

Testimony
New Jersey Assembly Budget Committee
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Mr. Chairman and Members of the New Jersey Assembly Budget Committee, for the record, I am Susan Cole, President of Montclair State University and Chair of the New Jersey Presidents' Council, representing all of the senior public colleges and universities, the community colleges, and the independent colleges and universities in the state. I appreciate this opportunity to share a few brief comments with you, and I will be very glad to answer any questions that you may have. At your places, you will find copies of the Presidents' Council fiscal year 2014 budget statement, as well as a publication entitled, "Partners for Prosperity: New Jersey and Higher Education," that documents in measurable terms the value provided to New Jersey and its people by the state's higher education community. With me today are the other officers of the Presidents' Council, President Rose of Passaic Community College, President Levao of Bloomfield College, and President Bloom of NJIT.

Beginning with the subject of operating support for higher education, Governor Christie has proposed a flat budget for fiscal year 2014, and that follows on years of flat or reduced budgets. What that means for the institutional sectors is the following:

For the twelve (soon to be eleven) senior public institutions, those institutions for which the state bears primary responsibility for support, the direct operating appropriation was \$956 million in FY 2006, serving 152,000 students. In the proposed FY 2014 budget, direct operating appropriations for these institutions is proposed to be \$716 million, to serve over 183,000 students. That constitutes, since 2006, a 25% decrease in funding to serve a 20% increase in students.

For the state's nineteen community colleges, institutions for which the state traditionally accepted an obligation to provide one-third of the funding, the operating appropriation was \$218 million in FY 2006, serving approximately 152,000 students. In the proposed FY 2014 budget, state support for the community colleges is proposed to be \$179 million to serve approximately 172,000 students. That constitutes, since 2006, an 18% decrease in funding to serve a 13% increase in students.

For the 16 independent colleges and universities, law in regard to aid for independent institutions calls for modest support provided by the state. In 2006, the state provided \$24 million to serve approximately 75,000 students. That support has been essentially eliminated, and the student population has grown 9% to approximately 82,000 students.

The situation of decreasing funding and increasing enrollment is even more severe than the numbers would suggest when the effects of inflation and mandatory cost increases are factored in. In 2010, the task force established by Governor Christie and headed by Governor Kean confirmed that New Jersey's higher education institutions have been under-built and under-supported for decades. That task force also confirmed that, for decades, there has been no methodology or policy employed in the allocation of state operating support, resulting in very significant and unjustified disparities in the level of support provided by the state for the education of students from one institution to the next.

Clearly, the proposed budget does not yet address these serious issues, and, once again, we bring them to the attention of the Budget Committee with the hope that you might include them as part of your deliberations as you consider the long-term best interests of the state's economy and the people of New Jersey.

On the capital funding side of the equation, this year presents an extremely positive opportunity. After a quarter of a century of a very dry spell, the voter-approved Building Our Future Bond Act, together with the reauthorization of funding under the Higher Education Facilities Trust Fund, the Capital Improvement Fund, the Technology Infrastructure Fund, and the Equipment Leasing Fund, provides the potential for the infusion of up to \$1.6 billion of new construction, major renovation, and technology upgrades to the state's higher education institutions. This initiative represents very good news indeed for the current and future students of New Jersey and their families, for the development of the state's workforce, for the strengthening of the state's economy, and for the workers in the skilled construction trades. Speaking for the entire higher education community, I can say that we are immensely grateful to Governor Christie and to the Legislative leadership and members, including Senate President Sweeney and Assembly Speaker Oliver, who undertook the difficult deliberations necessary to making this initiative a reality. It is now our profound hope that this urgently needed investment will be used wisely to serve New Jersey's students throughout the state.

In regard to financial aid matters, we are pleased about the increase in available TAG money. Because of the declines in operating support over the years and, until now, the absence of capital funding, New Jersey public tuitions have been high, compared to national standards. As a consequence, the availability of financial aid, especially for students with the greatest need, is extremely important if we are to assure that students who have the capacity to benefit from, and the determination to pursue, a college education are not shut out from the opportunity because of inability to pay. Despite the state's generous appropriations to its aid programs, there remains a substantial unfunded need, and the fact is that, without appropriate appropriations policies, the TAG program, by itself, is not going to be able to keep up with the educational support needs of New Jersey families.

Finally, I would conclude by noting that we are all well aware that there are some institutional changes and a merger in the works that may have a significant impact, particularly on medical education and research in the state. While that important work goes forward, it is critically important that we not lose sight of the immense resource represented by all of the state's other institutions of higher education that carry the responsibility for educating the great majority of New Jersey students. In that regard, our most immediate task is to get the newly available capital funding resources into the hands of the state's institutions as rapidly as possible, so that we can all hear throughout the land the exquisite sounds of the digging of foundations and the erecting of steel, sounds that will signal the creation of jobs for today and professions for tomorrow. Our second, longer-term task is to accomplish the rigorous policy work necessary to develop a financial and policy plan for the on-going support of higher education, a plan that answers the basic questions as to how many of the state's students we want to education, what it should cost to educate them, who should bear those costs, and how our educational programs should align with the needs of a vital and prosperous economy and the educational, cultural, and social well-being of the people of New Jersey.

Thank you.