

Testimony before the Assembly Budget Committee
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Good afternoon Chairman Greenwald and members of the Committee. Thank you for providing the opportunity to talk with you today about higher education in New Jersey. I appreciate the opportunity to speak on behalf of the Commission on Higher Education. Commission Chairman Larry Downes and our Executive Committee support the comments I will make today, which are consistent with the Commission's views.

First let me thank the individual members of this Committee for the time you have spent with me, with presidents, with faculty and with students this year. You have made yourselves available and made it quite clear that you are committed to higher education, and we all appreciate that commitment. Most recently, Assemblyman Greenwald and Assemblyman Malone made time to stop in on the EOF Conference in Atlantic City and the students were delighted.

It is a pleasure to see that higher education received a \$2.1 billion share of the state's \$33.3 billion budget. We know all too well that these are tough times and my goal today is to help you see that we earned the right to have the largest increase of non-mandatory programs in the budget.

What I will focus on today are broad recommendations made by the Commission regarding the budget. Our recommendations are consistent with the overarching goals of the long-range plan, *A Blueprint for Excellence*: (1) to enhance the quality of programs and services, (2) to tie institutional performance to state goals, and (3) to continue efforts to make the cost of higher education affordable for every New Jersey family. These are largely the same goals that I brought to you last year, but with some clear examples of real progress.

The Governor sent a strong message with his proposed increase in operating aid to institutions, which he recognizes the critical role of higher education in the economic growth and sustainability of the state. We are still suffering the effects of our structural budget problems, and we realize that increasing state support in one area is not done without consequences to other programs. But we think that higher education has done a good job in providing a return on the state's investment.

In response to budget reductions last year the colleges took a serious look at internal efficiencies to find ways to lower costs without impacting the quality of education for students. Presidents worked with staff to examine budgets carefully, establish clear priorities that reflected the institutional mission, and made tough choices, just as the Governor had done in preparing his budget.

Students will tell you that they felt some of the cuts through reduced or changed services, reductions in class sections, and increased charges. Faculty will tell you that they felt the cuts when new faculty searches were postponed. But many presidents will point to energy savings, invigorated public-private partnerships and procurement improvements as more

positive examples of the efficiencies dialogues that happened on every campus. Unfortunately, many of the efficiencies resulted in one-time savings, so the increase in operating aid this year is critical.

The Commission on Higher Education approved the update to the *Blueprint for Excellence*, our statewide planning document, so let me switch to the good news in New Jersey higher education. Since 2002 we have increased enrollment by 6.7%, including increasing the enrollment of underrepresented groups. We've also experienced modest increases in the enrollment of minorities and low-income students, but we need to continue our mission of access and affordability so that every qualified New Jersey resident can attend college.

We have also increased the degrees earned by 12% --growing from 58,277 in 2002-2003 to 65,105 last year. New Jersey schools are enrolling more students and helping them to earn their degrees in record numbers, and that is good for families and good for the state.

We will have continued discussions during the coming year on offering course options that maximize campus usage, creating courses and schedules that facilitate non-traditional schedules, accelerating time to degree, and creating programs that directly respond to the needs of New Jersey business and industry

Since fiscal 2002 the state has provided an additional \$58.6 million for need-based aid to help our most vulnerable students. In this year's proposed budget the Governor has asked for an additional \$553,000 for part-time Tuition Aid Grants (TAG) and \$15.5 million for full-time TAG.

New Jersey's Educational Opportunity Fund (EOF) has 60 programs at 42 public and private institutions of higher education in New Jersey. In fiscal 07, EOF programs throughout the state served a total of 13,822 undergraduate and 194 graduate students. The "average" EOF student comes from a family with a median annual income less than \$25,500. The EOF Board of Directors also administers the C. Clyde Ferguson Law Scholarship and the Martin Luther King Physician-Dentist Scholarship that assist approximately 90 students annually with the costs of attending law, medical and dental school in New Jersey. This is a real New Jersey success story --a model for the rest of the country -- and something that each member of the Legislature should feel great pride in supporting.

