
Public Hearing

before

ASSEMBLY EDUCATION COMMITTEE

“Issues Affecting Higher Education in the State of New Jersey”

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: January 25, 1999
9:30 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman David W. Wolfe, Chairman
Assemblyman Joseph R. Malone III, Vice-Chairman
Assemblyman Gerald J. Luongo
Assemblyman Gerald H. Zecker
Assemblyman Raul “Rudy” Garcia
Assemblyman Craig A. Stanley
Assemblyman John S. Wisniewski



ALSO PRESENT:

Kathleen Fazzari

Natalie A. Collins

Michael Harper

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

*Office of Legislative Services
Committee Aide*

*Assembly Majority
Committee Aide*

*Assembly Democratic
Committee Aide*

TABLE OF CONTENTS

	<u>Page</u>
Jeanne M. Oswald, Ed.D. Deputy Executive Director Commission on Higher Education New Jersey Department of State	2
Peter Burnham, Ed.D. Chair Presidents' Council Commission on Higher Education New Jersey Department of State	7
Robert Polakowski Representing Association of Independent Colleges	23
Darryl Greer Representing New Jersey State College Governing Boards Association	25
Lawrence A. Nespoli Representing New Jersey Council of County Colleges	26
Lawrence Petersen Chair Higher Education Committee New Jersey Education Association	29
Susan A. Dickey Freeholder-Director Warren County	39
Assemblyman George F. Geist District 4	42
Richard Bellshot Representing	

TABLE OF CONTENTS

	<u>Page</u>
New Jersey Licensed Beverage Association	45
 Jonathan Rosen Executive Director New Jersey Higher Education Alliance	 47
APPENDIX:	
 “1994 Restructuring of New Jersey Higher Education: Implementation Activities” plus “Vision for Higher Education” submitted by Jeanne M. Oswald	 1x
 “New Jersey Student Aid Programs” submitted by Office of Student Assistance New Jersey Department of the Treasury	 10x
 lmb: 1-49	

ASSEMBLYMAN DAVID W. WOLFE (Chairman): I'd like to call the meeting to order. This is a Public Hearing of the Assembly Education Committee dealing with issues of higher education. And I must say before we begin, this is rather an unusual type of proceeding. We don't usually have public hearings without legislation to be considered. This is really a public forum on a number of issues involving higher education. Because we have really an open format, if you wish to speak, there are some sign-up sheets on this table over here (indicating) I believe, on your left. If you'd like to sign them and bring them up here, and we'll give them to our aide, and we will hear your testimony.

The testimony today will be recorded, and it will be published. It will be available if you need a copy of it, and you can contact the State House, and in several months you can get a written copy if you do require a written copy.

In terms of procedure, again this is rather a hearing in progress, so to speak. So really what we're going to do is we're going to break it down into four different areas. Some people have already indicated they wish to speak. If you get the urge to speak, please sign the form and bring it on up here.

But the topics to be considered -- some of you may have an agenda -- first of all, will be the Commission on Higher Education, which was created five years ago by the Legislature. It was reauthorized most recently. There was a meeting held on Friday at Rider College (*sic*) to really assess some of the work that they've done and really where they're going to be going in the future. And so we're going to talk a little bit about where they've gone and what they're going to be doing legislatively. The second issue will involve tuition at colleges

in New Jersey -- where they are, where they're going, and what might be happening. Third is student assistance programs for high school students who reside in New Jersey. And finally is the ability of the colleges in New Jersey, both public and private, to enroll adequate number of students who apply to them and also look at the issue of out-migration of students in the state.

The first topic, having to do with the Commission on Higher Education-- I'd like to invite Dr. Peter Burnham, who's President of the Presidents' Council on the Commission on Higher Education. This is a small group of college presidents, very prestigious group. He represents all of the sectors of higher education in New Jersey.

Dr. Burnham, and testifying with him will be Jeanne Oswald.

Jeanne, what are you, executive director?

J E A N N E M. O S W A L D, Ed.D.: Deputy Executive Director.

ASSEMBLYMAN WOLFE: Deputy Executive Director, okay, of the Commission on Higher Education.

So welcome, and thanks for coming out.

DR. OSWALD: Good morning, Mr. Chairman and members of the Committee. I appreciate the opportunity to be here today to speak on behalf of the Commission on Higher Education.

The first topic on your public hearing notice, as the Chairman mentioned, is the work of the New Jersey Commission on Higher Education since its creation, and that happens to be a very timely topic. Chairman Wolfe, as well as several other people in this room, participated in a statewide conference on the assessment of higher education restructuring last Friday. And the work of the Commission was one of the several things that we discussed.

In fact, I'm going to leave with you today a copy of one of the handouts that was prepared for that conference that talks about the various activities that have occurred in the higher education structure since 1994.

Just as that summary is not limited to the work of the Commission, my remarks today will touch on the work of the entire higher education governance structure because, in fact, the work of the Commission is integrally tied to that of the Presidents' Council and the boards of trustees. A great deal has been accomplished over the last four and a half years. As a result of the cooperative efforts of the Commission and the Presidents' Council and many others, we completed statutorily required reports on the collaboration of K-12 with higher education, on student aid administration, on funding and tuition, collective bargaining in the state college and university sector, and we did an interim assessment of restructuring. Those reports have informed our ongoing work, and in many cases specific recommendations have been implemented or are very near implementation.

The Restructuring Act also required the development of a master plan for higher education; and in 1996 with the advice of the Presidents' Council and the higher education community, the Commission adopted *Looking to the New Millennium: New Jersey's Plan for Higher Education*. This first long-range plan since 1981 established a vision for higher education in New Jersey, and its recommendations are designed to move us toward that vision. The second thing I'm going to leave you with today is a copy of the vision and the related characteristics of an excellence in higher education. They provide the detail of what we are striving for, which is summed up in the first statement of

the vision, and I quote, “New Jersey’s system of higher education aspires to be among the best in the world embracing excellence, access, and affordability.”

The Commission and the Presidents’ Council are now in the process of reviewing the long-range plan, which was designed to be refined and updated regularly. Next month, we expect to release a draft update of that plan for public discussion, and we would greatly value your comments and suggestions. Similarly in March, we will release a draft report on the assessment of restructuring, which includes results of an Eagleton Institute survey. These two draft reports are very closely related, and we encourage your comments and suggestions regarding the restructuring assessment as well.

While the draft long-range plan update will not be completed for about a month, I am very pleased to report that right now many of the recommendations in the original plan have been implemented, and we appreciate the support of the Governor and the Legislature that was provided in several cases in response to that plan.

For example, the \$55 million Higher Education Technology Infrastructure Fund was enacted allowing institutions to accelerate their long-range technology plans. Another example, \$1 million was appropriated for a grant program to improve graduation and transfer rates for low-income or minority students. The State bonding limit for facilities at community colleges was increased, and a significant increase in support for community colleges was initiated to move toward the recommended funding partnership. You will find the status of several other recommendations in the summary of implementation activities.

These reports that I've mentioned and the implementation of their recommendations have kept us busy; however, there are significant other aspects for which the governance structure is responsible, including such things as administration of the EOF Program, which I'm very pleased to report has moved forward under the new structure. We do research on higher education, accountability reporting, advocacy and dissemination of information, licensure, relicensure, and related approvals, new program review, adoption and implementation of regulations pursuant to statute, administration of three ongoing grant programs, transfer and articulation, and especially collaboration with business, *K-12*, and government agencies.

I could probably spend the entire morning sharing progress in these various areas with you, but I think it's probably more productive to leave you with the general summary document and to respond to questions you may have about any of these areas.

I know Dr. Burnham is here, as well, to respond to any questions and to elaborate further on these areas of work.

