Discussion Points

1. The Outstanding Scholars 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 program serves as a retention mechanism for New Jersey’s brightest students. It is a matching grant program where the State pays up to 70% of the award at public institutions and 40% at independent institutions. The FY 2008 budget recommendation will decrease funding for the OSRP by $3.3 million (33.8 percent), from $9.7 million in FY 2007 to $6.4 million in FY 2008. The FY 2008 recommended appropriation reflects the Governor’s intent to eliminate the OSRP in coming fiscal years. Under the Governor’s plan, no State funds were appropriated to support freshmen OSRP scholarships in FY 2007 and this is again the case under the FY 2008 recommended budget.

In response to the lack of State funding to support a fall 2006 freshman cohort of OSRP students, Rutgers, The State University and The College of New Jersey, which collectively enroll approximately 60 percent of the OSRP student population, provided funding to support a fall 2006 freshman cohort of OSRP students. Recent press reports indicate that both institutions intend to provide sophomore year support to these students but no information is available on whether the institutions will fund a fall 2007 freshman OSRP cohort.

In FY 2006, 5,408 students received merit scholarships under the program, which included four cohorts of students. The number of State-funded scholarships was reduced to 3,906 in FY 2007 and will be further reduced to 2,650 under the FY 2008 recommended budget. The impact of the proposed reduction will be that no State-funded OSRP scholarships will be awarded to freshmen or sophomore students; however the FY 2008 recommendation will continue to provide support to those junior and senior students already receiving a State-funded scholarship under the program.

• Question: The Higher Education Student Assistance Authority has found that between 1997, the year the OSRP was initiated, and 2004, the number of top high school students choosing to attend a New Jersey college had increased by nearly 49 percent. Is there a concern that eliminating the OSRP will increase the out-migration of the most-able New Jersey high school students to institutions of higher education located outside the State?

Response: The OSRP program has been part of broad based initiatives by New Jersey institutions to improve the quality of their programs and the academic profile of their incoming students. It is widely acknowledged that the quality of an institution’s programs and student profile, along with the cost of attendance are key in student decisions on where they will attend college. The OSRP program has provided State seed money over the years in assisting participating institutions in recruiting high-achieving students. However, at a time where overall State budget resources are extremely constrained, a decision has been made to allocate scarce funding to need-based aid programs and the statutorily-based NJ STARS program.
Discussion Points (Cont'd)

- **Question:** How has the elimination of funding to support a freshman cohort of OSRP students affected recruiting efforts to attract eligible high school graduates to public and independent institutions within the State?

  Response: As noted above, most of the participating institutions in the OSRP program provided institutional funding for students that would have qualified for OSRP awards in FY 2007. Recruitment efforts for high achieving students are entirely campus-based. CHE and HESAA have no information on institutional recruitment efforts for FY 2008.

- **Question:** Will Rutgers University and The College of New Jersey provide funds to support a fall 2007 freshman cohort of OSRP students? How have other public and independent institutions addressed the lack of State funding to support new OSRP scholarships?

  Response: Neither CHE nor HESAA is aware of any school decisions regarding funding of merit-based scholarships from institutional resources.

2. The New Jersey Student Tuition Assistance Reward Scholarship Program (NJ STARS) was established in 2004. The NJ STARS Program, P.L.2004, c.59, provides that subject to the prior application of other grants and scholarships against the cost of county college tuition and fees, a student who graduated in the top 20 percent of the student’s high school graduating class will be eligible for a scholarship for the first year of enrollment on a full-time basis in a county college. After that student’s first year of enrollment, the scholarship will be payable if, the student attains a 3.0 grade-point-average by the start of the student’s second year of enrollment.

   The NJ STARS II Program, P.L.2005, c.359, allows an eligible student who received a scholarship under the NJ STARS Program to continue on, tuition free, to a New Jersey four-year public institution of higher education following graduation from the county college. Each eligible NJ STARS II student who enrolls in a public institution receives a scholarship in the amount $2,000 per semester. The institution is required to waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester that exceeds the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. Provided that the student maintains eligibility for participation, the NJ STARS II scholarship is available for up to four semesters.

