

## Discussion Points

### Office of the Secretary of Higher Education

1. The State does not have a defined methodology or formula for allocating State appropriations to the senior public institutions of higher education. In September 1995, a task force convened by the now defunct Commission on Higher Education, in accordance with a requirement established under the "Higher Education Restructuring Act of 1994," P.L.1994, c.48, issued the "Report of the Task Force on Funding and Tuition Establishment." That report included a recommendation that the State fund two-thirds of the operating costs incurred by the institutions, while the remaining one-third would be funded through student tuition. That recommendation was not adopted.

Last year, the Secretary of Higher Education stated that she and the executive committee of the Presidents' Council were engaged in regular discussions to develop an approach to funding higher education. She further reported that the Lumina Strategies Labs was providing technical assistance and sharing best practices from other states in this area.

- **Question: Please provide an update on any progress made in developing a funding methodology and any best practices observed in other states that New Jersey may consider adopting.**

The incoming administration is aware and appreciative of the work to date to engage outside experts in providing technical assistance to the state in understanding an approach to funding higher education. The Acting Secretary of Higher Education formerly worked at Lumina Foundation and is aware of best practices from other states in developing funding approaches for postsecondary education, including formulas based on enrollments, outcomes, and institutional mission. The Acting Secretary has been briefed on The Office of the Secretary of Higher Education (OSHE) staff conversations to date with HCM Strategists, and while she is unable to work directly with Lumina based on her ethics restrictions, she will continue to consult with HCM and other experts who can provide insight into various approaches to funding higher education.

The goal of the Administration is to work collaboratively with institutions of higher education to develop a plan for higher education moving forward. Any new funding formula should be rooted in an overarching vision based on shared goals for students in the state. We hope to use the lessons learned from the work with HCM and with Lumina Strategy Labs to inform future proposals for higher education funding.

2. The Educational Opportunity Fund (EOF) contains two components. The first, Opportunity Program Grants, provides funding to students during the academic year to assist them in paying for college expenses such as fees, books, room and board, and transportation. The funding is also used to provide summer programming for incoming first-year students to

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facilitate the transition to college. The second, Supplemental Education Program Grants, is distributed to participating colleges and universities so that they may provide campus outreach and support services, such as tutoring, counseling, and supplemental instruction, to participating students.

The Governor's recommended budget for FY 2019 increases the appropriation to the Opportunity Program Grants by \$1.5 million, while leaving the recommended funding for Supplemental Education Program Grants unchanged. The Budget in Brief states that the additional funding would help address critical staffing needs.

- **Question:** Please discuss the staffing needs that would be addressed by the recommended increase in the appropriation. Are staffing shortages distributed among all of the participating institutions, or are they concentrated among a more limited number of institutions. Please identify any participating institution that has a particularly acute need for additional funding for staff, and the number of additional personnel that the Secretary's office believes would be hired by these institutions with the increased appropriation. To the extent that the recommended increase is targeted to the Opportunity Program Grants, rather than the Supplemental Education Program Grants, is there any concern the additional appropriation may not address the staffing needs?

The recommended increase of \$1.5 million in the FY 2019 EOF appropriation is for Article III Opportunity Program Grants. Increased funding support in Article III remains critical toward the support of students enrolled in the EOF summer program, EOF winter session, and EOF academic year student grants.

While the recommended budget for FY 2019 did not recommend increased funding for the Supplemental Education Opportunity Grants Program, our hope is that we may continue to strengthen the EOF program in future years (The Budget-in-Brief this year contained a communications error regarding funding for the Supplemental Educational Opportunity Grants program).

In FY 2018, EOF provided students an increase in their academic year grants for the first time in over 10 years. Additionally, the Fund was also able to offer winter session support for the first time, and added two new campus EOF programs. Winter session support was provided to 501 students. Of these students, 259 students received GPAs of a 3.01 or higher, and another 206 students achieved a 2.0 or better. A total of 1,260 credits were attempted and 1,202 credits were completed, thus producing a 95.4% completion rate. The unanimous sentiment of all EOF campus program directors is that the funding permitted students to advance their coursework and eliminated the need for a number of students to return for the 2018 summer session to complete courses, thus reducing the overall cost for EOF students to

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complete their degree. This option instead allowed many students to graduate this spring rather than the conclusion of the 2018 summer session.

