

## APPENDIX



New Jersey Office of the Secretary of Higher Education

Special Legislative Committee on Higher Education  
Testimony of Dr. Brian K. Bridges, Secretary of Higher Education  
Thursday March 16, 2023

Good morning, esteemed members of this joint legislative meeting on higher education. Thank you Senator Zwicker and Assemblywoman Jasey for the opportunity to speak here today on behalf of my office and the work we are doing in service to our state, its students, and New Jersey's higher education community at large.

Holding the belief that higher education is a vital public good and a critical tool for creating social and economic opportunity, forums like today's meeting help identify areas for collaboration to determine how, together, we can further strengthen our higher education ecosystem moving forward. I also think it's important to emphasize that the work we do, as the Office of the Secretary of Higher Education and as a State, centers on a mission to ensure every resident, regardless of life circumstances, has the opportunity to obtain a high-quality credential that prepares them for life after college.

To that extent, OSHE takes our role as a responsible fiscal steward of investments into higher education very seriously. More specifically, considering our student-centered mission, we see it as our duty to safeguard the investment students and their families make in postsecondary education, knowing the profound benefit it has not only in their lives and their families' lives, but on our state and future as a whole.

To put New Jersey's higher education investments into context nationally, over the last decade, New Jersey has increased its total spending on higher education. As a state, we are ninth of all 50 states in total spending on higher education as of Fiscal Year 2022 and second among the eight coastal states, from Massachusetts to Maryland, for the highest increase in inflation-adjusted dollars.

Beneath the surface of this data is a picture of deep commitment to college affordability and access in New Jersey as embodied by increases in Tuition Aid Grants (TAG), expansions of the College Promise (Community College Opportunity Grants and Garden State Guarantee), and support for the Educational Opportunity Fund (EOF). As we think about efforts to strengthen the higher education sector at the institutional level, we must always take into account the strategic state supports that ensure students don't begin their adult lives after college mired in debt.

**ADDRESSING FISCAL STABILITY: TRENDS & POLICY**

That being said, the COVID-19 public health crisis created immense challenges for us as a society. No one was immune, including higher education, which prior to the pandemic had been grappling with national trends of declining enrollment, greater demands on state resources, and increasing financial hardship for colleges and universities. For us, in New Jersey, preserving

## **New Jersey Office of the Secretary of Higher Education**

equity and access must be foundational to our shaping of post-pandemic higher education. This has been demonstrated in the case of Montclair State and Bloomfield College, two institutions with a history of successfully serving minority students, that have found a way to safeguard student equity and opportunity with what marks a truly novel public/private venture in higher education. This partnership could generate valuable insights about innovative approaches and tools for operational and institutional realities that are hard to navigate.

The Murphy Administration has paid close attention to national trends and responded in partnership with the Legislature to heighten higher education accountability and transparency toward greater sector stability. A bill signed into law by Governor Murphy in March 2021, (P.L. 2021, c.27) granted OSHE the authority to establish standards for the review of new academic programs by the New Jersey Presidents' Council, approve new branch campuses in-state or abroad, and conduct annual financial monitoring of independent and proprietary institutions. Let me illuminate two critical examples of our partnership in action.

Our office enacted regulations that set standards for new academic programs and created a review framework. This work required increasing OSHE's capacity within our licensure office and continued collaboration with the Presidents' Council, first to refine the regulatory standards; then to help design and implement the process by which the standards would be applied. By aligning the process with the new standards, institutions now must consider state priorities, such as filling workforce talent gaps, when creating new programs and are also encouraged to create new programs that are better coordinated within the landscape of other institutional offerings and are not unduly duplicative.

This year, we also developed the process and template for collecting relevant financial data to annually monitor independent and proprietary institutions. Now in the evaluation stage, we look at a mix of both financial and non-financial information to assess the health of an institution. Examples of data collected include Composite Financial Index (CFI) scores, debt and cash levels, debt covenant compliance, ratings from the major credit rating agencies (if applicable), as well as enrollment, persistence and graduation statistics. Our analysis also includes a review of both current year metrics as well as the three-year trend in data. The information collected from institutions through the templates will help us get a clearer picture of their fiscal health and after this first year we will apply lessons learned to future annual collections of data.

To hasten our progress in closing equity gaps, I'll also point to our work to revise the Outcomes-Based Allocation funding formula. While not a measure of fiscal fitness, the OBA represents less than eight percent of the total funding institutions receive and is structured to keep senior public institutions aligned with and accountable to the State's priorities around affordable access and opportunity in higher education.

Considerable COVID relief funds were distributed to the State's colleges and universities to stabilize them during the pandemic. The Higher Education Emergency Relief funds (HEERF) went directly to institutions, and they had to provide half of that to students while OSHE distributed over \$323M in Coronavirus Relief funds (CRF) to institutions. In addition to these funds, Governor Murphy directed that 100% of the first round of Governor's Emergency

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## **New Jersey Office of the Secretary of Higher Education**

Education Relief (GEER) funding be distributed to institutions across the state and two-thirds of the second round (GEER II) be used for distribution to New Jersey higher education institutions, which OSHE distributed through Opportunity Meets Innovation Challenge grants. What is illustrative in these examples is how the Governor directed substantial COVID dollars to assist institutions of higher education, demonstrating this administration's efforts to provide support for the sector.

As we consider trends and policies implemented to sustain the longevity of New Jersey's diverse higher education ecosystem, I'll also turn to investments to address institutional infrastructure needs. In this particular area, New Jersey is unlike other states that annually appropriate funds for capital improvements in higher education.