  **Question:** What impact, if any, have NJ STARS and NJ STARS II had on student enrollment patterns?

  Response: The program growth for NJ STARS has increased from approximately 800 students who received NJ STARS funding in 2004-05, the first year of the program, to approximately 2,500 students in 2006-07 inclusive of two cohorts of students. Since this is the first year of the NJ STARS II Program, enrollment patterns cannot be determined.

  **Question:** What is the anticipated program growth over the next 5 years?
Discussion Points (Cont'd)

Response: Program growth has been projected through the 2010-2011 academic year. NJ STARS projections, which include multiple cohorts of students, indicate that program participation will likely double from approximately 2,500 recipients in 2006-07 to 5,000 recipients in 2010-2011, at an estimated cost of nearly $20 million as currently structured. As the number of NJ STARS students graduating from county colleges increases, participation rates in the NJ STARS II Program will also increase as these students transfer and continue their education at New Jersey public four-year colleges and universities. Projections indicate that approximately 2,000 students will participate in the NJ STARS II Program during the 2010-11 academic year, at a projected cost to the State of nearly $9.4 million.

Question: What is the policy justification for expanding NJ STARS and NJ STARS II while eliminating OSRP?

Response: The NJ STARS Program is based in statute while OSRP is a non-statutory pilot program.

Question: How does the profile of NJ STARS and NJ STARS II participants compare to the profile of OSRP participants?

Response: The profile of participants in these programs has not been compared. While all participants in these programs must be high-achieving high school students, NJ STARS/NJ STARS II must rank in the top 20% of their high school class compared to OSRP recipients who must rank in the top 15% and have SAT scores of at least 1250. It should be noted that only NJ STARS students who receive an associate degree from a New Jersey county college and graduate with a cumulative grade point average of 3.0 or higher are potentially eligible to participate in the NJ STARS II Program at a New Jersey public four-year college or university. Participation in OSRP is limited to students who attend specific four-year New Jersey public and independent colleges and universities.

Question: A recent press report suggested a policy shift by the executive branch from supporting student assistance programs based on merit to expanding programs based on student need. Since NJ STARS and NJ STARS II, like the OSRP, are entirely merit-based, has any consideration been given to applying a financial needs test to NJ STARS and NJ STARS II?

Response: The Commission on Higher Education has recommended a study of all merit-based aid programs to ensure that their purpose and intent is being fulfilled. With the limited number of NJ STARS students at the senior public institutions, the Commission hesitates to make judgments about the effectiveness of the program. With our partner agency, HESAA, CHE will continue to monitor this and other merit programs closely.

The NJ STARS and NJ STARS II Program statutes, as passed by the Legislature, specify that these are merit-based awards. The value of NJ STARS awards is determined after applying all other federal and state need- and merit-based aid to tuition and approved fee charges. The NJ STARS II Program is similar, in that the amount of the
Discussion Points (Cont’d)

institutional waiver/scholarship is determined after applying the NJ STARS II award and all other federal and state need- and merit-based aid to tuition and approved fee charges. During the 2006-07 academic year, the State share of the NJ STARS II award is $2,000 per term for each recipient.

3. The FY 2007 appropriations act included language which provided that if a public institution of higher education increased average in-state full-time undergraduate tuition in 2006-2007 by more than 8 percent above the prior year, including any shifts of costs previously funded from other institutional sources to student fees during the 2006-2007 academic year, the institution’s FY 2007 appropriation would be reduced by 5 percent for each 1 percent that the tuition rate increased above 8 percent. While the FY 2007 adjusted appropriation represented a 10.6 percent reduction in operating aid that, according to the institutions, resulted in significant reductions in personnel, and the elimination of academic and athletic programs, 2006-2007 tuition increases averaged 7.8 percent. The FY 2008 recommended appropriation to support operating costs at the public institutions represents a 4.2 percent increase over the FY 2007 adjusted appropriation and is 6.9 percent below the FY 2006 expended amount.

• Question: Given the FY 2007 10.6 percent reduction in State support and a FY 2008 recommended increase which does not fully restore funding to the support levels available to the institutions prior to that reduction, is there a concern that the absence of language to limit 2007-2008 academic year tuition increases will lead to significant increases in tuition at the public colleges and universities?

