Good afternoon, Chairman Greenwald and members of the Committee. My name is Marguerite Beardsley, and I am the Acting Executive Director of the Commission on Higher Education. Thank you for the opportunity to speak with you today.

Cooperation between the Commission and the colleges is the approach we use to pursue the goals of access, affordability, and excellence in higher education. The Commission’s long-range plan, developed in collaboration with the colleges, sets out goals to enhance the quality of programs and services, tie instructional accountability to state goals, and continue to make the cost of higher education in New Jersey affordable for families.

Since 1994, New Jersey has had a decentralized system of oversight and responsibility for higher education. As a result, the vast majority of funds appropriated for higher education do not flow through the Commission. Appropriations are made directly to the senior public colleges and universities; formula distribution of appropriations is conducted by the Department of the Treasury to the community colleges and independent institutions; and most student aid is managed by the Higher Education Student Assistance Authority.

Although the Commission board does not recommend specific appropriations for institutions and student financial aid, it adopts an annual budget policy statement that describes Commission priorities for all of higher education. This year, the priorities were support for need-based student financial aid, the Educational Opportunity Fund (EOF) program, and operating support to the colleges.

The Commission is a small agency, with 14 state funded positions, two of which are vacant; the staff complement is about half of what it was at its peak in 2001. Over the last year, Commission staff have focused on the administration of EOF and our federal GEAR UP programs, on licensure, and on the administration of the state’s federal College Access Challenge Grant projects. These grants to institutions focus on increasing the number of students filing applications for financial aid, providing dual enrollment opportunities for high school students, and encouraging the reenrollment of adult students who had completed some college credit but had not achieved a degree. In addition, the Commission has new responsibilities under state legislation, such as reviewing master facilities plans as required by the Economic Stimulus Act of 2009 and coordinating data to comply with the Parent and Consumer Information Act. No administrative funding
was provided for these new tasks. In fact, the proposed FY2011 budget eliminates 37% of the non-salary funding for the Commission.

The Governor’s proposed budget calls for the elimination of the seven regional centers funded by the Special Needs grant program; the elimination of seven out of twelve College Bound programs for disadvantaged high school students; ending scholarships for any new students under the Martin Luther King Physician/Dentist and the Ferguson Law Scholarship programs; eliminating support for NJ Transfer; ending the undergraduate Minority Academic Career program; and an 8.7% reduction in the EOF program including a $2.69M reduction in direct support to students under Article 3 and a $674,000 reduction in Article 4 support for the 54 campus-based EOF programs. EOF remains the Commission’s largest program with a total proposed appropriation of $37.022 Million.

In an ordinary budget year, I would be discussing the benefits of these programs and their documented outcomes. But this is by no means a typical year. The magnitude of the cuts across state government necessary to meet the requirement of a balanced budget means that even valuable programs have been subject to reduction or elimination. The total reduction of $173M to higher education will have an impact on students and institutions at a time of record enrollment. Over the short term, we must balance state revenues and expenditures in an unprecedented state fiscal environment. And, the reforms described in the Governor’s budget message will have a positive impact on institutional costs at senior public institutions over time. As the economy recovers, we anticipate that the longer-term needs of higher education to protect access and quality, and the role of higher education in economic development, will be considered and supported.

Thank you and I look forward to your questions.