In the last 35 years, New Jersey has only released two major bond solicitations to support the capital needs of our institutions. Most recently, we awarded \$46 million through the Securing Our Children's Future Bond Act. In the second round released last year, nearly \$20 million in grants were awarded across six county colleges, with an additional \$26 million awarded in round one across nine proposed projects for county colleges to construct or expand classrooms, laboratories, libraries, computer facilities, and other academic structures to increase career and technical education program capacity. Prior to this, there was a total of \$1.3 billion made available across two rounds of funding, first in 2013 and later in 2017, through joint solicitations tied to the general obligation Building Our Future (BOF) bond and the state-backed bonds from the Higher Education Capital Facilities (HECF) programs. We anticipate \$400 million in funding for capital needs to be made available this year as part of the state's release of grant funding through a joint solicitation of the four revolving bond programs that comprise the Higher Education Capital Facilities programs.

Ultimately, our ongoing work to develop and implement best practices around state supports while establishing more cohesive monitoring approaches continue to be central to our overall vision. To that effect, we have sought to build strong and trusted partnerships with our institutions of higher education and campus stakeholders. Proactively working with institutions as a trusted advisor and collaborator has strengthened our capacity for oversight, and during this administration we have regularly coordinated to be responsive to the long-term stability of higher education. Throughout all our efforts, many of them in partnership with the legislature, we continue to work to cultivate a culture of transparency and accountability.

### **BUILDING OSHE'S CAPACITY: LEGISLATIVE BILL PACKAGE**

Committed to the development of evaluation and monitoring mechanisms that enable us to better work toward statewide stability in higher education, my team has functionally advanced OSHE's capacity to assess the fiscal fitness of our institutions.

We aim to continue building on the foundation that has been laid thus far...

That's why, earlier this year, I stood alongside Governor Murphy, Assemblywoman Jasey, and Senator Cryan to unveil a robust package of fiscal accountability legislation designed to protect

## **New Jersey Office of the Secretary of Higher Education**

and strengthen higher education by safeguarding the investments that the State, students and their families make.

My thanks also extend to Senator Gopal and Assemblywoman Lampitt who have been staunch education advocates and have signed on as primary sponsors of bills in this package. Some highlights of the proposed legislation include:

- Requiring public institutions of higher education to complete an annual audit and submit an annual fiscal monitoring report to my Office,
- Giving OSHE the ability to install a fiscal monitor at a public institution that is demonstrating signs of financial challenges according to a particular set of criteria,
- Requiring public institutions to post financial information on their website in clear language that is accessible and easy for the public to understand, and
- Ensuring board members receive adequate and consistent training to understand their roles and successfully uphold their responsibilities.

Together, these measures would work toward a more cohesive state-level approach to fiscal accountability and transparency. And so, I take the opportunity today to strongly advocate for their consideration by the Senate and Assembly. The work that emerges from this hearing in the weeks and months ahead represents an important moment in New Jersey's commitment to students and families and in ensuring the sustainability of our diverse higher education ecosystem.

### **CLOSING**

In closing, we are incredibly grateful to Governor Murphy and his Administration, and, to you, our legislative partners for prioritizing efforts to ensure the long-term financial health and sustainability of our institutions of higher education.

Together, I am confident we can continue the upward trajectory for higher education in New Jersey.

When we invest in the success of our institutions and their ability to serve New Jersey, we demonstrate a commitment to helping people fulfill their potential and to strengthen the future of New Jersey. Thank you.



# BLOOMFIELD COLLEGE

## OFFICE OF THE PRESIDENT

### **Testimony of Marcheta P. Evans, Ph.D., President, Bloomfield College Before the New Jersey Assembly Higher Education Committee**

**March 16, 2023**

I'd like to start by acknowledging and thanking all members of both the Senate and Assembly Higher Education Committees for the opportunity to present testimony on behalf of Bloomfield College. Special thanks to Committee Member Andrew Zwicker and Chairwoman Mila Jasey, who invited me to speak with you today during this Special Meeting on Higher Education.

For those of you whom I have not yet met, I am Dr. Marcheta P. Evans. Since July 2019, I have served as the 17<sup>th</sup> president of Bloomfield College, the state's only four-year Predominantly Black Institution (PBI), Hispanic Serving Institution (HSI) and Minority Serving Institution (MSI). It is with humility that I share that I am the first woman and first African American to hold the position at this beloved institution of higher education currently in its 156<sup>th</sup> year of existence.

As one of the few Predominantly Black Institutions (PBI) as well as Hispanic Serving Institutions (HSI) in the Northeast, Bloomfield College is committed to providing academic excellence to lift up all students attending our College. Bloomfield College has evolved into a special place that at this point in our history sustains and nurtures a majority of Black, brown and first-generation low-income students. Many of our graduates remain and work in New Jersey after earning their degrees, with Bloomfield alumni serving as perpetual contributors to an improved economy for our state.

By now, it is well known that Bloomfield College has embarked on a bold and somewhat unconventional path to merge with neighboring Montclair State University, a public research institution and the second largest university in the state of New Jersey. Our two leadership teams anticipate the transaction will be complete in June, with all necessary approvals.

#### **How We Got Here**

I am here today because I believe it's important for our State Legislators to understand how Bloomfield College got to this point, to aid in your efforts to ensure that New Jersey's Institutions of higher education are being fully supported. To that end, I will provide a brief overview of how our college experienced financial challenges – and emphasize that Bloomfield College is not unique in this regard:

