



ANALYSIS OF THE NEW JERSEY BUDGET

**HIGHER
EDUCATIONAL
SERVICES**

FISCAL YEAR

2018-2019

NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Paul A. Sarlo (D), 36th District (Parts of Bergen and Passaic), *Chair*
Brian P. Stack (D), 33rd District (Part of Hudson), *Vice-Chair*
Dawn Marie Addiego (R), 8th District (Parts of Atlantic, Burlington and Camden)
Anthony R. Bucco (R), 25th District (Parts of Morris and Somerset)
Nilsa Cruz-Perez (D), 5th District (Parts of Camden and Gloucester)
Sandra B. Cunningham (D), 31st District (Part of Hudson)
Patrick J. Diegnan Jr. (D), 18th District (Part of Middlesex)
Linda R. Greenstein (D), 14th District (Parts of Mercer and Middlesex)
Declan O'Scanlon, Jr. (R), 13th District (Part of Monmouth)
Steven V. Oroho (R), 24th District (All of Sussex, and parts of Morris and Warren)
M. Teresa Ruiz (D), 29th District (Part of Essex)
Troy Singleton (D), 7th District (Part of Burlington)
Samuel D. Thompson (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)

GENERAL ASSEMBLY BUDGET COMMITTEE

Elizabeth Pintor Marin (D), 29th District (Part of Essex), *Chair*
John J. Burzichelli (D), 3rd District (All of Salem, parts of Cumberland and Gloucester), *Vice-Chair*
Daniel R. Benson (D), 14th District (Parts of Mercer and Middlesex)
Robert D. Clifton (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)
John DiMaio (R), 23rd District (Parts of Hunterdon, Somerset and Warren)
Gordon M. Johnson (D), 37th District (Part of Bergen)
Patricia Egan Jones (D), 5th District (Parts of Camden and Gloucester)
John F. McKeon (D), 27th District (Parts of Essex and Morris)
Raj Mukherji (D), 33rd District (Part of Hudson)
Nancy F. Munoz (R), 21st District (Parts of Morris, Somerset and Union)
Carol A. Murphy (D), 7th District (Part of Burlington)
Edward H. Thomson (R), 30th District (Parts of Monmouth and Ocean)
Benjie E. Wimberly (D), 35th District (Parts of Bergen and Passaic)

OFFICE OF LEGISLATIVE SERVICES

Frank W. Haines III, *Legislative Budget and Finance Officer*
Thomas Koenig, *Assistant Legislative Budget and Finance Officer*

Marvin W. Jiggetts, *Director, Central Staff*
Kathleen Fazzari, *Section Chief, Education Section*

This report was prepared by the Education Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Allen T. Dupree.

Questions or comments may be directed to the OLS Education Section (Tel: 609-847-3850) or the Legislative Budget and Finance Office (Tel: 609-847-3105).

HIGHER EDUCATIONAL SERVICES

Budget Pages..... C-6; C-7; C-8; C-14; C-22; D-294 to D-341; D-373 to D-376; D-382 to D-385

Fiscal Summary (\$000)

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$1,437,903	\$1,580,826	\$1,609,600	1.8%
Federal Funds	15,079	17,707	16,839	(4.9%)
<u>Other</u>	<u>34,368</u>	<u>\$42,094</u>	<u>\$38,388</u>	<u>(8.8%)</u>
Grand Total	\$1,487,350	\$1,640,627	\$1,664,827	1.5%

Personnel Summary - Positions By Funding Source

	Actual FY 2017	Revised FY2018	Funded FY 2019	Percent Change 2018-19
State	15	15	18	20.0%
Federal	134	138	139	.7%
Other	7	8	7	(12.5%)
University Hospital *	2,923	2,923	2,923	—
<u>Colleges & Univ's.*</u>	<u>20,057</u>	<u>20,462</u>	<u>20,057</u>	<u>(2.0%)</u>
Total Positions	23,136	23,546	23,144	(2.0%)

