

# ANALYSIS OF THE NEW JERSEY FISCAL YEAR 2002 - 2003 BUDGET



## HIGHER EDUCATIONAL SERVICES

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

MAY 2002

## NEW JERSEY STATE LEGISLATURE

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

Questions or comments may be directed to the OLS Education Section (Tel. 609 984-6843) or the Legislative Budget and Finance Office (Tel. 609 292-8030).

# HIGHER EDUCATIONAL SERVICES

Budget Pages..... D-378 to D420; D-458 to D-461

## Fiscal Summary (\$000)

	Expended FY 2001	Adjusted. Appropriation FY 2002	Recommended FY 2003	Percent Change 2002-03
State Budgeted	\$1,347,947	\$1,514,998	\$1,419,900	(6.3)%
Federal Funds	15,869	20,252	21,511	6.2%
<u>Other</u>	<u>4,207</u>	<u>3,252</u>	<u>3,732</u>	<u>14.8%</u>
Grand Total	\$1,368,023	\$1,538,502	\$1,445,143	(6.1)%

## Personnel Summary - Positions By Funding Source

	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003	Percent Change 2002-03
State	54	52	49	(5.8)%
Federal	152	167	182	9.0%
Other	14	15	15	0.0%
<u>Colleges &amp; Univ's.*</u>	<u>19,653</u>	<u>19,705</u>	<u>19,705</u>	<u>0.0%</u>
Total Positions	19,873	19,939	19,951	0.1%

FY 2001 (as of December) and revised FY 2002 (as of September) personnel data reflect actual payroll counts. FY 2003 data reflect the number of positions funded.

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

## Introduction

Under the "Higher Education Restructuring Act of 1994," PL. 1994, c.48, the Department and the Board of Higher Education were abolished and replaced by the Commission on Higher Education. As a result, the programs previously administered by the department were transferred to the Departments of State and Treasury. The Commission was placed in, but not of, the Department of State to plan for, coordinate, and serve as the principal advocate of the State's higher education system. The higher educational services portion of the Department of State's budget includes funding for the commission, the operation of four-year public colleges and universities and the Educational Opportunity Fund Program. The Higher Education Student Assistance Authority (HESAA) was established pursuant to N.J.S.18A:71A-1 et seq. and is responsible for the coordination of various student financial aid programs, including Tuition Aid Grants (TAG). The

## Introduction (Cont'd)

enabling legislation consolidated three former entities, the Higher Education Assistance Authority, the Office of Student Assistance and the Student Assistance Board which were all formerly in, but not of, the Department of Treasury. Funding for the independent colleges and universities as well as State aid for the county colleges is allocated to the Department of Treasury.

## Key Points

### Higher Educational Services - Department of State

- The overall FY 2003 budget recommendation for Higher Educational Services totals \$1.42 billion, a 6.3 percent decrease from the FY 2002 adjusted appropriation of \$1.51 billion.
- **Colleges and Universities:** Direct operating aid for senior public institutions of higher education is recommended at \$868.7 million, a \$66.7 million decrease from the FY 2002 adjusted appropriation of \$935.4 million. Due to the deficit reduction plan implemented by the Governor in February 2002, which included a reduction in operating support of \$49.5 million, the actual payment to the senior public institutions for FY 2002 will be \$885.9 million. Therefore, the FY 2003 recommended appropriation of \$868.7 million actually represents a \$17.2 million or 1.9 percent decrease from the FY 2002 revised funding. The Governor does not recommend performance-based incentive funding for the colleges and universities which totaled \$8.4 million in FY 2002.
- The Governor recommends full funding of \$330 million to cover fringe benefits for employees of the State colleges and universities. In FY 2002, the colleges and universities were appropriated \$29.5 million to cover the salary program; however, \$14.8 million of that appropriation is scheduled to lapse at the end of this fiscal year and no funding is recommended in FY 2003. Both programs are displayed in the Interdepartmental Accounts.
- No pay-as-you-go capital funding is recommended in FY 2003.
- **Commission on Higher Education:** The total recommended FY 2003 State appropriation of \$44.5 million for the Commission on Higher Education, which includes the operational costs of the commission, funding for the Educational Opportunity Fund and other grant programs, is a decrease of \$24.9 million or 35.9 percent from the FY 2002 adjusted appropriation of \$69.4 million. The decrease is partially a result of the discontinuation of the Excellence in High Technology Workforce Program (\$15 million) which provided competitive grants to higher education institutions to help meet the emerging high-technology workforce needs of business and industry; and the Biomedical and Other Technology Research Program (\$5 million) which assisted the State's six research universities in competing for federal grants.
- The recommended appropriation for Teacher Preparation grants has been reduced from \$7.7 million in FY 2002 to \$3 million in FY 2003. These grants provided one-time awards to various institutions to improve teacher education programs. The FY 2003 recommendation provides \$3 million to the Commission on Higher Education to provide additional one-time grants to help colleges and universities expand the teacher preparation programs.

## Key Points (Cont'd)

- **Higher Education Student Assistance Authority (HESAA):** The FY 2003 budget recommends \$2.3 million in operating aid for HESAA, a 33 percent or \$1.1 million decrease from the \$3.4 million FY 2002 appropriation. The decrease is due to the elimination of funding for the administrative costs of the Servicing of Governor's Teacher Scholarship Loans Program (\$71,000), the College Savings Program-NJBEST (\$750,000) and the New Jersey Prepaid Higher Education Expense Program (\$250,000). These administrative costs will be funded from HESAA's existing operating resources.
- Funding for the Tuition Aid Grant Program (TAG) will increase by \$2.3 million (1.4 percent) from \$167.5 million to \$169.9 million. The budget indicates that this will support an additional 2,000 awards in the 2002-2003 academic year. The Governor's recommendation includes language (page D-386) that will require the public institutions to provide the neediest TAG recipients (those receiving the maximum TAG award) with an institutional grant equal to the difference between the current maximum TAG award and 2001-2002 academic year tuition levels. This will have the effect of maintaining for these highest need students the existing one-year lag between award amounts and current year tuition. However, many other students will not see the size of their award increase despite a projected rise in tuition and related costs, because their TAG grants will be based on 2000-2001 award levels rather than 2001-2002 levels. Tag funding at the 2000-2001 tuition levels actual represent a two-year lag behind actual tuition rates as opposed to the current one-year lag.
- The FY 2003 budget recommends \$250,000 for the New Jersey World Trade Center Scholarship Program which received a supplemental appropriation for the same amount in FY 2002.

## Higher Educational Services - Department of Treasury

- **Aid to Independents:** As it appears in the proposed budget, the Governor's recommendation of \$24.5 million for the independent colleges and universities in FY 2003 is identical to the FY 2002 adjusted appropriation. However, based on the deficit reduction plan announced in February 2002, the actual payment to the independent colleges and universities in FY 2002 will be \$16.8 million. Therefore, the Governor is actually recommending a 45.4 percent or \$7.7 million increase over the institutions' revised allocation of \$16.8 million. If the independent sector is appropriated \$24.5 million in direct aid in FY 2003 as recommended by the Governor, that amount would represent 79 percent of the amount needed to fully fund the "Independent College and University Assistance Act," P.L. 1979, c.132.
- The FY 2003 proposed budget recommends the discontinuation of various FY 2002 legislative initiatives totaling \$8 million, which included \$3.9 million for the Distance Learning Program at Fairleigh Dickinson University.
- **Aid to County Colleges:** After four years of \$12 million per year growth, the budget recommends level funding of \$155.7 million in operational aid for the county colleges in FY 2003. The budget also recommends \$6.8 million for additional health benefits for the employees of the county colleges, a \$2.5 million increase over the \$4.3 million appropriation in FY 2002.

## Key Points (Cont'd)

- The budget recommends a \$4.6 million (17 percent) decrease from \$27.2 million in FY 2002 to \$22.6 million in FY 2003 for projected county college debt service payments for capital projects under P.L. 1971, c.12.
- **Miscellaneous Higher Education Programs:** The FY 2003 budget recommends a \$15 million increase for estimated debt service payments required under the "Higher Education Capital Improvement Fund Act," P.L. 1999, c.217 and the "Higher Education Equipment Leasing Fund Act," P.L. 1993, c.136.
- The Higher Education Incentive Endowment Fund provides State matching funds against endowment contributions made to two-year and four-year public institutions of higher education and independent institutions of higher education that receive direct State aid. This fund was established under legislation enacted in September of 1999, "The Higher Education Incentive Funding Act," P.L. 1999, c.226. In FY 2002, this program was appropriated \$2.5 million; however, of that amount \$1.9 million is scheduled to lapse at the end of FY 2002. In FY 2003, the budget recommends \$2.2 million.
- The Higher Education Incentive Grant Fund, also established by P.L. 1999, c.226, provides State matching funds against donations made to two-year and four-year public institutions of higher education and independent institutions of higher education that receive direct State aid. In FY 2002, this program was appropriated \$2.5 million; however, that entire allocation is scheduled to lapse at the end of FY 2002. The FY 2003 budget does not recommend funding for this program.
- The recommended appropriation for the Garden State Savings Bond Program represents a 75 percent decrease from \$400,000 in FY 2002 to \$100,000 in FY 2003. This program was established in 1992 pursuant to P.L. 1991, c.272 to assist persons saving for a college education by offering State and federal tax-free bonds for sale to the public. If the bonds are redeemed at a New Jersey institution of higher education, an extra 6 percent is added to the face value of the bonds of which 2 percent is paid by the State and 4 percent by the institution of attendance.

## Background Paper

- Excellence in High Technology Workforce p. 30-35

## Program Description and Overview

Under the "Higher Education Restructuring Act of 1994," P.L. 1994, c.48, the Department and the Board of Higher Education were abolished and replaced by the Commission on Higher Education. The commission was placed in, but not of, the Department of State to plan for, coordinate, and serve as the principal advocate of the State's higher education system. The higher educational services portion of the Department of State's budget includes funding for the commission, the operation of four-year public colleges and universities, miscellaneous programs, and the Educational Opportunity Fund Program (EOF).