- Like many small, minority serving private liberal arts colleges and universities throughout the country, Bloomfield College had been experiencing a multi-year enrollment decline across a 10-year period brought about by a national decline in college-age prospective students.
- Budget mitigation steps were implemented for several years resulting in leaner staffing and operational expenditures.
- Shortly after I was inaugurated as President, the pandemic began and disproportionately impacted the Black, brown, and low-income communities. This had a direct correlation on the demographics of our students at Bloomfield College and exacerbated the financial problems significantly. It became clear that belt-tightening was not going to resolve the financial concerns.
- In reviewing the College's 5-year budget forecast in October 2020, College Leadership grappled with the unsettling data. **Bottom line: The College could not say with confidence that it would have the resources to remain open through the 2022-2023 Academic Year.**
- In developing strategic pathways forward, one unwavering and consistent key element was agreed upon from the start – ensuring the needs of the **STUDENTS** were always front and center in all pathway evaluations and decision-making.
- The only viable option was for Bloomfield to seek a relationship with a major philanthropic donor and/or strategic partner.
- The College received over thirty inquiries from various nonprofit and for-profit institutions across the country, resulting in the submission of nine formal proposals or letters.
- After establishing metrics to review the proposals, the analysis revealed Montclair State University, a Carnegie-designated R2 doctoral research university just six miles from Bloomfield, as the ideal partner.
- As a Hispanic Serving Institution (HSI) and Minority Serving Institution (MSI), Montclair's mission, along with other key factors, is closely aligned with Bloomfield's in providing traditionally underserved students with access to high-quality educational experiences and a pathway to social and economic advancement.
- In March 2022, the two institutions, together, officially announced they planned to begin working on an agreement for establishing a permanent relationship.
- Following months of lobbying, in July 2022, Bloomfield received support from the state of NJ to provide the necessary runway for the College as it works to effectuate a merger with Montclair. A huge thank you goes to some of you here at this meeting for assisting with the attainment of this appropriation.

- This complex work continues, as we move into the final stages of a proposed merger, and is currently undergoing reviews by the Middle States Commission on Higher Education, the NJ Office of the Secretary of Higher Education and other regulatory bodies – as well as finalizing negotiations with unions – in anticipation of a June 30, 2023 effective date for the private Bloomfield with a public mission to become a constituent college under the state-supported Montclair State University.
- Bloomfield and Montclair envision a future relationship that would support Bloomfield's important mission while building upon the strengths of both institutions and enhancing academic and other opportunities for current and future underserved student populations at both campuses.
- The agreement and plan of merger calls for the creation of *Bloomfield College of Montclair State University* and sets the stage for a new national model for how institutions with similar missions can innovate through integration, and become partners in ensuring student success.
- As measured by retention and graduation rates, Montclair has a proven record of effectively serving students with the same profile as Bloomfield's with an efficient, sustainable business model. What's more, the University is financially stable with a broad array of administrative support and other infrastructure that is needed to manage the demands of such an alignment.
- Yet, in today's testimony, we wish to bring to the forefront the fact that the complexities of this merger will still leave Bloomfield running in a deficit after the merger is completed.

### **Importance of our Demographics**

- With a median annual family income of just under \$33,000, our students are some of the poorest college students in the nation. Half are the first in their families to go to college. 95% qualify for financial aid, and 70% are Pell grant eligible.
- The high social mobility of Bloomfield students, for which the College is recognized by numerous third-party ranking organizations, inclusive of U.S. News & World Report, is accomplished by offering a supportive, close-knit campus environment where students are supported in individualized ways. This personalized attention that makes our students be successful requires more time with each student through greater academic support, advising and smaller class sizes and, ultimately, deeper funding for keeping our doors open for the historically underserved populations we serve.
- What's more, we know that many of our graduates remain and work in New Jersey after earning their degrees. This culminates in inspired and improved communities wherever our alumni eventually work, volunteer and call home in New Jersey.

### **Issues of Race & Equity**

- Issues of race and equity are central to the Bloomfield College story.
- Nearly 50% of our student body is Black, and 32% are Hispanic – a high 92% come from diverse socioeconomic and cultural backgrounds.
- As noted previously, we know from experience that the pandemic disproportionately impacted our students and their families – leading a significant number to abandon, delay or alter their pursuit of a college degree.
- Around the country, people of color, and more so, Black Americans and their families, were contracting COVID-19 at a much higher rate than their white counterparts, and experiencing greater rates of morbidity from the virus. On a national scale, loss of jobs also disproportionately impacted minority families.
- The stops and delays in college attendance that were created make it extremely difficult for students to return to complete their degrees. And degree completion is the foundation that supports individuals – and the generations that follow – in moving up the socioeconomic ladder.
- Yet even before the pandemic, systemic racism and inequality already predisposed people of Black and brown communities to have a tougher time even dreaming of pursuing a college education. The phenomenon is complex, and involves socioeconomics and more than two centuries of systemic racism in our country that we see across healthcare, housing, education, jobs and more.
- Over these past few years, the public's understanding of the permeating inequities across matters of race has grown. Yet, more understanding and purposeful action is still needed.
- In the case of Bloomfield College, it is its designation as a PBI (in addition to its designations as an HSI and MSI) that is the least understood, and has kept Bloomfield and other PBIs across the country historically underfunded.
- We need PBIs to be included in the national conversation about Black families, education and social mobility and to create an understanding that PBIs differ from the more well-known Historically Black Colleges and Universities, or HBCUs – as there are no HBCUs in New Jersey or in the Tri-state area that also includes New York and Connecticut.
- On a federal level, for example, the CARES ACT – that provided federal funding in response to the COVID-19 financial losses experienced by colleges and universities – allocated \$447 million to 96 HBCUs while 83 PBIs received just \$18 million. This tremendous funding disparity, even among these two types of minority-serving institutions, underscores the need for greater understanding of institutional mission and the student demographics being served.

- Making higher education accessible through equitable funding is where we need the support of our state and national leaders and legislators to invoke policy changes that better serve ALL types of Minority-Serving Institutions.

- Given the diverse demographics of the state of New Jersey, additional funding to support the state's Minority Serving Institutions will help bridge current funding gaps.

### **Current Needs**

- Institutions like Bloomfield College have missions that create pathways for low-income Black students and other people of color to earn a higher education degree. We need continued funding to dismantle the systemic racism that is harmful to entire communities of prospective college-age students, and our state's economy.

- Today, more than ever, we have the data that presents an indisputable case for government leaders to endorse a greater investment in equitable policies that remove barriers and create a clear and attainable path to a college degree that holds the promise of bringing our underserved populations into the fold of the American Dream.

