

Discussion Points

1. The New Jersey Student Tuition Assistance Reward Scholarship Program (NJ STARS) was established in 2004. The NJ STARS Program, P.L.2004, c.59, provides that subject to the prior application of other grants and scholarships against the cost of county college tuition and fees, a student who graduates in the top 20 percent of the student's high school graduating class is eligible for a scholarship for the first year of enrollment on a full-time basis in a county college. After that student's first year of enrollment, the scholarship is payable if the student attains a 3.0 grade-point-average by the start of the student's second year of enrollment.

The NJ STARS II Program, P.L.2005, c.359, allows an eligible student who received a scholarship under the NJ STARS Program to continue on, tuition free, to a New Jersey four-year public institution of higher education following graduation from the county college. Under the program, for each eligible student enrolled in a full-time course of study at a New Jersey four-year public institution of higher education, a scholarship was paid to the institution in the amount of \$2,000 for each semester of enrollment during the 2006-2007 academic year. For each academic year thereafter, the amount of the scholarship is increased by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education; except that the amount of the scholarship cannot exceed \$2,500 per semester. The scholarship amount for FY 2008 is \$2,068 per semester. The institution is required to waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeds the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. Provided that the student maintains eligibility for participation, the NJ STARS II scholarship is available for up to four semesters.

The Governor has recommended language (page D-340) which provides that for the 2008-2009 academic year, first-time NJ STARS students with a family income of \$100,000 or above will not be eligible to receive a NJ STARS award and has estimated that imposing this income limit will result in a savings of \$2.5 million in FY 2009.

- **Question:** If the proposed \$100,000 income threshold was applied to current freshmen NJ STARS students, how many and what percentage of current NJ STARS students would not be eligible for a scholarship? What would the corresponding savings be?

Response: If the proposed \$100,000 income threshold were applied to current freshmen, it is estimated that 658 current NJ STARS recipients (39.4%) would no longer be eligible for NJ STARS. At 2007-08 award levels, this would be a savings of approximately \$2.18 million.

- **Question:** Please provide information on how the \$2.5 million estimated savings was derived.

Response: The estimated \$2.5 million savings for the 2008-09 academic year was extrapolated based on Fall 2007 NJ STARS payment data as of January 2008 and

projected Spring 2008 payments. Spring 2008 NJ STARS payments are projected to total 95% of Fall 2007 payments, consistent with prior-year data. The total was then increased by 8% to reflect anticipated 2008-09 tuition and fee increases at the county colleges and then increased by 10% to reflect the anticipated program growth.

- **Question:** How many and what percentage of current freshmen NJ STARS students would be impacted if the threshold was increased to \$110,000, \$120,000 and \$130,000 respectively? What would the corresponding savings be at each threshold amount?

Response:

<u>Family Income</u>	<u>Current Freshman NJ STARS</u>	<u>Est. Savings</u>
\$100,000 and above	658 students (39%)	\$2.18 million
\$110,000 and above	506 students (30%)	\$1.68 million
\$120,000 and above	403 students (24%)	\$1.33 million
\$130,000 and above	320 students (19%)	\$1.07 million

- **Question:** Will students who would have been eligible for NJ STARS except for a family income of \$100,000 or above be eligible for a NJ STARS scholarship award should their family income decrease below \$100,000 after initial enrollment in a county college? How will the proposed income limit impact the NJ STARS and NJ STARS II Programs in the long term?

Response: If enacted, students for this upcoming year whose family income exceeds \$100,000 would be ineligible for funding. The Legislature will need to revisit this limit in subsequent year budgets. HESAA continues to work with the Governor's Office and the Legislature to outline specific program requirements and funding levels. The proposed income limit would reduce the number of students eligible to participate in the NJ STARS and NJ STARS II Programs. In addition, it would reduce the total amount of NJ STARS II funds paid by the four-year public institutions in the out years.

2. The Veterinary Medicine Education Program was established in 1971 under N.J.S.18A:71B-47. The program provides for contractual agreements between the Higher Education Student Assistance Authority (HESAA) and out-of-state schools of veterinary medicine for the acceptance of New Jersey residents who have been residents of the State for twelve consecutive months. Under the statute, the schools receive a capitation subsidy toward the cost of education in return for a number of reserved spaces for New Jersey residents. In FY 2006 the State provided \$1.4 million to fund 96 students. In FY 2007, funding for the program was reduced by more than 50 percent to \$687,000, the same as the FY 2008 adjusted appropriation and the FY 2009 recommended appropriation. Evaluation data suggests that seven schools currently participate in the program which serves 77 students and that the same number of schools will participate in FY 2009 with 66 students being served. However, information submitted to the Assembly Budget Committee by the New Jersey Veterinary Medical Association indicated that 4 of the 7 contract schools have dropped out of the program and are no longer reserving seats exclusively for New Jersey

residents. Consequently, only 8 reserved seats were available under the program in FY 2008. The association has also indicated that due to lack of full-funding for the program the remaining schools may also decide to terminate the contracts that are currently in place.

- **Question:** How has the current funding level impacted the program? How many schools are participating in the program in FY 2008 and how many are expected to participate at the FY 2009 recommended funding level? The New Jersey Veterinary Medical Association has indicated that when fully funded, the program supports approximately 24-25 new seats annually and that the FY 2008 appropriation supports 8 new seats. How many new seats will the FY 2009 recommended appropriation support?

Response: The current FY 2008 funding level has reduced the number of freshman contract seats to eight (8) and forced a reduction in the per seat contract amount to 59.4% of FY 2006 contract levels. As a result, four of the seven contract schools that have participated in the program which include the University of Pennsylvania, Cornell University, Iowa State University, and the University of Illinois, have not accepted new students through the New Jersey contract program this year. Three of the contract schools including Tuskegee University, Oklahoma State University, and Tufts University have accepted new contract students in FY 2008 and are anticipated to continue to accept new students through the contract program in FY 2009. The program will support an additional eight (8) freshman contract seats at the funding levels recommended in the Governor's FY 2009 budget.

3. During an investigation of the Higher Education Student Assistance Authority (HESAA), the Office of the Attorney General found that HESAA had entered into a "marketing and servicing" agreement with Sallie Mae beginning in 2001 and had subsequently terminated the contract in 2007. Press reports indicate that HESAA was paid \$2.2 million annually for helping the lender to increase its loan portfolio at New Jersey institutions of higher education. The investigative team has stated that a revenue account in the Department of the Treasury is maintained on HESAA's behalf and is presumably where the proceeds from the contract and other revenue generated by HESAA are deposited. State accounting records indicate that spending authority of \$52.9 million was established in FY 2008. Of that amount, \$12.4 million has been transferred from the account and an additional \$4.7 million has been expended. Roughly \$48.2 million remains in the account.

- **Question:** For what purpose were the expended (\$4.7 million) and transferred (\$12.4 million) amounts used? For what purpose will the remaining \$48.2 million be used? Please provide a plan and timeline for "spending down" the account balance, including information on what programs will be funded with the balance.

Response: The Attorney General has required that HESAA utilize the lender generated revenue to provide direct borrower benefits to students. Since 2000, HESAA has saved students more than \$33 million in federal loan fees. Of that amount, during FY 2007 HESAA paid \$1.6 million in federal default fees on behalf of students (decreasing their costs of borrowing), as well as \$0.6 million to reduce the interest costs charged to

students and their families under the HESAA-administered State supplemental loan program, NJCLASS. For FY 2008, this fund will continue to pay \$2.5 million in federal default fees on behalf of students, thereby reducing the amount that each student needed to borrow. The FY 2008 year-end balance of funds in the account is projected to be \$6.4 million. Continuing the HESAA Board's commitment to reducing the cost of borrowing to students and in meeting the requirements of the agreement with the Attorney General, HESAA will continue to pay the student loan default fee in FY 2009.

The amounts referenced in this discussion point pertain to the Guaranty Agency Operating Trust Fund which, under the federal Higher Education Act (HEA), is restricted to funding the ongoing costs of administering student assistance programs and federal operations.

Under the Higher Education Reconciliation Act of 2005, lenders are permitted to pay the fee on behalf of students to the Authority. Federal guidelines require that all default fees (1% of loan amount) are paid within 45 days of disbursement. The \$4.7 million expenditure represents HESAA's up front payment of this fee prior to the reimbursement from lenders who are paying the fee for students.

