

NEWS CONFERENCE

HIGHER ED FACULTY AND STAFF CALL FOR HIGHER EDUCATION MASTER PLAN, SEEKS DIVERSE INPUT ON FUTURE OF HIGHER EDUCATION IN NJ

A coalition representing more than 30,000 faculty and staff members from New Jersey's higher education institutions is calling for the creation of a state master plan for higher education. Such a plan can provide a cohesive strategy for making higher education more accessible, affordable, and accountable for students, their parents and the public. It can also help avoid duplication of academic programs while requiring institutions to share services.

The group is also asking Governor Christie to receive the benefit of input from higher education faculty, staff and students instead of relying exclusively on advice from institutional presidents.

WHEN: Wednesday, March 3, 2010 at 1 PM

WHERE: New Jersey State House, Rm. 109, 125 W. State St., Trenton, NJ

PARTICIPANTS: Nicholas Yovnello
President, Council of New Jersey State College Locals-AFT and
Professor/Librarian, Rowan University

Dr. Judith L. Johnston
Past President, New Jersey State Conference of the American
Association of University Professors (NJ AAUP) and Chair,
Assembly of State Conferences of AAUP and Professor of English,
Rider University

Dr. Patrice Mareschal
Treasurer, Rutgers AAUP-AFT and Associate Professor of Public
Administration, Rutgers-Camden

The coalition includes the Council of New Jersey State College Locals-AFT, New Jersey State Conference of the American Association of University Professors, Rutgers AAUP-AFT, Union of Rutgers Administrators, Health Professionals and Allied Employees at UMDNJ and the New Jersey State Federation of Teachers-AFT.

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Nicholas Yovnello
President

HIGHER EDUCATION PRESS CONFERENCE - March 3, 2010

Nicholas C. Yovnello Statement

We are here today representing over 30,000 higher education faculty and other academic professionals in New Jersey's private and public institutions of higher education.

Following Governor Christie's election, all of the unions here today sent him letters offering to work together to address the vital issues of access, affordability and accountability in our system of higher education in NJ. The Governor did not respond.

Instead, the Governor-elect assembled a Transition Team to make recommendations on the future of higher education in our state. The Education Subcommittee which consisted of 22 members was deficient in that not one faculty member, not one representative of a faculty senate and not one representative from a higher education union was invited to participate.

Let me be perfectly clear. The 410,000 students enrolled in NJ's public and private colleges and universities in 2008 did not make their education choices based on who the president, dean or chief operating officer of the institution is. Students choose a college or university based on the quality of academic and professional services. The very people we represent are the reason students chose higher education in NJ. It's about quality faculty and outstanding academic professionals — not senior administrators who are too far removed from day-to-day contact with our students.

As a result, the Governor has deprived himself of the ideas and suggestions from the vast majority of those who have a direct role and stake in the state's higher education system. Instead of talking exclusively to College and University presidents, the Governor would benefit from talking to everyone involved with higher education—faculty and staff — as well as students — who are often in a better position to identify institutional problems.

The reason we are here today is to ensure that the public hears our voices and hopefully the new administration hears us too.

In your packets you will find an update of Flunking Out: New Jersey's Support for Higher Education Falls Short, a report originally prepared in 2006 by New Jersey Policy Perspectives. Our coalition is concerned with improving three aspects of higher education in New Jersey — accessibility, accountability and affordability — and with the development of a higher education master plan, administered by the Commission on Higher Education, that would play a vital role in these three areas. Now, I would like to introduce Rider University Professor Judith Johnston to brief you on the issue of accessibility.

HIGHER EDUCATION PRESS CONFERENCE - March 3, 2010

Dr. Judith L. Johnston, Past President of NJ AAUP
Professor of English at Rider University, johnston@rider.edu

Access

Access to higher education is a public good deserving public funding. We face an immediate state fiscal crisis, but the fact is structural problems with state funding of higher education are long-term (*Ensuring the Nation's Future*). Proposed cuts in 2010, on top of more than two decades of underfunding, will deny students access to higher education.

Accountability for public funding requires that higher education management spend to support the core mission: educating students. Instead, the response of administrators to decreased public funding has been to spend proportionately less on instruction, within the institutional budget. The number of classes offered has been cut, leaving our students with no access to courses they need to complete their degrees on time.

We're slamming New Jersey college doors shut against our students.

In hard times, New Jersey residents, both adults and 18-year-olds, are knocking on college doors. In hard times, unemployed workers seek college-level training to qualify them for jobs in new fields. In hard times, more high school graduates decide to enroll in college degree programs. This is true nationwide, and it is true in New Jersey.

Where does New Jersey rank on access to higher education? Very low. Per capita, New Jersey ranks 45th in the nation in higher education enrollment (2006 *Flunking Out*). New Jersey ranks 50th in the nation in the number of high school graduates it can accommodate in its public colleges (2010 *Flunking Out*). New Jersey educates 46,000 fewer students than North Carolina; New Jersey educates 52,000 fewer students than Virginia (2010 *Flunking Out*).