Response: Due to fiscal constraints, full restoration is not a possibility. Over the past 4 years the legislature has enacted tuition caps. Tuition increases are determined by each college’s board of directors after studying increases in salaries and benefits, energy costs, education and programmatic costs and proposed new initiatives. Each president and his/her board of trustees are well aware that tuition increases often send prospective students to other institutions. The marketplace should help hold tuitions to reasonable levels.

4. The Veterinary Medicine Education Program was established in 1971 under N.J.S.18A:71B-47. The program provides for contractual agreements between the Higher Education Student Assistance Authority (HESAA) and out-of-state schools of veterinary medicine for the acceptance of New Jersey residents who have been residents of the State for twelve consecutive months. Under the statute, the schools receive a capitation subsidy toward the cost of education in return for a number of reserved spaces for New Jersey residents.

In FY 2006 the State provided $1.4 million to fund 96 students. In FY 2007, funding for the program was reduced by more than 50 percent to $687,000, the same as the FY 2008 recommended appropriation. In addition to a reduced funding level, the Governor has recommended language which provides that commencing on July 1, 2007 each new program participant is required to practice veterinary medicine in the State for a period of one year for each year of contract funding provided on the student’s behalf.
Discussion Points (Cont’d)

• **Question:** How has the current funding level impacted the program? Program evaluation data indicate that although the FY 2007 and FY 2008 recommended funding levels are less than half of the amount expended to support the program in FY 2006, the current and recommended appropriation will continue to provide seats for over 90 students. Will all of the contract schools continue to reserve the same number of seats for New Jersey students although funding to support the program has been significantly reduced?

Response: The current funding level has impacted the program in two ways. First, most participating contract students experienced increases in tuition for FY 2007 ranging from $2,500 at the University of Pennsylvania to $15,240 at the University of Illinois. The fifteen New Jersey contract students attending Tuskegee were not assessed increased tuition for this academic year. Second, at least two of the contract schools have indicated that future admission of New Jersey contract students will be dependent upon full funding of the capitation amounts that were in place in FY 2006. However, another of the contract schools has indicated a willingness to accept additional New Jersey students as long as they are able to pay the increased tuition amounts.

Budget language to bring students back to New Jersey to practice recognizes broad state need for veterinarians.

5. The Governor has indicated that out-of-state undergraduate students, who do not pay the full cost of their education at a senior public institution, are subsidized by New Jersey taxpayers in the estimated amount of $22.7 million annually. As a result, the Governor who has initiated a program to eliminate the subsidy by gradually phasing it out over four years, has calculated the portion of the subsidy to be “recovered” from each institution, and has reduced each institution’s annual State appropriation by that amount. The FY 2008 recommended reduction of $5.1 million represents the second year of the four-year phase-out.

• **Question:** Please provide information on how the FY 2007 and FY 2008 “subsidy recovery” amounts are distributed among the institutions. Have the institutions affected by this initiative increased out-of-state tuition charges as a direct result? Would a reduction in the number of out-of-state students have any adverse consequences for the State’s institutions of higher education?

Response: The allocation is based on the number of out of state students and the difference between out of state tuition and full cost of education. This was an attempt to phase-out NJ taxpayers subsidy of out-of-state students. The total for FY08 of subsidy recovery is $5.1 million with approximately $2.8 million at Rutgers University.
Discussion Points (Cont’d)

**IMPACT OF OUT-OF-STATE TUITION POLICY BY INSTITUTION FY2007 AND FY2008**

($000's)