Per OMB procedures, the \$12.4 million year-to-date amount transferred represents part of the FY 2008 amounts required to be paid to the State General Fund as reimbursement of HESAA federal program costs initially booked in the federal funds section of the New Jersey Comprehensive Financial System (NJCFIS). This is a routine State financial process.

4a. The FY 2009 funding for the Tuition Aid Grant Program (TAG) will increase by \$14.9 million (6.5 percent) from \$230.2 million in FY 2008 to \$245.1 million in FY 2009. The budget indicates that the FY 2009 recommended appropriation will provide an estimated 51,929 awards in the 2008-2009 academic year, 893 more than the number provided in the 2007- 2008 academic year.

For FY 2003 through FY 2009 as recommended, TAG policies and assistance levels have been set year by year through appropriations language. For some students, assistance levels have lagged further behind current tuition rates than others, based upon their level of need and whether they attend public or independent institutions. In no year during that time period has the State fully funded TAG assistance awards in accordance with statute.

When fully funded, TAG awards for the neediest students fund up to the full tuition costs at public institutions, and up to 50 percent of the average tuition at independent colleges and universities.

- **Question:** Please explain how budget language for FY 2009 as recommended modifies the statutory TAG program.

Response: State appropriations have been insufficient to fully fund the TAG table as specified in statute. Over the past four academic years, students in all sectors who demonstrated the highest need (those in the first NJEI cell of the TAG table) received maximum awards, reflecting a one-year lag compared to tuition, while all other awards reflected a three-year lag. The only exception occurred during FY 2007

when additional funds were appropriated to increase awards for the neediest students.

The language in the Governor's recommended FY 2009 budget would modify this by reducing TAG awards for all newly admitted individuals at independent institutions to the same dollar award provided to Rutgers' students, including students in the first award cell of the TAG table.

To put this in context, in the current year (2007-08), a newly admitted individual at an independent institution who qualified for a maximum TAG award (average family income of \$15,400) received an annual award of \$10,236. If the Governor's recommended budget language were in place for the current year (2007-08), that student would have received an annual award of \$7,922, a decrease of more than \$2,300. In addition, awards to all other newly admitted individuals at independent institutions (TAG recipients not receiving a maximum award) would have been reduced to reflect Rutgers' TAG awards.

2008-09 TAG award values will be established by the HESAA Board in July. In late July, students will be notified of final 2008-09 TAG award values.

- **Question:** Please use hypothetical examples of students enrolled in a public institution to explain the relationship between TAG awards and tuition under the FY 2009 recommended budget.

Response: As 2008-09 tuition levels and TAG award values have not been established, the following examples are based on 2007-08 data.

Rutgers, The State University - 07-08 tuition - \$8,451

First TAG Award Cell	- \$7,922—covered 93.7% of 07-08 tuition
Second TAG Award Cell	- \$6,394—covered 75.7% of 07-08 tuition

State Colleges - 07-08 average tuition - \$6,406

First TAG Award Cell	- \$6,036—covered 94.2% of 07-08 tuition
Second Award Cell	- \$4,920—covered 76.8% of 07-08 tuition

County Colleges – 07-08 average tuition - \$2,344

First TAG Award Cell	- \$2,238—covered 95.5% of 07-08 tuition
Second TAG Award Cell	- \$1,906—covered 81.3% of 07-08 tuition

FY 2009 (Academic year 2008-09) - Awards for students in the first TAG cell (the neediest students) will be based on 2007-08 tuition charges at public institutions and should cover between 92-100% of the 2008-09 tuition, depending upon tuition increases at each public institution.

Awards for students in all other NJEI cells will be increased proportionately based on 2005-06 tuition levels, a three-year lag.

- **Question:** What is the estimated cost to HESAA of funding all TAG awards based on the tuition rate for the 2007-2008 academic year, a one-year lag?

Response: The estimated cost is \$269.645 million, which would require additional funding of \$37.028 million above FY 2008 resources.

- Please provide an estimated TAG table showing FY 2009 TAG awards distributed by New Jersey Eligibility Index (NJEI), sector, average award amounts, number of awards, and total estimated cost based on the FY 2009 recommended appropriation and language provision.

Response: The FY 2009 TAG table is not yet available and remains under development, subject to ongoing revisions as institutions continue reporting Spring 2008 enrollment status.

Question: In response to a question posed as part of the FY 2008 OLS budget analysis regarding the rate at which the student loan indebtedness of TAG award recipients has been increasing, the authority indicated that it was in the process of analyzing this issue. What is the status of the analysis? Please provide the Legislature with the authority's findings on the subject.

Response: HESAA's analysis indicates that the percentage of TAG recipients borrowing through the Federal Stafford Loan Program (administered by HESAA) and/or the NJCLASS Program (NJ's supplemental loan program) has increased from 39.3% during the 2003-04 academic year to 46.1% during the 2006-07 academic year. (Note: Data for TAG recipients borrowing through the Federal Direct Student Loan Program are not available to HESAA. As a result, federal student loan indebtedness of TAG recipients attending Rutgers, Monmouth, Kean, Ramapo, Stevens, NJIT, and Mercer was not considered.)

The average student loan indebtedness for TAG recipients demonstrating the highest need (those in the first TAG award cell from families with estimated average incomes of \$15,400) increased by 17% between the 2003-04 and 2006-07 academic years from \$9,274 to \$10,848. Loan indebtedness for all other TAG recipients has increased by 12.2% from \$10,917 to \$12,251 during the same period.

4b. Language proposed in the FY 2009 recommended budget changes the TAG policy for independent institutions. The language stipulates that effective with the 2008-2009 academic year, TAG awards for newly-admitted students at independent institutions will not exceed the corresponding amount available for a student attending Rutgers, The State University. The current TAG policy for eligible students attending an independent college provides a TAG award of up to 50% of the average tuition at the independent colleges. Evaluation data included in the FY 2009 recommended budget suggest that under the new

TAG policy for independent colleges the number of TAG awards at independent colleges will decrease by 409 from 10,796 in FY 2008 to 10,388 in FY 2009. Page B-45 of the FY 2009 recommended budget indicates that the change will result in a savings of \$5.4 million in FY 2009.

- **Question:** Please provide information on how this policy will impact incoming freshmen TAG recipients at the independent colleges.

Response: The language in the Governor's recommended budget would cap TAG awards for newly admitted individuals at independent institutions to Rutgers' TAG award values.

As noted in the response to question 4a. above, at 2007-08 award levels, a newly admitted individual at an independent institution who qualified for a maximum TAG award (average family income of \$15,400) received an annual TAG award of \$10,236. If the Governor's recommended budget language were in place for the current year (2007-08), that student would have received an annual TAG award of \$7,922, a decrease of more than \$2,300. In addition, awards to all other newly admitted individuals at independent institutions (TAG recipients not receiving a maximum award) would have been capped to reflect Rutgers' TAG awards.

At least 100 students at independent institutions with average family incomes of \$55,400 would no longer qualify for TAG awards for the 2008-09 TAG awards if the Governor's recommended budget language were adopted.

2008-09 TAG award values will be established by the HESAA Board in July. In late July, students will be notified of final 2008-09 TAG award values.

- **Question:** Please use hypothetical examples of independent college students in various cells of the TAG table to explain the impact of the current TAG policy vs. the impact of the proposed TAG policy.

Response: Examples attached.

- **Question:** Is the new TAG policy likely to cause students who come from New Jersey's neediest families to reconsider college due to the proposed reduction in aid?

Response: College students may find it necessary to reconsider their college choice and possibly their college attendance if their TAG award value is reduced.

- **Question:** How does the number of FY 2008 incoming freshmen TAG award recipients at the independent colleges compare to the number anticipated for FY 2009?

Response: This information is not available at this time as students are currently making final decisions regarding college choice. It should be noted that HESAA

began processing 2008-09 applications in late February 2008 and will continue to do so through May of 2009.

- Will students affected by the proposed policy change be able to readily secure funding to replace TAG funding?

Response: Students would have to work closely with their college financial aid administrators to identify other sources of funding. Federal student loan programs cap eligibility for first-year students at \$3,500. Students affected by the proposed language may then need to borrow through a supplemental loan program such as NJCLASS (NJ's supplemental loan program) or other private loan programs.

