

Campus-Based Perspectives From A Long-Time Provost

A Private Higher Education Assessment

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Executive Summary

The environment for all of higher education has become much more challenging in recent years. Many private institutions typically have modest endowments and have had to engage in considerable tuition discounting. Additional challenges include enrollment fluctuations and changing student demand. Faculty, however, have specific expertise and credentials and are not interchangeable as demand changes; further, many faculty also are working longer. Thus many private institutions are left with fewer discretionary resources (as discounting increases), and higher fixed costs (given greater faculty seniority). Private higher education offers a more personalized student experience made possible by a higher cost structure. Smaller class size, a lower student-faculty ratio, more choice for students, use of faculty instead of teaching assistants, and more support services all enhance the educational experience—and increase costs.

To date, the response to cost pressures at many schools has included a greater reliance on adjuncts and teaching assistants, fewer full-time tenure track faculty positions, and more unfilled faculty positions—all of which may have impact upon a more personalized student experience. Other responses to the imperative to reduce costs have included modifications of fringe benefit packages and reductions in the number of administrators and staff. What higher education needs, though, is a new business model with a greater reliance on full-time teaching lines; term tenure in place of lifetime tenure; reduced options for students when there is not critical mass to support a program; somewhat larger class sizes; and an enhanced analysis of whether administrative and staff positions established before advances in technology remain necessary.

Key Take-Aways

- Most private colleges and universities are tuition dependent and also engage in tuition discounting to attract students and bolster enrollments. Given that their average discount rate is now above 45 percent, significant resources are being diverted from academic and other operational priorities to fund scholarships.
- Enrollments tend to fluctuate in response to changes in discount rates; student interests also fluctuate, impacting enrollment in certain majors. Resources—tenured faculty and dedicated facilities—are often fixed and not interchangeable, so changing enrollments and changing demand can result in staffing and facilities imbalances.
- Private higher education provides an enriched, personal student experience, which justifies its higher cost. The more resources are diverted to scholarships, the more difficult it becomes to finance and provide that more personal experience. If the distinctions between public and private higher education are blurred, private higher education becomes less competitive and less attractive.
- Today, tenure is forever and post-tenure review is limited. Higher education's tenure system needs to return to the equilibrium that existed prior to 1993, when mandatory retirement was abolished. The adoption of term tenure—tenure that is awarded for 35 years and that is free of age discrimination—would restore that equilibrium.



I have had the good fortune of serving as provost of Hofstra University for 25 years. I still enjoy the position as much as I did when I started, but higher education has changed tremendously during these years and continues to undergo significant change. Those of us in higher education are talking more and more about emerging new faculty workforce models and other necessary changes, but what those models and changes ought to be depends on where an institution lies on the broad spectrum of American higher education institutions.

As a long-time provost, I have had many opportunities to observe trends in higher education—some good and some bad. As an economist with a specialty in higher education, and as a regular reviewer for multiple accrediting agencies, I also have witnessed the effects of those trends on many campuses and have seen some fare better than others in adapting to change. My comments are based on these observations as well as a broad economic analysis of our industry. It is important to note that I have intentionally excluded my own institution, Hofstra University, from any of the descriptions that I use to illustrate my overall view of the industry. At Hofstra, we have been fortunate to be able to weather the recent economic storm without any changes to core principles and mission. This article is a general macro assessment of private higher education rather than a micro assessment of Hofstra University.

The Present Environment

Colleges and universities operate today in a difficult environment, facing challenges on multiple fronts. While many have fared quite well, it is undeniably difficult to flourish in today's environment. I'll address the most critical challenges here.

Limited Endowment

I am immersed in private higher education, working at an excellent institution though not one that has a billion or multi-billion dollar endowment. A limited endowment clearly limits spending ability. Statistics from a July 30, 2014 article posted on Forbes.com make clear the impact the endowment has on the wealthiest schools compared to more typical colleges and universities:

The 22 schools holding half of U.S. endowment wealth enroll just 5% of higher education students.

The eight Ivy League schools in the top 22, for example, alone have over 21% of the total American endowment assets, but well under 1% of the students. Assuming a conservative 4% payout rate out of endowments, the two richest schools, Harvard and Yale, are spending over

\$2.1 billion a year for 35,000 students or about \$60,000 a student, about eight times the average appropriations state governments provide four year institutions.