There is one additional point about the structure, however, that I believe is important to make. Higher education made a significant transition in 1994. And as the new structure evolved, a new level of cooperation and understanding developed that allowed us to tackle some very tough issues and to make some significant gains in a very short time. One noteworthy example is the result of a systemwide collaborative effort in the area of technology. The Infrastructure Fund, together with the ongoing work of the Commission and Presidents' Council, has spawned initiatives such as plans for a high-speed digital network connecting all the institutions and VALE, which allows academic

libraries statewide to collaborate, leveraging buying power for database acquisitions and information resources.

The synergy evident in these efforts has been extraordinary. Similarly, this year's collaborative budget development process demonstrated a new level of coordination between the Commission and the Presidents' Council that produced a common agenda for public support. We've come a long way in four and one half years, and we expect that the long-range plan update and the restructuring assessment report will guide our future work as the structure continues to evolve.

Before I wrap up my comments, I'd like to very briefly address a couple of other issues, those that are on your agenda today. The rising cost of tuition and fees is a serious concern in every state across this nation. In regard to tuition rates at New Jersey public institutions of higher education, the Commission seeks a more balanced partnership to fund general operating costs. As a benchmark, we recommend that government provide two-thirds of operating costs with students and their families providing the remaining one-third. This policy, which is part of the long-range plan, is based on the premise that benefits of higher education accrue to both students and the public.

At the same time, the Commission stresses the need for institutions to be diligent in holding down costs, enhancing productivity, collaborating with their peers, and raising external funds. While students at our public institutions have been paying more than one-third of operating costs for many years, we are now well on our way to establishing the desired partnership in the community college sector as a result of the commitment of the additional dollars by the Governor and the Legislature.

We look forward to a similar effort for the four-year public institutions recognizing that it will take some time to get there. The Governor's proposed increase for the four-year public institutions is a very positive step in that direction.

And finally, I'm very pleased to comment on the adequacy of our State student assistance programs. New Jersey is No. 1 nationally in the share of student aid dollars composed of grants that includes need-based grants and scholarships. New Jersey ranks second in the nation in the amount of State-funded, need-based aid provided per full-time undergraduate. And we rank third in the percentage of full-time undergraduates receiving such aid.

These facts, along with the proposed increase for the Outstanding Scholar Recruitment Program, which will bring the total in merit-based scholarships to almost \$17 million to help stem out-migration, are indicative of New Jersey's commitment to access, affordability, and recognition of merit.

Once again, I thank you for the opportunity to speak on behalf of the Commission on the entire structure, and both Dr. Burnham and I are available to answer any questions you may have.

ASSEMBLYMAN WOLFE: Dr. Burnham.

P E T E R B U R N H A M, Ed.D.: Thank you, Mr. Chairman, ladies and gentlemen. As Ms. Oswald said, my name is Peter Burnham. I am Chair of the New Jersey Council of Presidents. My professional position is the President of Brookdale Community College, the county college of Monmouth. I've had an opportunity, as the Chair knows, to have been a part of this whole process of restructuring of higher education virtually from the beginning. The Chair and I sat together as members of the Hartman (phonetic spelling) Panel that

originally defined the restructuring legislation in 1994. I was one of the first persons elected to be an officer of the New Jersey Council of Presidents and have served through the tenure of President Lawrence, who served as chair, and President Speert of William-Paterson University, who is its second chair, and now the honor and privilege of serving my 53 colleagues throughout the state as Chair of the Presidents' Council.

As Jeanne mentioned in her opening remarks, the Presidents' Council is part of a three-part triumvirate of governance structure that defines and directs the direction of higher education in New Jersey. The Presidents' Council and the Commission created by statute in 1994 have a great deal to do with the implementation and the organization of general policy relating to higher education. Probably the most significant, and oftentimes the most forgotten, third part of that governance triumvirate are our local boards of trustees who, by virtue of the authority empowered in them by the statute of 1994, provide tremendous direct governance responsibility for each individual institution.

It really falls to the Presidents' Council and to the Commission to guide the autonomy of these individual institutions within the framework of State public policy and also to act, as best as possible, as advocates for the overall system of higher education that exists in New Jersey between and among the various sectors.

The role of the Presidents' Council has evolved over the past five years. I've had an opportunity to observe it very directly as an officer of the Executive Board and as a practitioner in managing one of the largest higher education institutions in this state. The Presidents' Council is an organization that clearly brings together persons with somewhat disparate views and, by

virtue of our direction, requests us to find basis for collaboration for ways of improving our ability to serve the students of the State of New Jersey, as well as the taxpayers and citizens, and to form a collaboration and a genuine capacity to develop our State's educational portfolio and its economic portfolio in fashions that were never necessarily achieved before.

Jeanne's material that she has distributed to you identifies a number of initiatives that have occurred over the past five years that we think reflects the by-product of this collaboration. We are particularly proud of the Presidents' Council in having once and for all developed, through a very elaborate and extremely complex negotiated process, a fully integrated articulation program between and among public institutions and several private institutions of higher education in New Jersey, the two- and four-year institutions, enabling a New Jersey student or a student in any of these institutions to be able to transfer their credits from one institution to another in a seamless pattern that enables the student to get full credit toward an advanced degree to enable that student not to lose any credit or, more importantly, time and money in the effort to pursue their educational goals.

This program of articulation has been signed on now by over 43 of the 54 institutions, and we are in the process of translating this process into a computerized statewide system that will enable us to have on-line student records shared between and among the participating institutions. It will allow a student to be able to move effectively and efficiently from one institution to another with no loss of time and credits. The collaboration and the efforts necessary to facilitate this type of system would not have occurred if restructuring did not exist.

Restructuring has brought presidents together in a manner unparalleled before in New Jersey's history. Community college presidents and university presidents sit side by side to find ways to solve problems to serve the betterment of each of our communities. In my own community in Monmouth County, for example, we have been extremely successful in working closely with Rutgers University to develop a joint program that serves the western section of our county, the largest-growing population sector of Monmouth County, as well as northern Ocean County, in developing access to publicly supported baccalaureate degree programs through our educational center.

This parallels the program developed jointly by NJIT and Burlington Community College in Mount Laurel where also again the collaborative efforts of a four-year research institution and a community college were beginning to develop the type of action as we want to guarantee to all of our citizens. There are numerous examples of pilot programs and consortia that are being formulated throughout the state, regionally and locally, that are leading to the sharing of resources, the collaboration and efficiency of operations, and maybe more than anything else, an opportunity to truly look at what higher education can do for our community. This is also being paralleled by substantial efforts to improve our relationships with secondary education so that there is effective articulation between secondary and postsecondary education in New Jersey.

We think that the process of restructuring has been a clarion call to higher education to reach out to work more efficiently and effectively and particularly more collaboratively with our communities, with our students, and particularly with one another so that the maximum benefit of the investment of

the taxpayer dollar may show its yield and its benefits to all students and all citizens of the State of New Jersey.

My final comment is to point out that particularly over the past year we've seen an extraordinary development of collaboration between the Presidents' Council and the Commission for Higher Education. By statute, the President or Chair of the Presidents' Council sits as an ex officio member of the Commission for Higher Education. I've had the benefit of working closely with General Cade, the Chair of the Commission, and his colleagues in helping to formulate what we believe is an appropriate and effective and very directed request for State support for our higher education community in a very collaborative fashion. We've done this in an efficient way, in a way that's helped resolve many of the differences that have historically been represented, I believe, as some of the legislators present today know, and we've not always come to our appropriation hearing as well connected as we are now.

One of the things that we are very proud of today as we sit here is our joint commitment between the citizen representatives, illustrated by the Commission members, and the practitioners, illustrated by the Presidents' Council, and the local citizen representatives, the members of our boards of trustees and our joint commitment to making New Jersey's higher education system strong and effective and efficient.

The issues that this Committee has raised are issues that we, too, want to address and are concerned about such as affordability, effectiveness of tuition aid programs. We believe that careful counsel and consultation with all of the levels of higher education and with the members of the Commission and the Commission staff and with members of the board of trustees will help

formulate good, solid, strong public policy that can be best serving our citizens of this state. We look forward to being an active part of the dialogue and discussion in the work of this Committee, and I as the individual Chair of the Presidents' Council stand ready to respond to any concerns, questions, and ways in which I can support the work of your Committee.

