is the Cal Grant A Award. These grants are awarded, in part, based upon the tuition at the college! This may sound "fair" and appropriate, but the figures are almost alarming, and also point to some of the other recent controversies in higher education. Again, just a few comparisons of the average dollar award to students (remember that the awards go directly to the institution) are illuminating:

University	Average Cal Grant A Award
Kaplan College – Palm Springs	\$11,326
UC average	\$9,957
Pomona College	\$9,541
CSU average	\$4,037

Alexander highlights the two sides of a serious public policy dilemma. First, universities with the most expensive students (students with financial need typically also require expensive educational attention), charge the least, receive the least state support and therefore spend less on these students. Second, and directly related is that universities with the least expensive students (those who receive quality high school educations) have more resources allocated for their educationbenefit.

While not explicitly stated by Alexander, the implication is that our public funding formulas are seriously flawed, in that for–profit colleges like Kaplan have students receiving almost three times the state funding through Cal Grants than our own students receive within the CSUs. I fully agree that this is not a sound model for building the "good society" where everyone benefits.

All three speakers provide very important "facts" about higher education especially about California, and they all provide plenty of information for future thought and action. Generally, the picture painted seems pessimistic rising costs, less state revenue, increases in student fees, mismatched funding formulas, etc. Without the space to counteract this picture, I propose that we look to the future optimistically, take our students where they are and do our best to "raise" them to the next level. Focus on what we can do and on how best to use



F. King Alexander President California State University, Long Beach

the resources we have. Many times our students surprise us. By giving them the opportunity, encouragement and expectation to succeed, it is sometimes surprising but also very satisfying to see how many exceed even our highest expectations. It is truly amazing what CSUF can do with \$43,000. **20**

Guilt, Shame and Fear

A recap & response to the presentation of Raphael Sonenshein

By Diana Wright Guerin

Professor, Department Child & Adolescent Studies



Raphael Sonenshein Executive Director Pat Brown Institute of Public Affairs California State University, Los Angeles I have been asked to comment on the presentation entitled "Higher Education in the Age of Obama," given by our good colleague Dr. Raphael Sonenshein, who is now Executive Director of the Pat Brown Institute of Public Affairs at CSU Los Angeles. Until recently, Raphe was Professor and Chair in the Department of Politics, Administration and Justice Department at CSUF. Among his many accolades, Dr. Sonenshein was the inaugural recipient of the Carol Barnes Outstanding Teaching Award and recipient of the CSU Wang Award in 2005.

First, let me summarize Dr. Sonenshein's slides. He pointed out that Americans have mixed feelings about professors of higher education — we are "too academic," have "never met a budget," have "never ran anything," are "pie in the sky," and "snobby." Furthermore, these characteristics have been attributed to President Obama in the media when the "Prof-in-Chief" is portrayed as "off his game." He characterized President Obama's position regarding higher education as focusing on making college affordable and expected; cutting off for-profit schools and banks; making available more grants, loans, and low-interest rates; providing consumers with information; and keeping tuition low. Dr. Sonenshein quotes President Obama as telling colleges and universities, "If you can't stop tuition from going up, then the funding you get from taxpayers will go down." President Obama also told states to make higher education a higher priority in their budgets.

What are the implications of President Obama's position for the CSU? Dr. Sonenshein concluded his presentation by reminding us that the outcome for

the CSU depends on Sacramento. In his view, if the debate is about value — about providing an excellent college education at an affordable price — then the CSU has a chance. The CSU is California's greatest bargain, UNLESS we "sacrifice our values for value." His final question for the audience was this: "Has CSU engaged in this debate yet, or have we been defensive, or re-inventing ourselves out of existence?"

So, what's with the title of this article? Not on Raphe's slide presentation — but a message stated clearly and with conviction that I dutifully noted it on my set of handouts — was his encouragement to advocate, to stand up for the CSU. His prescription: Guilt, shame and fear. First, GUILT: Who has made the decisions that put the CSU in the tenuous position we now find ourselves struggling to handle? Tell them you know they are the responsible party. Second, SHAME: Call out the responsible parties so everyone knows what they've done, particularly but not only those impacted by the budget cuts. Tell them they should be ashamed of what they have done to the CSU. Finally, FEAR: Tell those responsible that they should be afraid, because their decisions putting the CSU in jeopardy will cost them. We need to get

organized (remember, Raphe is a political scientist) so that these decisions and who is making them are widely known and accountability can be exacted.