Contrast the highly endowed schools with those holding the other one half of endowments. The second half serves nearly 10 times the number of students as the top 22 schools. One of us [Forbes.com co-author] attended one of the top endowed schools (Northwestern) as an undergraduate and teaches at a typical state school (Ohio State University). Both have similar enrollments, but Northwestern's endowment is nearly 18 times that of Ohio State. Assuming the same 4% payout rate, Northwestern has about \$16,800 per student in annual endowment income, compared with less than \$800 at Ohio State University. Additionally, Northwestern receives vastly more in federal grants and contracts than Ohio State to support large research programs.

Tuition Discounting

We are all, especially in private higher education, working in an environment where tuition discounting has become more and more prevalent. Ronald Ehrenberg, the Irving M. Ives Professor of Industrial and Labor Relations and Economics at Cornell University, in his 2012 article on "American Higher Education in Transition" in the *Journal of Economics Perspectives* notes that:

Part of the reason for a rise in tuition at the same time as what appears to be a decline in spending on faculty is that the *tuition discount rate*—the share of each tuition dollar that institutions returned to their undergraduate students in the form of need-based or merit grant aid—increased substantially at private four-year institutions. For example, the average tuition discount rate for first time, full-time, first-year students at private institutions reached 42 percent in fall 2008; in fall 1990, the comparable figure was 26.7 percent. In short, much of the increase in tuition revenues at private colleges and universities has been plowed back into undergraduate aid; at all but a handful of the very wealthiest private institutions, the vast majority of undergraduate financial aid dollars come from tuition revenue.

The most recent data, as reported by the National Association of College and University Business Officers (NACUBO) in July 2014 concludes that:

Data gathered from 401 private, nonprofit four-year colleges and universities participating in the 2013 NACUBO *Tuition Discounting Study* indicate the tuition discount rate for first-time, full-time freshmen grew slightly to 44.8 percent in the 2012-13 academic year and is estimated to reach 46.4 percent in 2013-2014.

In this environment it is almost impossible for an institution to not respond to discount rate changes by other institutions, especially those in the institution's peer and aspirant groups. A number of institutions of which I am aware are now above a 50 percent tuition discount rate for first year, first-time, full-time undergraduates and above 60 percent for entering law students. I have also seen evidence that significantly increased tuition discounting is occurring at graduate education programs across the country. Offering a better product/education doesn't allow an institution to not respond to its peers' discounts, at least to some degree. The fact is, none of us is offering a truly unique product. Clearly, tuition discounting is a reallocation of scarce resources, often away from the educational product institutions provide, in an effort to insure there are customers for that product.

Enrollment Fluctuations

Enrollment fluctuations are another source of uncertainty. The NACUBO study cited above also notes that,

...from fall 2012 to fall 2013, 17.2 percent of institutions participating in the study experienced a loss of more than 10 percent in their freshmen enrollment...Chief Business Officers (CBOs) at institutions who lost freshmen enrollment over the last four years (from fall 2010 to fall 2013) cite price sensitivity as one reason for falling enrollment.

This connects directly back to tuition discounting. To at least some extent, tuition discounting—either our own or that of other institutions—can lead to another round of discounting if the result on enrollment is not positive: odds are high, for example, that institutions that did not meet their projected class size goals for this academic year will offer the highest discount rates next year. The continuing increase in tuition discounting, even if it helps maintain enrollment at desired levels, comes at a significant cost as resources must shift to provide this funding. We exist in an environment of scarce resources.

Changing Student Demand

Even if enrollment is stable on an on-going basis, student demand is always changing. As noted by the National Center for Education Statistics (NCES), "in recent years, the numbers of bachelor's degrees conferred have followed

patterns that differed significantly by field of study." The Center further notes:

While the number of degrees conferred increased by 38 percent overall between 2000-01 and 2010-11, there was substantial variation among the different fields of study, as well as shifts in the patterns of change during this time period. For example, the number of bachelor's degrees conferred in agriculture and natural resources was 1 percent lower in 2005-06 than in 2000-01, but rose 24 percent between 2005-06 and 2010-11. In contrast, the number of degrees conferred in computer science and information systems was 8 percent higher in 2005-06 than in 2000-01, but the number in 2010-11 was 9 percent lower than in 2005-06.