<table>
<thead>
<tr>
<th>Senior Public Institutions</th>
<th>FY2007 Out-of-State Tuition (OST) Reduction</th>
<th>FY2008 Out-of-State Tuition (OST) Reduction</th>
<th>% Change FY07 to FY08</th>
<th>Two Year Total Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rutgers University</td>
<td>($3,330)</td>
<td>($2,786)</td>
<td>-16.3%</td>
<td>($6,116)</td>
</tr>
<tr>
<td>Agricultural Experiment Station</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>UMDNJ</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>NJIT</td>
<td>($609)</td>
<td>($951)</td>
<td>56.2%</td>
<td>($1,560)</td>
</tr>
<tr>
<td>Thomas Edison State College</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Rowan University</td>
<td>($125)</td>
<td>($99)</td>
<td>-20.8%</td>
<td>($224)</td>
</tr>
<tr>
<td>New Jersey City University</td>
<td>($80)</td>
<td>($45)</td>
<td>-43.8%</td>
<td>($125)</td>
</tr>
<tr>
<td>Kean University</td>
<td>($431)</td>
<td>($351)</td>
<td>-18.6%</td>
<td>($782)</td>
</tr>
<tr>
<td>William Paterson University</td>
<td>($36)</td>
<td>($4)</td>
<td>-88.9%</td>
<td>($40)</td>
</tr>
<tr>
<td>Montclair State University</td>
<td>($540)</td>
<td>($342)</td>
<td>-36.7%</td>
<td>($882)</td>
</tr>
<tr>
<td>College of New Jersey</td>
<td>($181)</td>
<td>($106)</td>
<td>-41.4%</td>
<td>($287)</td>
</tr>
<tr>
<td>Ramapo College of New Jersey</td>
<td>($270)</td>
<td>($308)</td>
<td>14.1%</td>
<td>($578)</td>
</tr>
<tr>
<td>Richard Stockton College of New Jersey</td>
<td>($83)</td>
<td>($79)</td>
<td>-4.8%</td>
<td>($162)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($5,685)</strong></td>
<td><strong>($5,071)</strong></td>
<td><strong>-10.8%</strong></td>
<td><strong>($10,756)</strong></td>
</tr>
</tbody>
</table>

The reduction of out of state students would mean less geographic diversity on the campuses. Students bring to campus the total of their life experiences. If all the students on campus have only the "NJ experience" then students will have no basis to understand the PA experience or the NY experience. It would also mean fewer out of state dollars being spent on the campuses.

6. The New Jersey Transfer Initiative maintains NJ Transfer, a web-based data information system designed to help provide a seamless transfer from New Jersey county colleges to New Jersey four-year colleges and universities. The system, developed as a joint initiative of the New Jersey Commission on Higher Education and the New Jersey Presidents’ Council, enables county college students to determine if a course offered at the county college has an equivalent or will satisfy a degree requirement at the four-year college or university in which the student intends to enroll. The FY 2008 recommended budget provides $93,000, which is $297,000 less than the FY 2007 adjusted appropriation of $390,000, to support NJ TRANSFER and indicates that the institutions that participate in the program can absorb the FY 2008 program costs.

**Question:** In response to a FY 2007 discussion point, the Commission on Higher Education indicated that NJ Transfer was fully supported by State dollars in FY 2006. The commission also noted that in light of reduced State dollars to support NJ Transfer a contribution from each participating institution would be necessary to support the operations of this initiative. Please provide information on the contribution that each participating
Discussion Points (Cont'd)

Institution has made to support the NJ Transfer in FY 2007. What costs did the FY 2007 appropriation support? What is the anticipated amount that each participating institution will be required to contribute to support the operation of NJ Transfer in FY 2008?

Response: There were no contributions from participating institutions in FY 2007. NJ Presidents' Council provided $25,000 to NJ Transfer. NJ Transfer's contract budget for FY 2007 is $390,000 appropriation plus $37,379 carry forward of FY 2006 funds for a total budget of $427,379.

7. The Governor recommends an $11 million appropriation in FY 2008 to fund the negotiated cost-of-living increases (COLAs) for senior public institution personnel in the Interdepartmental Accounts. The State did not fund the negotiated COLA increase in FY 2007.

- **Question:** What portion of the negotiated COLAs will the $11 million fund? Please provide a breakdown of how much each institution will be allocated from this amount.

Response: The $11 million will fund 80% of the deferred COLA at the senior public institutions. Specific allocations are determined when the appropriations is enacted.

8. The Coordinated Garden State Scholarship Program established under the "Garden State Scholarship Act of 1977," N.J.S.18A:71B-11 et seq., provides scholarships to high-achieving students at participating New Jersey institutions of higher education. The program, which includes the Garden State Scholarship, Edward J. Bloustein Distinguished Scholars, and the Urban Scholars, provides awards ranging up to $1,000 and are renewable annually based on continued satisfactory academic standing. The FY 2008 recommended budget appropriates $7.1 million for the program, a $427,000 decrease from the FY 2007 adjusted appropriation, and indicates that the FY 2008 funding will provide $1,000 renewable four-year scholarships for 7,135 students. However, the department's evaluation data suggests that 7,672 scholarships are anticipated for FY 2008.