5. The Coordinated Garden State Scholarship Programs, which include the Edward J. Bloustein Distinguished Scholars and Urban Scholars programs, award scholarships of up to \$1,000 to high-achieving students at participating New Jersey institutions of higher education. The scholarships are renewable annually based on continued satisfactory academic standing. Evaluation data included in the FY 2009 recommended budget (illustrated below) suggest that historically the programs have awarded scholarships in the amount of \$1,000 per recipient (column A and column B). However, FY 2008 scholarship awards were reduced to \$930 annually for both first-time and recurring recipients (column C). Additionally, the data suggests that while the number of scholarships will increase to 7,760 in FY 2009 (column D) from 7,673 in FY 2008, funding to support the scholarships will not increase from the FY 2008 amount.

	Actual FY 2006 (A)	Actual FY 2007 (B)	Revised FY 2008 (C)	Estimate FY 2009 (D)	Change		Change	
					# (D-B)	% (D-B)	# (D-C)	% (D-C)
Awards	7,331	7,481	7,673	7,760	279	3.7%	87	1.1%
Funds	7,327,555	\$7,478,189	\$7,135,000	\$7,135,000	\$-343,289	-4.6%	\$0	0.0%

- **Question:** Will scholarship amounts be reduced from the 2007-08 level of \$930 in the 2008-09 academic year? If so, to which recipients – first-time, recurring, or both – and in what amount or percentage will reductions be applied?

Response: Recently revised enrollment data for the Spring 2008 semester indicates that HESAA will be able to continue offering \$930 annual awards to all Distinguished and Urban Scholar recipients for the 2008-09 academic year while remaining within proposed funding levels.

6. Under the New Jersey World Trade Center Scholarship Program (P.L. 2001, c. 442), scholarships are awarded to dependent children or spouses of New Jersey residents who were killed or are presumed dead as a result of the September 11, 2001 terrorist attacks. Scholarship assistance is available for full-time study in degree-granting programs in or out-of-State. Evaluation data included in the FY 2009 recommended budget (illustrated below) reports that the program awarded 67 scholarships in FY 2007 at a cost of \$368,779 and the same number in FY 2008 at a cost of \$435,500. Additionally, the data suggests that while the number of awards is expected to increase by 134.3 percent from FY 2008 to FY 2009,

the amount appropriated to fund the increased number of scholarships decreases from \$435,500 to \$250,000.

	Actual FY 2006 (A)	Actual FY 2007 (B)	Revised FY 2008 (C)	Estimate FY 2009 (D)	Change		Change	
					# (D-B)	% (D-B)	# (D-C)	% (D-C)
Awards	57	67	67	157	90	134.3%	90	134.3%
Funds	\$303,279	\$368,779	\$435,500	\$250,000	\$-118,779	-32.2%	\$185,500	-42.6%

(OLS provided WTC evaluation data was incorrect, above data is corrected)

- Question:** Please provide program data/information which explains why scholarship funding increases in FY 2008 by \$66,721, or 18.1 percent, although the number of scholarships remained at the FY 2007 level. Also, please provide program data/information which explains why the number of awards estimated for FY 2009 increases to 157 from the 67 scholarships awarded in FY 2008, while scholarship funding is expected to decrease by \$185,500 (42.6 percent) from \$435,500 in FY 2008 to \$250,000 in FY 2009.
- Question:** Why is the actual funding for 67 awards in FY 2007 greater than the projected expenditure for 67 awards in FY 2008?

Response: The projected expenditure for FY 2008 reflects 67 awards at the current annual maximum of \$6500. The FY 2007 figure represents the actual awards students received during the 2006-2007 academic year. The FY 2007 expenditure is lower than the FY 2008 projection due to two factors. The first factor is attendance patterns. Not all WTC Scholarship recipients attended college for both the fall and the spring semesters and therefore did not receive the maximum award.

The second factor is financial aid overawarding. NJ WTC Scholarship recipients may only receive funds, in combination with other student financial assistance, equal to their institutionally defined cost of attendance. If a WTC recipient received other financial aid awards which either totally cover or cover a very large percentage of their cost of attendance, the NJ WTC Scholarship must be reduced by the institution, and the funds remitted to the program.

- Question:** Why is the FY 2009 projection, for a larger number of WTC Scholarship recipients, lower than the FY 2008 projection for a smaller number of students?

Response: The FY 2009 projected expenditure is based solely on the anticipated annual state appropriation of \$250,000. As in previous years, the WTC Scholarship Fund, which includes private donations, will permit FY 2009 expenditures to be greater than provided for by the annual state appropriation alone.

7. The Educational Opportunity Fund (EOF) provides access to higher education for students who are economically and educationally disadvantaged by awarding supplemental financial aid to help cover college costs (books, fees, room and board, etc.) that are not covered by the Tuition Aid Grant Program. The Fund also supports campus-based outreach

and support services at 28 of the public and 13 of the independent institutions to ensure viable opportunities for students to succeed and graduate. Funding to support EOF has not increased from \$40.6 million since FY 2006, while the cost of books, fees, room and board, etc. continues to increase each year.

Question: How have the years of flat-funding impacted the EOF and student recipients? Please include information on whether the EOF has been able to serve the same number of students in each fiscal year since FY 2006 and whether the years of flat-funding have forced the EOF to curtail its services or funding to students. What funding mechanisms do students use to bridge the gap between EOF support and actual costs?

Response:

The EOF program has three core components:

- Academic year undergraduate and graduate student grants – funded by Opportunity Grants.
- Academic year support services – funded by Supplemental Grants and a minimum dollar-for-dollar institutional matching requirement.
- The summer program includes the pre-freshman college bridge program and summer funding for renewal students - supported by a combination of Opportunity Grants (Article III) and Supplemental Grants (Article IV).

Student Awards

- The EOF grant has remained level since fiscal 2006, requiring students to rely on increasing levels of aid from other federal, state, and institutional sources to meet the direct costs of attendance (Tables 1 – 3).
- The EOF program provides access to students from the state's neediest families. The EOF student eligibility criteria ceiling is 200% of the federal poverty level. The actual median family income for incoming first-time EOF dependent students is \$25,517 and for independent students is \$8,106 which falls well below the eligibility criteria.
- Over a 14 year period the EOF maximum grant has increased from \$1,100 to the current \$1,400 in the senior public sector, from \$2,100 to \$2,500 in the independent sector, and from \$750 to \$1,050 in the community college sector. The last increase in the academic year EOF grant was in fiscal 2006 (academic year 2005/06). Since this increase tuition and fees have increased an average of 15.4% at the senior public colleges and universities, 14% at participating independent colleges and universities, and 12% at the county colleges.

Table 1
Tuition and Fees, Maximum EOF Academic Year Undergraduate Award,
Academic Year 2005/06 – 2007/08 Senior Public Colleges and Universities

Academic Year	2005/06				2006/07			2007/08		
	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources		Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources
New Jersey Institute of Technology	\$ 9,822	\$ 1,400	\$ 8,422		\$ 10,506	\$ 1,400	\$ 9,106	\$ 11,350	\$ 1,400	\$ 9,950
Rutgers University Average	\$ 9,237	\$ 1,400	\$ 7,837		\$ 9,958	\$ 1,400	\$ 8,558	\$ 10,686	\$ 1,400	\$ 9,286
University of Medicine & Dentistry of NJ	\$ 7,914	\$ 1,400	\$ 6,514		\$ 8,744	\$ 1,400	\$ 7,344	\$ 9,368	\$ 1,400	\$ 7,968
College of New Jersey	\$ 9,857	\$ 1,400	\$ 8,457		\$ 10,553	\$ 1,400	\$ 9,153	\$ 11,307	\$ 1,400	\$ 9,907
Kean University	\$ 7,506	\$ 1,400	\$ 6,106		\$ 8,036	\$ 1,400	\$ 6,636	\$ 8,505	\$ 1,400	\$ 7,105
Montclair State University	\$ 7,710	\$ 1,400	\$ 6,310		\$ 8,404	\$ 1,400	\$ 7,004	\$ 8,895	\$ 1,400	\$ 7,495
New Jersey City University	\$ 7,040	\$ 1,400	\$ 5,640		\$ 7,537	\$ 1,400	\$ 6,137	\$ 8,154	\$ 1,400	\$ 6,754
Richard Stockton College of NJ	\$ 8,394	\$ 1,400	\$ 6,994		\$ 9,058	\$ 1,400	\$ 7,658	\$ 9,697	\$ 1,400	\$ 8,297
Ramapo College of NJ	\$ 8,792	\$ 1,400	\$ 7,392		\$ 9,496	\$ 1,400	\$ 8,096	\$ 9,965	\$ 1,400	\$ 8,565
Rowan University	\$ 8,607	\$ 1,400	\$ 7,207		\$ 9,330	\$ 1,400	\$ 7,930	\$ 10,068	\$ 1,400	\$ 8,668
Wm Paterson University of NJ	\$ 8,740	\$ 1,400	\$ 7,340		\$ 9,422	\$ 1,400	\$ 8,022	\$ 9,996	\$ 1,400	\$ 8,596
STATE COLLEGES AVERAGE	\$ 8,331	\$ 1,400	\$ 6,931		\$ 8,979	\$ 1,400	\$ 7,579	\$ 9,573	\$ 1,400	\$ 8,173
ALL PUBLIC SENIORS AVERAGE	\$ 8,511	\$ 1,400	\$ 7,111		\$ 9,186	\$ 1,400	\$ 7,786	\$ 9,817	\$ 1,400	\$ 8,417