At the present time, students across the country have demonstrated an increased interest in the sciences, engineering and health, and they are less interested in the humanities and K-12 education. Faculty, however, are of course not interchangeable. It is therefore not unusual to have departments with small classes covered by overwhelmingly full-time faculty at the same time that other departments with much larger than average class sizes are substantially increasing their reliance on adjunct faculty. It is clear that as more faculty in areas of need are hired without reducing (tenured) faculty in areas where need is no longer present, personnel costs inevitably will increase.

Retirement

When I was first hired as an assistant professor, the mandatory retirement age was 65. That subsequently rose to 70, and in 1993 the mandatory retirement age for faculty was eliminated when the exemption for faculty in the Federal Age Discrimination Act elapsed. I am totally opposed to having a mandatory retirement age, but this change has had an impact on higher education that once again limits institutional flexibility and increases our cost structure. Think about it: We have an increasing number of full-time faculty who have been at their institution for over 40 years, and even some for over 50 years. Undoubtedly, this change has an impact on cost and on the ability to shift resources. A 2014 article by Sharon L. Weinberg and Marc A. Scott published in *Educational Researcher* concludes:

Our results of an empirical analysis of nearly four decades of faculty data (from 1981 to 2009) from a large private metropolitan research university in the Northeast... show the extent to which faculty retirement behavior has changed following the enactment of the [Federal Age Discrimination] Act and the lapse of the exemption for higher

education faculty. Although only 11% of faculty who were subject to mandatory retirement remained after age 70 (perhaps those with special arrangements), we find that after the law changed that 60% of faculty no longer subject to mandatory retirement are expected to remain employed beyond age 70 and 15% will retire at age 80 or older.

Brian Kaskie, associate director of the University of Iowa Center on Aging, arrived at the same conclusion another way; Kaskie was quoted by Bill Barker in “Graying of Academia,” published by the Iowa Center in 2012:

...while colleges and universities already employ a disproportionately higher number of people age 65 and older relative to the labor force in general, a greater cause for concern is how the median age of the academic workforce has advanced significantly in the past decade...Between 2000 and 2010 the proportion of all professors 65 and older nearly doubled, and the aging professorate now outpaces all other white collar professions. Academic institutions clearly are at the front of the aging workforce boom, and how our institutions respond will serve as an example for other industries to follow.

All the factors described above—limited endowments; rising discount rates; enrollment fluctuations; changing student demand; longer term fixed costs, including a more senior faculty, no mandatory retirement, and resources that are not interchangeable—make it clear that higher education exists in a most challenging environment.

Private Higher Education Priorities: The Economic Challenge

I am a product of public higher education, and have spent my entire career since receiving my Ph.D. in private higher education. There are key differences between the public and private sectors, differences that are an important aspect of student recruitment for private higher education in general. And though tuition discounting has blurred the lines between a lower-cost public education and a higher-cost private education, for many students and families, opting for a private higher education involves a significant cost differential. I am able to defend that cost difference because of the often substantial difference in the educational experience to be had.

Private higher education institutions often offer a more personal learning experience for students, beginning with smaller class sizes and few if any of the large lectures that frequently characterize public higher education (and

result in classes of hundreds of students). To give just one example from my own institution, at Hofstra, 50 percent of the undergraduate classes enroll 20 students or fewer. This is reflected in a student-faculty ratio of 14 to 1. I view it as an important responsibility to maintain these numbers and percentages so that students are not just one of hundreds filling a chair in a large lecture hall. Instead, they receive a more personal and individualized education, and are not just a name and a number. At Hofstra this education is provided by faculty rather than teaching assistants. Now, I have no objections to teaching assistants and I certainly understand the need they fill and the support those positions provide to graduate students, but using faculty rather than TAs results in more experienced and credentialed teachers for our students. All of this also clearly implies a higher cost structure for private institutions offering smaller class sizes. For private higher education to survive and flourish, its differences from public higher education need to be made clearly visible to students and families.

Academic institutions clearly are at the front of the aging workforce boom, and how our institutions respond will serve as an example for other industries to follow.