The "Higher Education Student Assistance Authority Law," N.J.S. 18A:71A-1 et seq., consolidated the functions of the Office of Student Assistance (OSA), the Student Assistance Board (SAB), and the Higher Education Assistance Authority (HEAA) into a new authority, the Higher Education Student Assistance Authority and also placed it in, but not of, the Department of State. This new authority is responsible for the administration of various State and federal student assistance grant, loan, savings and scholarship programs. These programs are also budgeted in the Department of State under Higher Educational Services.

The New Jersey Educational Facilities Authority (EFA) is allocated in, but not of, the Department of Treasury. Funding for the independent colleges and universities, as well as State aid to the county colleges, is also allocated to the Department of Treasury.

As a result of the amendments contained in the "Higher Education Student Assistance Authority Law," N.J.S. 18A:71A-1 et seq., the membership of the Commission on Higher Education was increased from nine to 11 members as follows: six public members appointed by the Governor with the advice and consent of the Senate, including two public members to be appointed by the Governor, one based upon the recommendation of the President of the Senate, and one based upon the recommendation of the Speaker of the General Assembly; the chairperson of the New Jersey Presidents' Council; and two new members, the chairperson of the Board of the Higher Education Student Assistance Authority and a faculty member. In addition, the Governor appoints two student members from a public or independent institution of higher education in the State who serve for a one-year term as voting members.

The commission is responsible for the licensing of all degree granting institutions in the State and is responsible for the administration of the Educational Opportunity Fund, the Minority Faculty Advancement Program, and various other program grant funds. The commission is the main approval authority for higher education capital projects funded under the "Jobs, Education and Competitiveness Bond Act of 1988," P.L. 1988, c. 78, the "Higher Education Equipment Leasing Fund Act," P.L. 1993, c.136, the "Higher Education Facilities Trust Fund Act," P.L. 1993, c.375, the "Higher Education Technology Infrastructure Fund Act," P.L. 1997, c. 238 and the "Higher Education Capital Improvement Fund Act," P.L. 1999, c. 217. In FY 2003, recommended Direct State Services funding for the Commission on Higher Education is \$1.1 million, a 7.2 percent or \$83,000 decrease from the FY 2002 adjusted appropriation of \$1.2 million.

The Educational Opportunity Fund Program (EOF) provides grants to educationally and economically disadvantaged students for undergraduate and graduate study at public and independent institutions of higher education in the State. EOF consists of four program components: Opportunity Program Grants (Article III) which provide grant awards for the non-tuition expenses of college attendance such as fees, books, and room and board; Supplementary Education Program Grants (Article IV) which are provided to institutions of higher education to fund tutoring, counseling and remedial services for EOF students; the Martin Luther King Physician-Dentist Scholarship Program which provides grants up to the cost of tuition to New Jersey resident

## Program Description and Overview (Cont'd)

medical and dental students enrolled at UMDNJ from disadvantaged or minority backgrounds; and the C. Clyde Ferguson Law Scholarship Program which provides grants up to the cost of tuition to New Jersey resident law students from disadvantaged or minority backgrounds. The latter grant is limited to students attending Rutgers School of Law in Newark and Camden, and Seton Hall University School of Law. Administrative and grant funding of \$34.5 million is continued for the Educational Opportunity Fund Program (EOF) in FY 2003.

The Higher Education Student Assistance Authority is the lead State agency, in coordination with the commission, for determining policy on student assistance issues and is responsible for furthering access to postsecondary education through the administration of all State and federal student assistance grant, loan, savings and scholarship programs. Under the "Higher Education Student Assistance Authority Law," N.J.S. 18A:71A-1 et seq., the Office of Student Assistance, the Student Assistance Board, and the Higher Education Assistance Authority were abolished and the functions, powers and duties of these entities were transferred to the newly created Higher Education Student Assistance Authority. The authority is governed by an 18-member board consisting of the State Treasurer; the chairperson of the Commission on Higher Education; the chairperson of the Board of Directors of the Educational Opportunity Fund Program; five representatives from eligible institutions including one from Rutgers, the State University, one from either the New Jersey Institute of Technology or the University of Medicine and Dentistry of New Jersey, one from the county colleges, one from the State colleges, and one from the independent institutions; two students from different collegiate institutional sectors; seven public members, including one who represents a lender party to a participation agreement with the authority; and the executive director of the authority who shall be a non-voting member of the board. For FY 2003, recommended Grants-In-Aid funding for the Higher Education Student Assistance Authority is \$191.2 million, a 1.2 percent or \$2.3 million increase over the FY 2002 adjusted appropriation of \$188.9 million.

For FY 2003, funding of \$868.7 million is recommended in general operating support for the four-year public college and university system, a decrease of \$73.2 million from the FY 2002 adjusted appropriation of \$941.9 million. The Governor does not recommend performance-based incentive funding in FY 2003, a decrease of \$8.4 million in FY 2002. This program, initiated in FY 1999, rewards public institutions of higher education for meeting certain State policy goals through the attainment of key performance levels. The Governor is also not recommending supplementary salary funding in FY 2003; however, the recommended budget would fund the employee fringe benefits totaling \$330 million at the public colleges and universities.

No pay-as-you-go capital funding is recommended.

The New Jersey Educational Facilities Authority (EFA) was established to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell bonds, notes and other obligations. The EFA finances various types of projects for the institutions including the construction of academic and auxiliary service facilities, renovation and rehabilitation of existing facilities, and capital equipment and utilities related projects and other structures or facilities related, required or useful for the instruction of students or the conducting of research or the operation of a higher education institution.

In addition, the EFA is authorized to enter into lease agreements with public and independent institutions to finance the purchase of higher education equipment. The Higher Education Equipment Leasing Fund established within the EFA pursuant to the "Higher Education

## Program Description and Overview (Cont'd)

Equipment Leasing Fund Act," P.L. 1993, c. 136, finances the purchase of equipment through the sale of bonds issued by the authority in an amount not to exceed \$100 million. Institutions are required to pay 25 percent of the debt service to finance the purchase of equipment at that institution. Authorized purchases include scientific, technical, computer, communications, laboratory and instructional equipment. The original \$100 million in bonds was issued and retired and the EFA was scheduled to issue additional bonds in FY 2002. However, the issuance of bonds scheduled for FY 2002 was delayed until FY 2003 due to current fiscal constraints. As a result, \$2.7 million appropriated in FY 2002 is scheduled to lapse into the General Fund at the end of the fiscal year. In FY 2003, the Governor is recommending \$13.4 million to cover projected debt service payment on bonds expected to be issued under the Higher Education Equipment Leasing Fund Program.

The EFA is also authorized to issue bonds in the amount of \$220 million to provide grants to public and independent institutions of higher education for the cost of the construction, reconstruction, development, extension, and improvement of instructional, laboratory, communication, and research facilities pursuant to the "Higher Educational Facilities Trust Fund Act," P.L. 1993, c. 375. The trust fund established under that act is financed by moneys received from the bond issuances plus an annual appropriation from the net proceeds of the State Lottery in an amount sufficient to pay the principal and interest on the bonds or notes.

The EFA is also authorized to issue bonds pursuant to the "Higher Education Technology Infrastructure Fund Act," P.L. 1997, c. 238. That act authorized the EFA to issue bonds totaling \$55 million, \$50 million of which would be allocated to allow public and independent institutions of higher education to develop technology infrastructure within and among the State's higher education institutions in order to provide access to information, educational opportunities, and workforce training effectively and efficiently. Institutions are required to provide a matching amount equivalent to the amount of funds provided. The remaining \$5 million of the total \$55 million authorization is for non-matching public library grants for Statewide library technology initiatives through the New Jersey State Library.

Under the "Higher Education Capital Improvement Fund Act," P.L. 1999, c.217, the Higher Education Capital Improvement Fund was established within the EFA to provide grants for deferred maintenance projects at the institutions to renovate and repair existing instructional, laboratory, communication, research and administrative facilities. The public institutions are responsible for the payment of one-third of the debt service on bonds sold for their benefit and the independent colleges and universities are required to pay one-half of the debt service on bonds sold for their benefit. Debt service funding of \$31.3 million is included in the FY 2003 recommended budget for this program, a \$4.4 million increase over the FY 2002 adjusted appropriation of \$26.9 million.

In summary, a total of \$370 million has been provided to higher education institutions over the past seven years for the upgrade of facilities and equipment. This amount includes \$50 million from the Higher Education Technology Infrastructure Fund, the \$100 million Higher Education Equipment Leasing Fund, and the \$220 million Higher Education Facilities Trust Fund. Debt service funding of \$40.9 million is recommended in Grants-In-Aid for these initiatives in the Department of the Treasury. In addition, \$550 million has been made available through the Higher Education Capital Improvement Fund for deferred maintenance projects at public and independent institutions of higher education and, as indicated above, \$31.3 million is included in the FY 2003 recommended budget for anticipated debt service funding.

## Program Description and Overview (Cont'd)

The EFA is also authorized to issue bonds for facilities construction and renovations to fund the State and county share of county college capital projects pursuant to the provisions of the "County College Capital Projects Fund Act," P.L. 1997, c. 360. That act authorized the EFA to issue bonds pursuant to P.L. 1971, c. 12. The FY 2003 budget recommendation for projected debt service payments under this program is \$22.6 million, a \$4.6 million decrease from the FY 2002 appropriation of \$27.2 million. This program will be funded through the Property Tax Relief Fund.

### Summary of FY 2003 Recommended Budget

The total FY 2003 recommended appropriation from all sources of approximately \$1.45 billion for higher education institutions and programs represents a decrease of \$93.4 million or 6.1 percent when compared to the FY 2002 adjusted appropriation of \$1.54 billion.

