

## SENATE, No. 964

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# STATE OF NEW JERSEY

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INTRODUCED MARCH 18, 1996

By Senator CIESLA

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 two years prior  
33          to that in which the budget is to be implemented; provided, however,  
34          for determining the level of State aid for fiscal 1982, the "base year"

**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 shall be the fiscal year three years prior to that in which the budget is  
2 to be implemented;

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

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

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

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

33 [d.] "Educational and general costs" means expenditures of a  
34 county college according to regulations established by the State  
35 Treasurer;

36 "Full-time equivalent student" means the number of undergraduate  
37 student credit hours defined by regulations of the Commission on  
38 Higher Education;

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

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

45 [g.] "Elected public official" means a person elected to a public  
46 office in the State of New Jersey other than an elected representative

1 serving on a board of education pursuant to the provisions of  
2 N.J.S.18A:12-1 and section 1 of P.L.1977, c.30 (C.18A:54-16.1);  
3       "Pre-budget year" means the fiscal year prior to the current fiscal  
4 year.

5 (cf: P.L. 1994, c. 48, s.119).

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

8       18A:64A-22. Notwithstanding any other law to the contrary, the  
9 Council of County Colleges may submit to the State Treasurer annual  
10 budget requests for State support of county colleges. [Within the  
11 limits of funds appropriated for such purposes, the]The board of  
12 trustees of a county college may based upon the itemized statement  
13 fixed and determined pursuant to N.J.S.18A:64A-17 apply to the State  
14 Treasurer and receive State support:

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

19       b. For operational costs [to the extent of 43% but not to exceed  
20 50% of the educational and general costs of the county colleges in the  
21 base year; provided, however, that for the purposes of determining  
22 State aid, only credit courses and noncredit remedial, developmental,  
23 general education development and adult basic education courses shall  
24 be included in calculating such costs. This sum shall be distributed to  
25 the county colleges by the treasurer in consultation with the Council  
26 of County Colleges according to a formula that includes categorical  
27 support and differential funding based on program costs] based upon  
28 the average number of full-time equivalent students enrolled in the  
29 county colleges in the three prior budget years multiplied by the  
30 product of the percentage set forth in subsection c. of this section and  
31 the level of direct per student support for the State college sector for  
32 the pre-budget year.

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

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

40       State support for the operational [expenses]costs of county  
41 colleges shall be made [within limits of State appropriation].

42       c. For fiscal year 1997 the percentage of State aid shall be 30% of  
43 the amount of per student support for the State colleges: for each  
44 fiscal year thereafter the percentage shall increase by not less than 5%  
45 until fiscal year 2001, at which time State aid to the county colleges  
46 shall equal at least 50% of the amount of per student State support for

## 1 the State colleges.

2       d. Any State appropriation for operational costs of county colleges  
3       shall be distributed to the county college by the State Treasurer in  
4       consultation with the Council of County Colleges according to a  
5       formula that includes appropriate factors such as each college's  
6       enrollment, each county's wealth and differences in program costs  
7       which affect funding.

8 (cf: P.L. 1994, c. 48, s. 134)

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10       4. (New section) The New Jersey Council of County Colleges, in  
11 conjunction with the, Commission on Higher Education shall form a  
12 study group to reassess the funding of the county college sector and  
13 to examine the sector's relationship to public secondary schools. The  
14 study group shall report its findings and recommendations to the  
15 Governor, the Legislature and the Treasurer of the State of New  
16 Jersey two years following the effective date of this act.

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18        5. This act shall take effect immediately.

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## STATEMENT

This bill changes the funding formula under which State aid to county colleges is calculated and distributed. Current statutes requiring a State funding level of at least 43% of operating costs have never been fully funded. Under the bill, the amount of State aid entitlement per student for the county colleges will be calculated as a percentage of the per student amount of State aid received by the State colleges in the annual appropriations act in the prior budget year. The percentage is set at 30% for fiscal year 1997, and increases under the bill at five per cent a year until it reaches 50% of the per pupil support for the State colleges in 2001. Allocation of State aid among the county colleges will be equalized under a formula reflecting such factors as enrollment, county wealth, and differences in program costs. Based on historical data, this method of funding should result in the State paying approximately 35% of the operational costs of the county colleges. The bill also calls for a study by the New Jersey Council of County Colleges, in conjunction with the Commission on Higher Education, of the funding of the county colleges and the relationship of the county colleges with public secondary education.

41 The contributions made by the county community colleges to the  
42 overall well-being of the citizens and the economy of the State of New  
43 Jersey are enormous. Inadequate State funding has created an  
44 overwhelming dependence on county support and tuition. The decline  
45 in State support has resulted in a reliance on part-time faculty,  
46 programs and services being eliminated, and has hampered the open

1 door admissions policy, which offers the only collegiate opportunity  
2 for many students.

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

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14 Revises State funding formula for the county colleges.