Thank you, Mr. Chair.

ASSEMBLYMAN WOLFE: Thank you, Dr. Burnham, and Jeanne. Any questions?

ASSEMBLYMAN MALONE: Yes. Thank you very much, Mr. Chairman. As you know, I will be seeing you in another month or so in a little different capacity, but--

Having had the opportunity this year -- because my son is a senior in high school and going around looking at colleges and various other activities, I've had the opportunity and I've brought with me today just one of the various official documents that we as parents get to look through at this particular time of the year. (indicating catalog) A couple of things did stand out as I looked through that catalog, or telephone book, as Dave was jokingly saying to me. The question of tuition relative to the county or actually the State schools in New Jersey -- relative to other states -- how would you say, if we looked at New York, Pennsylvania, and Delaware, that the tuition for our State institutions compares to tuition for those institutions that are comparable in the other states? Do you have any documentation on that?

DR. OSWALD: We do a statewide accountability report that is right now at the printers, but there is a draft out there. There is an update on where we stand in that regard. New Jersey has for many years been slightly

higher in tuition than some of the other states. We do have some very interesting information that I don't have written with me right now that came out in the study over this past year that indicates that when you look at all the northeastern states and most of the mid-Atlantic states, New Jersey is actually in the best position. Let's see if I can say this correctly. When you look at the median income and ability to pay of the family and the level of the tuition, New York and Pennsylvania are in much worse condition within that regard. And I'd be glad to provide you with that report.

ASSEMBLYMAN MALONE: That was, basically -- in looking through these various books, and so forth, and brief reference documents, I was pleasantly surprised to see that tuition at the New Jersey State institutions was very comparable to those in the same category, that type of school. And I was very pleased about that.

The other issue that really jumped out at me, and we talked about that as one of the topics on the list here, was the out-migration of students. I don't look at the out-migration as a serious problem other than the fact that we don't have enough institutions. And in looking at the number of New Jersey students that are going to New Jersey institutions, it's somewhere in the neighborhood, if this book is anywhere near correct, that 90 percent to 95 percent, in some cases higher, of the students at these various State institutions are state students. Now, I don't know if that's correct or incorrect. Maybe you can--

DR. OSWALD: The exact number is correct, but, yes, we have a very low in-migration rate, as well as a very high out-migration rate.

ASSEMBLYMAN MALONE: So the situation about students having to leave the state for tuition reasons is not as pronounced as some people have made it out to be, number one.

DR. OSWALD: Assemblyman, we have found that even in the most recent focus groups that we've conducted with students who have left the state, the reason has not been for tuition reasons.

ASSEMBLYMAN MALONE: My contention is the only reason that students leave the state, it has nothing to do with quality of education, it has nothing to do with cost, it basically has to do with the concept that students in New Jersey don't want to go to commuter colleges. And they feel as though going-- For example, you can't find a much better institution than Trenton State (*sic*). Many of the State colleges are fantastic institutions. Many of the students just don't want to go because they're only 20 or 30 minutes away from home, and they want to be away. I don't know if you're ever going to solve that problem of having students not wanting to go out of the state because of the fact that going to Trenton State for many students that live in the central Jersey area is really 20 minutes.

DR. OSWALD: That was requested by the students and their parents who we interviewed and did surveys with. And, in fact, the reasons were not just wanting to be a little further away from home, but wanting to experience a new environment and experience a little more independence.

ASSEMBLYMAN MALONE: And a little more diversity--

DR. OSWALD: Correct.

ASSEMBLYMAN MALONE: --of meeting students from across the country.

DR. OSWALD: Correct.

ASSEMBLYMAN MALONE: This might be heresy, but I think, and then I'll defer to others, we just don't have the space to accommodate more students I don't think. We maybe -- should be looking sometime in the future about additional college space to be able to accommodate more students.

DR. BURNHAM: If I may, Assemblyman Malone, just to reinforce your point. I think that there's a couple of important issues about this out-migration matter. In 1997, the Commission for Higher Education did an extensive study relating to the capacity of New Jersey's higher education system. I know members of the Legislature have seen this report. It's interesting to go back and reflect on some of the tabular data that's incorporated in the capacity study. It's interesting also to note that, I'm very sure, that all the Assemblypersons are aware that there are 70 higher education institutions within 30 miles of the state borders -- located in other states within the state borders of New Jersey.

The out-migration numbers are oftentimes skewed by the reality that New Jersey students are actually commuting to other higher education institutions in Philadelphia and New York City. In fact, the largest out-migration state institution identified in this study was the University of Delaware. And a part of this is a reflection quite frankly of convenience, but the practical reality is we live in a region of the country that is quite frankly a metroplex. And I think that the mobility of students moving in and out of these areas crossing state lines--

I would say, in response to the issue of capacity that Assemblyman Malone raised, more and more students are pursuing their initiative toward

higher education through our community colleges in New Jersey. Better than 55 percent of the undergraduate enrollment in New Jersey is now in New Jersey's 19 community colleges. The vast majority of these students are enrolled in prebaccalaureate/associate degree programs and have expressed clearly the intention of transferring. The historic notion of the community college being the college of last choice is yielding in many cases to be the college of first choice. Certainly, I think we believe because of the strong academic characteristics and the fact that quite frankly, although community colleges are still relatively new, we now have an emerging parent generation many of whom themselves have benefited from community colleges and are recognizing there's no embarrassment, there's no stigma to be associated with being a graduate of a two-year institution.

We find at Brookdale, for example, which has now nearly an 80 percent ratio -- 80 percent to 20 percent of students who identified transfer as their goal, as opposed to career objective programs, that these students are coming from the top 10 percent of their class. We are the college of first choice right now. One out of every four college-bound high school graduates in Monmouth County -- and I will say that of the 25 high schools in Monmouth County over 85 percent ultimately attend college the first year from graduation. Of that 85 percent, one of four choose Brookdale as its college of first choice. These are students that are bright, who are able, who are interested in efficiency costs. Tuition is clearly lower. Many of them are working. They have a very different attitude toward education.

I think one of the things, if I may just digress for a moment about this matter, that we are all facing in this business is that the clientele, or

consumer, known as student is less concerned, many of them, about the accoutrements of higher education and more concerned about efficiency, speed, getting in, and getting out. We see more and more demand for short courses, summer courses, intersemester courses. We just recently at Brookdale ran a winter run where we were double oversubscribed. There were students who were willing to take full three-credit hour course in a two-week period, which involved them having to take classes for five consecutive hours a day. And these students were not ambiguous about what they wanted. They wanted to get in and get out. They're more interested in having their degree, being prepared, and getting on with their lives.

I think a lot of what we do in higher education is going to be influenced by this new consumerism in terms of efficiency and making sure we do it more quickly and effectively.

ASSEMBLYMAN WOLFE: Assemblyman Garcia has a question, but I'd like to just ask something very quickly.

Jeanne or Dr. Burnham, could you tell us, on a percentage basis of the New Jersey students enrolled in New Jersey colleges, what percent are enrolled in the State colleges, independents, and what percent in the community colleges? Do you have that right off the top of your head?

DR. OSWALD: If you just give me one moment, I'll look it up in the most recent--

ASSEMBLYMAN WOLFE: You probably just told us that, didn't you?

DR. OSWALD: No, I did not actually. I did not.

Public research universities -- 1997 data, the most recent available-- Fifteen percent of the public research universities, 24.2 percent of the State colleges and universities, 44.3 percent of community colleges, 14.1 percent public mission, independent institutions, 2.1 percent proprietary institutions, and 0.4 percent theological institutions.

ASSEMBLYMAN WOLFE: Okay. Thanks a lot. Thank you.

DR. OSWALD: That was the undergraduate students only.

ASSEMBLYMAN WOLFE: Okay.

Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Thank you very much.