We recognize that the Governor chose not to cap the NJ Stars program to limit participation and we appreciate that decision. NJ Stars is a relatively new program and we hope that we can continue to analyze program outcomes over the next year as we look at merit-based aid in the state.

For more than a decade, the Commission has spoken in unison with colleges and universities regarding the need for access, affordability, and excellence in higher education. During the last year we were able to make remarkable progress together. The colleges worked collaboratively to create a voluntary agreement on transfer of credit. That voluntary agreement became the foundation of legislation that passed the Assembly

unanimously and is awaiting action in the Senate. Student transfer outcomes and their relation to accountability have become a national issue, and New Jersey is no exception.

The NJ Transfer program has provided an efficient mechanism for obtaining information about transferring within the state. Providing electronic information was an innovative first step, and now we have to determine how to use that technology in the future. Students expect high-quality programs and coordination among two- and four-year colleges that will articulate a clear pathway for smooth transfer from associate to baccalaureate degree programs. New Jersey is now in position to lead the nation in this debate.

We worked jointly to improve data collection and reporting. In several meetings this summer we worked with institutional research directors to make sure that we were working with common definitions and had internal mechanisms to improve accuracy. The data that we have shared with you is more accurate than we were able to report in the past. We will continue to improve collection and reporting.

We have partnered with the Presidents' Council and the Department of Education to inform the public on the effort with the American Diploma Project to increase the rigor of high school courses. The colleges are eager to work with their P-12 partners to reduce the need for remedial courses and work toward educating every student to be either college or work ready when they earn their high school diploma.

We are working to increase the opportunities for students to engage in their communities and will jointly sponsor a symposium with the State Service Commission in April on student service.

We have formed a statewide Engineering Consortium to increase the participation of New Jersey students in engineering studies. The Consortium members, including FDU, NJIT, Princeton, Rowan, Rutgers, Stevens, TCNJ and all of the county colleges - are working together to develop a pipeline of students who are interested and engaged in engineering studies.

And we worked with you to provide more flexibility in health care options at the county college level and to provide legislative options for new public-private partnership pilots at the senior public campuses. Colleges at all levels have partnered to create grant applications that were more competitive at all levels of the federal government. I am proud to say that in 2006- 2007 we received new funding from National Institutes of Health, National Science Foundation, Department of Energy, Department of Labor, Homeland Security, and Department of Defense. Stronger and broader partnerships equal more external dollars and increased opportunities for New Jersey students.

We continue to stand with the colleges in support of a reasonable budget for higher education so that we can do more, and we are eager to work with the Legislature and the Governor to achieve that.

New Jersey's average four-year public tuition and fees ranked third in the nation in 2006 from second in 2005. The average state support per full-time student at all two- and four-year public institutions ranked fifth in the nation in 2005 from sixth in 2003. Both statistics are moving in the right direction and we need to continue providing funding that makes our colleges more affordable for every New Jersey family.

In closing, the members of the Commission understand that this year is different—and in a good way. While the state is facing budget shortfalls, the Governor has included an increase in higher education funding. We need you to maintain that funding. Recognizing that, the Commission would like to stress several key realities:

- **Each campus should continue to focus on controlling spending** by looking at every aspect of the budget and making decisions that reflect the seriousness of the fiscal situation. The budget problem was not created in one year and it will not be solved in one year.
- **Tuition increases should always be a last resort.** The presidents understand better than any of us that with each increase some students are being priced out of their campus, so steps must be taken at the institution and state levels to minimize those increases to the greatest degree possible.
- **We need to continue to work together to attract federal, foundation, and business support** for our campuses to provide high-quality academic programs and cutting-edge research.
- **And finally, as we reconcile this year's budget, we should begin to work on long-term capital funding policies and financing solutions** so that we are able to plan well into the future and address problems related to deferred maintenance, new construction, future enrollment growth, and academic and research planning.

I look forward to the testimony of my colleague and to your questions, and I thank you again for the opportunity to participate today and your kindness to me over the last year.