Appropriations from State budgeted resources are recommended to decrease by \$95.1 million or 6.3 percent from \$1.51 billion to \$1.42 billion.

A decrease of \$24.9 million in funding is recommended for the Commission on Higher Education, from \$34.9 million in FY 2002 to \$10 million in FY 2003. The recommended decrease includes the elimination of:

- \$15 million for the Excellence in High Technology Workforce;
- \$5 million for the Biomedical and Other Technology Research; and
- \$125,000 for the Advisory Graduate Medical Education Council of New Jersey.

The recommended appropriation for Teacher Preparation grants has been reduced from \$7.7 million in FY 2002 to \$3 million in FY 2003. These grants provided one-time awards to various institutions to improve teacher education programs. The FY 2003 recommendation provides \$3 million to the Commission on Higher Education to provide additional one-time grants to help colleges and universities expand the teacher preparation programs.

Level funding of \$34.1 million is recommended for grants awarded under the Educational Opportunity Fund Programs.

Total State aid for the 19 county colleges is recommended to decrease from \$203.8 million in FY 2002 to \$201.6 million in FY 2003, a \$2.2 million decrease. The aid for operational costs is recommended to remain level at \$155.7 million while the operating funds for health benefits for county college employees are recommended to increase by \$2.4 million. The Governor did not recommend an appropriation for performance-based funding. Offsetting that amount is a decrease of \$4.6 million or 17 percent for anticipated county college debt service payments for capital projects under P.L. 1971, c.12.

Direct operating aid for senior public institutions is recommended at \$868.7 million, a \$66.7 million decrease from the FY 2002 adjusted appropriation of \$935.4 million. The Governor's recommendation is an overall five percent reduction in operating aid to the colleges and universities. In addition, no performance-based funding is recommended.

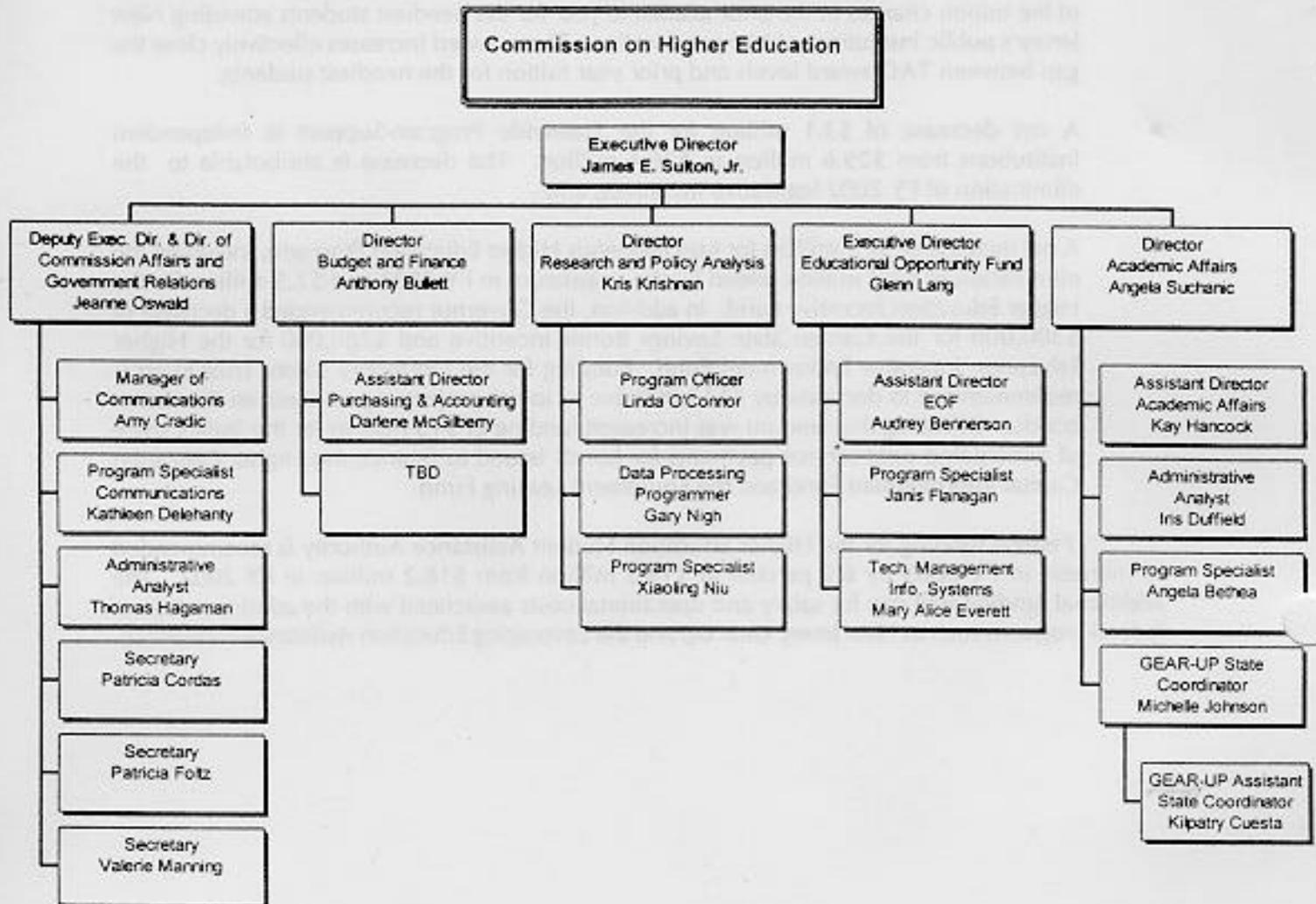
Other Grants-In-Aid funding (excluding the senior public institutions) is recommended as follows:

## Program Description and Overview (Cont'd)

- A \$2.3 million increase for the Tuition Aid Grant Program from \$167.5 million in FY 2002 to \$169.9 million in FY 2003. Over 51,000 students participate in this program. The recommended funding increase would allow for a TAG award increase up to 100 percent of the tuition charges in the prior academic year for the neediest students attending New Jersey's public institutions of higher education. These award increases effectively close the gap between TAG award levels and prior year tuition for the neediest students;
- A net decrease of \$3.1 million for the Statewide Program-Support to Independent Institutions from \$29.6 million to \$26.4 million. The decrease is attributable to the elimination of FY 2002 legislative initiatives; and
- A net increase of \$7.1 million for Miscellaneous Higher Education Programs, including the elimination of \$4.9 million added by the Legislature in FY 2002 and \$2.5 million for the Higher Education Incentive Fund. In addition, the Governor recommended a decrease of \$300,000 for the Garden State Savings Bonds Incentive and \$286,000 for the Higher Education Incentive Endowment Fund. Funding for the Dormitory Safety Trust Fund is recommended to decrease by \$113,000 due to lower projected payments on the issued bonds. Offsetting that amount was increased funding of \$15 million for the State's share of anticipated debt service payments for bonds issued to finance the Higher Education Capital Improvement Fund and the Equipment Leasing Fund.

Federal funding for the Higher Education Student Assistance Authority is recommended to increase in FY 2003 by 6.9 percent to \$19.5 million from \$18.2 million in FY 2002. The additional funding will pay for salary and operational costs associated with the administration of federal programs such as New Jersey Gear Up and the Leveraging Education Assistance Partnership.

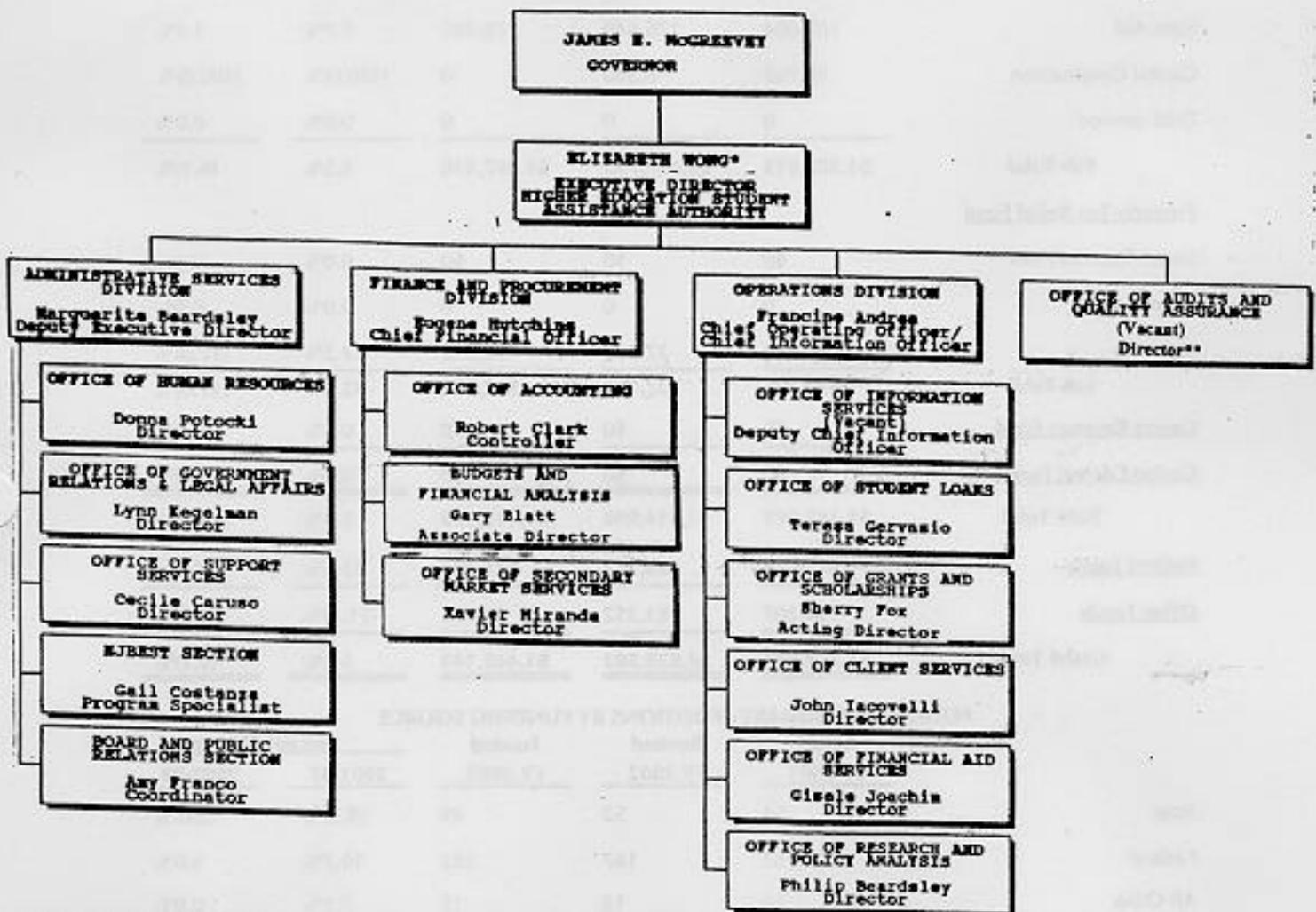
# Organization Chart



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Organization Chart

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (HESAA)