These are dismal numbers on access to higher education in New Jersey.

Why not just let those New Jersey students leave the state? Those who leave New Jersey seeking higher education opportunities elsewhere often do not return. Failing to provide access, we suffer a decline in the well-educated workforce.

Students, in increasing numbers, desire and need a college education to prepare for a lifetime in the workforce. During last year, undergraduate enrollment at public 4-year institutions in New Jersey increased by 7%, and community colleges had double digit growth (2010 *Flunking Out*). Even private institutions, such as Rider University, where I work, have had more students demanding entry. Private and public colleges and universities are struggling to accommodate more and more students.

So far, the response to this student demand from higher education management has been to increase class size. But the fire codes and our concern for students' safety put an upper limit on the number of students who can be squeezed into existing classrooms.

Physical capacity does need to be increased within a master plan for New Jersey higher education. The solution proposed by the Governor's Transition Report for Education is simply this: build buildings. However, we need more than new buildings.

As a teacher, I know that the more students I have in class, the fewer hours I can spend with individual students, advising them and responding to their questions. We need more professors, more counselors, and more tutors, not fewer. Buildings do not educate students. Dedicated instructors and professional staff give students access to higher education.

Because our institutions are stretched almost beyond capacity, we need a statewide plan for increasing the access, affordability, and accountability of higher education to New Jersey residents. We need a plan designed not alone by college presidents competing with each other, but a plan that professors take a share in writing. Discounting our expertise does not serve the interests of higher education. Our voice needs to be heard, so that students may be assured of access to higher education.

We must also improve affordability. Students are so hungry for education that many go into debt and also hold full-time jobs to help pay for tuition, room and board, books, and ever increasing fees. Rutgers University Professor, Dr. Patrice Mareschal will speak on affordability.

Affordability in New Jersey Higher Education

**Patrice Mareschal, Associate Professor
Department of Public Administration, Rutgers-Camden
Rutgers, The State University of New Jersey**

Despite having the highest per capita income in the nation, New Jersey ranks 33rd in per capita investment in higher education.

NJ invests less than 5% of actual tax and lottery revenues in higher education. This ranks us 41st nationally.

NJ invests about \$5 in higher education for every \$1000 of personal income for a national ranking of 43rd.

New Jersey does not invest enough in its colleges and universities. It is clear when you enter our overcrowded classrooms or visit our out-of-date research laboratories.

At the same time tuition at four-year institutions has more than tripled since 1990, and county colleges are not far behind. During the same time period, state support for operating budgets shrank from 48% in 1990 to only 16% this year.

A Rutgers education now costs about \$12,000 in tuition and mandatory fees and the state colleges and universities follow closely at nearly \$11,000. These figures do not include room and board, which pushes the total cost to nearly \$20,000 a year. The various student fees are easily hidden and actually increase at a faster rate than tuition.

Over a relatively short period of time, the responsibility for funding public higher education in New Jersey has dramatically shifted from the state to our students, their parents and the faculty and staff who teach our students and bring in external research funding. It has happened under both Republican and Democratic governors and legislatures. With this year's mid-year cut of \$62.1 million to higher education, it appears this cost shifting will continue into the future. This is a bipartisan problem and it will require a bipartisan solution.

Faculty and staff at Rutgers will bring in nearly \$500 million this year in external research funds to New Jersey. This is an increase of over 500% since 1990 when research funds totaled \$93 million.

Students at Rutgers pay more in tuition and fees than the state provides the university in operating aid. The faculty and staff attract more external research funds to the university than the state provides in operating aid. Yet our new Governor continues to rely only on the advice of college and university presidents in setting higher education policy. Students, their parents, and our faculty and staff have proven to be key stakeholders in the higher education community, yet they seem to be ignored.

In general we are seeing increased enrollments and tuitions coupled with lower state funding and fewer full time faculty and staff. Students and their parents are paying more for less. Classes and staff are being cut with each annual state budget cut. Students pay more in tuition, but take longer to graduate due to course cancellations and other programmatic cuts.

Governor Christie has promised to reverse the trend of diminishing state support and we applaud his commitment. But without transparency and oversight, we are concerned about how these valuable resources will be applied at the campus level. We urge the Governor to listen to student, parent, faculty and staff voices when determining higher education policy.

Higher Education in New Jersey lacks transparency and oversight and this can only encourage inefficiencies and waste, as reported in the State Commission of Investigation's 2007 higher education report, *Vulnerable to Abuse: The Importance of Restoring Accountability, Transparency and Oversight to Public Higher Education Governance*. Students and their parents, and taxpayers more generally, should have a greater understanding of where tuition and tax dollars are spent on our public campuses. But the Governor's transition team recommends dismantling the Commission on Higher Education – the state agency responsible for providing oversight and accountability.

