

ASSEMBLY, No. 903

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen ROCCO and WOLFE

1 AN ACT concerning State support for county colleges, amending
2 various parts of the statutory law and supplementing chapter 64A
3 of Title 18A of the New Jersey Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. The Legislature finds and declares that:

9 a. New Jersey's county community colleges have a broad
10 educational mission offering a wide range of courses to a diverse
11 student body. This includes courses in liberal arts and science, high
12 technology, allied health, remediation and continuing education. The
13 county community colleges provide academic remediation to a
14 significant student population and provide job training and retraining
15 essential to the State's economy and business development.

16 b. The skills and knowledge acquired through a two-year county
17 community college educational experience are essential to meet the
18 needs of today's economy. High school diplomas are not enough to
19 train productive and responsible citizens or to provide access to jobs
20 and careers.

21 c. The county community colleges' aging infrastructure needs
22 capital support to accommodate renovation and replacement of
23 existing facilities as well as the future capital needs of the fastest
24 growing sector of higher education.

25 d. In recognition of the importance of county community colleges
26 to the overall well-being of the citizens and the economy of the State
27 of New Jersey, the Legislature declares that these colleges must be
28 financially supported by the State, along with the counties and the
29 students, in a manner that ensures their continuation.

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31 2. N.J.S.18A:64A-1 is amended to read as follows:

32 18A:64A-1. [a. "Base year" means the fiscal year 2 years prior to

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 that in which the budget is to be implemented; provided, however, for
2 determining the level of State aid for fiscal 1982, the "base year" shall
3 be the fiscal year 3 years prior to that in which the budget is to be
4 implemented;

5 b.] "Capital outlay expense" means those funds devoted to or
6 required for the acquisition, landscaping or improvement of land; the
7 acquisition, construction, reconstruction, improvement, remodeling,
8 alteration, addition or enlargement of buildings or other structures;
9 and the purchase of furniture, apparatus and other equipment;

10 [c.] "County college" means an [educational] institution
11 [established or to be established by one or more counties, offering
12 programs of instruction, extending not more than two years beyond
13 the high school, which may include but need not be limited to
14 specialized or comprehensive curriculums, including college credit
15 transfer courses, terminal courses in the liberal arts and sciences, and
16 technical institute type programs] of higher education licensed by the
17 Board of Higher Education as a county college or a county college
18 commission;

19 "County wealth" means the equalized valuation of a county or
20 counties which operate a county college, as certified by the Director
21 of the Division of Taxation in the Department of the Treasury on
22 October 1 of the pre-budget year, divided by the population of the
23 county or counties;

24 "Direct per student support for the State college sector" means the
25 average net State support per full-time equivalent student at the State
26 colleges. This average shall be derived from the State annual
27 appropriations act for the pre-budget year by taking the sum of the
28 total amount appropriated for all State colleges, except Thomas A.
29 Edison College of New Jersey, subtracting from that sum debt service,
30 capital costs and the sum of anticipated revenues at the State colleges,
31 except Edison college, for tuition, student fees, School of
32 Conservation, and miscellaneous revenues, and dividing the remainder
33 by the total number of full time equivalent students at the State
34 colleges as delineated in the annual appropriations act;

35 [d.] "Educational and general costs" means expenditures of a
36 county college audited and approved according to regulations
37 established by the Board of Higher Education;

38 "Full-time equivalent student" means the number of undergraduate
39 student credit hours defined by regulations of the Board of Higher
40 Education;

41 [e.] "Local bond law" means the local bond law, chapters 1 and 2
42 of Title 40A of the New Jersey Statutes (N.J.S.40A:1-1 et seq.);

43 [f.] "Operational [expense] costs" means those funds devoted to or
44 required for the regular or ordinary expenses of the college, including
45 administrative, maintenance, minor capital and salary expenses but
46 excluding capital outlay expenses;

1 [g.] "Elected public official" means a person elected to a public
2 office in the State of New Jersey other than an elected representative
3 serving on a board of education pursuant to the provisions of N.J.S.
4 18A:12-1 and section 1 of P.L.1977, c.30 (C.18A:54-16.1);

5 "Pre-budget year" means the fiscal year prior to the current fiscal
6 year.

7 (cf: P.L.1983, c.518, s.1)

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9 3. N.J.S.18A:64A-22 is amended to read as follows:

10 18A:64A-22. The Board of Higher Education shall formulate
11 annual budget requests for State support of county colleges. [Within
12 the limits of funds appropriated to the Board of Higher Education for
13 such purposes and in] In accordance with rules and regulations
14 prescribed by the Board of Higher Education, the board of trustees of
15 a county college may apply to the Board of Higher Education and
16 receive State support:

17 a. For capital projects approved by the Board of Higher Education
18 in amounts not to exceed [one-half] two thirds of the cost of [said]
19 these capital projects, and for certain capital renewal and replacement
20 projects approved by the Board of Higher Education up to 100% of
21 the cost of these projects.