I teach the senior seminar in my department on how to advocate on behalf of children, adolescents, and families, so it should not come as a surprise that I completely agree with Raphe's call to action. Numerous times in the past several months and years, we have seen stories in the media showing students — but not so many faculty — protesting the budget cuts to higher education in California on the evening news. (True, there are far more students than there are faculty in higher education...). Often, the occasion is the Board of Trustees/ Regents meeting, where student fee hikes are approved with greater frequency and in larger amounts in recent years. Less frequently, the protests are at the Capitol, where the budget cuts to higher education are initiated by the Governor and finally agreed upon by the Governor and the Legislature.

I agree that we need to do a better job of bringing attention to those who are guilty of undermining California's renowned higher education system, and holding them accountable for their choices. It starts with the Governor and the legislators. Shouldn't we be standing up with the students and other constituencies, because we share a common interest in making sure that those responsible for the budget cuts are known to the public and held accountable? As educators, I think we all agree that future prosperity in California is dependent upon the preparation and capacity of the next generation to meet the challenges — challenges that are currently expected or known as well as those that are unknown but will undoubtedly present themselves in the future. Students communicate the impact of these budget choices on their ability to succeed in college, but faculty, staff, and administrators can speak to the impact of budget cuts on the California's current and future economy.

Likewise, Dr. Sonenshein's admonition to stand for quality and communicate CSU's value is also crucial. Other presenters at the event presented evidence related to this point.

- Dr. Stephen Stambough showed that the public has favorable perceptions of the three higher education systems (community college, CSU, UC), with 60–70 percent rating them as excellent or good. Two-thirds also overwhelmingly view college education as important for a person to be successful.
- Jane Wellman pointed out that the price of public four-year universities has grown second only to health insurance over the past decade, and a declining share of Americans agree that college education is affordable.
- President King Alexander showed the cost effectiveness of the CSU in terms of spending per degree, which is particularly impressive given the large percentage of students with Pell grants that we serve.
- Jeff Selingo discussed how changes in the newspaper industry might portend changes in higher education, and he posited that the aspects of higher education that are most difficult to replace by services on the Internet include the university "experience," maturing students, and the student/professor relationship.
- Dr. William Tierney explored impediments and strategies to increase degree production, noting that it is unlikely that the state will increase capacity by building the 13 additional campuses needed to achieve the target of one million additional students in postsecondary programs by 2020 and that all higher education institutions need to play a role.
- Many of the presenters also pointed out that the value of higher education is also under scrutiny.

Thus, careful messaging about the value of the CSU to the public and its role in the state's future is critical. We should evaluate our message, the best messengers to employ, and the audiences most critical to address.

Finally, and of highest importance, we must continue our commitment to quality so that the public trust in our ability to contribute to society is strengthened. Each of us can play an important role in advocating for public higher education, and all of us need to work together — alumni, students, staff, faculty, and administrators—to tell the story of how Cal State Fullerton contributes to the public good.

Cost Control and Public Support for Higher Education: O.C. Business Leader Opinions



By Keith Boyum

Interim Executive Assistant to the President and Professor Emeritus of Political Science

The CSUF Center for Public Policy surveyed Orange County business executives on cost control for higher education. The executives were asked questions from the PPIC survey, as well as questions drawn from work by Jane Wellman, founding director of the Delta Project. Dean Anil Puri (Mihaylo College of Business & Economics) provided the list of respondents contacted by the CSUF Social Science Research Center. The typically modest response rate of 10 percent precludes generationizations but the results may be valuable for a holistic appreciation of phenomena.

The Orange County executives offered a contrast to statewide residents surveyed by PPIC in the following ways. They:

- agreed much more strongly that, in order to improve higher education, it is important to use existing state funds more wisely.
- assigned only medium or high priority to increasing funding for California higher education, whereas statewide residents chose "very high" priority when asked the same question.
- were noticeably less willing to pay higher taxes for support of higher education.
- believed California would *not* have enough graduates in the future.