Table 2
Tuition and Fees, Maximum EOF Academic Year Undergraduate Award,
Academic Year 2005/06 – 2007/08 Independent Colleges and Universities

Academic Year	2005/06			2006/07			2007/08		
	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources
Institution									
Bloomfield College	\$ 15,100	\$ 2,500	\$ 12,600	\$ 16,400	\$ 2,500	\$ 13,900	\$ 18,000	\$ 2,500	\$ 15,500
Caldwell College	\$ 18,900	\$ 2,500	\$ 16,400	\$ 20,200	\$ 2,500	\$ 17,700	\$ 22,000	\$ 2,500	\$ 19,500
Centenary College	\$ 20,720	\$ 2,500	\$ 18,220	\$ 22,165	\$ 2,500	\$ 19,665	\$ 24,350	\$ 2,500	\$ 21,850
Drew University	\$ 31,286	\$ 2,500	\$ 28,786	\$ 33,068	\$ 2,500	\$ 30,568	\$ 34,790	\$ 2,500	\$ 32,290
Fairleigh Dickinson University									
Florham Campus	\$ 24,904	\$ 2,500	\$ 22,404	\$ 26,518	\$ 2,500	\$ 24,018	\$ 28,228	\$ 2,500	\$ 25,728
Metro Campus	\$ 23,144	\$ 2,500	\$ 20,644	\$ 24,644	\$ 2,500	\$ 22,144	\$ 26,232	\$ 2,500	\$ 23,732
Felician College	\$ 19,100	\$ 2,500	\$ 16,600	\$ 19,950	\$ 2,500	\$ 17,450	\$ 21,700	\$ 2,500	\$ 19,200
Georgian Court College	\$ 19,100	\$ 2,500	\$ 16,600	\$ 20,332	\$ 2,500	\$ 17,832	\$ 22,078	\$ 2,500	\$ 19,578
Monmouth University	\$ 20,684	\$ 2,500	\$ 18,184	\$ 21,868	\$ 2,500	\$ 19,368	\$ 23,034	\$ 2,500	\$ 20,534
Princeton University	\$ 31,450	\$ 2,500	\$ 28,950	\$ 33,000	\$ 2,500	\$ 30,500	\$ 33,000	\$ 2,500	\$ 30,500
Rider University	\$ 23,470	\$ 2,500	\$ 20,970	\$ 24,790	\$ 2,500	\$ 22,290	\$ 26,230	\$ 2,500	\$ 23,730
St. Elizabeth, College of	\$ 19,640	\$ 2,500	\$ 17,140	\$ 21,150	\$ 2,500	\$ 18,650	\$ 22,547	\$ 2,500	\$ 20,047
St. Peter's College	\$ 21,190	\$ 2,500	\$ 18,690	\$ 22,650	\$ 2,500	\$ 20,150	\$ 24,026	\$ 2,500	\$ 21,526
Seton Hall University	\$ 23,460	\$ 2,500	\$ 20,960	\$ 24,720	\$ 2,500	\$ 22,220	\$ 27,850	\$ 2,500	\$ 25,350
Stevens Institute of Technology	\$ 31,435	\$ 2,500	\$ 28,935	\$ 32,995	\$ 2,500	\$ 30,495	\$ 34,545	\$ 2,500	\$ 32,045
INDEPENDENT AVERAGE	\$ 22,906	\$ 2,500	\$ 20,406	\$ 24,297	\$ 2,500	\$ 21,797	\$ 25,907	\$ 2,500	\$ 23,407

Table 3
Tuition and Fees, Maximum EOF Academic Year Undergraduate Award,
Academic Year 2005/06 – 2007/08 - County Colleges

Academic Year	2005/06			2006/07			2007/08		
	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources	Tuition & Fees	Max EOF Award	Need to be Covered by Other Aid Sources
Atlantic Cape Community College	\$ 2,625	\$ 1,050	\$ 1,575	\$ 2,735	\$ 1,050	\$ 1,685	\$ 3,030	\$ 1,050	\$ 1,980
Bergen Community College	\$ 3,173	\$ 1,050	\$ 2,123	\$ 3,501	\$ 1,050	\$ 2,451	\$ 3,702	\$ 1,050	\$ 2,652
Brookdale Community College	\$ 3,331	\$ 1,050	\$ 2,281	\$ 3,587	\$ 1,050	\$ 2,537	\$ 3,770	\$ 1,050	\$ 2,720
Burlington County College	\$ 2,091	\$ 1,050	\$ 1,041	\$ 2,223	\$ 1,050	\$ 1,173	\$ 2,685	\$ 1,050	\$ 1,635
Camden County College	\$ 2,580	\$ 1,050	\$ 1,530	\$ 2,850	\$ 1,050	\$ 1,800	\$ 3,000	\$ 1,050	\$ 1,950
Cumberland County College	\$ 3,060	\$ 1,050	\$ 2,010	\$ 3,210	\$ 1,050	\$ 2,160	\$ 3,330	\$ 1,050	\$ 2,280
Essex County College	\$ 3,165	\$ 1,050	\$ 2,115	\$ 3,345	\$ 1,050	\$ 2,295	\$ 3,540	\$ 1,050	\$ 2,490
Gloucester County College	\$ 2,760	\$ 1,050	\$ 1,710	\$ 2,880	\$ 1,050	\$ 1,830	\$ 2,880	\$ 1,050	\$ 1,830
Hudson County Community College	\$ 3,173	\$ 1,050	\$ 2,123	\$ 3,383	\$ 1,050	\$ 2,333	\$ 3,383	\$ 1,050	\$ 2,333
Mercer County Community College	\$ 2,730	\$ 1,050	\$ 1,680	\$ 2,940	\$ 1,050	\$ 1,890	\$ 3,060	\$ 1,050	\$ 2,010
Middlesex County College	\$ 3,053	\$ 1,050	\$ 2,003	\$ 3,212	\$ 1,050	\$ 2,162	\$ 3,392	\$ 1,050	\$ 2,342
Morris, County College of	\$ 3,045	\$ 1,050	\$ 1,995	\$ 3,150	\$ 1,050	\$ 2,100	\$ 3,315	\$ 1,050	\$ 2,265
Ocean County College	\$ 3,180	\$ 1,050	\$ 2,130	\$ 3,450	\$ 1,050	\$ 2,400	\$ 3,450	\$ 1,050	\$ 2,400
Passaic County Community College	\$ 2,748	\$ 1,050	\$ 1,698	\$ 2,957	\$ 1,050	\$ 1,907	\$ 3,129	\$ 1,050	\$ 2,079
Raritan Valley Community College	\$ 3,160	\$ 1,050	\$ 2,110	\$ 3,370	\$ 1,050	\$ 2,320	\$ 3,490	\$ 1,050	\$ 2,440
Salem Community College	\$ 3,305	\$ 1,050	\$ 2,255	\$ 3,305	\$ 1,050	\$ 2,255	\$ 3,395	\$ 1,050	\$ 2,345
Sussex County Community College	\$ 2,640	NA	NA	\$ 2,790	NA	NA	\$ 3,015	NA	NA
Union County College	\$ 3,009	\$ 1,050	\$ 1,959	\$ 3,240	\$ 1,050	\$ 2,190	\$ 3,390	\$ 1,050	\$ 2,340
Warren County Community College	\$ 2,925	\$ 1,050	\$ 1,875	\$ 3,060	\$ 1,050	\$ 2,010	\$ 3,263	\$ 1,050	\$ 2,213
COMMUNITY COLLEGES AVERAGE	\$ 2,934	\$ 1,050	\$ 1,901	\$ 3,115	\$ 1,050	\$ 2,083	\$ 3,275	\$ 1,050	\$ 2,239

Enrollment

- Since fall 2005, total funded program enrollment has been relatively stable (+.3%). Overall enrollment is limited by the funds available to support new students who enter college through the EOF pre-freshman summer program, and the ability of the campus programs to provide support services to additional students in the summer and the academic year.
- EOF first-time full-time fall freshmen have fallen from a high of 12.6% of all entering NJ first-time full-time freshmen during fall 1996 to approximately nine-percent (9%) of all entering NJ first-time full-time freshmen by fall 2006.
- The statewide enrollment has remained level (Tables 4-7).
- In order to maintain program enrollment many institutions have exceeded the statutory institutional match of 50% (Tables 8-11).