\*Appointed by Governor.  
 \*\*Provides direct reports to the Audit Committee of the Authority Board.

March 2002

## Fiscal and Personnel Summary

## AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2001	Adj. Approp. FY 2002	Recom. FY 2003	Percent Change	
				2001-03	2002-03
<b>General Fund</b>				0.0%	
Direct State Services	\$4,712	\$4,912	\$3,709	(21.3)%	(24.5)%
Grants-In-Aid	1,149,332	1,299,832	1,214,624	5.7%	(6.6)%
State Aid	163,004	176,549	178,985	9.8%	1.4%
Capital Construction	10,765	6,500	0	(100.0)%	(100.0)%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$1,327,813</b>	<b>\$1,487,793</b>	<b>\$1,397,318</b>	<b>5.2%</b>	<b>(6.1)%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	20,134	27,205	22,582	12.2%	(17.0)%
<b>Sub-Total</b>	<b>\$20,134</b>	<b>\$27,205</b>	<b>\$22,582</b>	<b>12.2%</b>	<b>(17.0)%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$1,347,947</b>	<b>\$1,514,998</b>	<b>\$1,419,900</b>	<b>5.3%</b>	<b>(6.3)%</b>
<b>Federal Funds</b>	<b>\$15,869</b>	<b>\$20,252</b>	<b>\$21,511</b>	<b>35.6%</b>	<b>6.2%</b>
<b>Other Funds</b>	<b>\$4,207</b>	<b>\$3,252</b>	<b>\$3,732</b>	<b>(11.3)%</b>	<b>14.8%</b>
<b>Grand Total</b>	<b>\$1,368,023</b>	<b>\$1,538,502</b>	<b>\$1,445,143</b>	<b>5.6%</b>	<b>(6.1)%</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2001	Revised FY 2002	Funded FY 2003	Percent Change	
				2001-03	2002-03
State	54	52	49	(9.3)%	(5.8)%
Federal	152	167	182	19.7%	9.0%
All Other	14	15	15	7.1%	0.0%
Colleges & Univ's	19,653	19,705	19,705	0.3%	0.0%
<b>Total Positions</b>	<b>19,873</b>	<b>19,939</b>	<b>19,951</b>	<b>0.4%</b>	<b>0.1%</b>

FY 2001 (as of December) and revised FY 2002 (as of September) personnel data reflect actual payroll counts. FY 2003 data reflect the number of positions funded.

## AFFIRMATIVE ACTION DATA

Total Minority Percent					
Commission on Higher Ed.	32%	40%	40%	-	-
Higher Ed. Student Assistance	27.5%	26.2%	26.3%	-	-

**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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**Higher Educational Services:**

<b>Excellence in Higher Technology</b>	<b>\$15,000</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>(100.0)%</b>	<b>D-380</b>
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This program was established in FY 2001 to provide competitive grants for public and independent higher education institutions moving toward excellence in technology areas related to targeted priorities. In FY 2002, a total of nine awards were distributed to colleges and universities that focused on developing skilled employees for the pharmaceutical, biotechnology, healthcare and information technology industries and preparing students with advanced math and science proficiencies to develop a pool of qualified high-tech workers for the future.

<b>Biomedical and Other Technology Research</b>	<b>\$5,000</b>	<b>\$0</b>	<b>(\$5,000)</b>	<b>(100.0)%</b>	<b>D-380</b>
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This program was established in FY 2001 to assist the State's six research universities in enhancing research capacity, competing nationally for top-notch faculty, and effectively garnering additional federal grants and contracts. The capacity-building funds were used to purchase state-of-the-art equipment, launch new research in biomedical and other high-tech areas with commercial and health care implications, and address New Jersey industry needs in the areas of pharmaceuticals, biotechnology, medical devices, and information technology.

<b>Teacher Preparation</b>	<b>\$7,664</b>	<b>\$3,000</b>	<b>(\$4,664)</b>	<b>(60.9)%</b>	<b>D-380</b>
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The FY 2003 recommended appropriation for the Teacher Preparation Program has been reduced by \$4.7 million from \$7.7 million in FY 2002 to \$3 million in FY 2003. The Teacher Preparation Program was originally funded at \$10 million in FY 2002: \$7.7 million was provided as one-time grants to increase the capacity of institutions of higher education to prepare teachers and \$2.3 million was transferred to eight colleges and universities to provide ongoing support for new staff hired at participating institutions (now reflected under the budgets of the eight recipients). The FY 2003 recommendation provides \$3 million to support additional one-time grants to help colleges and universities expand the teacher preparation programs at their institutions.

<b>Advisory Graduate Medical Education Council of New Jersey</b>	<b>\$125</b>	<b>\$0</b>	<b>(\$125)</b>	<b>(100.0)%</b>	<b>D-380</b>
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Funding for this program was added by the Legislature in FY 2002 to support the functions of the Advisory Graduate Medical Education Council of New Jersey (AGMEC) which is housed at the University of Medicine and Dentistry of New Jersey. This organization was established by P.L. 1977, c. 390 to provide up-to-date information for planning and policy decisions concerning graduate medical education in this State.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2002</u>	<u>Recomm.</u> <u>FY 2003</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Servicing of Governor's Teachers Scholarship Loans	\$71	\$0	(\$71)	(100.0)%	D-385
College Savings Program Administration	\$750	\$0	(\$750)	(100.0)%	D-385
New Jersey Prepaid Higher Education Expense Program	\$250	\$0	(\$250)	(100.0)%	D-385

According to the Office of Management and Budget, the Governor is not recommending funding for these programs because the Higher Education Student Assistance Authority, which administers the Servicing of Governor's Teachers Scholarship Loans Program, the College Savings Program and the New Jersey Prepaid Higher Education Expense Program, has identified excess operating funds which can be used to cover the administrative costs of these three programs.

Student Assistance Programs:

Tuition Aid Grants	\$167,509	\$169,856	\$2,347	1.4%	D-385
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Funding for the Tuition Aid Grant Program (TAG) is recommended to increase by \$2.3 million (1.4 percent) from \$167.5 million to \$169.9 million. The recommendation will fund a TAG award increase up to 100 percent of the tuition charges in the prior academic year for students attending New Jersey's public colleges and universities and 100% of the average tuition of the independent institutions. These award increases effectively close the gap between TAG award levels and prior year tuition for the neediest students. TAG will provide over 51,000 awards to lower and middle income students, which represents an increase of 2000 grants over FY 2002 award levels.

NJBEST Scholarship Program	\$0	\$11	\$11	—	D-385
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The FY 2003 budget recommends \$11,000 for the New Jersey Better Educational Savings Trust Scholarship Program (NJBEST) to provide scholarships in the amount of \$500 per student to students who are beneficiaries of college savings accounts established under NJBEST and to which contributions were made for at least four years, and who enroll in a New Jersey college or university. These scholarships were established under the NJBEST enabling legislation, N.J.S. 18A:71B-35 et seq., and the FY 2003 recommended appropriation reflects the first group of beneficiaries to become eligible for the scholarships under the program.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2002</u>	<u>Recomm.</u> <u>FY 2003</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
World Class Economy Scholarship Program	\$40	\$0	(\$40)	(100.0)%	D-385
Overall State Support for Four-Year State Colleges and Universities	\$941,878	\$868,670	(\$73,208)	(7.8)%	D-387 to D-420
Grants-In-Aid- Operational Support	\$935,378	\$868,670	(\$66,708)	(7.1)%	D-387 to D-420
Capital Construction	\$6,500	\$0	(\$6,500)	(100.0)%	D-390

Direct operating aid for senior public institutions of higher education is recommended at \$868.7 million, a \$73.2 million decrease from the FY 2002 adjusted appropriation of \$941.9 million. The Governor does not recommend performance-based incentives (\$8.4 million) or pay-as-you-go capital funding (\$6.5 million) for the colleges and universities which totaled \$14.9 million in FY 2002. In addition, \$330 million is recommended for fringe benefits for these institutions; however, no salary program is recommended.

The following is a listing of the total recommended appropriation for the support of the individual senior public institutions.