Until we institute a higher education master plan that provides transparency and oversight on our college campuses, we will continue to see uncontrolled growth in college costs with no accountability for our students, parents, faculty and staff, and taxpayers.

To talk more about accountability in higher education, I'd like to re-introduce Professor Yovnelo from Rowan University.

Accountability - Nicholas Yovnello

Two days after the Christie Education Transition Team Report was issued, former Governor Corzine signed S-1609 into law as PL 2009, Chapter 208. This bill, which garnered bi-partisan support, implements many of the recommendations in the October 2007 State Commission of Investigation Report entitled “Vulnerable to Abuse: The Importance of Restoring Accountability, Transparency and Oversight to Public Higher Education Governance.” The new law creates a much needed cabinet-level position — the Secretary of Higher Education — to be appointed by the Governor with approval of the Senate, who will serve as executive director of the Commission on Higher Education.

Yet— the Transition Team Report recommends eliminating the Commission entirely, along with the new Secretary of Higher Education, thereby giving the individual boards of trustees more free reign to build, borrow, create new academic programs and raise tuition with virtually no state oversight. The Report also recommends breaking-up the statewide collective bargaining units by requiring locals unions to engage in campus-by-campus bargaining with individual boards of trustees.

Governor Christie and many legislators have lamented the fact that there are too many school districts in this state, driving up property taxes. How will allowing twelve public institutions of higher education to go their own way do anything to reduce taxes or alleviate pressure on the State budget? From the perspective of cost savings, it is much more efficient for the State and the four unions representing state college/university employees to negotiate four contracts every three or four years with the State, as they have done successfully for nearly 40 years.

The recent scandals at UMDNJ and Stevens Institute of Technology point to the pressing need for the Commission on Higher Education to assume an even greater role in assuring accountability, transparency and oversight over individual boards of trustees and in providing board members with access to better information about the institutions they are appointed to oversee.

After all, college and university board members should have full access to any and all information necessary to make better informed and sound governance decisions. Yet under current conditions, these board members have access only to filtered information provided to them by college and university presidents. Boards must have access to information that will enable them to hold institution managers accountable for their performance.

In order to make our state institutions of higher learning more accountable to the public, we need a Higher Education Master Plan administered by the Commission. This master plan can and should address the duplication of programs among neighboring institutions and ensure that institutions focus on doing what they each do best. Such a master plan should also mandate the sharing and coordination of services between institutions. More importantly, the master plan should require ongoing consultation with faculty and other higher education professionals - the people who actually deliver academic and student services and who know where many of the existing institutional shortcomings are. They have the expertise, experience and insight to help improve the system.

The Commission on Higher Education does not need to be abolished — quite the contrary— it needs to be preserved; it needs to be strengthened by empowering it with greater oversight and decision-making authority. The Legislation signed into law was a good start – but it did not go far enough.

The organizations represented at this press conference represent a broad constituency of New Jersey’s academic community with a vital stake in improving higher education in our great state. Please remember — we too care about our institutions and want them to succeed — but they must be held accountable to the public.

If NJ is to move forward towards the goal of developing world class institutions of higher learning — it is vital that we have a seat at the table. We are here today to once again say to the Governor, “Governor Christie — we are ready and willing to work *with you and* the legislature to address the key issues of access, affordability and accountability.”

Supporting documents follow:

1. Update to Flunking Out in New Jersey
2. Council NJ State College Locals Position Brief on Higher Ed. in NJ



Flunking Out:

New Jersey's Support for Higher Education Falls Short

UPDATE

March 2010

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Introduction

The conclusion of New Jersey Policy Perspective's 2006 report *Flunking Out: New Jersey's Support for Higher Education Falls Short* says it all.

New Jersey is being told by the state's leaders to live within its means. Whether dealing with the budget of a family or state that is always sound advice. But there must be more to the concept than simply saying "no" to spending money. Truly living within one's means involves an honest assessment of what is needed, real thought given to priorities, investing in the future—and then doing everything possible to make sure the resources are available.

It would be nice to say that in every area where New Jersey fell short, the problems have been corrected. Sadly that's not the case. The major findings of the 2006 report are listed below.

- From 1983 to 2006, the share of the New Jersey state budget appropriated to higher education sank from almost 10 percent of all state spending to just over five percent.
- While tuition at public four-year colleges and universities cost the lowest income families 13 percent of their income in 1980, by 2000 the burden was 25 percent.
- Because their capacity was so limited, New Jersey's nine state colleges and universities rejected 75 percent of residents who applied in 2006.
- New Jersey's public higher education system educated almost 23,000 fewer students a year than states of comparable population.
- From 2000-01 to 2004-05, tuition and fees at public four-year colleges in New Jersey increased by 47 percent. Because of state caps on tuition increases, fees made up a higher percentage of student costs.
- As state funds for higher education institutions decline, student aid acted as a counterweight. In 2003-04, New Jersey provided an average of \$783 in financial aid per student, compared to a national average of \$372. Nearly 37 percent of full-time New Jersey undergraduates received student aid.