Table 4
Total EOF Funded Enrollment, State Colleges and Universities, Fall 2005 to Fall 2007

	Fall 2005	Fall 2006	Fall 2007	Difference- Fall 2005 -2007	
				#	%
New Jersey City	494	495	515	21	4.3%
Kean	613	583	594	(19)	-3.1%
Montclair	626	611	588	(38)	-6.1%
Montclair-HCP	55	45	55	-	0.0%
Ramapo	263	262	262	(1)	-0.4%
Rowan-Main	361	344	336	(25)	-6.9%
Rowan-Urban	143	155	157	14	9.8%
Stockton	364	340	365	1	0.3%
Coll. of NJ	319	335	357	38	11.9%
Wm. Paterson	391	386	367	(24)	-6.1%
TOTAL	3,629	3,556	3,596	(33)	-0.9%

Table 5
Total EOF Funded Enrollment, Public Research Universities, Fall 2005 to Fall 2007
 Difference-
 Fall 2005 -2007

Rutgers University	Fall 2005	Fall 2006	Fall 2007	#	%
Camden A&S	256	255	265	9	3.5%
Cook	168	149	151	-17	-10.1%
Douglass	217	223			0.0%
Engineering	162	165	186	24	14.8%
Livingston	274	262			0.0%
Newark A&S	506	500	509	3	0.6%
Nursing	79	79	83	4	5.1%
Pharmacy	69	60	62	-7	-10.1%
Rutgers Coll.	609	626			0.0%
University-NB	91	107			0.0%
SAS (Douglass, Livingston, Rutgers College, & University College)			1,245		
TOTAL RUTGERS	2,431	2,426	2,501	70	2.9%
NJIT	330	376	377	47	14.2%
UMDNJ	25	28	37	12	48.0%
TOTAL	2,786	2,830	2,915	129	4.6%

Table 6
Total EOF Funded Enrollment, Independent Colleges and Universities, Fall 2005 to Fall 2007
 Difference-
 Fall 2005 -2007

	Fall 2005	Fall 2006	Fall 2007	#	%
Bloomfield	151	131	133	-18	-11.9%
Caldwell	80	80	79	-1	-1.3%
Centenary	60	61	59	-1	-1.7%
Drew	69	61	69	0	0.0%
FDU-Tea	160	161	158	-2	-1.3%
FDU-Mad	94	96	89	-5	-5.3%
Felician	104	113	125	21	20.2%
Georgian Ct.	87	103	109	22	25.3%
Monmouth	131	137	151	20	15.3%
Rider	153	147	151	-2	-1.3%
Seton Hall	278	251	250	-28	-10.1%
Seton Hall PM	20	26	31	11	55.0%
St. Elizabeth	98	100	103	5	5.1%
St. Peter's	164	177	169	5	3.0%
Stevens	62	61	69	7	11.3%
TOTAL	1,711	1,705	1,745	34	2.0%

Table 7
Total EOF Funded Enrollment, County Colleges, Fall 2005 to Fall 2007

	Fall 2005	Fall 2006	Fall 2007	Difference- Fall 2005 -2007	
				#	%
Atlantic	197	305	278	81	41.1%
Bergen	300	317	299	-1	-0.3%
Brookdale	394	419	415	21	5.3%
Burlington	207	205	178	-29	-14.0%
Camden	199	227	230	31	15.6%
Cumberland	176	135	133	-43	-24.4%
Essex	667	812	814	147	22.0%
Gloucester	208	173	123	-85	-40.9%
Hudson	293	235	231	-62	-21.2%
Mercer	269	256	267	-2	-0.7%
Middlesex	355	363	353	-2	-0.6%
Morris	52	52	49	-3	-5.8%
Ocean	183	167	167	-16	-8.7%
Passaic	280	197	198	-82	-29.3%
Salem	86	74	73	-13	-15.1%
Raritan	85	83	73	-12	-14.1%
Union	289	267	247	-42	-14.5%
Warren	14	36	37	23	164.3%
TOTAL	4,254	4,323	4,165	-89	-2.1%

Table 8
State Colleges and Universities
Academic Year EOF Support Services – Fiscal 2008
EOF State Support/Institutional Contribution

Institution	State EOF Supplemental Grants	Institutional Contribution	Grand Total	State EOF %	Inst %
Kean	603,800	1,688,603	2,292,403	26%	74%
NJCU	394,816	747,568	1,142,384	35%	65%
Montclair reg	458,139	419,343	877,482	52%	48%
Montclair HCP	139,164	176,912	316,076	44%	56%
MSU Total	\$ 597,303	\$ 596,255	\$ 1,193,558	50%	50%
Ramapo	204,160	436,629	640,789	32%	68%
Rowan-Main	255,094	465,869	720,963	35%	65%
Rowan-Camden	173,298	266,550	439,848	39%	61%
Rowan Total	\$ 428,392	\$ 732,419	\$ 1,160,811	37%	63%
Stockton	241,995	602,676	844,671	29%	71%
TCNJ	337,237	381,512	718,749	47%	53%
Wm. Paterson	226,948	298,891	525,839	43%	57%
State College and University Sector	\$3,034,651	\$5,484,553	\$8,519,204	36%	64%

Table 9
Public Research Universities
Academic Year EOF Support Services – Fiscal 2008
EOF State Support/Institutional Contribution

Institution	State EOF Supplemental Grants	Institutional Contribution	Grand Total	State EOF %	Inst %
Camden	255,896	400,256	656,152	39%	61%
Engineering	194,402	377,337	571,739	34%	66%
Newark	594,425	750,337	1,344,762	44%	56%
Nursing	290,947	318,183	609,130	48%	52%
Pharmacy	127,487	231,890	359,377	35%	65%
SAS	1,161,530	1,523,595	2,685,125	43%	57%
SEBS	260,698	447,592	708,290	37%	63%
Rutgers Total	\$ 2,885,385	\$ 4,049,190	\$ 6,934,575	42%	58%
NJIT	495,594	1,177,335	1,672,929	30%	70%
UMDNJ-SHRP	99,788	240,563	340,351	29%	71%
Public Research Sector	\$ 3,480,767	\$ 5,467,088	\$ 8,947,855	39%	61%

Table 10
Independent Colleges and Universities
Academic Year EOF Support Services – Fiscal 2008
EOF State Support/Institutional Contribution

Institution	State EOF Supplemental Grants	Institutional Contribution	Grand Total	State EOF %	Inst %
Bloomfield	139,066	141,484	280,550	50%	50%
Caldwell	118,832	122,087	240,919	49%	51%
Centenary	84,344	101,159	185,503	45%	55%
Drew	160,494	192,075	352,569	46%	54%
FDU-Florham	127,818	246,366	374,184	34%	66%
FDU-Metro	152,683	314,031	466,714	33%	67%
FDU Total	280,501	560,397	840,898	33%	67%
Felician	84,858	174,785	259,643	33%	67%
Georgian	121,546	246,710	368,256	33%	67%
Monmouth	123,293	191,233	314,526	39%	61%
Rider	194,195	274,573	468,768	41%	59%
St. Elizabeth	116,784	117,647	234,431	50%	50%
St. Peter's	152,432	167,486	319,918	48%	52%
Seton Hall	576,249	1,090,255	1,666,504	35%	65%
SHU premed/dent	138,876	198,458	337,334	41%	59%
SHU pre-legal	21,134	-	21,134	100%	0%
SHU Total	736,259	1,288,713	2,024,972	36%	64%
Stevens	146,532	146,532	293,064	50%	50%
Independent Sector	\$ 2,459,136	\$ 3,724,881	\$ 6,184,017	40%	60%