Rutgers, The State University	\$329,014	\$305,842	(\$23,172)	(7.0)%	D-387 to D-390
Agricultural Experiment Station	\$27,556	\$25,739	(\$1,817)	(6.6)%	D-390 to D-391
University of Medicine and Dentistry of New Jersey	\$214,121	\$197,025	(\$17,096)	(8.0)%	D-392 to D-395
New Jersey Institute of Technology	\$56,101	\$51,950	(\$4,151)	(7.4)%	D-395 to D-397

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Thomas Edison State College	\$6,412	\$5,974	(\$438)	(6.8)%	D-398 to D-399
Rowan University	\$41,778	\$38,990	(\$2,788)	(6.7)%	D-399 to D-401
New Jersey City University	\$34,802	\$32,503	(\$2,299)	(6.6)%	D-402 to D-404
Kean University	\$43,022	\$40,206	(\$2,816)	(6.5)%	D-404 to D-407
William Paterson University of New Jersey	\$44,043	\$41,186	(\$2,857)	(6.5)%	D-407 to D-409
Montclair State University	\$49,639	\$46,306	(\$3,333)	(6.7)%	D-410 to D-412
The College of New Jersey	\$40,694	\$37,997	(\$2,697)	(6.6)%	D-412 to D-414
Ramapo College of New Jersey	\$21,787	\$20,306	(\$1,481)	(6.8)%	D-415 to D-417
Richard Stockton College of New Jersey	\$26,409	\$24,646	(\$1,763)	(6.7)%	D-417 to D-420
<u>Higher Education Administration:</u>					
Overall Support to Independent Institutions	\$29,590	\$26,447	(\$3,143)	(10.6)%	D-458 to D459

While the Governor recommends level funding of \$24.5 million for Aid to Independent Colleges and Universities in FY 2003, total funding of \$3.1 million that was added by the Legislature in FY 2002 for various initiatives is not recommended for continuation in FY 2003.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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**Miscellaneous Higher Education Programs:**

<b>Higher Education Incentive Grant Fund</b>	<b>\$2,500</b>	<b>\$0</b>	<b>(\$2,500)</b>	<b>(100.0)%</b>	<b>D-459</b>
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The Governor recommends the discontinuation of the Higher Education Incentive Grant Fund which provided \$2.5 million in State matching funds in FY 2002 against donations made to two-year and four-year public institutions of higher education and independent institutions of higher education that receive direct State aid, or to the institutions' related foundations. This fund was established under legislation enacted in September of 1999, "The Higher Education Incentive Funding Act," P.L. 1999, c.226.

<b>Higher Education Incentive Endowment Fund</b>	<b>\$2,500</b>	<b>\$2,214</b>	<b>(\$286)</b>	<b>(11.4)%</b>	<b>D-459</b>
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The recommended budget includes a \$286,000 decrease for the Higher Education Incentive Endowment Fund from \$2.5 million in FY 2002 to \$2.2 million in FY 2003. This fund provides State matching funds against endowment contributions made to two-year and four-year public institutions of higher education and independent institutions of higher education that receive direct State aid, or to the institutions' related foundations. This fund was established under legislation enacted in September of 1999, "The Higher Education Incentive Funding Act," P.L. 1999, c.226.

<b>Garden State Savings Bonds Incentive</b>	<b>\$400</b>	<b>\$100</b>	<b>(\$300)</b>	<b>(75.0)%</b>	<b>D-459</b>
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The recommended appropriation for the Garden State Savings Bond Program represents a 75 percent decrease from \$400,000 in FY 2002 to \$100,000 in FY 2003 due to declining sales of the bonds. This program was established in 1992 pursuant to P.L. 1991, c.272 to assist persons saving for a college education by offering State and federal tax-free bonds for sale to the public. If the bonds are redeemed at a New Jersey institution of higher education, an extra 6 percent is added to the face value of the bonds of which 2 percent is paid by the State and 4 percent by the institution of attendance.

<b>Higher Education Capital Improvement Program-Debt Service</b>	<b>\$26,909</b>	<b>\$31,319</b>	<b>\$4,410</b>	<b>16.4%</b>	<b>D-459</b>
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The Governor recommends a \$4.4 million increase, from \$26.9 million in FY 2002 to \$31.3 million in FY 2003, for the State's share of projected debt service payments required under the "Higher Education Capital Improvement Fund Act," P.L. 1999, c.217. The "Higher Education Capital Improvement Fund Act" authorized the New Jersey Educational Facilities Authority to issue bonds in a total outstanding principal amount of \$550 million to provide grants to four-year public

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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and independent institutions of higher education to finance renovation, expansion and construction of facilities and technology infrastructure. Under the program, the State pays two-thirds of the debt service costs on bonds issued by EFA to fund projects at public colleges and one-half of the debt service on bonds issued to fund projects at independent institutions.

<b>Equipment Leasing Fund-Debt Service</b>	<b>\$2,708</b>	<b>\$13,422</b>	<b>\$10,714</b>	<b>395.6%</b>	<b>D-460</b>
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The appropriation for the State's share of projected debt service payments for bonds issued under the "Higher Education Equipment Leasing Fund Act," P.L. 1993, c.136, is recommended to increase by \$10.7 million to \$13.4 million in FY 2003 from \$2.7 million in FY 2002. The "Higher Education Equipment Leasing Fund Act" authorized the New Jersey Educational Facilities Authority (EFA) to issue bonds in an outstanding principal amount of \$100 million to support the purchase of scientific, engineering, technical, computer, communication and institutional equipment at higher education institutions. The original \$100 million in bonds have been issued and retired and therefore the EFA will re-issue bonds. The State pays 75 percent of the debt service costs and the institution pays 25 percent.

<b>Dormitory Safety Trust Fund-Debt Service</b>	<b>\$9,095</b>	<b>\$8,982</b>	<b>(\$113)</b>	<b>(1.2)%</b>	<b>D-460</b>
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The FY 2003 budget includes \$9 million for projected debt service payments under the "Dormitory Safety Trust Fund Act," P.L. 2000, c.56, a \$113,000 or 1.2 percent decrease from the FY 2002 appropriation of \$9.1 million, of which \$8.9 million is scheduled to lapse at the end of FY 2002. The "Dormitory Safety Trust Fund Act" authorized the New Jersey Educational Facilities Authority to issue \$90 million in bonds to finance loans to eligible public and private secondary schools, military schools and boarding schools and public and independent institutions of higher education to install fire suppression systems in dormitories located at the school or institution.

<b>Salem Community College-Capital Improvements</b>	<b>\$200</b>	<b>\$0</b>	<b>(\$200)</b>	<b>(100.0)%</b>	<b>D-460</b>
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<b>Walter Rand Institute for Public Affairs at Rutgers University- Camden</b>	<b>\$75</b>	<b>\$0</b>	<b>(\$75)</b>	<b>(100.0)%</b>	<b>D-460</b>
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<b>Gloucester County College-Road to Success</b>	<b>\$225</b>	<b>\$0</b>	<b>(\$225)</b>	<b>(100.0)%</b>	<b>D-460</b>
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**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Cumberland Community College- Aquaculture Technology Transfer Center	\$250	\$0	(\$250)	(100.0)%	D-460
Chair in Educational Leadership, Rowan University	\$100	\$0	(\$100)	(100.0)%	D-460
Distance Learning Institute-Fairleigh Dickinson University	\$3,900	\$0	(\$3,900)	(100.0)%	D-460
Ocean County College- New Jersey Coastal Communiversiy	\$30	\$0	(\$30)	(100.0)%	D-460
Ocean County College- Camp Viking	\$50	\$0	(\$50)	(100.0)%	D-460

The Governor's budget does not recommend continuation of FY 2002 legislative initiatives totaling \$4.8 million, which included \$3.9 million for the Distance Learning Program at the Fairleigh Dickinson University.

**County College Capital  
Projects (Chapter 12)  
Debt Service**

	\$27,205	\$22,582	(\$4,623)	(17.0)%	D-460
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The budget recommends a \$4.6 million (17 percent) decrease from \$27.2 million in FY 2002 to \$22.6 million in FY 2003 for projected debt service payments for capital projects under P.L. 1971, c.12, to be funded through the Property Tax Relief Fund.

**Additional Health  
Benefits**

	\$4,285	\$6,802	\$2,517	58.7%	D-461
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The Governor proposes a 58.7 percent or \$2.5 million increase from \$4.3 million in FY 2002 to \$6.8 million in FY 2003, for additional health benefits for employees at New Jersey's county colleges.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2002</u>	<u>Recomm.</u> <u>FY 2003</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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**Federal Funds:****Student Assistance  
Programs**

	\$18,274	\$19,533	\$1,259	6.9%	D-385
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Federal funds for the Student Assistance Programs administered by the Higher Education Student Assistance Authority are anticipated to increase by \$1.3 million or 7 percent from \$18.3 million in FY 2002 to \$19.5 million in FY 2003. Of that increase, approximately \$1 million is recommended for increased administrative costs for the oversight of federal loan programs and \$177,000 is recommended for the Leveraging Educational Assistance Partnership. This program provides federal matching funds to supplement the Tuition Aid Grant Program.

**Other Funds**

	\$3,252	\$3,732	\$480	14.8%	D-385
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Special revenue funds are anticipated to increase by \$480,000 from \$3.3 million in FY 2002 to \$3.7 million in FY 2003. The increase will fund additional operating costs incurred by the Higher Education Student Assistance Authority to administer the New Jersey Loans to Assist State Students (NJCLASS) Program's growing portfolio, which is projected to grow to 52,284 borrowers, an increase of 26 percent.

## Language Provisions

### 2002 Appropriations Handbook

### 2003 Budget Recommendations

#### D-386

No comparable language.

Each public institution participating in the Tuition Aid Grant program shall provide institutional grants to students eligible for the maximum Tuition Aid Grant (TAG) award for that institution in an amount not less than the difference between the maximum 2002-03 TAG award for the institution and the institution's actual 2001-2002 tuition rate.

#### Explanation

According to the Office of Management and Budget, this budget language requires public institutions of higher education to make up the difference, if any, between the maximum TAG award for the neediest students and actual 2001-2002 tuition levels.