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

*Position data is displayed as "State-funded" positions for the three years.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- ***The FY 2019 budget proposal includes State appropriations of \$1.61 billion in direct support for higher educational services, including institutional support to public and independent institutions of higher education, financial aid for students, and the operations of the Office of the Secretary of Higher Education.*** This represents an increase of \$28.8 million, or 1.8 percent, over the prior year. This figure does not include \$805.7 million in fringe benefit costs that the State will pay on behalf of the senior public institutions.
- ***Direct State support for the senior public institutions totals \$699.5 million in the proposed budget, \$18.5 million less than the current year appropriation.*** This reduction results from the budget proposal omitting five appropriations that were added by the Legislature:
 - two grants to the Rowan University-Rutgers-Camden Board of Governors: 1) a \$5 million grant for the development of new facilities for use by the Rutgers School of Business-Camden; and 2) a \$500,000 grant for establishing a Population Health Research Institute;
 - a \$10 million appropriation to the New Jersey Institute of Technology to support the operations of its engineering makerspace;
 - \$2 million to Rowan University for operating costs of its Center for Research and Education in Advanced Transportation Engineering Systems; and
 - \$1 million to Thomas Edison State University to reimburse tuition waivers granted to members of the New Jersey National Guard.
- ***Operational aid and other financial support to the county colleges, totaling \$222.8 million, is approximately \$800,000 less than the current year's funding level.*** The amount of operational aid that would be supported through the Supplemental Workforce Fund for Basic Skills, \$18.8 million, is \$5 million less than the prior year. This reduction is fully offset by an increased appropriation from the Property Tax Relief Fund to the county colleges.
- ***The cost of providing benefits on behalf of county college employees and retirees will remain essentially unchanged.*** The recommended appropriation, \$88.7 million, is a decrease of less than one percent over the current fiscal year.
- ***The FY 2019 budget proposal recommends appropriating \$50 million to establish a new form of financial assistance for certain students attending county colleges.*** Under the Community College Opportunity Grant program, an individual who resides in a family in which the annual income is less than \$45,000 may receive financial assistance to eliminate any tuition and fees to attend a county college. The recommended budget appropriates \$45 million for this purpose, and an additional \$5 million to provide planning grants to the county colleges to allow them to develop plans for making a county college education free in the future.

Highlights (Cont'd)

- ***The recommended budget leaves appropriations for other forms of student assistance largely unchanged.***
 - The recommended appropriation for the New Jersey Student Tuition Assistance Reward Scholarship (NJSTARS I and II), \$6.9 million, is identical to the FY 2018 adjusted appropriation.
 - The proposed funding for the Educational Opportunity Fund programs, \$45.3 million, is \$1.5 million (3.4 percent) greater than the FY 2018 funding level.
 - Funding for tuition aid grants would increase by \$7 million, or 1.6 percent, to \$432.9 million under the proposed budget.
- ***The recommended budget eliminates two grants made to Seton Hall University in FY 2018:*** 1) a grant for \$207,000 to support the provision of legal services at the Seton Hall Law Clinic; and 2) a \$15 million appropriation to assist in the establishment of a new medical school and relocation of the Seton Hall University School of Health and Medical Sciences.
- ***The recommended budget includes \$2 million to establish a center on gun violence research at an institution of higher education yet to be determined.***

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
General Fund					
Direct State Services	\$1,526	\$3,654	\$1,654	8.4%	(54.7%)
Grants-In-Aid	1,232,841	1,377,364	1,403,930	13.9%	1.9%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$1,234,367	\$1,381,018	\$1,405,584	13.9%	1.8%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	203,536	199,808	204,016	0.2%	2.1%
Sub-Total	\$203,536	\$199,808	\$204,016	0.2%	2.1%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$1,437,903	\$1,580,826	\$1,609,600	11.9%	1.8%
Federal Funds	\$15,079	\$17,707	\$16,839	11.7%	(4.9%)
Other Funds	\$34,368	\$42,094	\$38,388	11.7%	(8.8%)
Grand Total	\$1,487,350	\$1,640,627	\$1,664,827	11.9%	1.5%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	15	15	18	20.0%	20.0%
Federal	134	138	139	3.7%	0.7%
Other	7	8	7	0.0%	(12.5%)
University Hospital *	2,923	2,923	2,923	0.0%	0.0%
Colleges and Universities*	20,057	20,462	20,057	0.0%	(2.0%)
Total Positions	23,136	23,546	23,144	0.0%	(2.0%)

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

*Position data is displayed as "State-funded" positions for the three years.