Table 11
County Colleges
Academic Year EOF Support Services – Fiscal 2008
EOF State Support/Institutional Contribution

Institution	State EOF Supplemental Grants	Institutional Contribution	Grand Total	State EOF %	Inst %
Atlantic	178,697	281,879	460,573	39%	61%
Bergen	93,931	375,052	468,983	20%	80%
Brookdale	181,384	337,483	518,867	35%	65%
Burlington	110,232	110,232	220,464	50%	50%
Camden	211,848	226,268	438,116	48%	52%
Cumberland	240,838	252,998	493,836	49%	51%
Essex	562,943	562,943	1,125,886	50%	50%
Gloucester	102,074	102,074	204,148	50%	50%
Hudson	132,950	175,426	308,376	43%	57%
Mercer	193,534	326,112	519,646	37%	63%
Middlesex	246,219	494,677	740,896	33%	67%
Morris	104,525	137,771	242,296	43%	57%
Ocean	126,673	126,673	253,346	50%	50%
Passaic	259,501	368,080	627,581	41%	59%
Raritan	79,618	118,688	198,305	40%	60%
Salem	143,703	147,703	291,406	49%	51%
Union	266,209	290,465	556,674	48%	52%
Warren	70,000	74,850	144,850	48%	52%
Community College Sector	\$ 3,304,879	\$ 4,509,374	\$ 7,813,884	42%	58%

Academic Year Support Services

- Campus EOF programs have maintained stable levels of direct support services for students during prolonged periods of flat funding because institutional support has exceeded the statutory 50% match. During fiscal 2008, colleges exceeded the required match by \$6.9 million.
- Staff ratios vary by institution and program (Tables 12-15). With the institutions facing cuts in state funding, campus program administrators anticipate a potential reduction in institutional program match, which may have a negative impact on direct services to students in 2008-2009. Potential staff reductions would lead to increases in student/staff ratios, which have already been impacted at some college campuses.

Table 12
 EOF Academic Year Support Services, State Colleges and Universities
 Average Student/Staff Ratios EOF Campus Programs

	Fall 2005			Fall 2007	
	Professional EOF Staff	# Students	Student/Staff Ratio	# Students	Student/Staff Ratio
Kean	15	613	41	594	40
New Jersey City	8	494	62	515	64
Montclair	8	626	78	588	74
Montclair-HCP	2	55	28	55	28
Ramapo	4	263	66	262	66
Rowan-Main	5	361	72	336	67
Rowan-Urban	3	143	48	157	52
Stockton	2	364	182	365	183
Coll. of NJ	6	319	53	357	60
Wm. Paterson	4	391	98	367	92
TOTAL	57	3,629	64	3,596	63

Table 13
 EOF Academic Year Support Services, Public Research Universities
 Average Student/Staff Ratios EOF Campus Programs

Rutgers University	Fall 2005			Fall 2007	
	Professional EOF Staff	# Students	Student/Staff Ratio	# Students	Student/Staff Ratio
Camden A&S	5	256	51	265	53
Cook	5	168	34	151	30
Douglass	3	217	72		
Engineering	3	162	54	186	62
Livingston	5	274	55		
Newark A&S	6	506	84	509	85
Nursing	3	79	26	83	28
Pharmacy	3	69	23	62	21
Rutgers Coll.	6	609	102		
University-NB	1	91	91		
SAS (Douglass, Livingston, Rutgers College, & University College)				1,245	83
TOTAL RUTGERS	40	2,431	61	2,501	63
NJIT	5	330	66	377	75
UMDNJ	1	25	25	37	37
TOTAL PUBLIC RESEARCH	46	2,786	61	2,915	63

Table 14
 EOF Academic Year Support Services, Independent Colleges and Universities
 Average Student/Staff Ratios EOF Campus Programs

	Fall 2005			Fall 2007	
	Professional EOF Staff	# Students	Student/Staff Ratio	# Students	Student/Staff Ratio
Bloomfield	2	151	76	133	67
Caldwell	2	80	40	79	40
Centenary	3	60	20	59	20
Drew	2	69	35	69	35
FDU-Tea	4	160	40	158	40
FDU-Mad	3	94	31	89	30
Felician	2	104	52	125	63
Georgian Ct.	3	87	29	109	36
Monmouth	3	131	44	151	50
Rider	3	153	51	151	50
Seton Hall	11	278	25	250	23
Seton Hall PM	1	20	20	31	31
St. Elizabeth	2	98	49	103	52
St. Peter's	2	164	82	169	85
Stevens	2	62	31	69	35
TOTAL INDEPENDENTS	45	1,711	38	1,745	39

Table 15
 EOF Academic Year Support Services, County Colleges
 Average Student/Staff Ratios EOF Campus Programs

	Fall 2005			Fall 2007	
	Professional EOF Staff	# Students	Student/Staff Ratio	# Students	Student/Staff Ratio
Atlantic	3	197	66	278	93
Bergen	3	300	100	299	100
Brookdale	5	394	79	415	83
Burlington	2	207	104	178	89
Camden	3	199	66	230	77
Cumberland	3	176	59	133	44
Essex	6	667	111	814	136
Gloucester	2	208	104	123	62
Hudson	2	293	147	231	116
Mercer	3	269	90	267	89
Middlesex	4	355	89	353	88
Morris	1	52	52	49	49
Ocean	2	183	92	167	84
Passaic	5	280	56	198	40
Raritan	1	85	85	73	73
Salem	2	86	36	73	37
Union	4	289	72	247	62
Warren	1	14	14	37	37
TOTAL COMMUNITY COLLEGE	52	4,254	82	4,165	80

Summer Programs

- With multiple years of level funding, the only recourse institutions have had in their attempt to maintain bridge programs for incoming freshmen has been a combination of 1) reduced credit offerings and program duration and 2) reduction in support for upper-class students.
- Since summer 2005, upperclass enrollment in EOF summer programs has been reduced by 210. Incoming freshman enrollment in EOF summer programs has been increased by 298.
- In response, funding reductions of many campus programs have reduced the length of summer programs from the traditional six to seven weeks to four to five weeks. Many have reduced the number of credits offered.
- Many residential summer programs at the senior institutions have found it necessary to eliminate Friday through Sunday counseling sessions, study skills workshops and various activities and encourage students to go home for the weekends. Many directors feel that while these breaks are a fiscal necessity, they may cause disruptions to the continuity of the program and may negatively impact outcomes in the future.

Table 16
2007 EOF Summer Program, State Colleges and Universities

STATE COLLEGES	# weeks	# credits	Notes
Kean	6	9	
Montclair	6	3	Reduce credit courses & offer non-credit workshops; Exclude 40% of incoming freshmen from participation
Montclair HCP	6	6	
New Jersey City	6	3	Reduce credit courses & offer non-credit workshops
Ramapo	6	10	
Rowan Main	5	0	Eliminate credit courses and offer non-credit classes and workshops
Rowan Urban	6	0	
Stockton	5	8	
The College of NJ	5	8	
Wm. Paterson	6	7	

Table 17
2007 EOF Summer Program, Public Research Universities

RUTGERS	# weeks	# credits	Notes
Camden A&S	5	6	
Newark A&S	6	0	Does not offer credit for summer program
New Brunswick SAS	5	5	Restructured Douglass, Livingston Rutgers College, and University College programs into single unified program and reduced duration by one week
Engineering	6	1	Provide non-credit courses
Nursing	6	3 to 6	
Pharmacy	5	0	
SEBS	4	0	
NJIT	6	0	Provide non-credit classes
UMDNJ-SHRP	6	0	

Table 18
2007 EOF Summer Program, Independent Colleges and Universities

INDEPENDENTS	# weeks	# credits	Notes
Bloomfield	6	10	
Caldwell	5	4	
Centenary	6	11	
Drew	7	4	
FDU-Metropolitan	5	4	
Felician	4	0	Provide workshops but no credit
Georgian Court	5	6	
Monmouth	5	6	
Rider	5	9	
St. Elizabeth	6	6	
St. Peters	5	3	
SHU Main	6	7	
SHU PreMed/Dent	7	6	
Stevens	6	0	Courses not credit bearing

Table 19
2007 EOF Summer Program, County Colleges

COMMUNITY COLLEGES	# weeks	# credits	Notes
Atlantic Cape	4	0	
Bergen	6	9	
Brookdale	2 to 6	4	
Burlington	4	4	
Camden	5	5	
Cumberland	6	6	
Essex	6	3	
Gloucester	1	0	Orientation session
Hudson	5	0	
Mercer	6	4	
Middlesex	4-5	3 to 6	
Morris	2	2	
Ocean	3 days	0	Orientation session
Passaic	6	4	
Raritan	6	4	
Salem	5	7	
Union	6	8	
Warren	2	1	

8. The Governor has indicated that out-of-state undergraduate students, who do not pay the full cost of their education at a senior public institution, are subsidized by New Jersey taxpayers in the estimated amount of \$22.7 million annually. As a result, the Governor has initiated a program to eliminate the so-called subsidy by gradually phasing it out over four years. Consequently, the Governor has calculated the portion of the subsidy to be "recovered" from each institution and has reduced each institution's annual State appropriation by that amount.