### 2002 Appropriations Handbook

### 2003 Budget Recommendations

#### B-168

#### D-390

Of the sums hereinabove appropriated for Rutgers, The State University, there is \$180,000 for the Masters in Government Accounting Program, \$105,000 for the Tomato Technology Transfer Program, \$95,000 for the Haskin Shellfish Research Laboratory, \$200,000 for the Camden Law School Clinical Legal Programs for the Poor, \$200,000 for the Newark Law School Clinical Legal Programs for the Poor, \$740,000 for the Civic-Square Project-Debt Service, \$700,000 for In Lieu of Taxes to New Brunswick, and \$100,000 for the Bloustein School-Government Services Study. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Of the sums hereinabove appropriated for Rutgers, The State University, there is \$180,000 for the Masters in Government Accounting Program, \$105,000 for the Tomato Technology Transfer Program, \$95,000 for the Haskin Shellfish Research Laboratory, \$200,000 for the Camden Law School Clinical Legal Programs for the Poor, \$200,000 for the Newark Law School Clinical Legal Programs for the Poor, \$740,000 for the Civic-Square Project-Debt Service, and \$700,000 for In Lieu of Taxes to New Brunswick. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

#### Explanation

This language was added in FY 2000 and continued in FY 2001 and FY 2002 to provide \$100,000 to the Bloustein School for a study on government consolidation. The study has been completed; therefore, the Governor does not recommend this language for FY 2003.

## Language Provisions (Cont'd)

2002 Appropriations Handbook**B-168**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Rutgers, The State University shall be 6,242.

2003 Budget Recommendations**D-390**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at Rutgers, The State University shall be 6,246.

Explanation

In FY 2002, the Teacher Preparation program was created to help colleges and universities improve and expand teacher education programs. The program provided \$2.3 million to provide ongoing support for new staff hired at participating institutions. In FY 2003, the Governor recommends \$3 million to continue the program; therefore, the State-funded positions are increasing to reflect the newly-hired staff.

2002 Appropriations Handbook**B-168**

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, there is \$900,000 for Pari-Mutuel Programs, \$250,000 for Blueberry and Cranberry Research, \$691,000 for the Snyder Farm Planning and Operation, and \$500,000 for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

2003 Budget Recommendations**D-391**

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, there is \$900,000 for Strategic Initiatives Programs, \$250,000 for Blueberry and Cranberry Research, \$691,000 for the Snyder Farm Planning and Operation, and \$500,000 for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Explanation

This budget language is being modified to reflect the actual nature of the programs supported by the \$900,000 State appropriation. According to Rutgers University, the name (Pari-Mutuel Programs) was derived from the original funding source which was unclaimed pari-mutuel tickets. While a portion of the appropriation supports equine studies at the university, funding also supports a variety of other initiatives including integrated crop management and solid waste management. Therefore, the modified budget language will now reflect the overall focus of the program.

**Language Provisions (Cont'd)****2002 Appropriations Handbook****B-170**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Rowan University shall be 865.

**B-170**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at New Jersey City University shall be 777.

**B-170**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Kean University shall be 875.

**B-171**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at William Paterson University of New Jersey shall be 943.

**B-171**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Montclair State University shall be 1,095.

**B-171**

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at The College of New Jersey shall be 820.

**2003 Budget Recommendations****D-401**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at Rowan University shall be 877.

**D-404**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at New Jersey City University shall be 784.

**D-407**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at Kean University shall be 888.

**D-409**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at William Paterson University of New Jersey shall be 947.

**D-412**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at Montclair State University shall be 1,102.

**D-414**

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at The College of New Jersey shall be 823.

## Language Provisions (Cont'd)

2002 Appropriations Handbook

B-172

For the purpose of implementing the fiscal year 2002 appropriations act, the number of State-funded positions at Richard Stockton College of New Jersey shall be 620.

2003 Budget Recommendations

D-420

For the purpose of implementing the fiscal year 2003 appropriations act, the number of State-funded positions at Richard Stockton College of New Jersey shall be 622.

Explanation

In FY 2002, the Teacher Preparation Program was established to help colleges and universities improve and expand teacher education programs. The program provided \$2.3 million to provide ongoing support for new staff hired at participating institutions. In FY 2003, the Governor recommends \$3 million to continue the program; therefore, the State-funded positions are increasing to reflect the newly-hired staff.

2002 Appropriations Handbook

B-190

For the purpose of implementing the "Independent College and University Assistance Act," P.L. 1979, c.132 (C.18A:72B-15 et seq.), the number of full-time equivalent students (FTE) at the eight State Colleges is 50,145 for fiscal year 2001.

2003 Budget Recommendations

D-461

For the purpose of implementing the "Independent College and University Assistance Act," P.L. 1979, c.132 (C.18A:72B-15 et seq.), the number of full-time equivalent students (FTE) at the eight State Colleges is 50,807 for fiscal year 2002.

Explanation

This language sets the enrollment level by which the amount of State aid provided to the 14 independent colleges and universities is calculated. If the independent sector is appropriated \$24.5 million in direct aid in FY 2003, as recommended by the Governor, that amount would represent 79 percent of the amount needed to fully fund the "Independent College and University Assistance Act," P.L. 1979, c.132.

## Language Provisions (Cont'd)

### 2002 Appropriations Handbook

**B-190**

Notwithstanding the provisions of the "Independent Colleges and University Assistance Act," P.L. 1979, c.132 (C.18A:72B-15 et seq.), institutions with endowments in excess of \$1,000,000,000 shall not receive aid.

### 2003 Budget Recommendations

**D-461**

No comparable language.

#### Explanation

The FY 2002 budget language prohibited any independent institution of higher education from receiving State aid under the "Independent College and University Assistance Act" if the institution's endowment funds exceeded \$1 billion, thereby making Princeton University ineligible. The funding that was otherwise allocated to the institution was redistributed among the remaining independent colleges and universities. With this language deleted, Princeton University's eligibility for aid in FY 2003 is restored.

### 2002 Appropriations Handbook

No comparable language.

### 2003 Budget Recommendations

**D-461**

Notwithstanding the provisions of any other law or regulation to the contrary, of the appropriation hereinabove for Operational Costs, \$15,000,000 shall be derived from the Supplemental Workforce Fund for Basic Skills revenue.

#### Explanation

The operational costs of the county colleges will be funded, in part, from the Supplemental Workforce Fund for Basic Skills revenue in FY 2003. The Supplemental Workforce Fund for Basic Skills provides basic skills training for unemployed and employed workers. The program's main focus is adult literacy. Previously, funding for the operational costs of county colleges was derived directly from the General Fund.

## Discussion Points

1. The New Jersey Better Educational Savings Trust Program (NJBEST), established pursuant to N.J.S. 18A:71B-35 et seq. was created to assist families in financing the cost of a college education through the establishment of trust accounts into which an individual makes contributions on behalf of a designated beneficiary. Some of the benefits of the program are as follows: earnings from NJBEST accounts are exempt from federal and State taxes if used for qualified higher education expenses, \$25,000 in savings is excluded from consideration of eligibility for State-need based financial aid and a scholarship is awarded to individuals who save through the program for at least four years and enroll in a New Jersey institution of higher education. NJBEST utilizes an "age-sensitive" investment strategy that customizes the asset allocation of the account based on the age of the account beneficiary. This strategy is designed to reduce the risk level of the account as the time nears for the contributor to begin making withdrawals to pay college costs.

- **Question:** Please provide a breakdown, by age, of current beneficiaries of the NJBEST Program accounts.
- **Question:** Please provide an update on the recent performance of the funds invested under the NJBEST Program.

2. In December 2001, the "New Jersey Prepaid Higher Education Expense Program Act," P.L. 2001, c.262, was established to provide a mechanism through which the cost of tuition may be paid in advance of enrollment at a public institution of higher education at a rate lower than the cost at the time of actual enrollment. This program will be administered by the Prepaid Higher Education Expense Board also established under that law.

- **Question:** Please provide an update on the current status and plans of the New Jersey Prepaid Higher Education Expense Program.

3. In FY 2002, \$9.8 million was appropriated for performance funding for the senior public institutions of higher education (\$8.4 million) and the county colleges (\$1.4 million). This program rewards public institutions of higher education for meeting certain State policy goals as evidenced by the attainment of key performance indicators such as improved graduation rates, improved transfer and articulation rates between the 2-year and 4-year sectors, improved institutional efficiency and effectiveness and development of more diversified revenues from non-student based sources. Of the \$8.4 million allocated to the senior institutions in FY 2002, \$526,000 is scheduled to lapse into the General Fund. Of the \$1.4 million allocated to the county colleges in FY 2002, \$188,000 is scheduled to lapse into the General Fund. No performance incentive funding is recommended for either sector in FY 2003.

- **Question:** Has New Jersey's experience with performance-based funding been of sufficient duration and scope to draw any conclusions about its efficacy in promoting goal-oriented changes in the public colleges and universities?

4. The Outstanding Scholar Recruitment Program (OSRP) provides public and independent institutions of higher education with campus-based funding to recruit high achieving New Jersey students as measured by class rank and SAT scores. The maximum OSRP award is \$7,500 for students with SAT scores above 1,500 and a class rank in the top 5 percent. The award amount decreases to \$2,500 for students with SAT scores between 1,350 and 1,390 and class ranks between the 85th and 89th percentiles. This is a matching grant program where the State pays up to 70% of the award at public institutions and 40% at independent institutions. Awards are based solely on merit and there is no financial needs test. In FY 2002, 4,599 students received merit

## Discussion Points (Cont'd)

scholarships under the program which included four cohorts of students. The FY 2003 budget recommendation of \$11.4 million will fund a total of four student cohorts and over 5,000 awards including 1,561 freshman awards.

At the FY 2002 budget hearings, the executive director of the Higher Education Student Assistance Authority which oversees OSRP, indicated that the agency would be undertaking a study to examine retention and attrition rates of OSRP recipients, as well as other performance attributes and complete a comparison with non-OSRP recipients.