This more personal learning experience also extends to online education. My philosophy is that in the fall and spring semesters, for undergraduates nothing substitutes for the in-person class and campus experience. Undergraduate online classes should therefore be limited predominantly to the winter and summer sessions—and there, too, class sizes should be limited and taught by full-time faculty. This emphasis on small class size and full-time faculty is also desirable for part-time graduate programs, which are increasingly offered online

Majors

Part of being successful in recruiting students is dependent on the majors offered. While the school or university itself is hugely important in attracting students, there has to be a goodness of fit, in terms of a major, for the student to actually attend and remain. Being able to add majors as new fields develop makes an institution more attractive. At the same time, reducing majors, especially those that still have a critical mass of students, is difficult. This is especially so when the discipline has a significant number of tenured faculty. In situations like this, it may not be possible to make adjustments in a reasonable amount of time. When the decline in student demand for a particular major is precipitous, the problem of having too many tenured faculty for the number of students in the area also can arise. Short

of exit incentives, the options in situations like this are very limited. As we all know, faculty are not interchangeable.

Many students change their minds and their majors after they enter college; having a large number of majors provides alternative choices for students so that change is possible while still remaining at the same institution. But just as small class size increases costs, substantial choice increases costs too.

The areas in which many colleges and universities have added or enhanced majors are the STEM fields and in the health-related disciplines. In the sciences and engineering, the cost per student semester hours is substantially higher than in education, the social sciences, or the humanities. The dedicated space required is significantly greater as well: Labs utilize more space than standard classrooms, and the cost for equipping a lab far exceeds that of a standard classroom. As an example, a number of new high tech labs Hofstra has built (in bioengineering, robotics and big data) for our undergraduate population cost in the area of \$1 million each. In an environment with a stable number of undergraduate students, the shift in majors to the sciences or engineering clearly increases costs. Further, at many universities, students are admitted to the university and allowed to choose any area they like to major in. I support this flexibility; I support this level of choice; and as I have said before, I support small classes taught by faculty—but all of this comes at a price.

The economic challenges are clear. Private institutions need to discount their prices (cutting revenues) to attract students in an environment of ever-increasing costs associated with attracting and serving these students. Higher education's current economic model may not be sustainable for all private institutions. The more we discount our price, the less we are able to maintain all our efforts to differentiate a private education from a public education. If the product distinctions are overly blurred, private higher education will be hard pressed to defend its value proposition. Students and their families need to see and feel the private higher education difference. If the difference isn't preserved, I fear for the future of private higher education.

Responses to Economic Challenges

So how do institutions respond to the formidable challenges I've described? They've undertaken a wide range of responses, a few of which I'll discuss here.

Reliance on Adjunct Faculty

Many institutions have heightened their reliance on adjunct faculty. As noted by the National Center for Education Statistics in its May 2013 *Condition of Education* update:

From fall 1991 to fall 2011, the number of faculty in degree-granting institutions increased by 84 percent. The number of full-time faculty in degree-granting institutions increased by 42 percent from fall 1991 to fall 2011, compared with an increase of 162 percent in the number of part-time faculty. As a result of the faster increase in the number of part-time faculty, the percentage of faculty who were part-time increased from 35 percent to 50 percent during this period.

This pattern is even clearer in the April 2014 AAUP Employment Status report, which reports trends from 1975-76 to 2011. In 1975-76, 36 percent of the faculty were full-time tenured faculty and by 2011, this number has declined to 21 percent. In 1975-76, 20 percent of the faculty were full-time tenure-track faculty, and by 2011 this number has declined to 9 percent. Full-time non-tenure track faculty have increased from 13 percent to 20 percent, and part-time faculty have increased from 31 percent in 1975-76 to 51 percent in 2011.

My educated guess is that this trend has continued to increase in the last few years. Salary and benefit costs are typically lower for adjunct faculty, and so this will have a positive impact on the budget. There are, of course, many very competent adjuncts, but it is important to remember that full-time faculty typically have far broader responsibilities than do adjunct faculty, such as student advisement, committee assignments, and curricular planning. Adjuncts may be capable of providing these services, but are not typically hired to do so.

One complicating factor is that in some disciplines, it is harder to recruit adjunct faculty than in others. In the sciences, finding adjuncts to teach, especially during the day, has been challenging. Working within the framework of these market factors can lead to staffing imbalances, with a much higher adjunct to student ratio in some departments and a lower-than-desired ratio in other departments. Further, although generally it is easier to find adjuncts to teach introductory level courses, this may not be the best strategy since the extra support provided by full-time faculty is especially important as students begin their college careers.