There are two new EOF programs--at Sussex County Community College and Stockton University-Atlantic City. The addition of the two new programs will result in an increase in the number of students that the Fund will support annually via Article III.

3. In the Appropriations Acts for FY 2017 and FY 2018, a language provision authorized a supplemental appropriation, not to exceed \$1.5 million, for the purpose of supporting the creation and maintenance by the Economic Development Authority (EDA), in collaboration with the Secretary of Higher Education, of a searchable database of research being conducted by institutions of higher education. The database was to serve as a tool for attracting and retaining business in the State. In a press release, the EDA stated that Elsevier, an information and analytics company, had been selected to develop the database, and the public release of the database was expected to occur in early 2018. The proposed FY 2019 budget eliminates this language.

- **Question:** Please provide an update on the development and release of the database. If it has not been released, what is the anticipated release date? If it has been made publicly available, describe how the database has been used so far, including the number of unique users and any feedback that has been submitted.

In July 2017, Elsevier, a global information and analytics company, was selected to create the database following a competitive Request for Proposal process led by the New Jersey Office of the Secretary of Higher Education (OSHE) and the New Jersey Economic Development Authority (EDA). The contract was executed in August 2017 and provides for an initial two-year term and allows for three one-year extension options. The database will be launched as a pilot initiative, featuring 5,000 faculty profiles across five of New Jersey's research universities -- Princeton University, Rutgers, The State University of New Jersey, the New Jersey Institute of Technology, Rowan University, and Stevens Institute of Technology. Prototypes of the database at each university will be complete by the end of April 2018 and the formal launch of the database, known as ResearchwithNJ.com, will be in June 2018.

- **Question:** Since the proposed budget does not include an appropriation for the continued maintenance of the database, nor does it authorize a supplemental appropriation for the purpose, does the Office of the Secretary of Higher Education have sufficient resources to ensure that the database is maintained?

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The supplemental appropriation of \$1.5 million provided in FY 2018 adequately includes a provision for annual maintenance over the next five years. In addition, this funding has allowed for development of the database, including the first year of costs related to the estimated 5,000 faculty profile subscriptions to be featured in the initial pilot version. For the upcoming fiscal year, resources are sufficient; however, additional State or university resources may be needed longer term to expand the data system.

To help ensure long term sustainability of the data system, the EDA and OSHE have taken several steps.

In April 2017, the EDA and OSHE entered into a Memorandum of Understanding (MOU) related to the creation of a full-time, two-year position at OSHE to oversee this initiative. This employee started on July 24, 2017 and is charged with working with the selected technology vendor to implement the data system, develop a governance structure to support a long term sustainable strategy and business plan, and facilitate stakeholder collaboration, among other responsibilities.

The EDA and OSHE also formed a Board of Advisors, charged with providing oversight and recommendations to ensure successful implementation of the data system and the advancement of a sustainable business model. Advisory Board members include representatives from the five research universities selected to participate in the initial pilot version of the data system, and industry representatives from the New Jersey Business & Industry Association, Choose New Jersey, BioNJ, the Healthcare Institute of New Jersey, the Research and Development Council of New Jersey, and the New Jersey Tech Council.

A vital component of the sustainable business model is the development of metrics and key performance indicators. In order to best measure performance and accountability, it has been determined that a highly disciplined, systematic approach must be developed. To that end, four dimensions of performance metrics have been identified that will be used to demonstrate the data system's performance and provide accountability to its stakeholders and the State. This includes: the size and scope of the database (inventory); user experience; public awareness and marketing; and policy outcomes (resulting STEM-based economic development activities).

As part of this effort, two sub-committees of the Advisory Board have been created representing both the universities and industry organizations. The Technical Committee provides technological input, coordination, and timely communications with respect to the construction and promotion of the initiative. The communications and external engagement committee determines key universal messaging points for the data system, develops a coordinated communications strategy, and assists in event and stakeholder outreach planning.

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4. The FY 2019 budget proposal includes a recommended appropriation of \$2 million to establish a Center on Gun Violence Research at an institution of higher education. However, available material does not provide further details.

