STATEMENT OF STOCKTON UNIVERSITY PRESIDENT
DR. HARVEY KESSELMAN
SENATE BUDGET AND APPROPRIATIONS COMMITTEE HEARING
April 26, 2018

Good morning Chairman Sarlo and members of the Senate Budget & Appropriations Committee. My name is Dr. Harvey Kesselman, and it is my pleasure to highlight Stockton University initiatives that ensure higher education remains affordable and accessible, while increasing the value of a postsecondary degree.

I want to first provide an update on Stockton University’s new campus in Atlantic City. In 2016, the State of New Jersey designated Stockton an Anchor Institution for Atlantic City, with the intent to promote economic development and employment. We are on schedule for a fall 2018 opening of our 56,000 sq. ft. academic building, a 220,000 sq.ft. (533-bed) oceanfront student residence complex, and an 880 space parking garage with a six-story office tower which will be occupied by a corporate partner, South Jersey Gas.

In recognition of this undertaking, this past year, the Legislature and Governor allocated to Stockton an additional 305 state-funded positions for FY18 that brought our total to 1,069. Last month we learned that the Governor’s proposed FY19 Budget removed those 305 positions. As you may recall, the 305 positions were intended to offset the significant annual operating and capital costs for a 24/7/365 residential campus. We are working with the Legislature and Governor’s Office to ensure that those 305 state-funded positions are restored for FY19 forward, since the Atlantic City campus is an ongoing obligation. Your continued support in this regard is greatly appreciated.

In addition to Atlantic City, Stockton is opening its Academic Quad, two new buildings totaling almost 100,000 square feet of classroom space and science labs at our Galloway campus that will allow Stockton to accommodate more students. This is consistent with our public mission, since increasing capacity stems the out-migration of over 30,000 college-bound New Jersey students each year, many never returning after graduation. By keeping our best and brightest in the state we can sustain a highly educated workforce critical for an Innovation Economy while also strengthening the return on the state’s $250,000 per student investment in K-12 public education.

Seventy-five percent of the funding for the Academic Quad project came from the Building Our Future Bond Act, and I want to personally thank the Legislature for effectuating this very important legislation.

The tremendous excitement surrounding Stockton University resulted in a 32% increase in our fall 2017 freshman class, almost 1,600 students, the largest freshman class in Stockton’s history. Overall, the University experienced a 6% growth in enrollment, a total of 9,216 students. Notably, nearly 99% of Stockton’s students are from New Jersey.
We are in position to grow even more. However, Stockton is constrained due to the inequitable distribution of direct state appropriated funding. The historical lack of any funding rationale has resulted in a strong disincentive to grow enrollment. Indeed, Stockton is effectively penalized for giving more New Jersey students the opportunity to attend college.

State direct appropriated funding for Stockton University has precipitously declined from $25.12 million in FY08 to $18.391 million in FY18, with level funding recommended for FY19. As a result, and in light of growing enrollment, Stockton now receives the least direct appropriated aid among the four-year senior public colleges, $2,043 per student. This falls well below the state sector average of $3,261 per student, and astonishingly below the $4,102 per student for the top recipient. The following chart highlights the funding inequity.

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>Budgeted FY19 Student Enrollment</th>
<th>Recommended FY19 Direct State Appropriation ($000's)</th>
<th>Direct State Appropriation Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey City University</td>
<td>5,888</td>
<td>$24,154</td>
<td>$4,102</td>
</tr>
<tr>
<td>William Paterson University</td>
<td>7,715</td>
<td>$30,357</td>
<td>$3,935</td>
</tr>
<tr>
<td>College of New Jersey</td>
<td>7,099</td>
<td>$27,177</td>
<td>$3,828</td>
</tr>
<tr>
<td>State Average</td>
<td></td>
<td></td>
<td>$3,261</td>
</tr>
<tr>
<td>Kean University</td>
<td>10,644</td>
<td>$30,469</td>
<td>$2,863</td>
</tr>
<tr>
<td>Ramapo College</td>
<td>5,348</td>
<td>$14,953</td>
<td>$2,796</td>
</tr>
<tr>
<td>Stockton University</td>
<td>9,001</td>
<td>$18,391</td>
<td>$2,043</td>
</tr>
</tbody>
</table>

Source: SNJ Detailed Budget FY2019

To bring Stockton just to the state average, an additional $10.96 million in direct State-appropriated funding would be required. There is simply no rhyme or reason to the current funding allocation. Moreover, this funding disparity effectively punishes students simply because they choose to attend Stockton.

The funding disparity is all the more alarming when you consider that Stockton serves one of the most economically disadvantaged regions in the state, if not the nation. Stockton commits over 76% of the $18.391 million it received in FY18 direct State appropriated support toward institutional scholarships to help students meet the costs of their education.

Through the dedication and hard work of the Stockton community, we have achieved success while faced with inequitable funding. Despite a large population of first generation and economically disadvantaged students, 87%¹ of Stockton’s freshmen return for their

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¹ Stockton University’s Office of Institutional Research. Retention Rates for First-Time Freshmen Cohort: [https://stockton.edu/institutional-research/graduation.html](https://stockton.edu/institutional-research/graduation.html) (2nd tab).
sophomore year (compared to the state sector average of 84%\(^2\)). Stockton’s overall 4-year graduation rate of 61%\(^3\) (compared to the state sector average of 40%\(^4\)), and 6-year graduation rate of 73%\(^5\) (compared to the state sector average of 64%\(^6\)) are critical to controlling student indebtedness.

Looking forward, Stockton is well positioned to accommodate even more New Jersey students, while playing an important role in the revitalization of Atlantic City. We recognize that these are high-priority public policy concerns. My request for this Committee, and the entire Legislature, is that the state implement a funding rationale for higher education. Permit me to suggest that the primary criteria for such a rational funding plan should be student enrollment since this drives the need for related services, academic programs/support, classroom space, technology, housing, security, and so forth. Additional criteria may include overall retention and graduation rates, expected versus actual graduation rates, TAG student graduation rates, EOF student graduation rates, and reduced achievement gaps for underrepresented students.

Stockton cannot continue to overcome declining state support and funding inequity year after year, while being expected to open in Atlantic City and increase enrollment to stem the out-migration of New Jersey students. If this issue continues to be ignored, Stockton’s ability to provide an affordable, accessible, and high quality education will suffer.

I stand ready to work with the Legislature to establish a funding rationale that will not treat students unfairly based solely on which college they choose to attend, and will no longer penalize colleges for increasing enrollment to accommodate more New Jersey students.

Thank you for your consideration. I cannot stress enough how significant this issue is for Stockton University and the future of public higher education in the State.

Respectfully,

[Signature]

Harvey Kesselman
President
Stockton University

\(^2\) State of New Jersey, Office of the Secretary of Higher Education. Retention of Fall 2015 First-time Undergraduates in Fall 2016 at New Jersey Colleges and Universities. (Internal calculation based on data source.)

\(^3\) Stockton University’s Office of Institutional Research. Graduation Rates for First-Time Freshman Cohort: https://stockton.edu/institutional-research/graduation.html (1st tab).

\(^4\) State of New Jersey, Office of the Secretary of Higher Education. Retention of Fall 2015 First-time Undergraduates in Fall 2016 at New Jersey Colleges and Universities. (Internal calculation based on data source.)


\(^6\) State of New Jersey, Office of the Secretary of Higher Education. Retention of Fall 2015 First-time Undergraduates in Fall 2016 at New Jersey Colleges and Universities. (Internal calculation based on data source.)