There is also a concern that the more an institution relies on adjuncts, the more quality control becomes difficult. It is challenging enough monitoring outcomes assessment effectively when there is an overwhelming reliance on full-time faculty. Given the extra work involved in the effort, it is often not even asked of adjunct faculty. As noted by Richard Moser in a commentary on adjunct faculty in the January 13, 2014 issue of the *Chronicle of Higher Education*:

To professionally evaluate and mentor adjuncts and graduate students would take an enormous resource commitment from full-time professors, which would work against the fiscal imperatives responsible for the use of adjuncts in the first place.

Professor Moser also makes the following important comments:

...when the job of teaching is separated from the job of establishing the curriculum and developing programs, faculty members become mere delivery systems of standardized content. People hired for the short-term have no incentive to understand or question the long-term educational goals of the college.

Similar disincentives exist for contingent faculty members to develop long-term relationships with students. As a result, fewer faculty members will know students well, and advising will suffer.

Adrianna Kezar, Professor of Education at the University of Southern California, noted at the June 2014 TIAA-CREF Institute Fellows Symposium:

...there has been enough research to suggest that adjuncts are impacting student learning success. Graduation rates are lower for students who take a lot of classes with adjuncts, and retention is lower, so there's a growing body of research that suggests some of the problems are associated with the nature of that role.

Research on instruction by full-time non-tenure track faculty shows that they are much closer to tenure track faculty in terms of their ability to use instructional practices that are student-centered...and on their impact on retention and graduation rates...

As a provost, I value the contribution of adjunct faculty, but I also do everything possible to keep the use of adjuncts at reasonable levels. Overall, my approach is to look for the most effective faculty, both those who are full-time and those serving on a part-time adjunct basis.

Without question, the use of adjunct or contingent faculty is a major issue today, all throughout higher education.

Open or Unfilled Faculty Lines

In managing an academic budget, especially when cost savings are necessary, leaving faculty lines open or unfilled, to the extent possible, is a necessary and prudent course of action. Some faculty retire, some faculty leave, and, unfortunately, others pass away. For faculty leaving high demand areas, the full-time faculty position can be replaced by adjunct positions, and in low demand areas, replacements may not be necessary. We have no control over the areas in which openings will occur, but it is true that when open lines are frozen, no individual is directly adversely affected and no one has to tell someone that they will have to leave because of budgetary issues.

An unfortunate consequence of what may be necessary economic measures is that the increases in both open lines and in adjuncts make it harder to increase the diversity of the full-time faculty. The reality is that if you are filling fewer new or replacement faculty lines, you have fewer opportunities to increase diversity. It is, however, becoming more and more apparent that while student diversity is rapidly increasing and becoming more reflective of society, faculty diversity is progressing far more slowly.

The issues surrounding adjunct faculty and open or unfilled lines, as well as student demand, can converge to create major imbalances—that is, departments where there are far fewer or far more than the average and desirable number of adjuncts. I am aware of the problems that have been created, and have touched on many of them in the preceding paragraphs. There just may not be viable alternatives.

A New Look at Tenure

In addition to the reduced number of tenure track positions, responses to challenging economic times for private higher education also have centered on criteria for achieving tenure. Tenure criteria typically include teaching excellence; scholarly productivity that informs and enhances teaching; service; and the long-term needs of the college or university where the person is standing for tenure. Weighting of the criteria depends on the type of university involved; in that regard, there can be vast differences between research institutions and teaching institutions. I believe in a balance. Teaching excellence is crucial but scholarship is also crucial to help assure that the material being taught is current and relevant. Service is secondary but still important, and long-term needs often are inextricably interwoven with economic factors, in both the discipline and the university overall. Factors such as the trend in student semester hours over recent years; the growth or decline in majors or in service courses; and the numbers of full-time faculty, tenured faculty, and adjuncts all enter into the equation.

In more difficult times and especially given increasing uncertainty, fulfilling long-term institutional needs clearly becomes more problematic.

Additional Responses

All the responses to challenging economic times that I have discussed so far are centered in the academic area, but clearly there are major cost centers outside of the academic area that deserve scrutiny. Nationally, it is clear that there has been a substantial increase in administrators until recent years; this increase certainly needs to be reviewed when considering possible savings, as does the level of expenditure for intercollegiate athletics. The American Federation of Teachers' 2009 report on the state of the higher education workforce from 1997 to 2007 notes that "The number of non-instructional staff grew by 24 percent from 1997-2007, with the most significant growth in the category of the professional staff, which increased by 50 percent."