Today, the picture is basically unchanged. The state is doing no better at investing in higher education. Tuition and fees have continued to grow so that students and their families are being squeezed harder than ever. The picture would be worse if it weren't for economic stimulus funds from Washington. Given Governor Christie's insistence on balancing the state budget without new taxes even if the result is deep cuts, the situation is likely to get worse. When it comes to investing in its young people and its economic future, New Jersey still gets an F.

Higher Education Still Shortchanged

State Financial Support

Appropriations in the Fiscal Year 2010 budget for higher education were \$2.2 billion, about 3.6 percent higher than in the previous year. These state appropriations to higher education come from two state departments: the Department of State and the Department of the Treasury. Funding from the Department of State includes the operating aid to Rutgers, University of Medicine and Dentistry of New Jersey (UMDNJ) and New Jersey Institute of Technology (NJIT) and the nine state colleges and universities. The Department of State also funds the Commission on Higher Education, the Higher Education Student Assistance Authority [HESSA] and the various student aid programs run by those two agencies. The Department of the Treasury provides aid to private, independent colleges and to county colleges.

In 2006, approximately five percent of state budget resources were used for higher education. As a share of the total state budget, appropriations went up in FY 2009 and in FY 2010, to the highest level since 2001. In FY 2009, the \$2.1 billion appropriation was 6.4 percent of total state resources; in FY 2010, the \$2.2 billion appropriated was 7.6 percent of resources.¹ Although this seems like progress, it isn't. The share increased only because funding for higher education was essentially unchanged, while total state spending was declining.

Spending cuts in FY 2010, were avoided initially in part because just over \$70 million in federal funds were made available by the Obama administration's economic stimulus initiative, the American Recovery and Reinvestment Act of 2009 (ARRA). This legislation included grants known as the State Fiscal Stabilization Funds (SFSF) which were provided to help states and local governments lessen cuts in spending for education. The only conditions on the funds to higher education were that funds had to reduce increases in tuition and fees for in-state students; or they had to be used to repair or renovate college buildings used for instruction, research or housing. Since these funds were, however, expected to be available for one year only, it was suggested that they be used in such a way that they would not create an expanded or on-going need.

In the FY 2010 budget, the Corzine administration and the legislature chose to split the \$70.8 million in stimulus funds between student financial aid and operating funds to the colleges. Appropriations for Tuition Aid Grants (TAG) increased in FY 2010 by approximately \$34 million (from \$250.5 million in FY 2009 to \$283.2 million in FY 2010) and nearly \$40 million was provided as operating support to the state colleges and universities and the county colleges.²

Even with the federal stimulus funds, operating support to the state colleges and universities and the Agricultural Experiment Station at Rutgers still was less in FY 2010 than in FY 2009 with two exceptions: UMDNJ received an additional \$30.9 million as part of an intricate arrangement to provide funding for University Hospital and NJIT's appropriation was cut by 6.7 percent. NJIT's reduction was 1.7 percent greater than other institutions because the Corzine administration said it has been inappropriately subsidizing out-of-state students.

Because operating support from the state to the colleges and universities has not increased and operating costs have, state support as a share of college budgets has declined precipitously—from an average across all of the colleges and universities of 48 percent in 1990 to 15 percent in 2010 based on Governor Christie’s proposed budget cuts.

State Support as a Share of College Budgets

Institution	1990	2000	2004	2009	2010	2010 Budget Cuts
Rutgers, The State University	43%	24%	21%	15.9%	15.1%	14.1%
Rutgers, Agricultural Experiment Station	49%	38%	34%	28.9%	27.8%	26.0%
UMDNJ	45%	22%	12%	14.9%	16.7%	15.7%
NJIT	49%	29%	24%	16.7%	15.7%	14.7%
State Colleges and Universities	58%	34%	24%	17.7%	16.8%	15.7%
Average state appropriation across sectors	48%	27%	19%	16.4%	16.3%	15.3%

Source: State budgets, various years

Note: This includes all nine state colleges and universities.

State support for higher education is being further eroded by mid-year budget cuts. The Christie administration claims the state has a combined total estimated funding shortage of \$1.3 billion and additional spending needs in FY 2010 that are expected to exceed \$2.2 billion.³ His one-sided response, which includes no policy recommendations beyond spending cuts, has been to produce what the administration calls the *FY 2010 Budget Solutions As A Foundation For Reform*. This document lays out \$2 billion in spending cuts that are expected to take place before the end of this fiscal year on June 30th.