First of all, I would like to commend Dr. Oswald and Dr. Burnham, and especially you, Mr. Chairman, for your work on this Committee on Higher Ed. I look forward to seeing the long-range plan next month. I anticipate its arrival.

One of the questions I have, and I think it goes back to tuition-- I remember when I was a member of this Committee in 1994. Actually, I served on this Committee since 1993, and I remember the debates when they tried to create this new Commission. And one of the areas of debate and certainly that some people said -- that with the increased autonomy at the universities and State colleges that tuitions would go up. I would just like to get your comments on whether it's a fair criticism. If you look at the background paper of tuition rates at higher educational institutions, if you look at the five-year increases in tuitions at Rutgers 34 percent, NJIT it's 31 percent, UMDNJ is 28 percent, State colleges have gone up 45 percent, county colleges 33 percent, and independents 27 percent.

I think these are huge tuition increases. I think the focus shouldn't really be on the out-migration, as we have been talking about today, but how many middle-class students, how many working-class families are not being able to send their children to school, period, or now must opt to send their children to community colleges, county colleges.

I think Dr. Burnham said it best. He's attracting now some of the best students in Monmouth County. And one of the reasons that he himself attributed to that was the fact of tuition rates. I think now the choices that high school students are making are not so much, "What is the best program of education available to me? At what college?" but rather, "Where can I afford this?"

That would be a skeptical view, certainly one that I myself have and certainly one that I raised when this Commission was formed. I would just like your answer to this, if I may.

DR. OSWALD: Assemblyman Garcia, I remember when you raised that issue. The Commission, also, is concerned about the rising cost of tuition. But in regard to the first part of your question, have tuition costs been rising at a greater rate than -- perhaps, you didn't phrase it that way -- they were before, I would have to say, no, they have not. Actually, if you look at the past five years and compare it to the previous five years, the previous five-year increases were slightly higher. Now, we don't think it's okay that in either of those five-year periods to have tuition rise at a great rate. We are concerned about the burden on the students. It's a national problem. They certainly don't believe it has anything to do with the structure, that it's slightly less now than it was before, but I do think that the Commission's policy in trying to bring the

partnership into a better balance where the student is not paying almost 40 percent of operating costs is the issue. It was the issue before, and it's the issue now.

ASSEMBLYMAN GARCIA: What percentage, if I may, just one second. You had said that we recommended the government provide two-thirds of operating costs, at what percent are we now?

DR. OSWALD: At the senior public institutions, we're probably at about 40 percent with the student and family and 60 percent in that area. And at the county colleges, we're improving significantly with these increases that have been set forth last year. In the next three years, we hope to bring that to the one-third level of State support, and then you have another government at the local level contributing to the community colleges coming to two-thirds where the students pay only one-third.

The problem across the nation is increasing costs very often lead by salary costs, which are necessary, and then a lessening of the commitment from the state or the government, if it's the local and the state. So when you have the costs going up and the primary provider of the cost, the two-third provider, not increasing at the same rate, there is only one other area in which the institutions can seek the funds. And they do their best, I believe, to hold those tuitions down and to make cuts elsewhere. But I think the problem that you brought up is a very real one that the nation is grappling with and that it really is not tied directly to this structure or a structure in any other state.

ASSEMBLYMAN GARCIA: Let me ask this other question. What mechanism does the Commission have in order to try to work with or pressure colleges to hold down tuition rates, if any, and is there a mechanism that can be

devised to do so? That's one of the questions that I would like to see as part of the long-range plan to see how we could work with the community-- I mean, all the colleges -- community colleges have done a good job, as you see here, in the last year -- but they've also gone up 33 percent over the last five years -- in holding down tuition increases. Can we go back to the Tuition Stabilization Fund or some type of, maybe, reward for those colleges that hold down tuition rates lower than the average or tie it to the rate of inflation maybe? Could that be a suggestion or-- Maybe you could give us your thoughts on that.

DR. OSWALD: I am sure that Dr. Burnham would like to address this also, but absolutely. Our performance funding initiative, which begins, in fact, for this coming year, one of the indicators is tuition. And that is an incentive for holding down tuition.

ASSEMBLYMAN GARCIA: What is this program?

DR. OSWALD: Last year, the Governor proposed and it was adopted in the Appropriations Act of performance in sending funding where 1 percent of the operating aid to the public institutions would be based on their performance in four areas identified in the long-range plan were critical to the State, one of them being tuition rates.

ASSEMBLYMAN GARCIA: Would any of these categories, besides county colleges, qualify for this based on 7 percent increase in tuition, 6 percent, 4 percent, 9 percent, and 5 percent? Besides the county colleges, all of them have gone up almost 5 percent.

DR. OSWALD: The criteria are being finalized right now. They are not yet completed at this point. But, in fact, the institutions will be measured on their performance from last year to this year. Those funds will not

be flowing to the institutions until April until the funding -- the criteria information is in. So, yes, that is one step in that direction.

I must say something that Dr. Burnham and I both mentioned in our comments, the incredible cooperative efforts between the Commission and the Presidents' Council this current year in planning the budget that I think set forth a process that should be institutionalized to ensure that we do work together. I think the institutions very much share the desire of the Commission to keep tuition increases down.

ASSEMBLYMAN WOLFE: Excuse me. I'd just like to interrupt right here. We do have other people who wish to testify, and they are from the other sectors, from the community college sector, from the State college, and also from the independent sector. And some of the questions that have been asked to the Commission itself, I think, maybe might be more generic to some of those other sectors.

So, can you two stand by? (affirmative responses)

I am going to ask right now Bob Polakowski of the Association of Independent Colleges, Larry Nespoli of the Council of County Colleges, and Darryl Greer, New Jersey State College Governing Boards Association. Do you want to come on up, and maybe you can pull up some extra chairs over there? Maybe you all can sit up there and share some microphones. We can accommodate you at the big old table there.

I think, as I said, where some of this discussion was going might lend itself to maybe some of your comments, too.

So Bob, Larry, Darryl, which of you would like to chime in first?

ROBERT POLAKOWSKI: Since I plan to be brief, I'll take the lead on that. Bob Polakowski on behalf of the 14 independent colleges and universities here in New Jersey.

Thank you, Mr. Chairman, for an opportunity to share some thoughts regarding higher education and the status of it in New Jersey.

I'd like to focus and urge each member of the Committee to embrace and support the \$550 million capital initiative that Governor Whitman is putting forward. That is going to provide very much needed funds for taking care of deferred maintenance and other issues regarding capital on both public and independent institutions in New Jersey. You've heard some information that's already out. A bill is anticipated to be introduced, and I think the Governor's budget proposal this afternoon and budget message will include the necessary capital funding to put that forward.

We want to retain the New Jersey residents at all higher ed institutions in this state. The capital proportion of this budget will help in that regard. It has already been mentioned that with respect to tuition and financial aid offered by the State of New Jersey we have one of the best, if not the best, financial aid program. I think, also, with respect to Scott Freedman and his staff, one of the best administered and staffed financial aid programs in the state. With respect to that program and keeping the best and the brightest in New Jersey, I would offer a suggestion for the Committee to look at the Outstanding Scholars Recruitment Program, which at this point is going to be receiving a \$3.2 million enhancement over the 6 million currently in the budget to retain the best and brightest students.

I am urging on behalf of the independent sectors and for that matter, also, some of the public sector institutions that that Program be expanded to allow students to choose any of the outstanding institutions that we have in this state for their Outstanding Scholar Recruitment Grant that they can take to any institution. At the present time, there are limitations. In the independent sector, just two institutions at the present time are permitted to participate in that Program. We think it should be expanded and some of the barriers that are in place be eliminated so students will have a complete choice of institutions in that regard.

Also, I know that there is a bill in this Committee sponsored by one of your members, and that is a bill to enhance the Governor's School. I believe the Governor's School Program has been flat funded now for at least the last five or six years. This is a Program that involves both two independent and two State colleges. It provides opportunities during the summer months for some of our brightest high school students in a wide range of course offerings at four institutions.