22 b. For operational costs [to the extent of 43% but not to exceed
23 50% of the educational and general costs of the county colleges in the
24 base year; provided, however, that for the purposes of determining
25 State aid, only credit courses and noncredit remedial, developmental,
26 general education development and adult basic education courses shall
27 be included in calculating such costs. This sum shall be distributed to
28 the county colleges by the Board of Higher Education in consultation
29 with the Council of County Colleges according to a formula that
30 includes categorical support and differential funding based on program
31 costs] based upon the average number of full-time equivalent students
32 enrolled in the county colleges in the three prior budget years
33 multiplied by the product of the percentage set forth in subsection c.
34 of this section and the level of direct per student support for the State
35 college sector for the pre-budget year.

36 No county college shall receive more than 50% of its projected
37 educational and general costs through the provisions of this act.

38 Each county which operates a county college shall continue to
39 provide moneys for the support of the college in an amount no less
40 than those moneys provided in the pre-budget year [in which this act
41 is enacted] or 25% of the operational [expense in the base State fiscal]
42 costs in the pre-budget year, whichever is greater.

43 State support for the operational [expenses] costs of county
44 colleges shall be made [within limits of State appropriation and] only
45 after an annual review and approval by the Board of Higher Education
46 of the financial program for operation of each county college,

1 including the charges to be made for student tuition and fees [and the
2 establishment of the county share of said costs].

3 c. For fiscal year 1994 the percentage of State aid shall be 30% of
4 the amount of per student State support for the State colleges; for
5 each fiscal year thereafter the percentage shall increase by not less than
6 5% until fiscal year 1998, at which time State aid to the county
7 colleges shall equal at least 50% of the amount of per student State
8 support for the State colleges.

9 d. Any State appropriation for operational costs of county colleges
10 shall be distributed to the county college by the Board of Higher
11 Education in consultation with the Council of County Colleges
12 according to a formula that includes appropriate factors such as each
13 college's enrollment, each county's wealth and differences in program
14 costs which affect funding.

15 (cf: P.L.1981, c.329, s.5)

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17 4. (New section) The New Jersey Council of County Colleges, in
18 conjunction with the Department of Higher Education, shall form a
19 study group to reassess the funding of the county college sector and
20 to examine the sector's relationship to public secondary schools. The
21 study group shall report its findings and recommendations to the
22 Governor, the Legislature and the Board of Higher Education two
23 years following the effective date of this act.

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25 5. This act shall take effect immediately.

26 27 28 STATEMENT

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30 This bill changes the funding formula under which State aid to
31 county colleges is calculated and distributed. Current statutes
32 requiring a State funding level of at least 43% of operating costs have
33 never been fully funded. Under the bill, the amount of State aid
34 entitlement per student for the county colleges will be calculated as a
35 percentage of the per student amount of State aid received by the
36 State colleges in the annual appropriations act in the prior budget year.
37 The percentage is set at 30% for fiscal year 1994, and increases under
38 the bill at five per cent a year until it reaches 50% of the per pupil
39 support for the State colleges in 1998. Allocation of State aid among
40 the county colleges will be equalized under a formula reflecting such
41 factors as enrollment, county wealth, and differences in program costs.
42 Based on historical data, this method of funding should result in the
43 State paying approximately 35% of the operational costs of the county
44 colleges. The bill also calls for a study by the New Jersey Council of
45 County Colleges, in conjunction with the Department of Higher
46 Education, of the funding of the county colleges and the relationship

1 of the county colleges with public secondary education.

2 The contributions made by the county community colleges to the
3 overall well-being of the citizens and the economy of the State of New
4 Jersey are enormous. Inadequate State funding has created an
5 overwhelming dependence on county support and tuition. The decline
6 in State support has resulted in a reliance on part-time faculty,
7 programs and services being eliminated, and has hampered the open
8 door admissions policy, which offers the only collegiate opportunity
9 for many students.

10 The partnership expressed in this legislation will represent the
11 State's commitment by law and public policy to provide the necessary
12 assistance and maintenance that will preserve and foster growth in
13 New Jersey's county community colleges. This assistance should also
14 result in significant property tax relief to the citizens of New Jersey,
15 who have been paying an increased share of the expenses for the
16 county colleges through their county taxes.

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21 Revises State funding formula for the county colleges.