New Jersey Presidents’ Council Testimony
Before the Assembly Budget and Appropriations Committee

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Chairman Prieto, members of the Committee, I am Dick McCormick, President of Rutgers University and Chair of the New Jersey Presidents’ Council. The Presidents’ Council is comprised of the presidents of New Jersey’s 53 colleges and universities and works to improve higher education programs and services for our State. Thank you for this opportunity to offer some comments on the proposed State Budget for FY 2013.

Each year our institutions help our students acquire the skills that are necessary to succeed in a knowledge-driven economy. Based on preliminary enrollment numbers for Fall 2011, more than 78,000 students received a degree or certificate from one of our state’s colleges and universities, a 4% increase since 2010, and a 48% increase from Fall 2001. In 2010, nearly 18,000 advanced degrees were awarded by our institutions.

In addition to our primary role of educating our students and our workforce, higher education is a major industry in New Jersey. Our institutions employ more than 80,000 people and more than 20,000 students. More people are employed by our colleges and universities than by New Jersey’s banking, insurance, pharmaceutical & chemical manufacturing, and real estate industries.

I am proud to say that despite a period of daunting fiscal challenges, our colleges and universities have continued to make significant progress because of the hard work and collaboration of our institutions. We provide New Jersey residents the maximum
opportunity for a first rate education, in any discipline, regardless of a student’s background or economic status.

Enrollments at New Jersey institutions of higher education are at historically high levels.

- The 19 community colleges reached record high enrollment of more than 176,000. Total enrollment at community colleges is nearly 400,000 students including 125,000 non-credit and 50,000 customized training students.

- New Jersey’s nine state colleges and universities educated more than 107,000 students this past year, the largest number ever.

- Independent institutions reached a new high of more than 83,000 students.

- The major state research universities Rutgers, UMDNJ and NJIT enrolled more than 67,000 students.

In a period of historically high enrollments, we are nevertheless faced with historically low appropriations. The Presidents’ Council clearly recognizes the severe fiscal constraints facing the governor and legislature and appreciates the difficult choices that must be made in developing the FY2013 budget. While we strive to maintain the highest levels of academic excellence at our institutions, the institutions are forced to make incredibly difficult decisions which undoubtedly affect our students, faculty, and the quality of our institutions.
With respect to operating aid, I think that it is important for the members of this committee, and indeed the Legislature in general, to understand that the current appropriation for higher education is the same today as it was in the mid-1990s. Since that time, enrollment has grown dramatically, the costs for salaries and benefits have increased, and so have the costs for energy and virtually every other aspect of running a successful college or university in New Jersey.

Beyond the lack of operating aid, we are extremely concerned over the critical lack of funding for long-term capital needs at New Jersey’s colleges and universities. It has been more than two decades since the last higher education facilities bond act was approved. Higher education facilities across the state are in need of significant upgrades and expansions. If the state’s colleges and universities are to continue to play an essential role in New Jersey’s economic growth and recovery by educating and training our citizens, creating jobs, broadening opportunities and research partnerships with New Jersey employers, and improving the business climate in New Jersey, they must have the support they need.

New Jersey ranks 49th in the nation in the number of public four-year colleges spaces per 100 high school graduates. New Jersey has the undesirable distinction of being the number one state exporter of college-bound high school graduates. Every year, 30,000 of our residents who aspire to attend college from New Jersey are forced to leave the state. These students are our future workforce, our future taxpayers, and our future leaders. Many of these students are lost to New Jersey forever.

Stemming this exodus, ending the “brain drain” and improving higher education in New Jersey can best be accomplished by a referendum for a capital bond on the November 2012 ballot.
In addition to creating long-term economic growth and educational opportunity, capital spending will also create good paying construction jobs right away.

We need to make higher education a priority in this state. We need your commitment to provide more funding in terms of additional operating aid and a capital investment in our institutions. New Jersey’s ability to compete on a national and global level depends on it.

The Presidents’ Council is strongly supportive of the student aid programs that meet the needs of our citizens, especially those with the greatest financial needs. Governor Christie’s proposed budget recognizes the importance of providing for our most disadvantaged students by increasing the funding levels for Tuition Assistance Grants and for the Educational Opportunity Fund (EOF). These programs are essential to ensure that higher education is affordable in New Jersey – a goal I’m certain that we all share.

As I close, but before we take questions, I’d like to add a personal note.

This will be my last Assembly Budget Committee hearing as President of Rutgers and as Chair of the Presidents’ Council. I want to thank you for the courtesies that you have shown me over the past nine years. Your doors have always been open to me; you have always taken my calls and listened to my concerns. While we haven’t always agreed, you have shown great interest in higher education, concern for the students who attend our colleges and universities, and a level of respect for which I will always be grateful.

In that spirit, I would like to offer a few brief observations that I hope will help to inform policy making here in New Jersey in the future.
Over the past century, no other investments made by the states or the federal government have delivered as much to improve the quality of life; enhance the potential for bright futures; or provide solid, significant and measurable economic returns than the money invested in higher education.

Those returns last a lifetime. They contribute to equality, freedom, and opportunity for every resident of this state, of every state, and of the nation.

Think, if you will, of the effects that the federal GI Bill had on many of your parents – the educations they received, the better future that those educations presented for themselves, their families and their communities.

Look around at the impact that capital investment by the state of New Jersey had on the quality of higher education across the state some 25 years ago. Those investments enhanced the value of degrees from New Jersey institutions – large and small, public and private. And they did so for the balance of the 20th century.

Those benefits changed New Jersey, changed the nation and changed the world:

I fear that the vision of higher education as the pathway to a brighter future has been lost. In New Jersey and across the nation.

Financial support for higher education has, in the best of cases, been stagnant. In many cases, it has shrunk. We are reaping today the effects of that disinvestment.

Our nation is falling further and further behind our global competitors in math and science.
Our economy at the state and national levels will not be able to compete in the 21st century without a long term commitment to higher education.

As this committee looks to set the Legislature’s priorities for the coming year and the coming decades, I hope that you will focus on higher education and seize upon its potential to put New Jersey on course to be a regional, national and global leader.

Thank you for your time today. I have enjoyed working with you and am grateful for your interest, respect and commitment to the people of New Jersey.

I would be happy to answer any questions that you may have.

End of Testimony