I can speak on behalf of Monmouth University and Drew University, the two independent institutions that participate in this Program, that the demand for institutional funds to continue at the level they would like to continues to grow as the State's contribution to that Program has remained stagnant. I think it's a modest amount of money that is a wise investment for the State of New Jersey. And I think it also gets some of our best students on our college campuses at a point when they're going to be deciding where they're going to matriculate once they graduate high school.

I will end with that and urge those areas as areas that this Committee may take a look at.

Thank you.

ASSEMBLYMAN WOLFE: Thank you, Bob.

Darryl.

DARRYL GREER: Thank you, Mr. Chairman. I want to join Bob with providing a great overview of many of the issues that we, the State colleges and universities, share with the independents with research universities and county colleges. I want to thank you for your leadership, Mr. Chairman, and other members of the Committee in helping to support and enhance higher education in New Jersey and especially for your excellent comments at the Commission's Seminar, which was held at Rider University just last Friday.

Real brief summary, probably less than a minute. The Governing Boards Association of the State colleges and universities exists to advance the collective or common interest of those nine institutions. You created the Association in 1985 by law. The nine State colleges, universities, as Dr. Oswald pointed out, are the second-largest segment of New Jersey higher education after the county colleges, educating about 78,000 undergraduate and graduate students. You brought out several issues that are near and dear to the hearts of the State college and university trustees and presidents including cost, capacity, and accountability. This Committee has helped to enact several pieces of legislation over the past decade and more that relate to so-called State college and university autonomy, but we believe that autonomy without accountability and without holding your trust and the public's trust really is an empty goal.

And the trustees and presidents do work hard with the faculty and others to bring about that accountability.

I might point out that we have three new presidents among the State colleges and universities, some of whom you may have met, Dr. Donald Farish, the new president this year at Rowan University, Dr. Susan Cole has joined in September the family of Montclair State University to try her leadership there, and Barbara Gitenstein has just started this month at the College of New Jersey and is president there. I hope you get a chance to meet them. I certainly encourage the presidents to either visit you in your district offices or come to Trenton to do so.

I think I'll stop there, but I am happy, Mr. Chairman and members of the Committee, to address questions further related to costs and capacity and accountability that Assemblyman Malone and Assemblyman Garcia started on.

Thank you.

ASSEMBLYMAN WOLFE: Larry.

L A W R E N C E A. N E S P O L I: Mr. Chairman, members of the Committee, I'm Larry Nespoli, New Jersey's community colleges. I wanted to offer just two comments and observations on behalf of New Jersey's community colleges, our presidents, and trustees this morning, one concerning tuition at the county colleges, and secondly, maybe a segue into your -- next up on your discussion of financial aid and our concern about part-time students.

But first, let me just provide a brief word about tuition. These are really extraordinary times for community colleges in terms of the State's commitment. And our colleges are very, very grateful for last year's budget and

the budget that will be announced later today, a new effort, unprecedented, extraordinary effort by the Governor and the Legislature to move the State's funding of our county colleges to the one-third share that was envisioned years ago. The county college presidents and the trustees have, I think, responded beautifully. In the current year, all 19 of the colleges froze tuition. In the 1999-2000 year, most of the community colleges will again be freezing tuition, so I can't speak to Assemblyman Garcia's five-year trend. I haven't seen that yet. I suspect it-- I'd like to take a look at it because it doesn't sound on the note--

ASSEMBLYMAN GARCIA: I just give you the information that's provided to us.

MR. NESPOLI: I can speak to the three-year term, however, and that is a freeze in the current year, mostly a freeze in the coming year, and the prior year, I think, our average-wide sector increase was about 2 percent. The three-year trend is really quite remarkable. And we're able to do that again because of the unprecedented new support that we've gotten from the Governor and the Legislature.

A brief word about financial aid, and the word for us is part-time students. A coalition of organizations has come together in support of the notion that financial aid in New Jersey ought to include part-time students. The Presidents' Council has endorsed that notion, the Commission has, other groups. Some are represented in the audience today. The NJEA has endorsed that notion, the New Jersey Association of Counties, and others. It's an easy notion to endorse -- of course, everything comes with a price tag -- but it's an easy notion to endorse because it's the right thing to do. When we hear talk about HOPE Scholarships and helping the middle class, we're of course all for

that, but we do need to remind you and others that currently, as good as New Jersey's system is, as you heard Jeanne and others say this morning, there is-- You always have to remind yourself, it's No. 1 or No. 2 in the nation for full-time students. We don't do well, frankly, for part-time students.

And in the discussions that you will be leading, Assemblyman Luongo and others, on expanding financial aid to the middle class, we need to be mindful that right now there are many, many very poor -- the poorest students in New Jersey who happen to need to study part-time but aren't getting any help or very little. Most are not getting any help from New Jersey's financial aid systems right now. So part-time students need to be on their agenda as well.

Thanks very much.

ASSEMBLYMAN WOLFE: Thank you very much, Larry. Thank you.

We will be moving into financial aid per se in just a couple of minutes. Could you all stay there? (affirmative responses)

And there's a Larry Petersen, Chairman of the New Jersey Education Association for Higher Education Committee, which is a very nice long name.

Larry, are you here? Do you want to come on up, and do you want to come speak?

LAWRENCE PETERSEN: Good morning, Chairman Wolfe and the members of the Committee. We thank you for this opportunity to share our views on several higher education topics.

I teach business courses at the County College of Morris. I have chaired the NJEA Higher Education Committee for the last 18 months. We want to thank the Legislature and Governor Whitman for the much needed increase in State appropriations for New Jersey community colleges. The \$12 million increase in appropriations, which were approved last year, and the Governor's commitment to increase State appropriations by \$12 million in each of the next three years is a vote of confidence in the excellent, cost-effective education that our community colleges provide.

As a direct result of the State's commitment to increase in the investment in our community colleges, the community colleges are able to maintain and renew their commitment to keep tuitions affordable. Last year, we were able to freeze our tuition rates. We were also able to continue to offer more than 150 major fields of study systemwide to over half of all of the students now enrolled in New Jersey's public institutions of higher education.

We continue to combine affordability with accessibility to higher education for older, returning students, as well as for some of the more disadvantaged students, who may not be given a chance to prove themselves in a traditional four-year setting.

In most of our community colleges, more than half the student body attends part-time. They are part-time because they are full-time parents or employees who must work to support families and pay their tuition. NJEA has endorsed expanding the Tuition Aid Program, TAG, to provide grants to part-time students. Recently, the New Jersey Assistance Board estimates that \$6 million might be needed to provide TAG to eligible part-time students. In Fiscal Year 1998, there was a surplus of \$7 million in student aid, which the Student

Assistance Board returned to General Treasury. The money could have supported part-time TAG Programs.

The New Jersey Council of County Colleges has also endorsed expanding the TAG Program to cover part-time students. We urge the members of the Committee to support TAG for part-time students as a cost-effective way to ensure access for some of our neediest, hardworking students.

On another topic, there has been much recent discussion in the college and university community concerning the New Jersey Commission on Higher Education's performance over the four and a half years since its creation. If I were called upon to give the Commission a grade, it would be a C+. After a slow start, the Commission is now doing a good job with budget advocacy and in protecting accessibility, affordability, and diversity.

While the Commission still needs to improve in its relationship with its various constituents or stakeholders in the State's higher education community on a series of issues and initiatives since its inception, the Commission has failed to include faculty members at all or include them only after an outcry. The latest such initiative was the Virtual Academic Library Environment, or VALE, which was announced by the Commission in December 1998. Our library faculty members were not included in the development of VALE.

While we are not in opposition to this important development in on-line education, our members are the professionals who will be expected to deliver most of the components of this aspect of distance education to the students. We have knowledge and talent to make a significant contribution to

this and other initiatives that is not being utilized in many cases by the Commission.

Thank you for your attention and your time.

ASSEMBLYMAN MALONE: Thank you very much, Mr. Petersen.

Question by Assemblyman Luongo.