- The potential closing of Bloomfield College was seen as a devastating loss for not only our current and future students, but for the 407 employees who would lose their jobs – culminating in a negative multi-year economic impact in Bloomfield and our surrounding NJ communities.

- I invite everyone to answer this call by doing your part in promulgating equal life chances through equitable funding formulas that support equitable access to higher education.

- After graduation, many of our Bloomfield students and their families move from the bottom economic quintile to the second economic quintile, and this is good for our state and nation's overall economy.

- The importance of our society building a foundation for structural mobility, is fundamental to moving an entire group up the socioeconomic ladder. Asking our government leaders to stay vigilant in making access to higher education a priority is important not only to individuals, their families and the generations to come – but for all of America to remain strong economically.

- Across the country, small liberal arts and tuition-dependent colleges like Bloomfield are struggling and closures, mergers and the like are at an all-time high – with 15% of all degree-granting colleges closing in the past decade.

- Data from the National Student Clearinghouse Research Center and State Higher Education Executive Officers Association shows that more than 50% of students discontinue their education when their college closes — and “closures more frequently impact colleges that enroll a greater proportion of vulnerable students — those of color or with exceptional financial needs, such as those receiving Pell Grants.”

- According to Strategic Partnerships in Higher Education Consulting Group, it is evident that “students, as they transition to a new merged environment, will need additional support and assistance. And it is also true that many of them may be less prepared to be part of a larger institution.”

- On behalf of the Bloomfield College community, we are grateful to Gov. Murphy and the state legislators for supporting Bloomfield College in the FY23 budget. These funds have helped to ensure our doors are open through this 22-23 academic year while we plan for our College’s future with Montclair State University.

- Additional funding for enhancing academic advising and tutoring in student services will be key for increasing student retention, graduation rates and overall student success as we transition through the merger that will establish *Bloomfield College of Montclair State University*.

- We appreciate the continued support of the New Jersey legislature, as our current and future students rely on your advocacy and financial support. As such, we ask the state for continued funding at the levels commensurate with the diverse student population that Bloomfield College traditionally serves as we partner with Montclair.

- My final request of you today is that you continue to support this merger as we move into the final stages to ensure Montclair is allocated additional funding to support the additional students and staff they will acquire once the merger is complete. It is my honest belief, this will ensure other New Jersey higher education institutions will see the benefits of working collaboratively together, versus in competition, as we move higher education in the state to even greater heights by serving as a national model.

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**Joint Committee on Higher Education Hearing**  
**Tuesday, March 16, 2023, 12:30 p.m.**  
**Committee Room 11, 4<sup>th</sup> Floor**  
**State House Annex, Trenton, N.J.**

Good afternoon and thank you for the opportunity to appear before you today. I am Dr. Guillermo de Veyga, Vice President for Strategic Initiatives and University Relations at William Paterson University. I am here on behalf of our President, Dr. Richard Helldobler, who wishes very much that he could be here in person today, but is traveling for a longstanding prior commitment.

First and foremost, I want to recognize the \$7.5 million in State funding William Paterson was provided for the current fiscal year and thank you for this critical support for our University and our students. You all know the huge impact the pandemic and longer-term demographic shifts are having nationally on public higher education, and New Jersey especially. I'd like to use this time to share some of the many bold and often difficult steps we have taken to stabilize and grow the institution to deal with both the immediate challenges to our fiscal health, and the long-term ones.

We thank our campus AFT, CWA, and IFPTE bargaining units for their partnership as we made many of these bold, difficult choices. An important point related to our bargaining units and the financial sustainability of higher education institution is that, while the State of New Jersey negotiates their contracts, it does not fund resulting cost increases. So – all things equal – the institutions must bear those annual increases. Institutions derive operating funds from two main sources: state support; and tuition and fees. For us, this means that without additional state support for the coming year, we will need to generate an additional \$3 million (without increasing our personnel footprint). That means either tuition increases – which would hurt the population of students we serve – or having to grow enrollment by approximately 2.8% just to be even, absent any other inflationary costs. This is a recurring cost/concern and one that is not unique to William Paterson (even if these numbers are). Basically, any New Jersey public institution that isn't growing enrollment (annually) to offset inflationary costs and unfunded mandates is essentially shrinking its financial position.

As both a federally designated Minority Serving Institution and Hispanic Serving Institution, some 60 percent of our students identify as minority and 50 percent are first-generation college students. As the national and State data demonstrate, the pandemic hit these populations particularly hard in terms of health and economic impacts, and we've seen the effect in enrollment declines concentrated in these populations at regional publics like ours as well as community colleges, where many William Paterson students start their college careers.

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Additionally, the pandemic demonstrated the critical importance of New Jersey's healthcare providers, and our well-documented nurse shortage, so it's worth noting that William Paterson educates more nurses in New Jersey than anyone except Rutgers, New Brunswick. And we are confident that will change soon.

While the pandemic certainly accelerated and exacerbated our fiscal challenges, these were already looming in the form of long-term demographic trends. Noted higher ed researcher and economist Dr. Nathan Grawe has written about what's being called the "Demographic Cliff", the nationwide decline in high school graduates forecast post-2026. As Grawe and others point out, this decline will impact regions differently. As you know, between 2012 and 2027, the number of New Jersey high school graduates is expected to decline nearly three percent and the northeast is projected to see a nearly 6 percent decline, the largest nationally.

If all politics is local, then so too is much of college enrollment. For example, approximately 56% of public four-year college students attend an institution within an hour's drive of home. Nearly 70% attend within two hours. At William Paterson, that 2-hour radius number includes closer to 95% of our students. So, population booms in Florida or Arizona won't solve enrollment challenges in Northern New Jersey. We all know that New Jersey is historically one of the largest net exporters of college-bound high school graduates to other states. While there is much hand-wringing about the number of students who migrate out of New Jersey for a college education, at William Paterson we are intentional about focusing on our residents who choose to stay in State, and those who cannot afford to leave.