Nearly a third of the proposed cuts are expected to come from primary, secondary and higher education. Higher education is expected to absorb \$64.1 million in cuts and lapses, including \$62.1 million in across-the-board cuts to operating support for the state’s public colleges and universities. This 6.3 percent reduction in operating support will reduce state support for higher education in New Jersey to an all time low of 15.3 percent across all institutions (see the 2010 Budget Cuts column in the table above).

Paul Shelly, spokesman for the New Jersey Association of Colleges and Universities, notes that the \$62 million in college cuts cannot easily be made up because reserve funds have already been dedicated to construction or endowment maintenance.⁴ Beyond the difficulty of making up for these cuts is the question of whether they violate the provisions of the federal stimulus act.

Two goals of the act were: first, to make sure states provided support to all levels of education and didn’t put all the stimulus funds in one place; second, to make sure states maintained support for public institutions for FYs 2009 through 2011 equal to state support in FY 2006.⁵ Strict attention should be paid to whether the proposed cuts violate these goals.

Unlike most other states, New Jersey does not provide capital support to its higher education institutions.⁶ County colleges receive modest funding for capital projects through the Chapter 12 program which pays for debt service on \$265 million dollars in bonds with a county match. The lack of capital funding means no public support for “space for instruction, up-to-date equipment and technology, to respond to the changing needs of evolving disciplines and programs, to

accommodate the intensive needs of complex research activities, to provide adequate core campus infrastructure, and to invest in the repair and maintenance necessary to the continued use of campus facilities. . .”⁷ To meet these needs, even minimally, the state’s colleges and universities have had to borrow the funds. As a result, these institutions carry a level of debt that is among the highest in the country.

As state support has continued to decline, students and their families have been left to make up the difference. Less state aid to colleges and universities means higher tuition and higher tuition undercuts the colleges’ public service mission.

Tuition and Tuition Assistance

Tuition for higher education has gone up substantially since the early 1990s. The FY 2010 state budget capped tuition at three percent to curtail the sharp increases in past years. According to a staff writer at the *Star-Ledger* who blogs about education, some of the highest increases in recent years have been at Rutgers University (8.5 percent), Rowan University (7.25 percent) and Montclair State (7.0 percent).⁸

Tuition at Various Public Colleges in NJ

Institution	1991-92	2000-01	2004-5	2009-10
Rutgers (average)	\$3,860	\$6,333	\$8,564	\$11,886
NJIT	\$4,288	\$6,730	\$9,180	\$12,856
8 State Colleges and Universities (average)	\$2,625	\$5,069	\$7,630	\$10,682
In-State County Colleges (average)	\$1,403	\$2,448	\$2,771	\$3,701

Source: State of New Jersey, Commission on Higher Education, tuition data, various years.
<http://www.state.nj.us/highereducation/statistics/Tuition2009.htm>.

As tuition and fees have grown, student assistance has also increased. The budget estimated that the increased TAG appropriation would support an estimated 57,578 awards in the 2009-2010 academic year, 3,463 more than the number provided in the 2008-09 academic year.⁹ Unrelated to the federal stimulus funds, the FY 2010 budget also included a \$3.1 million, or 21 percent, increase (from \$14.7 million in FY 2009 to \$17.8 million in FY 2010) in the amount provided to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS and NJ STARS II). It was estimated that approximately 5,077 students would benefit from this program which pays tuition and approved fees for eligible students at New Jersey’s 19 community colleges.¹⁰

Currently nearly one in three full-time New Jersey college students receives TAG. Maximum full-time awards range from \$2,510 for students at the county colleges to \$11,340 at the independent colleges and universities.¹¹ TAG has provided critical support to students, which has helped keep the state’s high tuition affordable to students.

The Growing Need and Demand for Higher Education

New Jersey ranks 50th in the nation in the number of high school graduates it can accommodate in its public colleges. As a consequence, New Jersey educates significantly fewer students in its four-year public institutions than do states of comparable size: for example, about 46,000 fewer than North Carolina and about 52,000 fewer than Virginia.¹²

A slack economy sends unemployed and anxious workers back to school. As in other recessions, this downturn has prompted an increase in enrollments, especially at county colleges. From FY 2007 to FY 2009, total undergraduate enrollment at all of the undergraduate public institutions (the three public universities, the nine state colleges and the 19 community colleges) has grown by nearly 7 percent from 364,179 students to 389,135.¹³ At some of the community colleges the increases have been double digit—specifically Ocean County College (21.7 percent), Burlington County College (17.5 percent), Raritan Valley Community College (16.0 percent), Hudson County Community College (14.6 percent) and Cumberland County College (12.6 percent).

The ability to expand to meet student needs varies. County colleges in particular have shown an extremely elastic capacity. In 2007, 75 percent of the county college faculty and 60 percent of the state colleges and universities faculty were part-time, percentages that have likely increased as a result of enrollment growth since 2007.¹⁴ Part-time faculty have proved invaluable in this expansion effort.