We also asked about actions that universities might or should take in response to funding shortfalls, something not asked of the PPIC statewide sample. The business executives agreed strongly that universities should:

- change program mixes, emphasizing needed / popular programs in contrast to less well-subscribed academic programs.
- work hard to reduce the cost of benefits in employee compensation packages.
- consolidate administrative functions.
- admit fewer students.
- embrace learning via the Internet.
- vigorously seek improvements in learning productivity, to feature more of such things as credit via exam.
- provide the specific professionals that California needs most.
- encourage graduates to live and work in this region / state, in order to recapture public investment in their educations.

The Unbundling of American Education

In this era of budget cuts, Tierney argues that public higher education have to change if we are to meet President Obama's goal to have the highest proportion of college graduates in the world by 2020. California, he says, has no plan regarding public colleges and Universities (budget cutting is not a plan). Some may say that there is no need for more college graduates as many can't find employment, but he believes there's a need to help reduce unemployment and underemployment for kids from low income homes and working adults. His plan includes sustainable rather than disruptive change. While higher education is changing, the value it has

for its citizenry will remain high. Tierney suggests that education be speeded up with no summer slumps. Students would automatically move from 11th grade into 12th and 13th grade, focusing on learning outcomes rather than credits and seat time in a classroom. Faculty would focus on what their best asset and role could be rather than being forced to do it all. In general, there should be a closer synthesis between high schools and colleges with an emphasis in writing so that colleges wouldn't have to focus on that but on skills and knowledge to move students into jobs. Non-profit and forprofit universities would also be an integral part of this new synthesis. 80



William G. Tierney Director USC Center for Higher Education Policy Analysis



Jeffrey J. Selingo V.P. & Editorial Director *The Chronicle of Higher Education*

Newspapers, book stores and music distributors failed to recognize soon enough how the Internet would disrupt their business models. Selingo posed the provocative question, "Is higher education next?"

The Disruption of Higher Education in California

On the one hand, 2000-2009 witnessed a dramatic increase in enrollments at undergraduate institutions (38%) and in the number of degree and credential programs (20%). But that growth was paralleled by sharp rises in the cost of education, as much as 39 percent for private institutions and 68 percent for public universities — expenses students seemed willing to pay as employers demanded more education.

But 2008 saw a paradigm shift. Families could no longer use their homes as ATMs and cash-strapped governments reduced their support. Value, not price, became key. Would students realize a real return – a job and the ability to repay loans – on their investment? Could the Internet provide value more cheaply than traditional higher education? Key to the analysis, according to Selingo, was recognition that education was a bundle of services intended to provide students with tools to help them make critical personal and professional decisions for a lifetime. Some - lower level and core courses or credentials - could be acquired online while others - the opportunity to mature and, most important in Selingo's eyes, interact with professors - were available only in a traditional setting. While student services - climbing walls, dining halls - had been significant in attracting students in the past, institutions now would have to show academic rigor as an index of value. He concluded with a set of guiding questions. What's your ambition? Where will you play (can't play everywhere)? How to win? What actions will enable you? How do you drive change? 🔊

Voters Support For and Perceptions of Higher Education in California



By Steven Stambaugh

Associate Professor & Chair Politics, Administration & Justice

At the keynote address of a Teaching and Learning Conference in Washington, D.C., the APSA President addressed President Obama's recent comments in which the president compared higher education to a public utility. The basic argument is that for the sake both of our future economic growth and the health of our culture and democracy, everyone who wants to obtain a college degree should be able to do so.

In a time of economic uncertainty, it

is important to gauge public sentiment about the California State University system in terms of overall support and perceptions of the general purpose for the system. According to data from the Public Policy Institute of California, Californians have a very positive view of the system. Almost 70 percent of those surveyed rated the CSU system as either "excellent" or "good." Furthermore, nearly two-thirds of those surveyed agreed with the statement, "Do you think a college education is important for a person to be successful?" Women were slightly more likely to agree with this statement than were men, and self-identified liberals were more likely to agree with the statement than were self-identified conservatives.

Finally, there is an important difference in the perceived purpose for education depending upon the respondent's level of education. A plurality of those who do not have a college degree believes that the purpose of education is more vocational. A plurality of those with college degrees believes the purpose is personal/intellectual growth. One challenge for leaders in Higher Education is to understand this slight disconnect and incorporate it into future planning. **PO**

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It is designed to stimulate discussion, debate, and understanding of a variety of important issues that the Senate addresses.

Individuals are encouraged to respond to the materials contained in the Senate Forum or to submit their own contributions.

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