There are further disparities. As the Chronicle of Higher Education and others have reported, the national trend is one of enrollment growth at flagship institutions – which receive more attention and resources – and enrollment decline at regional publics, which the Chronicle calls the "workhorses" of public higher ed. Nationally, enrollment at 78 public flagships rose more than 12% from 2010 to 2021, while enrollment at 396 public regional universities slumped more than 4%.

Regional Publics nationally are being squeezed financially by lower enrollments since they typically receive less state support per student than public flagships. Even when regional publics receive the same or even slightly more support, we must bear in mind that they are charged with serving the most vulnerable populations, including larger proportions of first-generation and lower-income students, who often require more support and resources to be retained and graduate – things like academic and mental health support, help with food, housing, and transportation. For public-college leaders, the result is a catch-22 where both state support and tuition revenue are tied to enrollment. If a public college is kept for years on a lean funding diet, its ability to adapt and meet the changing needs of its diverse students is unavoidably constrained.

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To right-size the university and reset it for growth, we have been working hard with our union partners on both sides of the cost/revenue equation. On the cost side, we have made the tough decisions needed to tackle a sizable structural deficit. **Most significantly, since FY21, William Paterson has eliminated 266 institutional positions – including 94 faculty – to help reduce our budget by \$21 million. Since FY19, we have reduced the University's workforce by more than 25%.** We also eliminated academic programs with low enrollment; consolidated two academic colleges and other academic programs for greater efficiencies; demolished an outdated residence hall to better align residential supply with demand; and permanently reduced non-salary budgets, including cuts to travel, faculty release time for research, and eliminated payment for advisement. All faculty and staff were subjected to equitable work furloughs. **Altogether, we cut our operating budget from more than \$228 million in FY19 to an anticipated \$191 million for FY24 – exclusive of COVID relief funds.**

These cuts have impacted every area of campus operations. All our faculty, staff, and administrators have sacrificed to help stabilize the Institution. Importantly, one of our proudest accomplishments is that, all along, everyone has worked hard to minimize the impacts on our students.

Now, for more forward-looking news, I'll turn to all that we are doing on the revenue side, which for us means primarily growing tuition revenue through increased enrollment and retention. One bold initiative having a tremendous impact is WP Online, our fully online degree and credential platform. In just two-and-a-half years since its launch, we have grown graduate enrollment 14 fold and more than tripled the number of graduate programs offered. Our success has allowed us to expand WP Online and launch new programs to help adults with some college but no degree to complete that degree. Adult degree-completer enrollment increased by 500 students in just one year. We continue to work with the State towards achieving its goals in this area. One example: Every undergraduate program will have a certificate built in to the first 60 credit hours, so even students who need to stop out after that point for whatever reason will still leave with a credential.

For our population of traditional undergraduate, on-campus students, we are in the midst of a major refresh of our branding and identity to better articulate in the marketplace our value proposition, which is built upon our extraordinary commitment to providing students with comprehensive academic, financial, and social support in the name of student success and – most importantly – getting through to graduation and into a rewarding career. Key to this is our new Student Success Team, which combines professional staff advisors, faculty mentors, financial aid advisors, career development professionals, academic support coaches, and others to provide students with 360-degree support. Thanks in part to our marketing this concept, Fall applications are up approximately 15% compared to this time last year, and our yield is holding steady.

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It is in this context that William Paterson humbly makes two requests. First, we politely request that the legislature consider a restitution of the aforementioned **\$7.5M** added to last year's budget **as part of our sustainability plan**. Second, as we and other institutions continue to advocate for ARP and Debt Defeasance funds to be used for facilities, we kindly ask that, for any monies that might be awarded to William Paterson, you please allow us the flexibility to use them to collate existing debt (likely from Debt Defeasance and Prevention Fund).

In closing, I want to clearly state, most importantly, why an investment in William Paterson matters. All the research points to the fact that the bachelor's degree is still the biggest income equalizer America has to offer. The U.S. Census Bureau's Gini Index measures New Jersey's income equality at 0.49 – higher than the national average. The average income per Hispanic household is \$27,932 compared to \$57,661 for those who identify as white. Our career placement data proves that our students – many of whom are minority – graduate into jobs that on average have starting salaries of \$55,000 and mid-career salaries of approximately \$75,000. Our career placement rate is 6% higher on average than regional publics, nationally. These are the graduates who stay in New Jersey, work in New Jersey, raise families in New Jersey, and pay taxes in New Jersey. Educate them, and you increase the tax base, and more importantly change the quality of life for them, their families, and New Jersey communities.

We truly believe that, taken together, these various critical moves, coupled with your support, will tell a hopeful story that is already showing signs of success as we build a better, stronger, more resilient William Paterson University – one that is prepared to adapt to whatever the future brings in order to continue delivering on its fundamental mission to educate the students who are changing the social fabric of New Jersey and the nation.

Thank you for your time and consideration today and thank you for your continued support for New Jersey public higher education.

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**Special Meeting on Higher Education**  
**Testimony from Rider University President Gregory G. Dell'Omo, Ph.D.**  
**March 16, 2023**

Good afternoon. Thank you for the opportunity to testify before you today.

My name is Dr. Gregory Dell'Omo and I have been the president of Rider University since 2015. This is actually in my 18th year as a university president since I was previously president of Robert Morris University in Pittsburgh from 2005 to 2015. I currently serve on the boards of the National Association of Independent Colleges and Universities, the New Jersey Presidents' Council including its Executive Committee, the Independent Colleges and Universities of New Jersey where I am presently the Vice Chair and will be the incoming Chair in July.

But even more importantly, I was born and raised in New Jersey, and received two thirds of my higher education from two New Jersey public universities, Montclair State University and Rutgers University. And now I'm very proud to be leading one of our state's finest independent, non-profit institutions of higher education with a long and impressive history.