Jacob C. Farbman, Director of Communications for the New Jersey Council of County Colleges, notes that between 2008 and 2009, enrollment at county colleges grew by more than 10,000, prompting colleges to “find innovative ways to deliver instruction.” More classes are now scheduled on weekends and evenings. Others take place in high schools after school hours. Online offerings are also at an all-time high. Today 17 of New Jersey’s 19 county colleges offer some courses online, with three (Bergen, Atlantic and Mercer) offering full online degrees.¹⁵

Strengthening New Jersey’s county colleges is important for the state’s economy. A 2008 report by The National Commission on Community Colleges notes that in a globalizing market, two-year colleges are “indispensable to the American future.” Referring to their unique status as ports of entry to higher education and to successful lives in the United States, the national commission characterized county colleges as “the Ellis Island of American higher education.”¹⁶

County colleges turn out viable workers. A new report, “*Graduated Success: Sustainable Economic Opportunity Through One- and Two-Year Credentials*,” shows that “43 percent of those who hold a certificate as their highest degree earn a median annual salary that is higher than that earned by someone holding an associates degree. Nearly a third (31 percent) of associates degree holders earn more than someone holding a bachelors degree.”¹⁷

FY 2010 and Beyond

The budget cuts proposed by the Christie Administration will likely lead to tuition increases, a serious hardship as the state—and the nation—struggle with recession. The further erosion of state support will make it more difficult for the state’s colleges and universities to maintain their current programs and will curtail growth. The longer the state waits to invest in these institutions, the more expensive it will be to do it.

Education is vital for those entering the job market, for those in low-level jobs and for the unemployed. The higher tuition rates rise, the tougher it will be to get that education. Assembly Higher Education Committee Chair Pamela R. Lampitt (D-Camden) points out that, “No matter

how you approach it, these proposed higher education cuts will make it that much harder for New Jersey to recover from the economic recession both now and for years to come.”¹⁸ The state’s future and economic vitality is a function of the quality of its workforce. Without a quality workforce, New Jersey will limit its ability to participate in the high tech economy.

The *Reports of the Education Subcommittee* of Governor-Elect Chris Christie’s transition team notes,

“There are no institutions of higher education in New Jersey that are over-funded. All are under-funded, some grossly under-funded, so more funding for operating support would be a positive thing, especially given NJ’s bottom-of-the-nation ranking in funding changes for higher education over the last several years. However, continued blind allocating out of funds without rational or intent is frankly irresponsible, especially in a period of constrained resources.”¹⁹

The conclusions of NJPP’s 2006 report are still pertinent four years later. Making college available and affordable delivers clear and concrete benefits to society. Many of New Jersey’s short comings in the past regarding affordability, access and capacity continue to threaten the state’s prosperity. Education is the key to the 21st Century. It’s time for New Jersey policymakers to recognize the vital role of education in today’s global economy.

¹ Citizen’s Guide to the Budget, FY 2010, pp. 54-55.

² Ibid. pp. 54-55.

³ Governor Chris Christie, Executive Order No. 14, February 11, 2010, p. 2.

⁴ Claire Heininger and Lisa Fleisher, “Christie acts to save budget,” *Sunbeam*, Friday, February 12, 2010.

⁵ Memo from Michel W. Klein to NJASCU college presidents. February 2010.

⁶ Governor-Elect Chris Christie Transition: Reports of the Education Subcommittee, January 16, 2010, p. 20.

⁷ Ibid.

⁸ Kelly Heyboer, “Cap tuition at N.J. colleges, but don’t forget the fees,” July 6, 2009.

http://blog.nj.com/njv_editorial_page/2009/07/cap_tuition_at_nj_colleges_but.html.

⁹ Office of Legislative Services, Analysis of the New Jersey Budget, Higher Educational Services, Fiscal Year 2009-2010, April, 2009, p. 8.

¹⁰ Ibid. p. 10.

¹¹ Higher Education Student Assistance Authority, “TAG Maximum Awards, Approximate Maximum Full-time TAG Awards - 2009 – 2010,” <http://www.hesaa.org/index.php?page=tag-maximum-awards>.

¹² Governor-Elect Chris Christie Transition: Reports of the Education Subcommittee, January 16, 2010, p. 19.

¹³ 2007 and 2009 IPEDS 12-month Enrollment Survey.

¹⁴ <http://www.state.nj.us/highereducation/statistics/FacultyRaceSex2007.htm>

¹⁵ Interview with Jacob C. Farman, New Jersey Council on County Colleges.

¹⁶ National Commission on Community Colleges, “Winning the Skills Race and Strengthening America’s Middle Class.”