The report continues:

The overwhelming percentage of these jobs were full time. While the number of all non-instructional staff grew by 24 percent from 1.2 million to 1.5 million, the number of "other professionals"—employees often referred to as professional staff—grew by nearly 50 percent, from 380,000 to 590,000 over the past 10 years. Full-time professional staff grew by 54 percent compared with 24 percent growth in the number of part-time professional staff.

The number of administrators, the majority of whom were full-time, also increased by a substantial percentage. This group grew by 41 percent, to a total of about 59,000 between 1997 and 2007. This growth was concentrated in full-time positions, with the number of full-time administrators growing by 43 percent and accounting for 99 percent of all administrators.

However, as noted by Ron Ehrenberg in his article on "American Higher Education in Transition" cited above:

These [student service] expenditures are viewed by some critics as discretionary "frills" that make no direct contribution to students' persistence in and graduation from college. In Webber and Ehrenberg (2010), we showed, however, that they do positively influence both first-year persistence rates and graduation rates of undergraduate students at four-year academic institutions.

Thus, in student services and in all the non-academic areas, there are often valid reasons for cost increases, and care must be exercised in trimming these expenditures. But too many universities offer as many options as possible in an effort to enhance their attractiveness to students. A careful review of this course of action is more than justified, and we need to seriously consider whether an economic model that attempts to deliver all things to all potential and actual students is a viable model. Yet, while fewer options offered would translate directly into personnel and other savings, the impact on enrollment could potentially more than negate those savings.

It is important to consider other possibilities for reducing labor costs. In addition to open faculty lines and increased adjunct utilization as discussed above, like every other industry we also need to review fringe benefits and potential savings in that area. Two key areas typically scrutinized first are pension contributions and health care contribution/co-payments. In the area of pension contributions, reductions are often phased in with the hiring of new employees; with health care, cost reductions are often secured through higher co-pays and premiums.

Long-term savings can also be accomplished by providing retirement incentives to help faculty decide to retire sooner. Often these incentives are offered to faculty who are tenured and/or who have been at the university for more than a certain number of years. These faculty incentives are sometimes targeted to a particular college, department or discipline where the level of student demand may not justify the existing level of staffing. Because faculty work in an environment where there is substantial discretionary time, these incentives need to be robust or they will not be effective.

A New Business Model

I believe that higher education's business model is not in need of radical change, but that significant change is definitely needed if the model is to be sustainable over the long-term.

Flexibility in Faculty Responsibilities

First, we need more flexibility in faculty responsibilities. The typical tenure track or tenured faculty line specifies a set number of teaching hours per semester or per year. For many institutions, that number is nine hours each semester (18 total for the academic year) though that can vary anywhere from 3 to 15 hours per semester. There are often downward adjustments in the hours taught, but rarely if ever is there an increase on anything other than a volunteer, extra compensation basis. The 18 hours per year, as I discussed earlier, is based on expectations with regard to teaching

quality, scholarly productivity, and service. But in the life cycle of a faculty member, it is not unusual for the person to be more involved with scholarship earlier in their career than in the later stages. In these later stages, or whenever the scholarly productivity diminishes, wouldn't it be a reasonable expectation for the tenured faculty member to teach more? Yet expectations regarding a "normal" teaching load and contractual constraints prevent needed flexibility. I would even leave the choice up to the tenured faculty member to decide on whether to substitute more teaching for the expected level of scholarship. But it should not be the case that when scholarship diminishes there is no expectation of a greater effort in another critical area.

"Clinical" Faculty Lines

Establishment of more "clinical" faculty lines would enhance financial sustainability. I recognize that there are benefits to scholarship that inform teaching, but am aiming to shape a lower cost model that doesn't shift even more reliance onto adjunct faculty. I would recommend that clinical faculty members with contracts of varying lengths be hired. Their first appointment would be for one year, their next reappointment would be for three years, and that would be followed by a series of five-year contracts. These clinical faculty lines, sometime also referred to as "executive in residence" lines, would have a more substantial teaching obligation, no research responsibilities, and would also include service responsibilities similar to those of tenured and tenure track faculty. These positions would be full-time lines, with commensurate benefits. In my opinion, the teaching load should be 12-15 hours per semester. Quoting once again from Adrianna Kezar, the research has shown that "full-time non-tenure track" faculty tend to be closer to tenure track faculty rather than adjunct faculty in their "impact on retention and graduation rates."