Founded in 1865 as Trenton Business College, Rider University, as it would eventually become, was established to train leaders in the post-Civil War economy. In the early years, Rider educated not only veterans returning from the war, but also women, students of color and even international students. While Rider still produces some of today's leading business executives, it has evolved into a mid-size, residential comprehensive university with a diverse campus community and vibrant undergraduate and graduate programs in the arts, sciences, music, fine and performing arts, humanities, education, counseling, and leadership.

Today, Rider's student body is as diverse as the State of New Jersey. Of our over 4,000 total students, forty three percent (43%) are individuals of color. Thirty three percent (33%) of the Class of 2025 are first-generation college students. Forty nine percent (49%) of our STEM majors are underrepresented students. Fifty two percent (52%) of STEM majors identify as female. Thirty four percent (34%) of undergraduate students are eligible for a Pell Grant.

Seventy three percent (73%) of Rider students are from New Jersey, with students enrolled from all 21 counties. We have 1100 total employees, 917 of whom reside in New Jersey, with an annual employee payroll equating to \$73 million in salaries and benefits. The University's 450 full and part time faculty, athletic coaches, trainers and librarians are represented by the American Association of University Professors - the AAUP. And approximately 100 support staff are represented by the American Federation of State, County & Municipal Employees, or AFSCME.

We offer 21 Division I NCAA sports, more than 70 undergraduate and graduate programs, including one doctoral program in Educational Leadership, and boast an impressive network of 62,000 alumni around the globe.

For all of Rider's almost 158 years, the University has always had a remarkable ability to adapt. However, the past five years have undeniably been the most transformative in our long history.

15x

It's no secret that the landscape of higher education is changing rapidly and dramatically. Every day, tuition-dependent, non-profit independent institutions like Rider are grappling with issues related to affordability, enrollment, competition, shrinking state and federal funding, student success and retention, the looming drop in the number of high school graduates, and the growing skepticism among certain parts of our society as to the value of a college education. As if this wasn't enough, a global pandemic exacerbated these existing challenges and created unforeseen new ones.

As you may have seen in *The Star Ledger* recently, nationwide undergraduate enrollment has dropped 8% from 2019 to 2022. This was a clear impact of the pandemic, yet many of these students are not coming back to college, and that should concern us all.

At Rider, we have seen our net tuition, fees and auxiliary revenue decline by 16% since the pandemic, which equates to a \$20.3 million loss to our bottom line. Enrollment alone is down 15%, and auxiliary revenue has dropped by 10%.

You've most likely heard of colleges and universities preparing for the upcoming nationwide enrollment cliff. We anticipate this decline in high school graduates to be particularly impactful in the Northeast. Estimates project a 7% decline of high school graduates in New Jersey alone between now and 2030.

As you know, we have historically seen a large out-migration of New Jersey high school students to other states for college. Today, we're all facing very aggressive efforts from neighboring states, including New York, to recruit New Jersey students to attend their institutions by charging in-state tuition. From New York alone we've seen a decline of 22% in applications this year.

Like all institutions, rising costs for essential operations are also hurting Rider. Post-pandemic, costs for things like electricity, food, medical benefits for our employees and contracted services have all risen by double digits.

But these environmental changes affect more than just Rider. The entire industry is faced with these hurdles, and we must work together to change the paradigm as these problems are simply not just going to go away.

I will be even more direct: The impact of these realities is **UNSUSTAINABLE!**

But know this - at Rider we're not just sitting idly by while these challenges continue to mount. We've taken decisive action to address our own reality with a plan we call Our Path Forward.

Growing enrollment is paramount to our strategy, as 95% of Rider's revenue comes from tuition, room and board. We have not only invested in creating new academic programs to meet market demand and expanded our online offerings, especially in graduate and non-degree programs, but we are continuing to assess every program to determine their appropriate future.

In the past year alone, we have eliminated or archived 25 low enrolled undergraduate and graduate programs and restructured or consolidated a number of other programs, all of which have had minimal impact on faculty, students and staff given the comprehensive approach we have taken. These include better management and allocation of our resources and strategically reducing expenses.

We negotiated and implemented an early retirement incentive program for AAUP members, instituted a voluntary separation plan for non-union employees, eliminated a number of open positions, outsourced non-academic services where appropriate, and continue to closely evaluate every dollar we spend in our operating budget.

To grow revenue, we've focused our fundraising efforts in support of our operations and scholarships for students, while also working to expand our campus facility rentals for camps and conferences, and are seeking to generate other non-tuition revenue sources.

In total, we have reduced expenses by more than \$12 million over the past two years, and as part of Our Path Forward, we created a plan to generate additional revenue and lower operating costs by a combined \$14 million over the next three years.

In addition, when it was no longer feasible to keep the Westminster Choir College of Rider University operating separately on the Princeton campus, Rider relocated the Westminster programs, faculty, staff and students to its Lawrenceville campus in 2020 to preserve its historical mission and join Rider's other nationally recognized performing arts programs. The move eliminated significant duplicative costs of running two fully operational campuses only six miles apart. It is our plan to sell the Princeton campus and reinvest the funds back into the University, however we are involved in protracted litigation over the matter that is preventing the completion of this critically important project.

Like many universities, Rider follows a tuition pricing model that provides substantial discounts through scholarships and financial aid. This model can be challenging for students and families who believe a Rider education may be financially out of reach based solely on the institution's "sticker price."

In October 2020, Rider announced a series of steps intended to strengthen the overall value of a Rider education, including a 22% reduction of annual undergraduate tuition at the time, as well as increasing the robust support for career preparation and academic success. The new initiative, called Lifting Barriers, was designed to help students break through significant obstacles they face in obtaining a college education and a successful career, including understanding the true cost of college and the ability to adapt, both socially and academically, in a college environment and beyond.

At its heart, the Lifting Barriers initiative aims to provide more clarity on the actual cost of a Rider education and address the misconception that a private education is simply out of reach or unaffordable.