AFFIRMATIVE ACTION DATA

Total Minority Percent					
Secretary of Higher Education	38.9%	55.6%	N/A	---	---
Higher Ed. Student Assist. Auth.	36.2%	36.4%	N/A	---	---

Fiscal and Personnel Summary

Direct State Support for Institutions of Higher Education (in thousands)					
	FY 2017 (Expended)	FY 2018 (Adj. Approp.)	FY 2019 (Rec. Approp.)	Change FY 2018 to FY 2019	
				Dollar	Percent
Senior Public Institutions					
Rutgers University					
Camden	\$17,501	\$21,501	\$16,501	(\$5,000)	(23.3%)
Newark	30,630	30,630	30,630	\$0	0.0%
New Brunswick	320,168	325,922	325,922	\$0	0.0%
Total - Rutgers University	\$368,299	\$378,053	\$373,053	(\$5,000)	(1.3%)
Agricultural Experiment Station	20,931	20,931	20,931	\$0	0.0%
New Jersey Institute of Technology	35,440	45,440	35,440	(\$10,000)	(22.0%)
Thomas Edison State College	3,292	4,292	3,292	(\$1,000)	(23.3%)
Rowan University	82,220	87,883	85,383	(\$2,500)	(2.8%)
New Jersey City University	24,154	24,154	24,154	\$0	0.0%
Kean University	30,469	30,469	30,469	\$0	0.0%
William Paterson University	30,357	30,357	30,357	\$0	0.0%
Montclair State University	35,859	35,859	35,859	\$0	0.0%
The College of New Jersey	27,177	27,177	27,177	\$0	0.0%
Ramapo College of New Jersey	14,953	14,953	14,953	\$0	0.0%
Stockton University	18,391	18,391	18,391	\$0	0.0%
Total Senior Public Institutions	\$691,542	\$717,959	\$699,459	(\$18,500)	(2.6%)
University Hospital	\$33,821	\$43,841	\$43,841	\$0	0.0%
County Colleges					
Operational Aid:					
Property Tax Relief Fund	\$115,323	\$110,323	\$115,323	\$5,000	4.5%
Supplemental Workforce Fund for Basic Skills	18,800	23,800	18,800	(\$5,000)	(21.0%)
Total County Colleges	\$134,123	\$134,123	\$134,123	\$0	0.0%
Independent Colleges and Universities					
Aid to Independent Colleges and Universities	\$1,000	\$1,000	\$1,000	\$0	0.0%
Clinical Legal Programs for the Poor – Seton Hall University	200	200	200	\$0	0.0%
Institute of Medical Research, Camden	1,037	1,037	1,037	\$0	0.0%
Seton Hall University School of Health and Medical Sciences	0	15,000	0	(\$15,000)	(100.0%)
Seton Hall Law Clinic Re-entry Services	0	207	0	(\$ 207)	(100.0%)
Total Independent Colleges and Universities	\$2,237	\$17,444	\$2,237	(\$15,207)	(87.2%)
Total All Institutions of Higher Education	\$1,230,022	\$1,291,420	\$1,252,713	(\$38,707)	(3.0%)

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

Office of the Secretary of Higher Education**Direct State Services****Statewide Planning
and Coordination for
Higher Education**

	\$3,309	\$1,309	(\$2,000)	(60.4%)	D-301
--	---------	---------	-----------	----------	-------

**Services Other than
Personal**

	\$117				
S	\$1,930	\$117	(\$1,930)	(94.3%)	D-302

Salaries and Wages

	\$1,466				
S	\$70	\$1,466	(\$ 70)	(4.6%)	D-302

Total operating appropriations for the Office of the Secretary of Higher Education are recommended to decrease by \$2 million, a reduction divided between the Services Other than Personal account and Salaries and Wages, as displayed above. The FY 2018 Appropriations Act included two language provisions authorizing supplemental appropriations in the Office of the Secretary of Higher Education. The first, authorizing a supplemental appropriation not to exceed \$1.5 million, would provide for the development of a searchable database of research being conducted at institutions of higher education in the State. Working in collaboration with the Economic Development Authority, the State has entered into a contract with Elsevier to develop the New Jersey Research Asset Database. Funding for database development is not included in FY 2019, and the proposed budget does not include a similar language provision.