- **Question: Has the Executive Branch determined which institution of higher education will host the research center? If so, please identify the institution and explain why that institution is uniquely qualified to conduct this research. If not, please explain the process that will be used to select the institution that will perform this function.**

If funding is provided for this initiative, which is critically important to inform the dialogue around gun violence and gun safety in the state and across the nation, the Office of the Secretary of Higher Education (OSHE) would work to develop a Request For Information (RFI) to determine the best institution to conduct the research.

5. P.L.2017, c.130 (C.18A:62-46.1) requires each institution of higher education, in consultation with the Secretary of Higher Education and the New Jersey Presidents' Council, to enter into a collective Statewide reverse transfer agreement. Under the agreement, a student enrolled in a four-year institution of higher education who has a cumulative total of 66 credits earned between a county college and the four-year institution may be awarded an associate degree by the county college. The policies and procedures established in the reverse transfer agreement are required to be fully operational by September 1, 2018.

- **Question: Please provide an update on institutions' progress in developing the agreement required pursuant to P.L.2017, c.130 (C.18A:62-46.1). Please provide a copy of any draft or final agreement, if available, or a summary of institutions' efforts to develop the agreement.**

The Presidents' Council has a pre-existing Statewide Transfer Initiative which includes work to facilitate transfer of credit between institutions of higher education across the state, including reverse transfer from a four-year institution to a county college. This initiative has prepared a report (see Attachment A) which details the work of institutions on this effort to date. The report indicates that 14 of the 19 county colleges have entered into one or more reverse transfer agreements with various four-year institutions. In total, there are 24 completed agreements.

The Office of the Secretary is prepared to work with institutions in coordinating efforts to fully comply with the P.L.2017 c.130 to create a statewide agreement prior to the final implementation date of September 1, 2018.

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### Higher Education Student Assistance Authority

6. The Governor's FY 2019 budget proposal includes a \$50 million appropriation to establish a community college opportunity grant program. Under the program, eligible students would be awarded financial assistance, starting in the Spring 2019 semester, to pay for tuition and fees at the county colleges. A language provision stipulates that \$45 million of the recommended funding would be available to individuals from families in which the annual income is no greater than \$45,000, and authorizes the HESAA, in consultation with the Secretary of Higher Education, to establish other eligibility criteria. The Budget in Brief states that the Executive Branch believes that this program would extend tuition-free county college to an additional 15,000 students in that semester.

- **Question: Please discuss other criteria that may be included in determining eligibility for a grant under the program. Would the grants be available to students enrolled full-time only, or would part-time students be eligible as well? Assuming that this appropriation is included in the appropriations act, what is the timeframe for establishing the eligibility criteria?**

HESAA is currently working in collaboration with OSHE and the Governor's staff to determine the best approach for implementation of the Community College Opportunity Grant Pilot Program (CCOG). As proposed, both full-time and part-time students earning less than \$45,000 (Adjusted Gross Income) would be eligible. Other than the \$45,000 adjusted gross income limitation, eligibility for the program will be based in part on completion of both the Free Application for Federal Student Aid (FAFSA) and verification of the supplemental state financial aid application, as well as but not limited to continued satisfactory academic progress. The Administration looks forward to dialogue with the Legislature about this program. We have already begun conversations with the state's 19 county colleges to gather their input on the design of this proposed program, and look forward to working with the legislature and the higher education stakeholder community to get the program up and running, so that New Jersey residents can participate starting in the Spring Semester of the 2018-19 academic year.

- **Question: With respect to the estimate that this program would make county college tuition-free for 15,000 more students in Spring 2019, how many of these students does the authority anticipate will be new enrollees, and how many would be current students whose tuition and fees would be eliminated?**

It's estimated that of the 15,000 students receiving funding, 10% will be recent New Jersey high school graduates who will be participating in the new program during their first year at county college (in their second semester for those who first enroll in Fall 2018).

