TESTIMONY BEFORE THE
ASSEMBLY HIGHER EDUCATION COMMITTEE
DELIVERED BY DR. PATRICIA DONOHUE
MAY 14, 2014

Thank you Madame Chair and Members of the Committee. I am pleased to be here today as the chair of the presidents of the Council of County Colleges to address two of the bills in the higher education package proposed by you and Assemblyman Cryan and other members of the Assembly: A676 which addresses performance based funding and A2804 which addresses graduation rates.

A676: Performance-Based Funding

This bill creates performance-based funding for NJ’s public higher education institutions. With over twenty states including performance funding of some kind in their higher education funding systems, it is only fair that we point out that many of these states have begun to increase their state funding to higher education from the cuts that occurred several years ago – and some have completely restored
their funding. In contrast, New Jersey cut its state operating aid to community colleges by seven percent in FY2011, and has not restored funding since then. In fact, the proposed FY2015 state budget would maintain level funding for the fourth year in a row. We would suggest that restoration of past cuts in state funding to community colleges should be an equal priority to performance funding. Having said that, the community college presidents have undertaken a comprehensive study of performance funding in other states so that we will be well informed for the policy discussions as they occur in New Jersey. We like that A676 directs the New Jersey Secretary of Higher Education to develop a performance-based plan, rather than putting all of the particulars into statute. This will provide the necessary flexibility in developing the initial plan, while allowing future adjustments as will most certainly be necessary. We also like that the bill suggests separate and different performance metrics for county colleges than it does for senior colleges. That is a must. However, we feel that a set-aside of 25% for performance funding may be too high. Some states, like Texas, have adopted a model that is used to allocate a maximum of 10% of its total funding to the community colleges based on performance. In addition, and consistent with the point made earlier that the state should restore its funding to community colleges, we want to suggest that a useful model going forward might be that state funding per community college FTE should be linked to a certain percentage of state
funding per senior public college FTE. Language of this kind can be inserted into a performance funding bill or it could be introduced as a separate bill altogether.

And, finally, it is important to note that community colleges can easily blend performance funding into its existing funding formula. If that should occur, the community college presidents are willing and able to work with the Secretary of Higher Education to agree on performance metrics and the methodology used to distribute those funds among the nineteen community colleges.

A2804: Graduation Rates

This bill requires county colleges to develop a plan to achieve a three-year graduation rate of at least 33 percent for full-time degree-seeking students by 2019-20. While no one would deny the importance of graduation rates for full-time students, several observations are important here that are unique to community colleges: (1) Because community colleges are by law open door institutions that must admit all high school graduates, many students are not ready for college when they enroll. In fact, it often takes several semesters to get them ready for their first college courses. Thus, the three-year timeframe in the bill is not appropriate; (2) About half of community college students enroll part-time, and
even many of those who start full-time end up as part-time students. So, we probably ought to be including part-time students in this bill, which reinforces the importance of a longer timeframe of six years rather than three years; (3) Many community college students are “skill builders” — that is, they’re looking for employment and thus use college not to get degrees but rather to gain specific kinds of skills and expertise. A recent study in California found that nearly one third of all community college students in that state are “skill builders.” We expect that the numbers are much the same in New Jersey. This means that graduation rates are an incomplete measure for community colleges. They should be supplemented by other measures of course completion short of a degree. For example, we should also be tracking and reporting how many students complete at least one year of college in good standing so that we at least recognize the success of some of these “skill builder” students. Recent studies by the Heldrich Center at Rutgers shows that these students who complete college credits in fact earn increased wages, even when they do not finish the degree; (4) There is another compelling reason why graduation rates are an incomplete measure for community colleges. Many community college students successfully transfer to a four-year institution without first completing their community college program. These transfer students should also be included when measuring the success of community college students. (5) Finally, it’s important to recognize that many
students go on to graduate from a college different than the one they started at. Recent data from the National Student Clearinghouse is now able to provide that more complete graduation picture. For NJ’s community colleges, we know that over 37% of the students who first enrolled at a community college went on to graduate, if you also include those students who transferred and graduated from a different 2-year or another 4-year institution.

If the purpose of this bill is to focus solely on graduation rates, then a six-year timeframe should be used, both full-time and part-time students should be included, and the National Student Clearinghouse data should be utilized. If the purpose of the bill is to instead present a more complete picture of community college student success, it should include graduation rates, students who transfer before completing their community college program, and “skill builder” students who successfully complete at least one year of community college.
Wendell Steinhauer, NJEA President
Testimony before Assembly Higher Education Committee
The College of New Jersey, Ewing
Wednesday, May 14, 2014

Good morning. First of all, I would like to thank the chair for holding these hearings. This issue is of particular interest to me because I am the proud parent of two college graduates and my youngest child is currently enrolled as a student at Burlington County College.

Higher education is also an area of great interest for every NJEA member. While NJEA represents approximately 4,000 members in higher education at 19 county colleges in the state, every NJEA member is invested in how well prepared our students are for college, the workforce, and life. So we are very pleased to testify before this committee today.