The second language provision, authorizing a supplemental appropriation not to exceed \$500,000, is for the maintenance of the Statewide Longitudinal Data System. Initially developed with funding from a federal grant, the New Jersey Education to Earnings Data System is overseen by the Secretary of Higher Education in collaboration with the Department of Education, the Department of Labor and Workforce Development, the New Jersey Motor Vehicle Commission, and Rutgers University. The intent is to use the database to analyze individuals' progress from elementary and secondary school into higher education and the workforce. The FY 2019 recommended budget deletes the added appropriation but includes an identical language provision.

Grants-In-Aid**Center on Gun
Violence Research**

	\$0	\$2,000	\$ 2,000		D-302
--	-----	---------	----------	--	-------

The Governor's FY 2019 budget proposal includes an appropriation to establish a center on gun violence research at an institution of higher education. The budget proposal does not contain a corresponding language provision to indicate at which institution the center will be established or how the location will be determined.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Opportunity Program Grants	\$29,054	\$30,554	\$ 1,500	5.2%	D-302

The Educational Opportunity Fund (EOF) programs are designed to support educationally and economically disadvantaged students pursuing undergraduate and graduate education at public and independent institutions of higher education in the State. EOF contains two components – Opportunity Program Grants and Supplementary Education Program Grants.

Opportunity Program Grants are awarded to students to assist them in meeting college expenses, such as books, room and board, and transportation, which may not be covered by other financial assistance programs. Supplementary Education Program Grants are provided to participating institutions. The institutions use these resources to provide campus outreach services, tutoring, counseling, supplemental instruction, and leadership development.

The Budget in Brief stated that the recommended funding increase to EOF would be used to address critical staffing needs. It is unclear how an increased allocation to Opportunity Program Grants would fund additional personnel.

Higher Education Student Assistance Authority**Grants-In-Aid**

Tuition Aid Grants	\$425,859	\$432,859	\$ 7,000	1.6%	D-305
---------------------------	------------------	------------------	-----------------	-------------	--------------

Tuition aid grants (TAG) provide needs-based financial assistance to students attending institutions of higher education. Budget language directs that TAG funding be awarded to qualified applicants at levels not to exceed two percent above prior fiscal year awards. The Executive Branch anticipates that the number of TAG recipients will increase by more than 3,200 students (nearly five percent) in the coming academic year. The OLS notes that nearly \$15 million of the FY 2018 adjusted appropriation will not be used to provide TAG grants in the current academic year. Nearly \$8.3 million is expected to lapse at the end of the fiscal year, while another \$6.5 million – amount by which the Legislature increased the TAG appropriation above the Governor's FY 2018 budget recommendation – was transferred to support Governor Christie's opioid initiative.

Community College Opportunity Grant	\$0	\$50,000	\$50,000		D-305
--	------------	-----------------	-----------------	--	--------------

The Governor is proposing a program to provide additional financial assistance for individuals to attend a county college. Of the recommended appropriation, \$45 million would be used to pay tuition and fees not already covered by other forms of financial aid to individuals living in families in which the annual income is no greater than \$45,000. The

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

assistance would be available commencing with the 2019 Spring semester to students attending school either full-time or part-time. The Higher Education Student Assistance Authority, in collaboration with the Secretary of Higher Education, will develop additional eligibility criteria and other program elements. The Executive Branch anticipates that the new funding would eliminate tuition and fee costs for nearly 15,000 students.

An additional \$5 million would be awarded to the county colleges as grants to allow them to develop plans to make a county college education free.