For many students, a Rider education is just as affordable, if not more so, than at a public institution in New Jersey. You may be surprised to know that Rider's increase in net tuition and fees, when you factor in increased scholarships and financial aid, continues to be very modest year-over-year, even below the rate of inflation. In fact, over the past 10 years, Rider's average net tuition and fees have only increased by a total of 5% and has actually declined by 4.87% over the last 5 years. This fiscal year we project that the average net tuition and fees will be less than \$20,000 annually, with 30% of our students paying less than \$15,000 per year.

We've worked very hard to make affordability a reality for New Jersey families and will continue to make significant investments in institutional aid and scholarships to ensure Rider remains a high-quality, affordable option.

A Rider education also provides significant value to students beyond a diploma. The core of a Rider education is its Engaged Learning Program. Through the program, undergraduate students are required to participate in real-world learning experiences, such as internships, co-ops, and others, which strengthen their employability and build their skills beyond the classroom.

In 2021, Rider launched its Cranberry Investment program, further deepening its commitment to students' success beyond their time at Rider. The program guarantees an entry-level job or acceptance into graduate or professional school within six months of graduation for students that fulfill their requirements. Should a student not have a job or plans to study at a higher level, we'll provide career coaching and additional coursework free of charge. We believe so much in our institution's ability to educate exceptional future leaders that we're willing to invest in the resources they need to succeed.

We are eager to continue serving New Jersey in vital ways, as our state's educational needs change. We're doing the hard work to stabilize Rider, support our students and the wider New Jersey community, but simply put, we need more time and, and quite frankly, support, to see these challenges through.

It is my sincere hope that the New Jersey legislature will see the value in institutions like Rider and will agree that universities like ours matter to New Jersey. We're important to the landscape of this great state and should have every chance to be part of the higher education landscape for years to come.

I also hope you will keep asking to hear from the leaders of our higher education institutions, just like you did today. It was my pleasure to share this information with you, and I am deeply grateful for your continued attention to the colleges and universities of New Jersey. Thank you.



New Jersey  
Council of  
County Colleges

## JOINT TESTIMONY

of

**Dr. Aaron Fichtner, President, New Jersey Council of County Colleges**  
**Dr. Barbara Gaba, President, Atlantic Cape Community College**  
**Dr. Anthony Iacono, President, County College of Morris**

before the

**New Jersey State Legislature  
Special Meeting on Higher Education**

**March 16, 2023 12:30 PM  
Committee Room 11, 4<sup>th</sup> Floor  
State House Annex, Trenton, NJ**

Thank you, Assemblywoman Jasey, Senator Zwicker, and Members of these Committees for convening this important conversation.

**New Jersey is at a crossroads.** The global, digital, knowledge economy means that a K-12 education isn't enough. New Jersey's economy is evolving towards higher value-added and higher education industries. And employers in the key industries that drive our economy, from health care to technology, report difficulty finding workers with the skills they need.

To compete in the rapidly changing global knowledge economy, and to address persistent and troubling inequality in our state, we must help more New Jerseyans earn postsecondary degrees and credentials that will enable them to have family sustaining jobs and ensure our state's economic future.

Currently sixty percent of our state's adult population has earned a postsecondary credential or degree. We commend the Murphy Administration for committing to the ambitious goal of increasing this percentage to 65% by 2025. To get there, we need to make sure every New Jersey high school student believes they have a clear path to postsecondary education, and that every New Jersey resident who needs or wants to acquire new skills to advance in their careers can do so.

We are in a moment of economic, social, technological, and demographic changes. New Jersey's Community Colleges believe strongly that to meet the moment, New Jersey needs a strategic, entrepreneurial, and equity-focused vision for public higher education and aligned funding from the state to support that vision. Without a strong vision and robust funding, the efforts at ensuring improved outcomes and accountability will be insufficient.

**At a time when other states are making significant investments in public higher education, New Jersey is falling behind.** Community colleges pride themselves on being efficient institutions, used to doing more with less and finding creative solutions to the challenges facing our students and our communities, always balancing the need to provide a high-quality and an affordable education.

When community colleges were founded in New Jersey, the expectation was that one-third of the funding for the colleges would come from the state, one-third from the counties, and the final one-third from tuition.

However, we are far from this original agreement. Currently, approximately half of the funding for community colleges comes from tuition paid by students, supplemented by state and federal financial aid. The state's contribution is only 20 percent.

Community College Opportunity Grant and the Garden State Guarantee are important programs that are expanding access to college for more low-income New Jerseyans. However, New Jersey community college students receive only 13 percent of the state's total investment in financial aid, though we educate over half of public undergraduate students. While financial aid for students is important, it does not take the place of state operational support.

**It is clear by almost any metric that New Jersey invests significantly less in community colleges than almost any other state in the country.** State operating aid for community colleges is critical to their survival. However, state operating aid in New Jersey has increased by only \$15 million over the past 15 years and remains below FY 2008 levels. New Jersey ranks 45<sup>th</sup> of all states in the level of state support for community college operating aid, well behind New York, Pennsylvania, Massachusetts, and Maryland—states that we compete with every day for economic activity.

**Increases in institutional support have been shown in national research to contribute to improvements in student success and attainment.** This is especially important given that our students are disproportionately from marginalized and low-income backgrounds. New Jersey community colleges educate higher shares of Black and Hispanic students than four-year colleges do; 15.6 percent of our community college students are Black, and 27.9 percent are Hispanic. And for many adults who face challenges in their lives, such as those who are justice impacted, limited English speakers, student parents, or refugees, we offer a second chance, or a third or fourth chance, but we can only help them succeed if we can offer the robust academic and personal supports they need.

The consequences of inaction and disinvestment in institutional support for community colleges are grave. Low levels of operating aid support from the state have forced community colleges to charge significant amounts to students for tuition. At a point in time when every state is competing in the talent war, we are a serious disadvantage.

While we work aggressively to keep tuition as low as possible, tuition at community colleges in New Jersey is well above the cost of tuition in other states. Without state investment, tuition will

continue to rise. And colleges will be forced to make difficult decisions about offerings, programs, and the high impact support services students need to be successful.