**Question:** Will the number of Coordinated Garden State Scholarships for the 2007-2008 academic year be 7,135 as is indicated in the overview, or 7,672 as suggested in the evaluation data?

Response: The number of Coordinated Garden State Scholarships for the 2007-08 academic year will be 7,672.

**Question:** Will scholarship amounts be reduced from $1,000 in the 2007-2008 academic year? If so, to which recipients – first-time, recurring or both – and in what amount or percentage will reductions be applied?

Response: Scholarship amounts will be reduced from $1,000 to $930 annually for both first-time and renewal recipients.

9. The FY 2008 funding for the Tuition Aid Grant Program (TAG) will increase by $15.5 million (7.2 percent) from $214.7 million in FY 2007 to $230.2 million in FY 2008. The budget indicates that the FY 2008 recommended appropriation will provide an estimated 51,131
Discussion Points (Cont’d)

awards in the 2007-2008 academic year, 1,360 more than the number provided in the 2006-2007 academic year.

For FY 2003 through FY 2008 as recommended, TAG policies and assistance levels have been set year by year through appropriations language. For some students, assistance levels have lagged further behind current tuition rates than others, based upon their level of need and whether they attend public or independent institutions. In no year during that time period has the State fully funded TAG assistance awards in accordance with statute.

When fully funded, TAG awards for the neediest students fund up to the full tuition costs at public institutions, and up to 50 percent of the average tuition at independent colleges and universities.

**Question:** Please explain how budget language for fiscal years 2006, 2007 and 2008 as recommended modifies the statutory TAG program. Please use hypothetical examples of students in various circumstances to explain the relationship between TAG awards and tuition in each of those years.

**Response:** State appropriations have been insufficient to fully fund the TAG Table as specified in statute. Budgetary footnote language has been included to ensure that students who demonstrate similar levels of need are treated equitably. Over the past three academic years, students who demonstrated the highest need (those in the first NJEIT cell of the TAG Table) have received the highest awards, reflecting a one-year lag compared to tuition, while all other awards have reflected a three-year lag. In FY 2007, additional funds were provided to increase awards for students in the first NJEIT cell to offset a portion of 2006-07 tuition charges.

**Examples:**
FY2006 (Academic year 2005-06) - Awards in the first NJEIT cell at both the public and independent institutions were increased based on 2004-05 levels (a one-year lag). All other awards below the first NJEIT cell were increased proportionately based on 2002-03 tuition levels (a three-year lag).

**EXAMPLES FOR THE 2005-06 ACADEMIC YEAR –**

Rutgers, The State University - 05-06 tuition - $7,336

First NJEIT Cell TAG award (neediest students) - $6,792 – covered 92.6% of 05-06 tuition
Second NJEIT Cell TAG Award - $5,464 – covered 74.5% of 05-06 tuition

State Colleges - 05-06 average tuition - $5,605

First NJEIT Cell TAG award (neediest students) - $5,220 – covered 93.1% of 05-06 tuition
Second NJEIT Cell TAG award - $4,208 – covered 75% of 05-06 tuition

County Colleges – 05-06 average tuition – $2,125.56

First NJEIT Cell TAG award (neediest students) - $2,030 – covered 95.5% of 05-06 tuition
Discussion Points (Cont'd)

Second NJEI Cell TAG award - $1,764—covered 83% of 05-06 tuition

FY2007 (Academic year 2006-07) - Awards in the first NJEI cell at both the public and independent institutions were increased based on 2005-06 tuition levels (a one-year lag). In addition, $5 million was prorated across the first NJEI cell to cover a percentage of 2006-07 tuition increases. All other awards below the first NJEI cell were increased proportionately based on 2003-04 tuition levels (a three-year lag).