<http://professionals.collegeboard.com/policy-advocacy/access/community-college/commission>

¹⁷ Jennifer Wheary and Viany Orozco, “Graduated Success: Sustainable Economic Opportunity Through One- and Two-Year Credentials,” February 4, 2010. http://www.demos.org/responsible_global_engagement.cfm.

¹⁸ Assembly Democrats News Release, “Lampitt: Christie Higher Ed Cuts Will Increase Tuition Rates During Recession,” February 11, 2010.

¹⁹ *Reports of the Education Subcommittee*, Governor-Elect Christ Christie Transition, January 16, 2010, p. 21.



**Position Brief on Public Higher
Education in New Jersey**

**The Council of New Jersey State College Locals,
AFT/AFL-CIO**

September 2009

The Council of New Jersey State College Locals, AFT, AFL-CIO, represents 8500 faculty, professional staff, librarians and adjunct faculty at the nine state colleges/universities: Kean University, Montclair State University, New Jersey City University, Ramapo College of New Jersey, The Richard Stockton College of New Jersey, Rowan University, The College of New Jersey, Thomas Edison State College and William Paterson University. Thus, the Council is in an ideal position to speak on higher education in New Jersey since our members serve in the trenches and bring a unique perspective to the debate over institutional autonomy and its impact on affordable, quality higher education.

Historical Backdrop

The Autonomy Act of 1985 handed over fiscal control over the state colleges to the individual Boards of Trustees and removed college faculty and staff from the jurisdiction of the Civil Service Commission/Department of Personnel. In 1994, Governor Christine Todd Whitman signed into law the Higher Education Restructuring Act, which abolished the Department of Higher Education and decentralized the state system by establishing a toothless entity, a sub-cabinet Commission of Higher Education (CHE) and New Jersey President's Council.

The Commission is nominally responsible for system coordination, research, advocacy and planning, policy development and also submits an annual budget recommendation. The Presidents' Council is limited to recommending, encouraging and advising the CHE.

The real power lies with the institutional Boards of Trustees; the restructuring of higher education provided the Boards with almost total control of financial planning. The Boards set tuition and fees, create admission and degree requirements, invest campus funds, provide for campus facilities and make personnel decisions and budget requests. The fact is that the Boards of Trustees and the presidents of our institutions of public higher education have more to say about the direction of higher education in New Jersey than its Legislature, the Commission of Higher Education and the public.

At the time these system wide changes were implemented, the Council expressed strong reservations about this new system. The Council feared that the excessively decentralized system would lead to uncontrolled management bloat, diffusion of campus missions, weakening of advocacy for state resources, skewed capital priorities and escalating tuition and fees. Unfortunately, the Council's fears were not unfounded.

Now, fifteen years later, diminished state oversight has led to a nearly complete lack of accountability to the people of New Jersey and a higher education system that has failed to meet the State's needs.

Predicted Failures of the Present System of Higher Education

No strong advocacy for higher education — New Jersey higher education lost some of the public presence the strong Board created for it when it was replaced by the Commission.

Lagging State Investment — the reforms have allowed this to occur with little fanfare in Trenton because the system lacks strong advocacy.

No Coordinated Budgeting — the system is basically anti-coordination. Without budget coordination, there is no organized distribution of funds according to a meaningful plan that takes the good of the whole system into account.

Failure to Address Capital Needs — the physical plant of the higher education system has deteriorated because there are no regular appropriations for capital improvements, renovation and repair.

Escalating Management Salaries — the old Board of Higher Education's State College Classification Plan established management titles and set the corresponding salary ranges; now anything goes.

Administrative Bloat — we have seen an ever increasing propensity for the colleges and universities to create additional layers of managerial employees whose salaries are established by negotiation between the incumbents of these positions and the Boards with little or no transparency.

Escalating Student Tuition and Fees — the lack of budget coordination and failure to address capital needs has shifted the burden to institutions who pass on those costs to students.

Deleterious Effects on the Workforce — under-funding has resulted in a huge increase in the number of part-time and adjunct faculty who receive lower salaries, few if any benefits and less overall support for teaching than full-time faculty members enjoy.

No coordination of Academic Programming across Campuses — restructuring placed greater emphasis on the interests of campuses; instead of engendering innovation and specialization, decentralization and independence led to duplication of effort, undermining the overall efficiency of the system.

No Institutional or Managerial Accountability — there are only rudimentary efforts to review managerial and institutional performance; the Department of Treasury, not higher education experts, designs the performance criteria and evaluation tools. The design is crude and not well-crafted.

The present and beyond

In 2007, the State Commission of Investigation (SCI) validated the Council's fears over institutional autonomy. In a critical report triggered by the scandals at the University of Medicine and Dentistry (UMDNJ), the SCI found "the entire system vulnerable to waste, abuse and violations of the public trust" and recommended "comprehensive structure change" to correct these problems.¹

The SCI report cited abuses such as excessive spending on administrative salaries and perks, haphazard building construction with significant cost overruns and the accumulation of mountains of debt; the root cause of our crisis is obvious. The report cites the State's "wholesale disengagement from higher education" as a mistake. In short, the reputation of public higher education in our State is damaged and must be fixed.