The issue of college affordability, college completion and college readiness are monumental tasks that we all need to come together and solve. This is not – and cannot be – a partisan issue. It’s a community issue. College affordability is one of the defining issues of our time and one of paramount importance to our middle class and working families across the state and the nation.

As college costs skyrocket and federal student aid lags, too many Americans must borrow staggering amounts of money to pay for higher education. Last year, new college graduates owed, on average, a crushing $29,000 each in debt. At these levels student debt isn’t just a burden, it’s a barrier to our young men and women.

This is an issue that hits close to home for many New Jerseyans. We are a very well-educated state. So it’s no surprise that New Jersey ranks 8th highest among states in student debt, according to the Project on Student Debt.

As costs rise, students borrow more: two-thirds of college graduates leave school owing money - or worse, our high school graduates simply don’t go to college.

This package of bills seems to be increasing the costs and burdens on two-year and four-year institutions. But who will really bear this cost? The colleges? The students?

County colleges did their own internal study of revenues and expenditures from FY 2009 – FY 2012, titled “Financial Report of the County Community Colleges of the State of New Jersey for the Fiscal Years 2009-2012”.

Some key findings of the report were that by FY 2012, tuition and fees accounted for 62.4% of the system’s TOTAL revenue. State funding had declined from 16.7% of total revenue in FY 2009 to 13.9% in FY 2012. County funding decreased from 24.4% in FY 2009 to 19.8% in FY 2012.

Clearly we have a crisis about who should pay for public higher education. This shifting of the financial burden is the paramount question facing all of higher education today.
NJEA is pleased that some of the bills establish scholarships for students and partnerships with K-12 but we want to ensure that college faculty are teaching the college courses. As you are well aware, NJEA has long been a vocal supporter of the NJ Stars program and in our recent budget testimony, we echoed our annual plea for further investment in the program.

We must address the issue of affordability and one solution is for the state to renew its commitment to supporting its public colleges and universities. Hopefully, that can be part of the College Affordability Study Commission's work.

College completion is another area that this package of bills aims to address. But keep in mind, not every student enters these schools with the goal of achieving a degree. Some of these students may be mid-career professionals boosting their job qualifications in a particular industry. They do not need an additional degree to advance professionally, just a few classes. To impose accountability on our county colleges based on the number of students who earn a degree could actually discourage applicants.

As you examine the processes that are already in place, we would urge you to make changes, as necessary, that are research-based, and which further the colleges' mission, not impede it. While NJEA does not entirely oppose the issue of performance-based funding as it pertains to higher education, we do oppose using graduation rates and degree certificates and job placement as criteria to determine funding.

On the topic of college readiness, we feel that the battle about remedial education has become overblown. At county colleges, admissions are open to all and remediation is a function of their mission. As a career educator, I can tell you that some students take longer to decide that college is the right choice for them. They may not have focused the way they should have during their K-12 education to best prepare themselves for college. So remediation – while not the goal – is also NOT evidence that the county colleges or K-12 education system need to be overhauled.

Unfortunately, remediation is driving much of the rhetoric around this issue. There are plenty of people parroting the idea that students are coming to college unprepared, that they can't pass the Accuplacer, and that something is wrong with K-12 education. I know of one example where a college took the valedictorian of her class who was an English honors student and put her in remedial classes for English at a community college. This student blamed herself for what she perceived as her failure. But it wasn't her failure; it was the failure of the system to accurately place those who need remedial courses and those who do not.

And let me remind you that in almost every indicator, New Jersey’s public schools are among the best in the nation. I could recite statistic after statistic from reputable organizations such as Education Week, the College Board, and surveys such as Quality Counts. But you already know these facts. So why would anyone believe that K-12 education is the problem?

But these accusations of failure seem to be gaining steam as an absolute truth. To counter that, I'd like to point you to a study from Columbia University, Community College Research Center, which states that "a significant number of students entering community colleges around the country are at risk of being inaccurately placed in remedial classes."
The study further points out that “nationwide, 60% of entering community college students who recently graduated high school are assigned to remediation. Students must pay tuition for remedial courses, but the credits they earn do not count towards graduation. The cost to schools of providing remedial instruction has been estimated at roughly $2.5 billion dollars annually.” So let’s not place the blame on our students. Place it where it belongs – on a high stakes test that – like many other high stakes tests – only serves to frustrate our students and prevent them from learning while providing an opportunity to label them and their schools as failures.

NJEA also has concerns about the fact that this package of bills requires longitudinal data systems even though the purpose of collecting this data is unclear and there are unanswered questions about how this data will be used. At the same time, it appears that much of this data has already been collected in NJ Smart.

And NJEA really appreciates that this committee is looking into the for-profit colleges which seem to cause so much more harm than good.

In closing, while NJEA is reserving comment on any one bill specifically until the committee addresses them separately, most of the bills proposed seem to be a hindrance upon the colleges and the students they serve and would actually prevent them from achieving their goals. As always, we look forward to meeting with the sponsors and we appreciate their openness to suggestions on amendments.

Our suggestion is that this package of bills waits until S-979/(Sweeney)/A-2236 (Riley, Wisniewski, Benson, Lampitt) is hopefully signed by the governor. This bill establishes the College Affordability Study Commission to examine issues and develop recommendations to increase the affordability of higher education in New Jersey.