- **Question:** Please provide the number of the students who received full scholarships and students who received partial scholarships in FY 2002 and what institutions they attended.
- **Question:** Please provide an update on the status of the study. If the study has been completed, please provide a copy of the authority's findings.

5. State support for senior public colleges and universities is being decreased both this year and next year. As part of the plan to address the FY 2002 budget shortfall, \$49.5 million in direct operating aid is being withheld and is scheduled to lapse back to the General Fund at the close of the year. The Governor's budget recommends \$868.7 million in direct institutional aid for FY 2003, which is \$66.7 million less than the FY 2002 appropriation level, \$17.2 million less than the actual amount distributed in FY 2002, and only \$16.5 million (1.9 percent) above the FY 2001 appropriation. In addition, the FY 2003 budget includes no performance incentive funding for the senior colleges and universities.

- **Question:** Please provide information regarding how the level of State aid will affect programs and services at the public institutions in FY 2002 and FY 2003.
- **Question:** What potential impact will the recommended funding level have on tuition and fee increases at the four-year public colleges and universities for the 2002-2003 academic year? Please provide the percentage increases projected by each institution to date.

6. In its FY 2003 Budget Policy Statement, the New Jersey Commission on Higher Education estimated that a \$65 million (7 percent) increase is necessary to cover employee salary increments and COLAs at the senior public institutions. However, the Governor's budget recommends no salary program funding for the colleges and universities in FY 2003, even though the State negotiates the contracts for certain State college employees. In FY 2002, \$29.5 million was appropriated for the salary program but the Administration has placed \$14.8 million (representing the third and fourth quarter payments) of the FY 2002 appropriation in reserve as a potential lapse.

- **Question:** If one of the Statewide goals is to keep tuition and fee increases at minimal levels by increasing diversified institutional revenue sources, how is it anticipated that the institutions will meet employee contract costs?
- **Question:** What effect will the discontinued aid for the salary program have on 2002-2003 tuition and fee levels at the four-year public colleges and universities?

## Discussion Points (Cont'd)

7. "The Higher Education Incentive Funding Act," P.L. 1999, c.226, provides State funds to match private endowment contributions or donations made to New Jersey's public and independent institutions of higher education or other related foundations. The amount of matching funds payable depends on whether the gifts are endowment contributions or donations and on the type of institution (public vs. independent) to which the gifts are made. The law excludes institutions having a total endowment of more than \$1 billion from participation in the program. In FY 2002, each program received \$2.5 million; however, the entire Higher Education Incentive Grant Fund appropriation, and almost \$1.9 million of the appropriation to the Higher Education Incentive Endowment Fund, have been placed in budget reserve and are likely to be unspent. In FY 2003, the Governor's budget recommends no funding for the Higher Education Incentive Fund and \$2.2 million for the Higher Education Incentive Endowment Fund.

- **Question:** Please provide information regarding the current endowment levels at four-year public institutions and county colleges.
- **Question:** Please provide a list of the institutions that received State matches from the Higher Education Incentive Endowment Fund and the Higher Education Incentive Fund and the number and amounts of the State awards since the program's inception in 1999.
- **Question:** Has the level of State appropriations been sufficient to provide State matching funds for all eligible endowment contributions and donations?

8. The "New Jersey World Trade Center Scholarship Program Act," P.L. 2001, c.442, was established to provide the spouses and children of victims who were New Jersey residents on September 11, 2001 and who died as a direct result of the terrorist attack with scholarships for the costs of their undergraduate education at any college or university in this State or any other state. The new law creates, within the Higher Education Student Assistance Authority, the New Jersey World Trade Center Scholarship Fund and an eleven member board charged with establishing the criteria to determine eligibility for and the amount of scholarships, administering the funds and soliciting private donations to the fund. The law appropriated an initial \$250,000 for deposit into the fund. According to recent news reports, contributors have pledged \$280,000 to the New Jersey World Trade Center Scholarship Program.

On April 9, 2002, the Governor issued an executive order requiring that tuition at State colleges be waived for the children and spouses of the victims of the September 11th terrorist attacks. The executive order is retroactive and will provide families with reimbursement for tuition payments for the Fall 2001 and Spring 2002 semesters.

- **Question:** Please provide information regarding the number of students affected by the Governor's executive order waiving tuition at State colleges and the institutions in which they are enrolled.
- **Question:** Are the reports of approximately \$280,000 in private donations to the New Jersey World Trade Center Scholarship Program accurate?
- **Question:** Recent news reports indicate that Rutgers University has provided tuition assistance to four of its students who lost parents in the September 11th attack and that the Independent College Fund of New Jersey has established a \$500,000 scholarship

## Discussion Points (Cont'd)

program for students similarly affected by the September 11th attack, of which \$100,000 has been awarded. Please provide information regarding all scholarship programs that have been established within the New Jersey higher education community to assist the families of victims of the September 11th terrorist attacks and what amounts have been awarded.

9. Funding for the Tuition Aid Grant Program (TAG) will increase by \$2.3 million (1.4 percent) from \$167.5 million to \$169.9 million. The budget indicates that this will support an additional 2,000 awards in the 2002-2003 academic year. The Governor's recommendation includes language (page D-386) that will require the public institutions to provide the neediest TAG recipients (those receiving the maximum TAG award) with an institutional grant equal to the difference between the current maximum TAG award and 2001-2002 academic year tuition levels. This will have the effect of maintaining for these highest need students the existing one-year lag between award amounts and current year tuition. However, many other students will not see the size of their award increase despite a projected rise in tuition and related costs, because their TAG grants will be based on 2000-2001 award levels rather than 2001-2002 levels. TAG funding at the 2000-2001 tuition levels actually represents a two-year lag behind actual tuition rates as opposed to the current one-year lag.

- **Question:** Please discuss the reasons why it was determined advantageous to provide TAG grants to an additional 2,000 students if grant levels for many other recipients will be held constant and remain funded at 2000-2001 tuition levels (2-year lag)? How many students receive the maximum TAG award and will be covered by the hold-harmless language in the budget? How many will see their grants remain constant or nearly so?

## Background Paper: Excellence in High Technology Workforce

Budget Pages.... D-380

In FY 2001, former Governor Whitman announced a \$200 million economic package, the New Jersey Jobs for the New Economy Program. The purpose of the program was to make New Jersey more competitive nationally in the creation of high technology jobs, to create a better environment for entrepreneurs and small high-tech corporations and to ensure that every citizen of New Jersey share in the State's technology advances and economic successes. Of the \$200 million, \$15 million was earmarked for the Excellence in High Technology Workforce Program. The Excellence in High Technology Workforce Program was established to help meet the emerging high-technology workforce needs of business and industry and to increase New Jersey's competitive edge in the high technology sector by developing nationally recognized programs of technology excellence ranging from entry level certificates to advanced degrees in the following key academic areas:

- Computer Science and Information Technology;
- Physical, Life and Health Sciences;
- Engineering and Engineering Technology; and
- Science and Mathematics Teacher Education.

This program distributed more than \$29 million in grant awards over the past two fiscal years. In July 2000, the New Jersey Commission on Higher Education awarded nine grants totaling \$14.3 million to New Jersey colleges and universities to develop nationally recognized programs of technology excellence and to provide local businesses with the quality workforce they required. The nine winning proposals addressed varied academic priorities, but also shared some key characteristics. Each program was geared toward high-tech workforce needs, would enable a program already known for its high quality to become regionally or nationally renowned and would be sustained by the institution beyond the years of State grant funding.

In July 2001, the New Jersey Commission on Higher Education awarded \$15 million in grants to eight New Jersey colleges and universities for the enhancement of successful technology-related programs that focused on developing skilled employees for the ever-expanding pharmaceutical, biotechnology, health care and information technology industries.

The Governor has recommended no funding for this program in FY 2003. Below is a listing of the winning proposals in FY 2001 and FY 2002 as reported by the New Jersey Commission on Higher Education in news releases dated July 28, 2000 and September 28, 2001.

### FY 2001 HIGH-TECH EXCELLENCE GRANTS

#### **Bergen Community College, Paramus - \$573,300**

##### *High Technology Surgical Workforce Project*

The grant will enhance and expand the surgical technology certification program to more fully meet New Jersey's growing demand for skilled workers in high-tech operating rooms. The grant will be used to create a simulated high technology operating room to train students on the equipment and instruments used in medical facilities; provide evening and weekend clinical experiences for working students; deliver advanced continuing professional education for surgical technologists in specialties identified by regional hospitals; and integrate quality assurance measures that ensure programmatic consistency with health industry needs and national standards.

## Background Paper: Excellence in High Technology Workforce (Cont'd)

### The College of New Jersey, Ewing - \$2,498,074

#### *Expanding a K-12 Science, Mathematics, Engineering and Technology (SMET) Teacher Preparation Program*

The grant program will bring together faculty, other educators, and representatives from business, industry, and engineering to expand the college's nationally recognized elementary-level science, math, engineering, and technology (SMET) program to include secondary school teachers. This grant will allow the college to extend its leadership in teacher education by preparing secondary school teachers who will effectively integrate SMET subjects in a manner that appeals to a wide range of students, producing more workers who are comfortable, confident, and competent in applying technological knowledge and skills to the demands of the workplace.

### New Jersey Institute of Technology, Newark - \$2,500,000

#### *New Jersey Information-Technology Opportunities for the Workforce, Education, and Research (NJIT-TOWER)*

The grant will strengthen the university's information technology programs to address the rapid developments in information technology now driving the economy in New Jersey and elsewhere. Increased opportunities for students to collaborate with industry and participate in research at the undergraduate and graduate levels will make NJIT a destination of choice for students preparing for careers in information technology. The grant funds will be used to connect industry and NJIT's Enterprise Development Center with classroom activity; disseminate NJIT information technology research and development to a global audience; provide an honors-quality experience to all undergraduates in IT programs; and enhance an already robust, nationally recognized distance education program in IT.