Senior Public Institutions of Higher Education

**Rowan University –
Rutgers-Camden
Board of Governors,
Rutgers-Camden
School of Business
Facilities**

Development	\$5,000	\$0	(\$5,000)	(100.0%)	D-315
--------------------	----------------	------------	------------------	------------------	--------------

**New Jersey Institute
of Technology:
Operating Support for
the NJIT Engineering
Makerspace**

	\$10,000	\$0	(\$10,000)	(100.0%)	D-319
--	-----------------	------------	-------------------	------------------	--------------

**Thomas Edison State
University: National
Guard Tuition Waiver
Reimbursement**

	\$1,000	\$0	(\$1,000)	(100.0%)	D-321
--	----------------	------------	------------------	------------------	--------------

**Rowan University:
Center for Research
and Education in
Advanced
Transportation
Engineering Systems**

	\$2,000	\$0	(\$2,000)	(100.0%)	D-323
--	----------------	------------	------------------	------------------	--------------

**Population Health
Research Institute,
Rowan University-
Rutgers-Camden
Board of Governors**

	\$500	\$0	(\$ 500)	(100.0%)	D-323
--	--------------	------------	-----------------	------------------	--------------

The Legislature included five appropriations to public institutions of higher education in the FY 2018 Appropriations Act that are not included in the Governor's FY 2019 budget proposal.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<ul style="list-style-type: none"> The FY 2018 Appropriations Act included \$5 million to the Rowan University-Rutgers-Camden Board of Governors to support the development of new facilities for use by the Rutgers School of Business-Camden. The FY 2017 budget included \$1 million for this purpose. In late 2017, the New Jersey Institute of Technology opened its Engineering Makerspace, a training facility designed to provide hands-on experience with equipment used in the manufacturing sector. The 10,000 square foot space has equipment ranging from small 3-D printers to large industrial machining centers, including precision measurement and laser-cutting machines. The university's FY 2018 budget request included a recurring appropriation of \$2.1 million to support the Engineering Makerspace. The university did not make a similar request for FY 2019. Under current law, (C.18A:64-24), members of the New Jersey National Guard are permitted to attend a public institution of higher education and receive, tuition-free, up to 16 credits per semester. The statute provides that the State will reimburse the institutions for any corresponding tuition expenses that were not supported by some other tuition benefit. In several years, the appropriations acts have included a language provision stipulating that the reimbursement will be provided through appropriations made to the institutions for operational support. In its budget request for FY 2018, Thomas Edison State University requested that it receive a reimbursement separate from the operational support that the State provides, noting that the waivers totaled more than \$650,000 in the 2015-2016 academic year. The Legislature included a \$1 million appropriation in FY 2018 to reimburse the university. In FY 2017 and FY 2018, the Legislature included an appropriation of \$2 million to support Rowan University's Center for Research and Education in Advanced Transportation Engineering, a road testing and research facility. A grant of \$500,000 was made to the Rowan University-Rutgers-Camden Board of Governors to plan for the development of a population health research center. 					

Higher Educational Services**Grants-In-Aid**

**Seton Hall University
School of Health and
Medical Sciences
Support**

\$15,000 \$0 (\$15,000) (100.0%) D-383

The FY 2017 Appropriations Act included a \$10 million appropriation to support the relocation of the Seton Hall University School of Health and Medical Sciences as part of the development of a building complex for the new Hackensack Meridian School of Medicine at

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

Seton Hall University. Those funds lapsed, and a new appropriation (which was increased by the Legislature to a total of \$15 million) was included in the FY 2018 Appropriations Act. The new medical school is expected to admit its first 55 students and begin classes in July 2018, coinciding with the relocation of the School of Health and Medical Sciences.

Seton Hall Law Clinic

Re-entry Services	\$207	\$0	(\$ 207)	(100.0%)	D-383
--------------------------	--------------	------------	-----------------	------------------	--------------

The FY 2018 Appropriations Act included an appropriation to support the Seton Hall Law Clinic Re-entry Services. The Seton Hall University School of Law provides students with hands-on experience by allowing them to volunteer at nonprofit organizations for a semester in different areas of interest, including pro bono representation of formerly incarcerated individuals. The Governor's FY 2019 budget recommendation does not continue this funding.