The institutional aid provided to the senior public institutions, excluding UMDNJ and Thomas Edison State College, has been reduced by a total of \$10.8 million (\$5.7 million in FY 2007 and \$5.1 million in FY 2008). The FY 2009 recommended budget reduces institutional aid to the colleges by \$7.1 million to "recover" the subsidy, representing the third year of the four-year phase out.

Question: Has the so-called subsidy amount been adjusted from the original \$22.7 million estimate? Have the institutions affected by this initiative increased out-of-state tuition charges as a direct result? What formula is used to determine the annual subsidy reduction for each institution? If the FY 2009 subsidy reduction is enacted as recommended, what should the colleges expect the total FY 2010 subsidy reduction amount to be?

Response: CHE worked with OMB to respond to your question on this four-year program to reduce the subsidy impact on New Jersey residents for out-of-state students attending our public colleges. The subsidy amount has not been adjusted from the original \$22.7 million estimate. Some public institutions have increased their out-of-state tuitions. (Chart A shows 06, 07, 08 AY tuitions.) The formula used to determine the annual subsidy reduction is total education and general revenue plus adjusted state appropriation (less special purpose funds) plus adjusted net state employee fringe benefit equals the Full Cost of Education. The Full Cost of Education is divided by the weighted total student enrollment, reported annually to OMB by the colleges, to determine the per student cost of education. The difference between this per student cost and the non-resident tuition rate is multiplied by the number of out-of-state students to determine the amount of additional potential revenue the institutions could realize if the non-resident tuition were raised to the per student cost of education. This revenue number is divided by two. The state appropriation to the institution is then reduced by the result. (Chart B shows reduction by institution.) In FY 09, William Paterson University received no deduction because its non-resident tuition exceeds the per student cost of education and there is no subsidy.

We do not know what the subsidy reduction amount will be for Fiscal Year 10 because we cannot project what the state colleges and universities will charge for non-resident tuition in Academic Year 2009. In many cases, tuition levels are not final for the senior public institutions until the state budget is signed.

Chart A

NJ SENIOR PUBLIC COLLEGES & UNIVERSITIES

Academic Year	2005-2006			2006-2007			2007-2008			Percent Change		
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total
Institution												
New Jersey Institute of Technology	8,472	1,350	9,822	9,066	1,440	10,506	9,700	1,650	11,350	14.5%	22.2%	15.6%
Rutgers University Average	7,336	1,901	9,237	7,923	2,035	9,958	8,541	2,145	10,686	16.4%	12.8%	15.7%
University of Medicine & Dentistry of NJ	7,104	810	7,914	7,744	1,000	8,744	8,128	1,240	9,368	14.4%	53.1%	18.4%
College of New Jersey	7,051	2,806	9,857	7,615	2,938	10,553	8,072	3,235	11,307	14.5%	15.3%	14.7%
Kean University	4,898	2,609	7,506	5,243	2,793	8,036	5,550	2,955	8,505	13.3%	13.3%	13.3%
Montclair State University	5,581	2,128	7,710	6,028	2,376	8,404	6,390	2,505	8,895	14.5%	17.7%	15.4%
New Jersey City University	5,190	1,850	7,040	5,600	1,937	7,537	5,936	2,218	8,154	14.4%	19.9%	15.8%
Richard Stockton College of NJ	5,498	2,896	8,394	5,938	3,120	9,058	6,353	3,344	9,697	15.5%	15.5%	15.5%
Ramapo College of NJ	6,091	2,701	8,792	6,579	2,917	9,496	6,904	3,061	9,965	13.3%	13.3%	13.3%
Rowan University	6,294	2,313	8,607	6,798	2,532	9,330	7,308	2,760	10,068	16.1%	19.3%	17.0%
Wm Paterson University of NJ	5,358	3,382	8,740	5,782	3,640	9,422	6,072	3,924	9,996	13.3%	16.0%	14.4%
STATE COLLEGES AVERAGE	5,745	2,586	8,331	6,198	2,782	8,979	6,573	3,000	9,573	14.4%	16.0%	14.9%
ALL PUBLIC SENIORS AVERAGE	6,261	2,250	8,511	6,756	2,430	9,186	7,178	2,640	9,817	14.6%	17.3%	15.4%

Academic Year	2005-2006			2006-2007			2007-2008			Percent Change		
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total
Institution												
New Jersey Institute of Technology	14,676	1,350	16,026	15,850	1,440	17,290	18,432	1,650	20,082	25.6%	22.2%	25.3%
Rutgers University Average	14,934	1,901	16,835	16,428	2,035	18,463	17,710	2,145	19,855	18.6%	12.8%	17.9%
University of Medicine & Dentistry of NJ	10,656	810	11,466	11,616	1,000	12,616	12,192	1,240	13,432	14.4%	53.1%	17.1%
College of New Jersey	12,314	2,806	15,120	14,161	2,938	17,099	15,295	3,235	18,530	24.2%	15.3%	22.6%
Kean University	7,530	2,609	10,139	8,070	2,793	10,863	9,690	2,955	12,645	28.7%	13.3%	24.7%
Montclair State University	10,029	2,128	12,157	11,382	2,376	13,758	13,659	2,505	16,164	36.2%	17.7%	33.0%
New Jersey City University	10,230	1,850	12,080	11,400	1,937	13,337	12,540	2,218	14,758	22.6%	19.9%	22.2%
Richard Stockton College of NJ	8,896	2,896	11,792	10,230	3,120	13,350	11,253	3,344	14,597	26.5%	15.5%	23.8%
Ramapo College of NJ	11,008	2,701	13,709	11,890	2,917	14,807	12,475	3,061	15,536	13.3%	13.3%	13.3%
Rowan University	12,588	2,313	14,901	13,596	2,532	16,128	14,616	2,760	17,376	16.1%	19.3%	16.6%
Wm Paterson University of NJ	10,474	3,382	13,856	11,730	3,640	15,370	12,318	3,924	16,242	17.6%	16.0%	17.2%
STATE COLLEGES AVERAGE	10,384	2,586	12,969	11,557	2,782	14,339	12,731	3,000	15,731	22.6%	16.0%	21.3%
ALL PUBLIC SENIORS AVERAGE	11,212	2,250	13,462	12,396	2,430	14,826	13,653	2,640	16,292	21.8%	17.3%	21.0%

Source: IPEDS Form #14 (Tuition and Required Fees).

* ANNUAL for full-time is defined here as 32 credit hours. Some institutions report annual figures but for those that do not per-credit tuition and fees are multiplied by 32 to derive the annual figure.

* Averages are simple divisions of the amount by the number of institutions reporting, colleges that did not report a figure are not included in the average. Thomas Edison was not included in the Averages since its rate structure differs from other institutions.

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Chart B

Question 8

FY 2009 Funding Reduction based on FY 2007-Initiated Tuition Policy for Out-of-State Undergraduate Students

Institution	Amount of reduction
New Jersey Institute of Technology	\$1,503,000
Rutgers University	\$4,795,000
UMDNJ*	\$0
College of New Jersey	\$23,000
Kean University	\$303,000
Montclair State University	\$42,000
New Jersey City University	\$80,000
Richard Stockton College of NJ	\$55,000
Ramapo College of NJ	\$174,000
Rowan University	\$108,000
Thomas Edison State College**	\$0
Wm Paterson University of NJ	\$0
TOTAL	\$7,083,000

*The number of undergraduates served by UMDNJ is small.