And with all the changes coming in education and K-12 with regards to Core Curriculum and College and Career Readiness, I think it’s best for the committee to wait for those initiatives, which have been many, many years in the making, to take hold before you proceed on some of the measures proposed in these bills.

Once again, I’m very happy that this committee is looking into the challenges facing our county colleges and county college students. NJEA is ready to work with you to help identify ways that we can make every college – and every student successful. But there is no place in that conversation for punishments and rhetoric that only serve to push students and colleges farther away from their goals.
As the campaign coordinator for Better Choices for New Jersey, a coalition brought together by New Jersey Working Families, I am here today to urge this committee and our Legislature to take an active and aggressive leadership role to develop a vision, and a plan to achieve that vision, for Higher Education in New Jersey.

Better Choices for New Jersey is a broad and diverse coalition of stakeholders united to advocate for a different vision of state priorities and investments. We share the conviction that the state has missed opportunities to make smart investments and has neglected to plan for our present and future. Our coalition includes many organizations deeply vested in our higher education system and we all recognize that our colleges and universities are a critical part of what makes our state great.

In the course of the hearings today you will hear what I am quite sure you already know. In critical ways our higher education system is in shambles. The negative impacts are many – on our students, our faculties, our university systems, and our economy – the ability to attract businesses to New Jersey and provide jobs to our graduates suffers when our universities are struggling. It is unsustainable and most certainly unfair to the people of New Jersey to allow this to continue.

So the perspective I come with today is perhaps slightly different from that of others, it is from that of our state’s budget. As we all know, budgets reflect priorities – and Better Choices believes that those priorities should be the ones of the people of New Jersey. Clearly we are not investing enough in higher education in our state, which does not diminish many of the great accomplishments of our students and faculty, but rather highlights the great potential for more success if we make better choices.

What compounds the problem and makes what little we are spending less effective, is that we are spending without a plan, a vision, or even a basic understanding of how to implement fundamental goals of providing access and affordability to our high school graduates to high quality higher education.

In recent budget hearings with Secretary Hendricks, it became clear that in the past year no substantive steps have been taken to develop strategic plans at the state level – or frankly even a plan to work on that plan from what we could take away. This is not a problem unique to higher education but it is especially critical as our students face untenable debt and our universities face fiscal challenges without direction or help.
We heard that there is a funding formula being worked on but no details shared and indeed President Cole of Montclair stated that as Chair of the Presidents Council she has not been asked to work on such a formula. We heard that there is not even a timetable for a master plan for higher education despite the fact that Higher Education Task Force of 2010 made it clear that a plan is essential to reverse the current trend of divestment and underfunding.

So really my reason for being here today is simple and straightforward. We need your leadership – as President Cole said before the Senate budget hearing, “We must find the political will for a long term higher education plan.” That political will does not seem to be coming from the Executive Branch, so it must come from you.

Even in times of enormous fiscal constraints, even crisis, strategic decisions must be made – indeed strategic vision and plans are even more critical when we have fewer resources. We cannot afford to use the current economic climate as an excuse but rather as further evidence why the need is so urgent.

The process will be challenging and must be inclusive and open, but we have the expertise and commitment of great people to ensure it will be a success. The final plan will not offer any magic bullets or quick fixes but will begin to put us back on the path towards increasing success rather than survival.

This type of visionary planning must happen in every part of our state’s budget right now and I am grateful that this committee chose to convene these hearings today, during budget season, to provide Better Choices the opportunity to speak to this need and urge you to do everything within your powers to build the political will necessary to get to work on a master plan for higher education.

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About the Better Choices for New Jersey Campaign

Better Choices is a diverse coalition of stakeholders united to advocate for a different vision of state priorities and investments. We share the conviction that the state has missed opportunities to make smart investments in strong, safe communities and left too many critical needs underfunded.

We all recognize the challenge of budgeting in a period of slow economic recovery and growth, but we must reinvest if we are to see our state flourish. Until we reinvest in the people of New Jersey, those who have already sacrificed the most under the past 6 years of austerity budgeting will continue to suffer. This is both unacceptable and avoidable.

The simple truth is that we do have the resources to meet our needs. If we are not funding critical investments for our present and our future with the available revenues, then we must engage in discussions of raising revenues. We must invest to see our people and state emerge from years of economic hardship.

We can afford to protect vital services and invest in our state’s future. New Jersey has the third highest percentage of millionaires of all fifty states. We’re second in median household income. While local property taxes are untenantly high as a result of cost-shifting to local governments, New Jersey ranks 36th in state government tax revenue as percentage of income. We can make better choices that protect and strengthen New Jersey.

Our coalition is committed to work with our elected officials to make sure that the investments made in our state help all the people of New Jersey succeed. We want to see New Jersey thrive and we know that with Better Choices, we can make that happen.

Better Choices for New Jersey is a non-partisan public education and issue-advocacy coalition chaired by New Jersey Working Families. It includes over 50 student, parent, environmental, labor, and faith-based groups.

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