State Aid to County Colleges**Operational Costs****(from Property Tax Relief Fund**

\$110,323	\$115,323	\$ 5,000	4.5%	D-384
------------------	------------------	-----------------	-------------	--------------

**Operational Costs
(from Supplemental Workforce Fund for Basic Skills)**

\$23,800	\$18,800	(\$5,000)	(21.0%)	D-384
-----------------	-----------------	------------------	-----------------	--------------

Total

\$134,123	\$134,123	0	—	
------------------	------------------	----------	----------	--

The Governor's FY 2019 budget provides the same amount of State aid for county college operations as is provided in FY 2018, but the amount from each source of aid is revised. The State share from the Property Tax Relief Fund (PTRF) increases by \$5 million, to about \$115.3 million, while the amount allocated from the Supplemental Workforce Fund for Basic Skills (SWF) decreases by \$5 million. Supplementary budget information on the projected resources and uses of the SWF indicates the fund's year-end balance will improve from FY 2018 to FY 2019, partly due to the reduced reliance on the fund for county college support.

Significant Language Changes

Database of Research Conducted by Institutions of Higher Education

Deletion

2018 Handbook: p. B-153
2019 Budget: p. --

~~In addition to the amounts hereinabove appropriated for Statewide Planning and Coordination for Higher Education there is appropriated an amount not to exceed \$1,500,000, subject to the approval of the Director of the Division of Budget and Accounting, for the purpose of supporting the creation and maintenance by the Economic Development Authority, in collaboration with the Secretary of Higher Education, of a searchable database of research being conducted across the State by higher education institutions, for use as an economic tool in attracting and retaining businesses in New Jersey.~~

Explanation

The appropriations acts for FY 2017 and FY 2018 included a language provision authorizing a supplemental appropriation, not to exceed \$1.5 million for the Secretary of Higher Education, in collaboration with the Economic Development Authority (EDA), to develop a searchable database of research being conducted by institutions of higher education in the State. While no funding was provided in FY 2017, the full \$1.5 million supplemental appropriation was approved in FY 2018. The EDA has entered into a contract with an information analytics firm named Elsevier to create the database, known as the New Jersey Research Asset Database.

Reallocation of Funds Between Loan Redemption Programs

Addition

2018 Handbook: p. --
2019 Budget: p. D-307

Notwithstanding the provisions of section 9 of P.L.2009, c.236 or any other law or regulation to the contrary, the amount hereinabove appropriated for the Nursing Faculty Loan Redemption Program is subject to the following condition: funds, if any, in excess of the amount necessary to satisfy qualifying applications under the Program may be reallocated to the Primary Care Practitioner Loan Redemption Program upon the recommendation of the Executive Director of the Higher Education Student Assistance Authority, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

Under the "Primary Care Practitioner Loan Redemption Program," N.J.S.18A:71C-32 et seq., a primary care provider working in a medically underserved community in the State may have up to \$120,000 in student loans repaid by the State. Similarly, the "Nursing Faculty Loan Redemption Program," P.L.2009, c.236 (C.18A:71C-53 et seq.) provides loan repayment assistance to individuals who, among other requirements, completed a graduate degree in nursing sciences and has obtained full-time faculty employment at a school of nursing in the State. Section 9 of that law (C.18A:71C-58) stipulates that 25 percent of the amount

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

appropriated to the primary care practitioner loan redemption program will be used to finance the nursing faculty loan redemption program. The above language provision gives the Higher Education Student Assistance Authority the authority to reallocate unused funding from the nursing faculty program back to the primary care practitioner program.