ASSEMBLYMAN LUONGO: Yes. First of all, Bob, thank you for your support in the Governor's School because that's my bill, and I do believe that it needs to be funded more. And I believe it's probably one of the jewels in the State's crown for doing something for these students who are so advanced. And if anyone's had that opportunity to visit any one of the Governor's Schools, they'll see what kind of young people we are producing here in New Jersey. Contrary to a lot of the negative we hear, we are doing a good job.

Relative to part-time student financial aid, you bring up a good point, Larry, and it's one that's going to be investigated. I like that idea. In speaking with many of the community college folks in my area in southern New Jersey, the number of people going back to school after they've raised a family even is incredible. And if education is what it's all about, we need to help them as well to get an education. So part-time student financial aid is not something we've forgotten, we just haven't dealt with it yet with all the other items that are on the table.

With regard to every comment made -- being a product, except for my Ph.D. from all New Jersey colleges, I only can speak to-- I think they did a pretty good job, and that's why I am promoting the HOPE Scholarship. I believe it will keep young people in New Jersey. I believe it will make college affordable, and I think it will do everything to enhance New Jersey's colleges

and not to detract from it. And hopefully, as you look at the program, you'll look at it with those kinds of eyes and not something that's, well, not in the best interest. If it's in the best interest of our children, it will do much to keep our children in New Jersey. It will make college affordable, and you'll keep New Jersey's best and brightest right here in the Garden State. If that means building more colleges, then we need to do that if that's our goal.

I know we're not as prolific in the number of colleges of some states given the number of people who reside in New Jersey, but we need to look at that. We may have been slow in getting started, but that doesn't mean as we enter the 21st century that we can't look to the future with perhaps another school, another college, another university -- New Jersey's level.

So speaking for one, you're going to have a great deal of support both as college people, and I'm also going to support the need for young people to go to college. So I plan to work hard along those lines. With your help and input, we can craft a bill that would even be better. So I'm opening the door for your suggestions at any time.

Thank you.

ASSEMBLYMAN WOLFE: Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Thank you, Mr. Chairman.

I had a question with respect to diversity. And I know we have a million dollars appropriated for grant programs to improve graduation and transfer rates for low-income or minority students. And I was wondering, what are the percentages now in terms of the rates -- the graduation rates? Also, if there are programs in place to help students while they are in school. Because I know that getting there might be one thing, but then the support mechanisms

that need to be there for the students is another. And, also, how are we doing in terms of diversity in our State colleges?

DR. OSWALD: Assemblyman, the answer to your first question is the rates -- as I recall in our first accountability report, which was two and a half years ago, across the nation the rates for both low-income students and minority students were about 20 percent lower than for other students, which is why we targeted this as an issue in the long-range plan that needed to be addressed. There are lots of issues that need to be addressed, but when they stand out like that, it was important. The Governor recognized that, the Legislature recognized that. The \$1 million was appropriated. It's been dispersed through a competitive grant process to 10 institutions, public and private institutions, and those institutions have various programs. Some were funded -- they all received up to \$100,000, somewhere in that neighborhood. They had an option of using all of their money in one year or spreading it out over two years or three years. Most of them spread that out.

We're doing a long-term evaluation of this program. So after another year and a half, we should see some results. The money is meant to be seed money. The institutions had to commit to continuing their programs after they spent their State dollars, and it is exactly what you asked for. It is money to help the students when they get to college to be prepared, to continue, to increase their retention rate, but beyond that to get them to the graduation point. We already have a very good retention rate over three semesters in New Jersey. But like other states, we drop off after that in the area of low-income and minority students.

So we hope that we have the best practices in place that need to be replicated by other institutions, and we expect the evaluation to be very informative to all of the institutions.

ASSEMBLYMAN STANLEY: How are we now in terms of diversity, in terms of the students that we're bringing in and even some of our acceptance criteria, the way we choose our students? Do we encourage diversity in the process?

DR. OSWALD: I believe we do, and the institutional folks can address that, but our most recent accountability report indicates increases in the area of our black students, our Hispanic students, our Asian students, even the American Indian students from '91 to '96. As for the admission processes, I think institutional folks can best answer that question.

MR. GREER: Mr. Chairman, if I may address Mr. Stanley briefly. I agree with our data and concur with Dr. Oswald. If you bear with me, I'll give you a few statistics.

Mr. Stanley, in the past decade -- the hard data that I have are from '86 to '96, but I think they're still relevant -- the black American enrollment in the State colleges and universities has increased as proportionate of all part-time and full-time enrollment from 8.7 percent to 10.6 percent, Hispanic from 6 percent to 10.4 percent, and Asian from 1.7 percent to 3.9 percent. So the commitment to diversity and access for all New Jerseyans is there.

I might point out, too, as Dr. Oswald alluded to, the graduation rates are improving as a generalization in each of the State colleges and universities. At the residential institution such as Stockton College of New Jersey, fortunately, the minority graduation rates -- the retention graduation rates

-- are approximately what they are for the majority or Caucasian New Jerseyans. So there's progress being made at all the institutions, and indeed, in terms of academic achievement measured by things like class rank, SAT scores, and so forth, and retention rates. The greatest improvement, if you will, among New Jerseyans is generally among minorities. That is, not to say, they're up to par with majority of New Jerseyans, but improvement is being made.

ASSEMBLYMAN WOLFE: I'd like to shift the focus of our hearing right now.

I thank you representatives of the various sectors, if you can kind of stand by back in your seats. We may need you again.

Thank you very much.

I want to shift to financial aid and just want to say that there was an allusion earlier. Someone made a statement about Scott Freedman, who is the person who's designated to be in charge of all the higher ed financial aid programs in the state -- has an excellent reputation, runs an excellent program. And Laura Ripkin (affirmative response from audience) is representing his office today. She's not really going to testify, but I just want to say a few things before we get into financial aid in general.

Assemblyman Stanley was quite correct when the Commission on Higher Education was established. Probably the biggest stumbling block was continuity in financial aid. The financial aid program and office was almost like a sacred cow. It was not to be touched. People were not to be changed in their jobs, and that, by and large, is what happened.

This week on the 28th, this Thursday, the Assembly we'll be voting on a bill, which our Committee did pass recently, that consolidates many of the

programs, streamlines a lot of the programs in the higher ed office. And I think that's a credit to the Committee, and I'd like to thank you for your support.

But we do have a handout which the Committee received, and I don't know if all the public members have it, but I just want to go over some of the things very quickly. Some of the things have already been alluded to. (reads from handout) It says, "State of New Jersey operates financial assistance in 1999 that will provide almost a half a billion dollars to New Jersey postsecondary students." This does not include Federal money. "Tuition Aid Grants, including part-time eligible EOF participants provides \$142 million to 60,000 students. Merit Scholarships provide \$14 million to 10,000 students. The EOF Program itself provides \$21 million to 19,000 students." It says, "The New Jersey Higher Assistance Authority and the Federal Family Education Loan Program provide over a quarter of a billion in loans to over 65,000 New Jersey students. Interest on these loans is now federally tax deductible. NJCLASS, the State supplemental loan program, provides \$42 million to New Jersey students. The interest rate continues to be the lowest." And this, I think, is very significant. This doesn't get too much publicity, but I think it's important, "The NJBEST, the State's new college saving program, has, since September of this year, enrolled over 500 families who have invested over \$1 million planning for future college education costs for their children." And I think that's significant as we shift the focus onto financial aid.

I know Assemblyman Geist and Assemblyman Luongo and I have spoken a lot about the HOPE Scholarship Program. I just want to say something about that very quickly. There is a Federal HOPE Scholarship Program that's not to be confused with the Georgia HOPE Scholarship Program,

nor to be confused with the nonexistent New Jersey HOPE Scholarship Program. (laughter) The Federal Program provides a Federal tax credit based on family income when you do your income tax.