EXAMPLES FOR THE 2006-07 ACADEMIC YEAR:

Rutgers, The State University - 06-07 tuition - $7,923

First NJEI Cell TAG award (neediest students) - $7,704—covered 97.2% of 06-07 tuition

Second NJEI Cell TAG Award - $5,922—covered 74.7% of 06-07 tuition

State Colleges - 06-07 average tuition - $6,037

First NJEI Cell TAG award (neediest students)-$5,886—covered 97.5% of 06-07 tuition

Second NJEI Cell TAG award - $4,590—covered 76% of 06-07 tuition

County Colleges – 06-07 average tuition - $2,238

First NJEI Cell TAG award (neediest students)-$2,232—covered 99.7% of 06-07 tuition

Second NJEI Cell TAG award - $1,840—covered 82.2% of 06-07 tuition
Discussion Points (Cont'd)

FY 2008 (2007-08 ACADEMIC YEAR)

Awards for students in the first TAG cell (the neediest students) will be based on 2006-07 tuition charges at public institutions and should cover between 92-100% of the 2007-08 tuition, depending upon tuition increases at each public institution. At independent institutions, awards will be based on 50% of the 2006-07 weighted average tuition for that sector.

Awards for students in all other NJEI cells will be increased proportionately based on 2004-05 tuition levels, a three-year lag.

**Question:** What is the estimated cost to HESAA of funding all TAG awards based on the tuition rate for the 2006-2007 academic year, a one-year lag?

**Response:** The estimated cost would be $249.799 million, requiring an additional appropriation of $16.894 million over FY 2008 levels recommended by the Governor.

**Question:** What percentage of the 2007-2008 tuition rate will FY 2008 TAG awards fund for students receiving a maximum award and for students who are not eligible for a maximum TAG award in each sector?

**Response:** The percentage by which 2007-08 tuition will increase is unknown at this time. During 2006-07, TAG awards for students in the first NJEI cell covered between 92 - 100% of tuition at the public institutions. For all other TAG recipients attending public institutions, depending on the sector, awards covered between 20 - 82% of current year tuition charges.

**Question:** Has any consideration been given to adding TAG funding, as was the case in FY 2007, to offset a portion of the tuition increases anticipated in FY 2008?

**Response:** The recommended $15.5 million in additional TAG funding for FY 2008 is sufficient to fund awards for students demonstrating the highest need (those in the first NJEI cell) based on 2006-07 tuition, a one-year lag compared to tuition. All other students will receive awards based on 2004-05 tuition, thereby maintaining a three-year lag compared to tuition. The recommended funding level is not sufficient to further increase awards for students with the highest need.

**Question:** Please provide an estimated TAG table showing FY 2008 TAG awards distributed by New Jersey Eligibility Index (NJEI), sector, average award amounts, number of awards, and total estimated cost based on the FY 2008 recommended appropriation and language provision.

**Response:** The requested TAG table was developed on February 27, 2007 and is subject to ongoing revisions as institutions continue reporting spring 2007 student enrollment status.
Discussion Points (Cont'd)

Question: Are there any suggestions on what can be done to address the issue of higher education affordability for TAG award recipients, other than an increase in borrowing, in the current environment of constraining grant-based student financial aid relative to current costs?

Response: The increase in the federal Pell Grant award, as well as the availability of federal Academic Competitiveness and SMART grants, are additional sources of assistance for eligible TAG students.

Question: At what rate has the student loan indebtedness of TAG award recipients been increasing?

Response: The Authority is in the process of analyzing this.

10. The Fiscal 2008 Budget Policy Statement of The New Jersey Commission on Higher Education states that "...it is increasingly clear that future tuition increases will create insurmountable hurdles for many New Jersey families"; and "In short, we are pricing more students out of college every year." In addition, Margaret Spellings, U.S. Secretary of Education has stated that "Higher education costs have made it more difficult for low and middle income families to afford college"; and further, that "States, institutions, and the Federal government must work together to increase need-based aid...."

• Question: In light of the problem identified in the Budget Policy Statement and the Secretary's statement, does the FY 2008 budget proposal for operating support for colleges and universities and for student financial aid programs improve or exacerbate the situation for New Jersey students and families?

Response: Full funding for the TAG table would ameliorate the situation for many of NJ neediest families. The current constrained budget does not meet this need. Funding for students to increase access and affordability remains a top priority.

Public colleges have limited options for funding. They depend on state funding, tuition and external gifts. State funding is the foundation of their budgets, so when state funding falls short of their needs, they must turn to tuition. External gifts are increasing slightly but there is still a tremendous need to grow this option for all of our public colleges and universities.