### Rutgers, The State University of New Jersey, New Brunswick - \$2,500,000

#### *Tissue Engineering: A New Frontier in Materials, Biology, and Medicine*

Leading *Time Magazine's* list of the hottest jobs in the foreseeable future, highly trained tissue engineers are in great demand by New Jersey's pharmaceutical and medical technology industries. The grant will create a unique interdisciplinary undergraduate training program that builds on the university's strong programs in engineering, biotechnology and biomaterials. Specifically, the funds will be used to develop undergraduate and graduate courses in tissue engineering, construct and equip laboratories to support the courses, and hire the appropriate faculty and staff.

### Rutgers, The State University of New Jersey, New Brunswick - \$1,335,250

#### *University-Industry Partnership to Enhance Biotechnology Education for a High-Tech Workforce*

The grant will be used to develop a facility for education, research, and training in high throughput screening, the automated research equipment that is prevalent in the pharmaceutical and biotechnology industries. New lab courses utilizing state-of-the-art equipment as well as corporate internships will prepare undergraduate students for careers in the emerging high-tech biotechnology field of high throughput screening. The initiative is a collaborative venture between corporate scientists and Rutgers faculty that will build on Rutgers' well-recognized undergraduate biotechnology program to meet industry needs and further enhance the university's reputation in high technology education.

## Background Paper: Excellence in High Technology Workforce (Cont'd)

### **Salem Community College, Carneys Point - \$204,163**

#### *Process Technology: Meeting the Needs of a High-Tech Workforce*

The grant will expand the college's process technology certificate program, which addresses the educational needs of chemical manufacturing technicians, to provide a two-year process technology degree. Graduates will be prepared to meet regional and statewide employment needs in the chemical, petrochemical, and pharmaceutical industries. The grant will be used to create a high-tech simulation laboratory and increase recruitment into the program to attract a diverse population into process technology careers.

### **Stevens Institute of Technology, Hoboken - \$1,341,800**

#### *Implementation of Technogenesis in the Undergraduate Engineering Curriculum*

The grant will enhance undergraduate engineering programs by aligning them with the institution's strategic direction into technogenesis, which engages students and faculty in the conception, design, and commercialization of new technologies. The program emphasizes entrepreneurial skills to build on Stevens' reputation for producing engineers who can innovate and lead in cutting-edge technological fields. The grant funds will be used to develop and implement project-based learning across the curriculum, develop learning materials in entrepreneurship, and create a Product Innovation and Realization Center to develop student projects from concept to prototype.

### **Stevens Institute of Technology, Hoboken - \$1,078,560**

#### *K-12 Partnership Enhancement*

The grant will provide intensive professional development to science teachers from Abbott district schools, strengthening teaching and learning in science, mathematics, and other core subjects through the meaningful integration of Internet-based curriculum resources. It expands the highly successful K-12 Partnership Program to enhance opportunities for educationally and economically disadvantaged students by increasing their interest and participation in science, math and technology education. The grant will be used to provide training, on-site classroom support, and hardware to teachers in the neediest schools in the state, thereby helping to create the human capital needed to fuel New Jersey's high technology workforce.

### **University of Medicine and Dentistry of New Jersey, Newark - \$2,263,000**

#### *Graduate Program in Bioinformatics*

The grant will create an interdisciplinary bioinformatics curriculum to address industry's need for scientists and researchers who can organize and mine the burgeoning amount of information derived from such programs as the human genome project and related research in molecular biology. Graduates will provide the pharmaceutical and biotechnology industries and the academic community with the skilled workforce needed to maintain competitive research programs. Grant funds will be used to add new courses and faculty to expand the graduate training program in informatics and expand research efforts.

**Background Paper: Excellence in High Technology Workforce (Cont'd)****FY 2002 HIGH-TECH EXCELLENCE GRANTS****Bergen Community College, Paramus - \$1,305,441***High Technology Veterinary Technician Project*

Through Bergen Community College, County College of Morris and Sussex County Community College, the Northern NJ Consortium for Veterinary Technician Education will upgrade and enhance its Associate in Applied Science Degree to better meet workforce needs in the fields of biomedical/biotechnology research and veterinary health care. Improvements will include: a new high-tech veterinary surgical center at Bergen Community College; an upgraded Laboratory Animal and Clinical Research Laboratory at County College of Morris; and the creation of a new Sussex County Community College Vertebrate Animal Anatomy and Physiology Laboratory, a Student Independent Study Laboratory and ITV Classroom.

**Camden County College, Blackwood - \$775,556***Fiber Optics Technology Workforce Excellence Project*

The grant will build on the college's Photonics Associate Degree Program with a specific objective of introducing a new, one-year concentrated certificate in fiber optics for the growing laser/telecommunications industry. It will allow the college to add training opportunities, enhance the curriculum, enrich students' hands-on experiences with state-of-the-art technology, implement a student recruitment plan with a focus on diversity, develop marketing strategies and linkages with businesses and provide professional development opportunities for faculty and staff.

**Essex County College, Newark - \$482,200***Enhancing Network Certification Program*

Addressing the explosive growth in employment of computer professionals both nationally and locally, Essex County College will enhance its Network Certification programs housed at their Center for Technology and will help increase the number of underrepresented minorities in the information technology field. Identified by the U.S. Department of Labor as one of the seven successful "contextual learning" programs that provided mostly unemployed persons the opportunity to reenter the workforce, Essex County College's network technology and microcomputer hardware training areas will be enhanced to increase the capacity and better serve students. The grant will provide for the purchase of hardware, including 50 more microcomputers for two additional labs; professional development opportunities for faculty and marketing programs that will lead to certifications in Cisco Certified Network Professionals (CCNP) and Oracle Certified Professionals (OCP).

**Montclair State University, Upper Montclair - \$2,499,886***MGM-STEP (Middle Grade Mathematics Science Teacher Education Project)*

Building on the university's regional and national prominence in teacher education, the grant will enable the university to recruit, prepare, and support 60 new math and science teachers for public schools. In addition, the grant will provide a multi-layered, content-based professional development program that features summer institutes, mini-courses, a new M.A. program and certificate program in middle school math, a new concentration in middle school math in their M.Ed. program, an online support and professional development program and classroom coaching

## Background Paper: Excellence in High Technology Workforce (Cont'd)

and mentoring. Overall, more than 500 teachers will be directly impacted by the grant.

### New Jersey Institute of Technology, Newark - \$2,499,700

#### *Pre-Engineering Instructional and Outreach Program*

As the number of students selecting engineering as a major is declining, workplace demand for qualified engineers is rapidly increasing. To help reverse this negative trend, grant funds will support implementation of pre-engineering education, grades 6-12, and will help launch a comprehensive information campaign to significantly increase student interest in science, engineering, mathematics, and technology. The program will help enlarge the future pool of qualified, high-tech workers, including historically underrepresented minorities and women, by implementing a career performance assessment in partnership with the National Action Council for Minority Engineering. Pre-engineering curricula in middle and high schools will also be enhanced and developed to meet the instructional classroom needs of teachers.

### Rider University, Lawrenceville - \$1,804,502

#### *SELECT-VLC: High-Tech Support for a Continuum of Professional Development for Teachers of Science and Mathematics*

Utilizing the power of wireless technology and full-motion, two-way interactive and audio/video and computer conferencing, the university will create a distributed learning community and engage future and present teachers in a variety of active learning models without the traditional constraints of lecture, lab, workshop, in-service and computing time. The grant project will help infuse science, math, and pedagogy courses with technology to model how students will be expected to teach as practitioners and to facilitate preservice and inservice teachers' use of inquiry-based teaching.

### Rowan University, Glassboro - \$1,462,248

#### *Expanding the Educational Opportunities for Undergraduates in the Study of Advanced Materials for Commercial Applications*

Through the combined efforts of the rapidly growing program in chemistry, physics and engineering at Rowan University, the grant will support the organization of new courses and augment equipment for the program component of materials science. As the basis for many innovation technologies, material science research is directly applicable to the solution of problems in materials development and has commercial utility in a diversity of fields, including cellular communications, drug delivery, and information storage. In addition, the grant will provide faculty development, the establishment of a Summer Institute in Materials Science for high school students and scholarship assistance for qualified minorities.

### Rutgers, The State University of New Jersey, New Brunswick- \$2,500,000

#### *Nanomaterials Science and Engineering (NMSE): An Enabling Paradigm Shift for Photonics, Energy, Electronics and Biology*

According to the National Science and Technology Council, nanotechnology--which involves behavior and control of materials and processes at the atomic and molecular levels--will have a significant impact on the future growth of a broad array of high-technology industries. In direct response to this impact and growing workforce needs, Rutgers will develop a dynamic, state-of-the-art interdisciplinary undergraduate curriculum in nanomaterials science and engineering that readily complements a major nanomaterials research thrust at the university. Through

## Background Paper: Excellence in High Technology Workforce (Cont'd)

collaboration across knowledge domains, cutting-edge scientific skills will be introduced at the undergraduate level and will include four new lecture courses and three lab courses. The grant will support new faculty, a cooperative program with industry and a summer internship program for 20 high school students.

### **Rutgers, The State University of New Jersey, New Brunswick - \$1,640,000**

#### *New Directions for the High-Tech Computer Science Workforce*

Through e-learning and traditional classroom teaching, this project will expand instruction in key computer science areas, including computer visions, animation, and graphics (such as modeling techniques for medical imaging). In addition, the nationally-ranked Computer Science Department will use grant funds to develop scalable asynchronous e-learning tools to increase student capacity, develop a new undergraduate computer science course to emphasize teamwork in software development and expand the pool of qualified instructors and mentors through faculty hires and additional student teaching assistants.

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Individuals wishing information and committee schedules on the FY 2003 budget are encouraged to contact:

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