The Legislature this year passed a bill that I had sponsored, and it went to the Assembly that appropriated -- I believe it was almost \$3.5 million in incoming lottery monies to go towards a New Jersey scholarship program, which is basically the same criteria for the HOPE Program -- is for students with a *B+* average who attend college in New Jersey. That money will go towards that.

I have seen two estimates. One is from the administration that says that over \$200 million would be required annually to provide a program in New Jersey similar to the HOPE Scholarship Program in Georgia with the provided money for students with a *B* average.

I spoke last week to Virginia Haines. I'm sure many of you know former Assemblywoman Haines, now lottery director, who reported to me that the New Jersey lotteries in total take in \$680 million a year. And they estimate that to fully fund a program similar to the Georgia HOPE Scholarship Program in New Jersey for all eligible New Jersey students would cost an additional \$600 million for a separate lottery.

Senator Bennett, the Majority Leader in the Senate, has proposed a Commission of Senators and Assemblypeople and the public to look at HOPE-type programs to be considered. I don't know really where that is in the Assembly. I believe that the Senate has acted on that.

And Assemblyman Luongo who's coming in the door right now, I know has spoken before about his concern about having some type of HOPE

Scholarship Program. The problem with that program is where do you come with the money. Does it come from additional tax sources? Is it an income tax? Does it come from the State government providing money? Does it come from the lottery? I think we're going to hear from someone today who's going to talk about a special kind of a lottery. Someone has signed up here to speak.

So really this is a hearing, kind of like an open-door hearing on the issue of, basically, student financial aid, not necessarily the HOPE Scholarship, but the HOPE Scholarship I'm sure will get into the fray.

The first person I'd like to call on is Susan Dickey. I believe she's still here. Is she here? (affirmative response from audience) Okay. She's a Warren County Freeholder Director. I spoke to her last Friday on the phone. She sent me a letter and said she wanted to testify when we had a meeting. So I said come on Monday.

So, Susan, thanks for coming.

S U S A N A. D I C K E Y: Thanks for giving me the information so I could be here this morning. I do have to apologize that because it was a late notice, I will be forwarding copies of my remarks today. I did not bring them with me.

I'd like to -- before I begin, would like to address Assemblyman Garcia's question. In Warren County Community College, 27 percent of the funding comes from the State of New Jersey. And that leaves the tuition and county property tax to pick up the balance of that.

There's another issue that I'd like to address, but I don't think this is the time or the place. It would be a change in the law -- in the community college law that now currently forces the board of freeholders to fund expansions

and operating budgets without any say, based on the board of school estimate decision, but I'd raise that at a different time.

I'm here today to speak on behalf of students, parents, and working-class taxpayers and voters about the importance of the HOPE Scholarship Program. The most important gift that we can offer our children is the opportunity to learn, to grow, and to achieve, and direct aid to students through programs like HOPE make these gifts possible. The very name and acronym of this program makes its own case. Helping Outstanding Pupils Educationally, or HOPE, is a fitting name for a program that allows our young citizens to realize their goals. And as legislators, you have the ability to establish this possibility for generations of New Jersey students at no cost to an already overtaxed constituency.

We know that the wealthy can afford a college of their choice and that the minority and the needy are subsidized by grants. However, it is the burden of the middle class to support government programs for others through their taxes at the expense of their own ambitions. The same parents who cannot afford to add tuition to the high cost of living in New Jersey are expected to pay for the bonds that New Jersey uses to expand college buildings and administrations. And there are very few grants for the middle class.

On an application for Federal tuition aid, no consideration is given to expenses. The application is based on income, savings, investments, benefits, and assets; and that the majority of State funding for education is spent on facility expansion and improvement. As I just mentioned, in some instances, the State doesn't even pay its rightful share of operating expenses, let alone offer middle-income students any opportunity.

Last October, the administration announced that Tuition Aid Grants, TAG Program funds, were increased by 30 percent over four years. That's an impressive number, but approximately one-half of the TAG recipients are families with incomes under \$18,000. And as you've just mentioned, on the opposite end of the scale, our current lottery funds of over \$600 million go to support a select group of students who receive aid for the Governor's School and for the Blauwenstein (phonetic spelling) Scholarship Program.

And inconsistent messages are sent to students and to taxpayers as the State proposes bonding \$550 million for capital building expansion, renewal, and renovation, while at the same time promoting the university of the Internet. So instead of driving to school and sitting in those classes that we're building, we're promoting distance learning, lectures that can be downloaded onto home computers, and videos, which are going to be the classroom activities of the future.

On a personal level, we had some comments today. I'd like to tell you that my daughter is a junior at Trenton State -- The College of New Jersey. As a freshman and a sophomore, she lived on campus. She received New Jersey class loans and Stafford Loans at over \$12,000 for each year. So that's over \$25,000. Her interest repayment is at over 7.75 percent. This year, as a junior, she chose to live home in Warren County, so she commutes over an hour each way, four days a week to classes at Trenton State, and I'm concerned because of her safety and her health and just the difficulty of commuting. It's like going to a job now to get an education. And I also have a son who is a high school senior and a daughter who's a sophomore. So you're talking about middle-class

families who are trying to put three children through school, and they need assistance.

I don't think that New Jersey students should be made to feel guilty that their parents must mortgage their home, deplete their savings, or give up their retirement to go into debt to send them to college. Their desire for an education should not be dampened because of the high cost of college in New Jersey, and I don't believe that they should be encouraged to incur excessive personal debt and, in many cases, more than \$60,000 for a four-year degree. Rather, they should know that their own scholastic efforts and their good grades in high school will be rewarded with free tuition at no cost to taxpayers. And with this, HOPE Scholarship Program students gain pride in their achievement because they earned their degree on their ability and their work ethic.

In 1997, 98 percent of in-state freshman at the University of Georgia in Georgia Institute of Technology were HOPE scholars. A similar program in New Jersey would keep our brightest scholars here. I do expect that this whole program is going to become a reality, and I hope it will happen this year with funds that are constitutionally dedicated so they now cannot be used for anything but this program.

I am here again today as a taxpayer and as a parent and to ask this Legislature to recognize that the time has come to give dollars directly to the students rather than to bureaucracy and to administrations. I am very committed to see that this program, the HOPE Program, does not die or languish in committees, and that is, should be heard for a vote on the floor during this very important election year. I really am committed to take this appeal throughout this state to other parents of middle-class families to get them

encouraged to participate and bring their concerns and to bring their needs to the Legislature for passage this year.

Thank you.

ASSEMBLYMAN WOLFE: Thank you, Ms. Dickey.

Assemblyman Geist, do you have anything to say? (affirmative response)

Assemblyman Luongo, you're next.

A S S E M B L E Y M A N G E O R G E F. G E I S T: Briefly, first, Chairman Wolfe, I want to thank you for your leadership of this quality education committee that enables this forum through which public policy begins. So I thank you for this hearing today.

I want to applaud my teammate, Assemblyman Luongo. Assemblyman Luongo has been a voice of strenuous advocacy for HOPE.

Mr. Chairman, members of the Committee, I will be brief. Let me make it crystal clear. The hope for HOPE is real. The hope for HOPE is real. I say that as a soccer dad married to a soccer mom of 20 years. I'm the proud father of two Geist guys. My Geist guys are soccer phenoms, and I'm a soccer dad of pride and joy. But, Chairman Wolfe, members of this Committee, as a soccer dad married to a soccer mom, I hear about HOPE. We read about HOPE, we hear about HOPE. The hope for HOPE is real, and I'm real excited, Chairman Wolfe, that you're beginning a process. I want to be a partner in progress with my strong new teammate, Assemblyman Luongo, in making HOPE reality.

Thanks for the opportunity. God bless you. Let's do it and do it well and do it right and do it soon. Thanks.

ASSEMBLYMAN WOLFE: Gee, thanks. Thank you.