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7. P.L.2017, c.129 (C.18A:71C-21.1 et seq.) directed HESAA to, among other things, develop a student loan comparison information document that would allow a potential borrower to compare a loan under the New Jersey College Loans to Assist State Students (NJCLASS) program with loans available under the federal student loan programs. The comparison document was to include information on: loan types, terms, and interest rates; repayment options, including the availability of income-contingent repayment options; fees; estimated cost of borrowing over the life of the loan; the availability of loan deferments, forbearance, and forgiveness; default rates; and the number of wage garnishment orders. The purpose was to increase general awareness of loan repayment requirements under the NJCLASS program relative to the federal student loan programs.

- **Question: Please provide a copy of the student loan comparison document that HESAA has developed pursuant to P.L.2017, c.129 (C.18A:71C-21.1 et seq.).**

This comparison chart can be found on the HESAA website at <http://www.hesaa.org/Documents/NJCLASSInterestRates.pdf>. It is also on pages 34-35 of HESAA's Student Loan Guide (<http://www.hesaa.org/Documents/Student Loan Guide.pdf>).

8. P.L.2016, c.71 (C.18A:71C-31.1 et seq.) provided for the forgiveness of all NJCLASS loans in the event of the death or total and permanent disability of a student borrower. Additionally, HESAA established a repayment assistance program that temporarily decreases the payment on a loan when all parties to that loan encounter a financial hardship.

- **Question: What is the estimated cost in FY 2019 of providing these two programs? How many student borrowers does the authority project will receive the loan forgiveness in the upcoming fiscal year? How many borrowers are currently participating in the repayment assistance program? Please describe the eligibility criteria of the repayment assistance program, including how the authority determines that a financial hardship exists. What percent of borrowers who have applied for the repayment assistance program have been denied?**

The amount of loan forgiveness of NJCLASS loans due to the death or total and permanent disability of a student borrower is expected to be approximately \$1,500,000 for Fiscal Year 2019. We expect that approximately 50 loans will be forgiven due to a student's death and 50 loans will be forgiven due to a student's total and permanent disability in Fiscal Year 2019, assuming that the number of forgiven loans will be similar to the number forgiven over the past year.

The Repayment Assistance Program (RAP) is designed to provide payment relief when all parties to the loan are facing financial hardship. Borrowers with eligible loans can enroll in RAP for up to two years. During the RAP period, a payment on eligible NJCLASS loans are reduced to 10% of the total of the household income of all of the parties to the loan that exceeds 150%

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of the federal poverty guideline for their family size. There is a minimum monthly payment requirement of \$5 per eligible loan. Interest that accrues during the RAP period is paid by HESAA. All other payments received during the RAP period are applied to reduce principal.

RAP is available for NJCLASS loans with applications that were received on or after June 1, 2017. NJCLASS loans applied for prior to June 1, 2017 that are used to attend school for academic terms that begin on or after August 1, 2017 are also eligible for RAP. Eligible loans include loans in interest-only repayment, or loans in principal-and-interest repayment. Loans that are deferred for both principal and interest payments are not eligible for RAP. Loans that have reached default status are also not eligible for this program. All parties to the loan must complete the application and provide the required documentation so that eligibility for the program can be evaluated. Enrollment in RAP is subject to the availability of funds.

As RAP is an option available to borrowers with loans initiated after June 1, 2017 (many of whom are still enrolled in their postsecondary program), there have been very few borrowers to date who find themselves in an economic situation that warrants applying for RAP. Currently, the program is assisting one borrower.

### Public Institutions of Higher Education

9. P.L.2013, c.170 (C.18A:62-4.4) provided that a person without lawful immigration status who meets other criteria may qualify to pay the in-State tuition rate at a public institution of higher education.

- **Question: In the current academic year, how many students at each institution are paying the in-State tuition rate pursuant to this law?**

10. The "Madison Holleran Suicide Prevention Act"; P.L.2016, c.18 (C.18A:3B-72 et seq.) requires that each institution of higher education have individuals with training and experience in mental health issues who focus on reducing student suicides and attempted suicides available on campus or remotely for students 24 hours a day, seven days a week.

- **Question: Please describe the efforts made by your institution to comply with this requirement. How has your institution publicized these services to its students? How many individuals are employed by the institution for the purpose of complying with this law?**

11. According to the 2016 report of the College Affordability Study Commission, which was established pursuant to P.L.2015, c.4, the increasing cost of higher education is posing a significant barrier to students hoping to pursue postsecondary education. Nationally, after adjusting for inflation, the tuition and fees at public four-year institutions of higher education

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have increased over 40 percent between the 2005-2006 and 2015-2016 academic years, while increasing by 29 percent at two-year public institutions.