School and university statutes, past practice, and collective bargaining agreements can limit the ability of higher education to move in this direction. It is ironic that often no such barriers are in place for increases in adjunct appointments. Change is clearly called for.

Term Tenure

When I was hired as a faculty member on a tenure track assistant professor line, mandatory retirement was at age 65 as mentioned earlier. I received my tenure at a relatively young age and would have served for approximately 33 years before I had to retire. Subsequently, retirement increased to 67 years old and ultimately 70 before mandatory retirement ended in 1993. Prior to the end of mandatory retirement, tenure always was awarded for a limited number of years. I don't believe in mandatory retirement but I also don't believe that tenure should be ever-after. If higher education were to

move to term tenure—that is tenure awarded for a specific number of years (and I would choose 35 as that number)—we would be restoring an important equilibrium in our higher education system without practicing age discrimination. At the end of the 35 years, the faculty member could be reappointed on an annual basis, depending on performance and institutional needs. There would not be a lifetime guarantee of employment with no flexibility in the system, necessitating costly incentives to convince senior faculty to move on. Today's system results in more senior and higher-priced faculty, and added expenses in order to reduce the number of such faculty.

We cannot, all of us, be all things to all enrolled and prospective students.

We need to go back to a system of tenure for a substantial but nevertheless limited duration—the system that was in place when tenure was developed. Thirty-five year tenure preserves the purpose and heart of tenure and doesn't in my opinion change the number of years that can and will likely be served by the majority of tenured faculty. It also will lead to more tenure track opportunities and help to stem the contraction of those opportunities that is now taking place.

It is also important to note that a more robust system of post-tenure review is needed on most of our campuses. The reality is that senior colleagues are often reluctant to question any aspect of the performance of other senior colleagues, and in most of higher education post-tenure review is more perfunctory than it should be.

Additional Revisions to the Business Model

Additional aspects of higher education's business model warrant revision. We cannot, all of us, be all things to all enrolled and prospective students. I am proud to work at an institution that offers students an amazing array of choices. But it is incumbent upon all of us to determine how many majors is appropriate for our institution, and whether undergraduate majors and graduate programs with low enrollments should—unless they are critical for the institution and its students—be eliminated. Perhaps at the same time, for larger programs, we should review the number of electives and the frequency with which the electives (and even required courses) are offered.

As I have made clear, I am a fan of small classes, as I believe they maximize the opportunity for learning together and enhance personal growth and development. But given the cost of a significant percentage of small classes, fine tuning of class size may be appropriate and helpful.

My final suggestion for a revised business model for higher education is that to the extent possible, institutions need to scrutinize carefully the need for positions that are not crucial to their mission. This, too, is challenging to implement. Student needs and the required support have increased dramatically over the years, just as has been the case in K-12 education. Not just students, but parents in particular look for extensive student services and campus facilities. The marketing that so many institutions need to undertake to meet enrollment goals is necessary; increased fundraising activities are necessary; and government regulation has certainly increased our administrative costs. However, while I strongly agree that change needs to come to the academic area, I believe that academics are the heart of the university. We need to always look for savings in non-academic areas to be certain that we have done all that we can realistically do

there in terms of containing costs before we make further adjustments in the academic area.

Conclusion

If higher education were not faced with major economic issues and future uncertainty, my suggestions would be more limited and modest; however, our present and likely future requires a more substantial response. I am confident that we in higher education—and especially private higher education—can successfully meet our challenges, but not without significant change. Business as usual is a thing of the past and the time for change is now. Higher education leaders need to implement the changes that are most likely to create a sustainable future for their institutions before less desirable change is forced upon us.

About the Author

Herman A. Berliner is provost and senior vice president for academic affairs and the Lawrence Herbert Distinguished Professor at Hofstra University. He is one of the nation's longest serving chief academic officers. Earlier in his career at Hofstra, he also served as dean of the Frank G. Zarb School of Business and acting dean of the School of Education. In his 25 years as provost, Berliner played a vital role in the establishment of the Lawrence Herbert School of Communication, the School for University Studies, Hofstra University Honors College, the School of Engineering and Applied Science, the School of Health Sciences and Human Services, and the School of Graduate Nursing and Health Professions. Berliner's areas of specialty as an economist include the economics of higher education. He also serves as a TIAA-CREF Institute Fellow, president of the North Shore School Board, and as a board member of The New 42nd Street.