**Thomas Edison was not included since its rate structure differs from other institutions.

9. The Governor's School is a summer program for artistically or academically talented New Jersey high school students who have completed their junior year. The school is an intensive four-week residential program conducted on six college campuses throughout the State. Emphasis is placed on problem solving of complex issues that exist on the local, State, national, and international levels, leadership training, and creative expression through the medium of fine and performing arts. As an incentive to foster creativity, the program includes no grades or academic credit.

The FY 2009 recommended budget indicates that \$1.2 million of dedicated revenues were available to support the schools in FY 2007 but that no additional dedicated funding is anticipated in FY 2008 or FY 2009.

Question: What is the rationale for providing a \$100,000 Grants-In-Aid appropriation for the program in FY 2008 and FY 2009 if no funds are anticipated to Higher Educational Services FY 2008-2009 support the schools in either fiscal year? What specific costs are defrayed by the \$100,000 State appropriation?

Response: In the summer of 2008, the six schools will serve

- Students applied: 2,438
- Participants selected: 390
- Scholars per Program:

○ School of Science (Drew)	86
○ School of Public Issues (Monmouth)	60
○ School of International Studies (Ramapo)	50
○ School of Environment (Stockton)	49
○ School of Arts (TCNJ)	101
○ School of Engineering/Technology (Rutgers)	44

Funds have been raised from corporations, foundations, and individuals by the Executive Director of CHE and the Governor's School Board of Overseers. These funds are used by the schools in combination with State Grant-in-Aid dollars to run the programs.

In 2005, the last year that the program was completely state funded, the operating budget was \$1.9 million. That budget included \$250,000 in administrative funds. To build the structure of the public-private partnership model, the CHE assumed the administration of the program at no additional administrative cost, worked with the newly appointed Board of Overseers to examine the six school budgets for efficiencies, and moved to a paperless application process.

Fundraising has been more difficult every year. For summer 2006 the Robert Wood Johnson Foundation awarded a one-time grant that was the foundation of our fundraising efforts and allowed the Governor's School to operate in 2006 and 2007. Other corporate funders like New Jersey Resources, Prudential, and others have been impressed by the program and continue to be very generous. Parents and former scholars continue to make personal contributions as well. Every contribution is appreciated.

For the summer of 2008 each school has been given a budget of \$100,000. Programs have cut back the length of their programs and/or the number of participants in order to meet

these budget cuts. Governor's Schools are free of tuition so the entire cost of each of the programs is funded by a combination of grants and fundraising. Without the \$100,000 in the introduced budget, we will not be able to fund the programs this summer. These funds provide the instructors and the materials for classes, group projects, performances, and research done by the students. Room and board charges constitute nearly half of the budgets, but the residential experience provides learning opportunities that are well beyond the college level coursework. These talented students learn how to manage their time wisely, balance social and academic demands, and work in groups with high achieving students who share their interest.

10. The FY 2009 recommended budget reduces the number of State employees through an early retirement initiative and layoffs. While the impact these personnel actions will have on the programs and services of the Commission on Higher Education, the Higher Education Student Assistance Authority and public institutions of higher education remains unclear, the ability to hire employees to fill these vacant positions will be limited.

Question: Will employees of the public institutions be eligible to participate in the proposed early retirement initiative? How many employees are eligible for the early retirement initiative or may be laid off, by institution? To the extent that new employees cannot be hired, what services or programs will be reduced or eliminated?

Response: The early retirement initiative applies to the Executive Branch only. No institutions' employees will be eligible to participate. Based on the assumptions in the budget for the projected \$135.9 million net ERI savings, two (2) of Commission staff will be eligible for participation. The Higher Education Student Assistance Authority forecasts that it would have a total of 38 employees eligible for the proposed Early Retirement Incentive Program. The savings assumes an overall 50% participation rate that varies by Department. The initial proposal is still under discussion and could be refined in the enabling legislation. Regardless, the Governor has stated that the backfills of participants will be limited to 10% on a statewide basis.

11. Recent press reports have highlighted how turmoil in the financial markets has impacted the auction-rate securities market, used by many public institutions of higher education and other government entities to finance capital construction projects.

A February 26, 2008 New Jersey Star Ledger article explains auction-rate bonds, challenges facing the market, and the impact on public borrowers as follows: "Until recently auction-rate bonds gave public borrowers a low-risk way to capture low, short-term interest rates on long-term bonds. Essentially, auction-rate borrowers agree to present their bonds for resale at daily, weekly or monthly auctions, theoretically offering investors a liquidity that is rewarded with lower interest rates. But this month, as troubles in subprime mortgages spread to other corners of the credit market, investors fled. When the auctions failed, interest rates automatically soared to preset levels."

One example of how this has impacted public borrowers is that when the auction for debt owned by The College of New Jersey failed, the interest rate on the college's auction-rate bonds increased from 5.55 percent to 11.45 percent.

• **Question:** Please provide information on how the auction-rate bond market failure has impacted the institutions. The annual appropriations act includes appropriations to cover higher education related debt service costs for which the State is responsible. How has this impacted the estimated debt service costs for the current fiscal year and the estimated debt service costs for FY 2009?

Response: NJIT, Montclair State University, Thomas Edison State College, and Ramapo College did not have any auction rate bonds. Rutgers got out of the auction rate bond market on March 6, 2008. The NJ Educational Facilities Authority and remaining institutions have prepared a separate response which is attached.

NJCLASS, the State's supplemental loan program, offered New Jersey students one of the lowest interest rate available in the nation, with a 20-year Fixed-Rate Loan for undergraduate students of 6.25%, 5.75% with auto debit repayment. To support the NJCLASS program, HESAA has \$1.5 billion in auction rate bonds that have been failing since February 13, 2008. It is estimated that this will cost the bond trust estates approximately \$30 million by the end of May 2008, when maximum rates revert to lower levels for the balance of the fiscal year and for FY 2009. The losses caused by failed auctions reflect amounts that would have otherwise been utilized to make future NJCLASS loans. FY 2009 debt service is expected to remain within the parameters provided for in the cash flows of these bond issuances at 175% of SIFMA index (the SIFMA index is currently 1.8% and should remain low as the result of continued actions by the Federal Reserve to lower short-term rates). Despite the ongoing credit market crisis, HESAA expects to issue NJCLASS loans in FY 2009. Understanding that the cost of capital has increased significantly, HESAA is diligently working to obtain a competitive interest rate for New Jersey borrowers.

The higher education capital financing programs that are supported through annual appropriations – the Equipment Leasing Fund, the Higher Education Capital Improvement Program, the Higher Education Facilities Trust, the Higher Education Technology Bond, the Dormitory Safety Trust Fund, and the Chapter 12 Program for County Colleges – have not been financed with auction-rate securities or similar investment instruments. The interest rates on these funds are not subject to change, but are fixed when bonds are sold. Because of this, the difficulties in the auction-rate bond market will have no impact on the annual debt service costs of these issues, in either the current fiscal year or fiscal 2009.

Student #9

Zip Code: 08865

Household Income

\$29,002

Household Size

3

EFC

\$876

TAG Grant, 2007-08

\$8,462

Proposed TAG Grant, 2008-09

\$6,394

Impact to Family

-\$2,068

Student #13

Zip Code: 08087

Household Income

\$66,947

Household Size

3

EFC

\$8,629

TAG Grant, 2007-08

\$1,604

Proposed TAG Grant, 2008-09

\$0

Impact to Family

-\$1,604

Student #37

Zip Code: 07052

Household Income

\$53,213

Household Size

6

EFC

\$0

TAG Grant, 2007-08

\$10,236

Proposed TAG Grant, 2008-09

\$7,922

Impact to Family

-\$2,314

Student #38

Zip Code: 08902

Household Income

\$21,563

Household Size

4

EFC

\$0

TAG Grant, 2007-08

\$10,236

Proposed TAG Grant, 2008-09

\$7,922

Impact to Family

-\$2,314

Student #40

Zip Code: 08638

Household Income

\$20,794

Household Size

2

EFC

\$100

TAG Grant, 2007-08

\$10,236

Proposed TAG Grant, 2008-09

\$7,922

Impact to Family

-\$2,314