- **Question:** Please discuss initiatives that the institutions have taken in recent years to minimize increases in tuition and fees or to provide institutional support to their students.

Rutgers University and Rowan University

12. The "New Jersey Medical and Health Sciences Education Restructuring Act," P.L.2012, c.45 (C.18A:64M-1 et al.) eliminated the University of Medicine and Dentistry of New Jersey (UMDNJ), transferred most of its components to Rutgers University, and transferred the School of Osteopathic Medicine of UMDNJ to Rowan University, which was recognized Rowan University as a public research university. The restructuring was effective on July 1, 2013.

- **Question:** Please describe the various effects associated with the restructuring. For example, has the restructuring or the recognition of Rowan University as a public research university increased the ability to secure research grants? Have the credit rating agencies expressed any outlook based on the legislation? How has the reorganization affected patient care?

New Jersey Council of County Colleges

13. The Governor's FY 2019 budget proposal includes a \$50 million appropriation for community college opportunity grants. Of the total, \$45 million would be used to provide financial support to students to pay tuition and fees at the county colleges starting in the Spring 2019 semester. The remaining \$5 million would be used to provide planning grants to the county colleges for the development of plans to create free county colleges. In the Budget in Brief, the Executive Branch indicated that the appropriation would increase the number of students attending a county college tuition-free by nearly 15,000.

- **Question:** Do the county colleges anticipate that the program would create a significant increase in their enrollment in the Spring 2019 semester, or do they expect that the new program would largely eliminate out-of-pocket tuition and fee costs for current students? To the extent that the colleges foresee an increase in demand, please describe the colleges' capacity to meet this demand at that time.

### Attachment A: Survey of New Jersey Community Colleges' Reverse Transfer Agreements

Community College	Reverse Transfer Agreements	Current Institutional Agreements	Other Arrangements and Agreements Under Discussion
Atlantic Cape Community College	Yes	Rowan University and Stockton University	
Bergen Community College	Yes	Berkeley College, East Stroudsburg University, Pillar College and William Paterson University	
Brookdale Community College	Yes	Georgian Court University	
Camden County College	No		Developing an agreement with Rutgers University-Camden.
County College of Morris	Yes	Berkeley College, The University of Phoenix and William Paterson University	Also developing an agreement with East Stroudsburg University.
Cumberland County College	No		Developing agreements with Rowan University, Rutgers University-Camden and Stockton University.
Essex County College	Yes	Berkeley College and Pillar College	Although not a formal agreement, Essex also has a working relationship with Rutgers University-Newark. Rutgers provides transcripts for Essex students who transferred before earning an Associate's degree.
Hudson County Community College	Yes	New Jersey City University, Saint Peter's University	Also developing an agreement with Rutgers University-Newark.
Mercer County Community College	Yes	William Paterson University	
Middlesex County College	Yes	Pillar College	Will also allow students to transfer courses back to complete the Associate's degree.
Ocean County College	No		No formal agreements, but college will allow students to transfer back up to nine credits to complete the Associate's degree.
Passaic County Community College	Yes	William Paterson University	Developing an agreement with Thomas Edison State College.
Raritan Valley Community College	Yes	East Stroudsburg University and Pilar College	Also developing an agreement with Berkeley College.

Community College	Reverse Transfer Agreements	Current Institutional Agreements	Other Arrangements and Agreements Under Discussion
Rowan College at Burlington County	Yes	Rowan University	Will also allow students to transfer courses back to complete the Associate's degree.
Rowan College at Gloucester County	Yes	Rowan University and Stockton University	
Salem Community College	No		No formal agreements, but college will allow students to transfer courses back to complete the Associate's degree.
Sussex County Community College	No		No formal agreements, but college will allow students to transfer courses back to complete the Associate's degree.
Union County College	Yes	Pillar College and William Paterson University	Also developing an agreement with Berkeley College.
Warren County Community College	Yes	William Paterson University and East Stroudsburg University	Also developing an agreement with DeSales University.