Well, before you go, I'm sure each of our colleagues up here can give their own little personal testimonies paying for college expenses. I had two sons I coughed up the money for. I've had three stepchildren who also had their assistance provided by their parents. So I'm well aware of these issues. So I think the important thing as we get into this area, I think, is we're talking about those people who are not right now covered or eligible for financial aid. People earning beyond \$40,000 and under \$100,000. They're either too wealthy or not wealthy enough. Quite honestly what Ms. Dickey said and you said, Assemblyman, is very true that right now there is nothing there for them except for loans, if they qualify for those loans.

Assemblyman Luongo, you've been quite interested in this. Do you have something you'd like to add?

ASSEMBLYMAN LUONGO: Yes. Well, first of all, I'd like to thank Ms. Dickey for your support.

George, my colleague, thank you.

And also, I think the Committee is aware of many people out here -- the support that actually the general public has given to this. A poll has been taken that indicates that the people understand the program. I think they've shown more interest in this program than they showed in many other things. Where we sometimes criticize the press, here we have to herald them for making that an issue and going out and reaching out to the public who said, "If we have to raise the money, let's raise it, but let's dedicate it." And I think that's the key word here, dedicating that money for our children's future. And I know some people have been, I guess, somewhat critical of the fact that "Well, you know,

we raised our kids,” and I understand that, I’ve done the same thing, and I myself paid my own way through college, but that doesn’t mean I can’t make it better. And I know that we all want to make it better for our children. I think we need to forge ahead with that.

And I believe that the HOPE Scholarship not only providing those kinds of dollars, but it’s going to do much to make New Jersey just that much better as far as post-high school education. It’s going to make our colleges even greater than they are, and I think that’s the key factor here. I just want to make education No. 1. I think everyone’s quite aware of my position on school choice. I say make every school the school of choice in New Jersey. Let’s make education a priority.

I know the Governor today is going to avail some wonderful ideas, and I support them. I supported the millions of dollars being put into infrastructure for our colleges. I believe we need to go that route, funding open space for -- funding a lot of issues that are going to ensure the future of all our children and our children’s children. And I think education should be among them. So I appreciate the support. I have not even one single iota that I will drop this ball. I’m going to carry this as long and as hard as I can. I know people are listening.

Chairman Wolfe, I know you’re very pro education. I do support your positive comments. I look forward to working with you and all my colleagues in getting this on the floor and, hopefully, getting it passed and then finding a way to fund it. We have three possibilities out there. So we’re willing to take any one of them as long as it works.

Thank you.

ASSEMBLYMAN WOLFE: Thank you, Assemblyman.

Richard Bellshot, New Jersey Licensed Beverage Association.

RICHARD BELLSHOT: Mr. Chairman, Committee, I appreciate this opportunity to talk. The New Jersey Licensed Beverage Association, which I represent, has been giving out scholarships for 50 years. This HOPE Program is a great thing. As a father of four children and a grandfather of six and a half, I think New Jersey should follow this HOPE Program through.

The funding for this program, we believe, should be through the video lottery. The video lottery -- I've been involved in it for 10 years now. I've gone all over the country and studied it. The video lottery is the most harmless way to finance it. There is no taxes involved. The State can run this lottery at absolutely no cost to set up or to operate, and it would give the State we believe more than \$500 million a year.

That's what I have to say, sir. Thank you.

ASSEMBLYMAN WOLFE: We have a question here.

ASSEMBLYMAN MALONE: Yes. I'm assuming you're representing the bar owners, is my understanding?

MR. BELLSHOT: Representing who, sir?

ASSEMBLYMAN MALONE: Bar owners--

MR. BELLSHOT: I'm representing Richard Bellshot and the New Jersey Licensed Beverage Association.

ASSEMBLYMAN MALONE: Oh, okay. Is that a group that deals with bar owners? I mean, you sell your beverages to bars.

MR. BELLSHOT: Yes, licensed beverage. Yes, it's a tavern owners association.

ASSEMBLYMAN MALONE: Okay.

MR. BELLSHOT: But we've been giving out scholarships for over 50 years every year.

ASSEMBLYMAN MALONE: Okay. I just wanted a clarification.

MR. BELLSHOT: Thank you, sir.

ASSEMBLYMAN MALONE: Thank you.

ASSEMBLYMAN WOLFE: Thank you very much.

Committee members, any questions or anything? (no response)

Anyone else wish to come forward to speak?

Jonathan Rosen. Jonathan is from the New Jersey Higher Education Alliance.

JONATHAN ROSEN: Good morning, Mr. Chairman and members of the Committee. Thank you very much for providing this unique hearing this morning to discuss an issue of profound importance to New Jersey's future.

My name is Jonathan Rosen. I'm the Executive Director of the New Jersey Higher Education Alliance, a nonprofit, nonpartisan coalition of business, labor, and New Jersey's working families committed to creating a first-class system of affordable higher education.

The ability for New Jersey to provide a quality, affordable higher education to each and every student will be the single most critical factor in determining New Jersey's social and economic future in the next century. This year has all the potential of being an historic year for higher education. This afternoon, the Governor will announce her FY 2000 budget, a budget we have been advised that will contain a nearly 3.5 percent increase in operating aid for higher education across all three sectors.

In Sunday's newspaper, most of the college sectors attested to the fact this unprecedented increase under this administration will be, in their words, "a mitigating factor that will help to control the rate of growth of college tuition." But beyond the Governor's budget proposal, there's perhaps an even greater opportunity to positively shape higher education's future.

On November 16, I came before you on behalf of the New Jersey Higher Education Alliance to discuss higher education's infrastructure crisis. Shortly thereafter, the Governor publicly acknowledged the critical connection between state-of-the-art facilities, educational quality, and cost control. In December, the Governor announced her intention and commitment to enact an historic \$550 million bond to address deferred maintenance and new construction needs. Attesting at her announcement to the importance this bond will have in controlling tuition growth, we want to commend the Governor on this historic accomplishment.

Since then in the context of tuition relief programs, the Gannett Corporation has engaged in a poll and published in January that Assemblyman Luongo alluded to that underscores the commitment of New Jersey's voters to provide for an accessible, high-quality higher education for all of our citizens. Voters in that poll overwhelmingly offered across-the-board support for measures, surprisingly including some tax increases, that would address higher education's future. In addition, members of this Committee and other members of both Houses have come forward with many of their own very exciting proposals aimed at helping our best and brightest afford a higher education in New Jersey.

While the specifics of many of these programs need to be worked out, we commend these members for their leadership on this critical issue and suggest that enacting the Governor's capital program is a solid and needed first step to addressing their concern, or ever-increasing tuition. The Governor's proposal acknowledges what is visibly obvious to anyone who has traveled to one of our State's colleges or universities. Tuition relief alone will not address the critical needs facing higher education. Tuition relief without tremendous efforts at improving quality will be a hollow victory as you make higher with less and less value more affordable to our citizens.

Our goal instead should be to both create a first-class system of higher education and invest in making it more affordable. The enactment of the Governor's capital bond proposal must be the first priority to make both of these things a reality. The bond will be an unprecedented investment in the future educational quality, while at the same time it will relieve the significant pressure capital needs have placed on operating budgets freeing up more funds for education and very importantly tuition relief.

While this body continues to focus on the various plans being offered to address the issue of higher education access, we urge you not to separate this issue -- the issue of capital -- and the issue of tuition from each other. Educational quality is a necessary part of tuition relief. Taken together in the form of the timely passage of the Governor's proposal, 1999 will be remembered as the year New Jersey finally turned the corner in developing a superior system of higher education. As this body continues to explore these issues, we urge you to put the capital program advanced by the Governor at the top of your agenda.

Thank you for the opportunity to come before you this morning and for this hearing.

ASSEMBLYMAN WOLFE: Thank you, Jonathan.

At this time, I'd like to thank, especially, the members of our Committee for being here today. This is a rather unusual type of hearing, as I've indicated before. I think that many of the issues you've raised before us are things we'll be seriously looking at and giving us a lot to ponder.

I want to thank the public for their suggestions, and we look forward to future dialogue.

Again thank you very much.

The hearing is adjourned.

(HEARING CONCLUDED)