The Council supports the SCI's recommendations

Elevate the Commission on Higher Education into the Governor's cabinet — empower it with the authority to ensure effective governance and administration.

¹ Vulnerable to Abuse The Importance of Restoring Accountability, Transparency and Oversight to Public Higher Education Governance. State Commission of Investigation: Trenton NJ., October, 2007.

Revamp the process by which state college and university trustees/governing board are appointed — provide them with more rigorous training.

Create a statewide master plan — enforce a due diligence requirement for all capital improvement projects and for the issuance of bonds.

Create a Task Force on Higher Education — it should be charged with defining and codifying state college and university charters in the context of public policy and sound academic practice.

The SCI report further recommends new legislation that would (1), subject all state colleges and universities to rigorous and uniform standards governing financial management and internal controls” modeled after the federal Sarbanes-Oxley law; and (2), require the New Jersey Educational Facilities Authority to review the financial probity of bond sales it facilitates on behalf of the state colleges and universities.

In addition, although the report does not recommend the restoration of the Department of Higher Education, it does forcefully advocate that institutional autonomy should exist only within a framework of effective State oversight, accountability and transparency.

In addition to the SCI recommendations, we suggest the following:

- Require public higher education institutions to report detailed budget and financial information to the Commission on Higher Education and grant the Commission greater authority to exercise oversight.
- Provide more vigorous exercise of the Commission’s existing responsibilities under N.J.S 18A:3B-14 (a), (f) (g), 34. B., 35, 65-33.1, 34, *et al.*
- Empower the Commission to impose limits on the number of managerial employees and salaries of upper management at the state colleges/universities.
- Expand the Commission staff to enable it to carry out its enhanced responsibilities.
- Require that the new State Comptroller’s Office employ or dedicate at least one staff person responsible for reviewing the financial records of the state colleges/universities.
- Require that performance evaluations of presidents, provosts and deans be conducted at each institution.² Elements of this evaluation should include:
 - Leadership Institutional Management
 - Leadership Institutional Representation
 - Relationship with Faculty and Staff
 - Educational Statesmanship

Require Board of Trustee and governors meetings to be more open. Currently, comments from the bargaining agents, public and faculty groups are severely restricted. The campus bargaining agents should be provided ample opportunity to address each action item on the

² Attached: Sample Performance Evaluation of President, Provost & Deans- Kean University

agenda as it comes up for discussion by the Boards and there should be a general comment period for any group to bring any issue it feels relevant to the Boards' attention. Business meetings of the Boards should never be conducted off campus and committee meetings of the Boards should always be open. The public rarely, if ever, sees committee decisions that are voted on by the full Boards and any details of committee decisions are left out of their minutes.

Support **A-361**, the bill that would place two employees, chosen by campus unions, on all state college/university Board of Trustees/Board of Governors to provide additional oversight from an employee perspective.

We know we are experiencing an unprecedented fiscal crisis but we have come out of recessions in the past. As the State eventually recovers, the fact that our public institutions of higher education are mismanaged to one extent or another should not be used as an excuse to cut their budgets. Under the current governance structure and in the State's current fiscal situation, presidents and Board of Trustees will scramble to preserve their pet programs, new construction projects and sometimes bloated managerial payrolls while laying off faculty and staff and increasing student tuition and fees. What we believe are needed are targeted appropriations — to fully fund the salary and benefits accounts, to hire more full-time faculty, to catch up on deferred maintenance, to increase Tuition Aid Grants, to ensure professional and equitable treatment to part-time/adjunct faculty, etc.

Summary

Autonomy and restructuring have not served the State well. New Jerseyans were promised a reformed system that would promote institutional creativity and accountability without the burdens and expense of State oversight by a strong Boards of Higher Ed. The people got just the opposite.

Whatever creativity did occur has been overshadowed by expensive mission creep and duplication. There certainly is no accountability because there is no real planning and institutional responsibility for the needs of the State as a whole. Instead, there is management bloat, management salaries are established without thought of the cost. Underpaid and under-respected part-time and adjunct faculty outnumber full-time, tenured or tenure-track faculty

Finally, the Council and other higher education unions have as much at stake in the future of public higher education as the narrowly based governing bodies who currently exercise control. We believe that we can be and should be a part of the solution to the current problems we face in higher education in New Jersey. That is why the Council of New Jersey State College Locals, AFT, AFL-CIO is fully prepared to work with you towards ensuring that the Legislature and the Governor, in cooperation with our sister higher education unions, students and the working people of this State, assume primary responsibility for setting sound higher education policies that benefit all of New Jersey's citizens. We believe that public higher education is an investment in New Jersey's future.