Community College Opportunity Grant Program

Addition

2018 Handbook: p. --
2019 Budget: p. D-307

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Community College Opportunity Grants is subject to the following conditions: (1) \$45 million is appropriated to the Higher Education Student Assistance Authority for the purpose of providing grants to eligible enrollees at New Jersey community colleges, commencing with the 2019 Spring semester beginning on or after January 1, 2019, to pay for the costs of tuition or fees, or both, that are not already covered by other available funding opportunities, including but not limited to awards of tuition assistance and grants from any source, as determined by the Higher Education Student Assistance Authority; provided, however, that the Higher Education Student Assistance Authority, in consultation with the Office of the Secretary of Higher Education, shall establish criteria governing student eligibility and other necessary program elements, which shall be published on the Authority's Internet website; provided further that for Fiscal Year 2019, grants shall be available only to eligible students whose annual family income, as determined by the Authority, does not exceed \$45,000; and provided further that unexpended balances, not to exceed \$5 million, may be reallocated to augment the Educational Opportunity Fund program for community colleges, upon the recommendation of the Secretary of Higher Education and subject to the approval of the Director of the Division of Budget and Accounting; and (2) \$5 million is appropriated to the Office of the Secretary of Higher Education for the purpose of providing planning grants to community colleges to develop plans for a program of free community college education pursuant to criteria to be established by the Secretary and published on the Internet website of the Office of the Secretary of Higher Education, which shall include but not be limited to goals and strategies for capacity building, increasing student completion, reducing financial burdens on students, and estimates and plans by the community colleges for adapting to increased enrollment, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The FY 2019 budget proposal includes a recommended appropriation of \$50 million for a new community college opportunity grant program. Under the proposal, \$45 million would be used to provide financial assistance to individuals, beginning with the Spring 2019 semester, in paying tuition and fees to attend county colleges. The funding would be limited to students residing in families in which the annual income is no greater than \$45,000, and the Higher Education

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Student Assistance Authority, in consultation with the Office of the Secretary of Higher Education, may establish additional eligibility criteria. While not detailed in the language provision, the Executive Branch has publicly stated that individuals enrolled full-time or part-time would be able to receive the grant. The language also authorizes the Secretary of Higher Education to reallocate up to \$5 million to the Educational Opportunity Fund programs at the county colleges if a portion of the appropriation for the grants remains unexpended.

The remaining \$5 million would be awarded as planning grants to the county colleges. The purpose of the grants would be to allow the county colleges to develop plans for a program to make county colleges available at no cost.

State-Funded Positions – Rowan University

Revision	2018 Handbook: p. B-158 2019 Budget: p. D-323
----------	--

For the purpose of implementing the appropriations act for the current fiscal year, the number of State—funded positions at Rowan University shall be ~~1,749~~ 1,649.

State-Funded Positions – Stockton University

Revision	2018 Handbook: p. B-160 2019 Budget: p. D-340
----------	--

For the purpose of implementing the appropriations act for the current fiscal year, the number of State—funded positions at Stockton University shall be ~~1,069~~ 764.

Explanation

The State pays the cost of fringe benefits for individuals employed at the public institutions of higher education. To the extent that the number of employees at an institution exceeds the number of State-funded positions specified in the appropriations act, the institution reimburses the State for the benefits associated with those employees.

When developing the FY 2018 Appropriations Act, the Legislature increased the number of State-funded positions at Rowan University by 100. The Governor's FY 2019 budget proposal reduces the number to the FY 2017 level.

The Legislature increased the number of State-funded positions at Stockton University from 764 to 1,000. The Governor reduced the number of State-funded positions to 932 through a line-item veto. PL.2018, c.332 amended the Appropriations Act to increase the number of State-funded positions to 1,069. The recommended FY 2019 budget reverts to the number of State-funded positions approved in FY 2017.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Appropriation of Supplemental Workforce Funds for Basic Skills to County Colleges

Revision

2018 Handbook: p. B-180
2019 Budget: p. D-384

In addition to the amount hereinabove appropriated for Operational Costs, there is appropriated ~~\$23,800,000~~ \$18,800,000 from the Supplemental Workforce Fund for Basic Skills for remedial courses provided at county colleges and all other monies in the Supplemental Workforce Fund for Basic Skills are appropriated in the proportions set forth in section 1 of P.L.2001, c.152 (C.34:15D--21).

Explanation

The "Supplemental Workforce Fund for Basic Skills," established pursuant to section 1 of P.L.2001, c.162 (C.34:15D-21), supports various basic skills training programs. The past several appropriations acts have included a language provision allocating various amounts from the fund to support the operational costs at the county colleges. The Legislature increased the amount of the allocation from \$18.8 million to \$23.8 million when developing the FY 2018 Appropriations Act. The FY 2019 budget recommendation would allocate \$18.8 million from the fund to the county colleges. It should be noted that the recommended State aid appropriation to the county colleges increases by \$5 million, so State support for county college operational costs will be the same in FY 2019 as in FY 2018.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

**Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625
(609) 847-3105 • Fax (609) 777-2442**