**The costs for community colleges continue to rise significantly as state operating aid continues to fall behind the needs of colleges.** Inflation has put pressure on all of our higher education institutions. If operating aid for community colleges had kept pace with inflation since 2003, it would total more than \$280 million instead of the \$149 million it is now. Our community colleges also face a special challenge this year in the form of a spike in health care costs, up 15 percent or \$12 million.

For years, community colleges have been resilient, finding ways to deliver high quality and affordable education opportunity to our students and to meet the needs of our local communities.

We will continue to do so, but this moment is different, and we are proactively leading the charge to change the status quo.

**Community colleges are collaborating in strategic, creative, and unprecedented ways in New Jersey.** Through the NJ Council of County Colleges, the 18 community colleges work to jointly approve courses for credit, review and approve general education courses, and support each other by sharing promising practices and ideas. We are partnering with each other and with a wide variety of state agencies and departments and other key stakeholders to help high school students learn about careers and enter college ready to succeed, deliver literacy training to adults, reengage adults with some college credit but no degree, expand apprenticeships, serve individuals with intellectual and development disabilities, partner with industry and unions to meet the needs of the economy, and strengthen our use of data to inform decisions.

Knowing that results matter, in 2021, as a group of 18 community colleges, we developed an innovative funding allocation formula for state operating aid that reinforces our shared priorities of success, access, and equity. The Community College Funding Formula can now assure state leaders that state operating aid funds will go to those community colleges that are expanding access, addressing equity, and committed to student success. Funds are allocated based in part on how many students from underrepresented groups enroll in and complete a community college degree program, how many low-income students enroll in our colleges, how many adult students enroll, and how many students complete a degree or credit certificate.

We are also working together through the New Jersey Pathways to Career Opportunities Initiative with funding in the FY 2022 and FY 2023 state budget. The Pathways Initiative unites industry, labor, and education experts in New Jersey's fastest-growing industries. We are partnering with the New Jersey Business and Industry Association and more than 1,200 business and education partners. We have established 10 Centers of Workforce Innovation, in fields such as Data Science, Renewable Energy and Manufacturing, that have already built 22 career pathways including high school, college, and workplace training and upskilling, with new curriculum and career awareness strategies that can be shared across all the colleges and with high schools and four-year colleges and universities across the state. The Pathways Initiative understands that not everyone has a straight path from school to career and that, given evolving skill needs, many will need on and off-ramps to more education and training throughout their

careers. It is a new and promising way to help our students and working learners while serving our employer communities. And it is incentivizing new models of collaboration and partnership.

**New Jersey community colleges are prepared to lead as we embrace a new reality, but this requires a fundamental shift in how we value and resource higher education in our state.**

We need three things in New Jersey:

**1) A sustained state investment in community colleges**

New Jersey's community colleges are requesting that the state legislature include funding of \$169.1 million in state operating aid for community colleges (an increase of \$20 million from FY 2023) in the state's FY 2024 state budget. This is a small but vital first step.

State operating aid is critical to the ability of our community colleges to provide high-quality, affordable education to New Jerseyans and to help our students—many from marginalized backgrounds and often the first in their families to attend college—succeed.

We also need to create a sustainable funding process that enables operating aid per annum to at the very minimum keep pace with prices.

**2) To truly build a sustainable network of community colleges, we must also embrace new thinking and strategies that will directly address equity gaps and increase attainment of postsecondary degrees and credentials.**

These include:

- a) Ensuring that community colleges are the primary deliverer of dual enrollment to high school students, and that these opportunities are available equitably, which is not currently the case.
- b) Expanding access to noncredit workforce programs by centering the state's workforce development programs and services at community colleges, providing access to high quality training (including apprenticeships and degree apprenticeships) to unemployed and underemployed individuals and better, more strategically, aligning efforts to build an educated and skilled workforce.
- c) Build even stronger alignment between community colleges and four-year colleges and universities. CCOG and Garden State Guarantee provide an opportunity to commit that more New Jerseyans should proudly start their academic journey at a community college and have the opportunity to continue on a pathway to a four-year degree and beyond. The landmark "Lampitt Law" has shown promising results for students who begin at community college and transfer to a four-year college and university, and we look forward to building on this success.

- d) Continuing to embrace greater collaboration among our community colleges building on the 10 Centers of Workforce Innovation established through the New Jersey Pathway to Career Opportunities initiative.

**3) This discussion cannot end today.**

In the coming months, the New Jersey Council of County Colleges will lead a statewide discussion through a series of convenings of how we can all work together to expand economic opportunity, address equity, and build a skilled workforce. We look forward to engaging the entire legislature in this important discussion about the future.

We welcome the opportunity to have this conversation now. Thank you.

**Special Legislative Committee on Higher Education  
Testimony from David Rousseau, Vice President  
Independent Colleges and Universities in New Jersey  
March 16, 2023**

Thank you, Chairman Zwicker and Chairwoman Jasey, and the rest of the Special Committee on Higher Education for providing the opportunity to discuss financial and other issues related to the independent sector of higher education.

You have heard from Bloomfield College and Rider University on specific issues related to their campuses and my remarks will be more general in nature regarding the non-profit independent sector colleges and universities.

As you know, this sector is very diverse with one of the highest ranked institutions in the world to an institution with less than 1,000 students, and many different institutions in between. These institutions, however, are all committed to providing access to students in New Jersey and around the nation and the world.

There is no doubt there are challenges that are facing several of these independent institutions, and of course these challenges and their magnitude differ among institutions. I will be providing more detail on these challenges in general later in my testimony.

I have also provided you with some extensive background tables, charts, and graphics on the independent sector.

**BACKGROUND ON NEW JERSEY NON – PROFIT PUBLIC MISSION INDEPENDENT COLLEGES AND UNIVERSITIES**

New Jersey's fourteen non-profit public mission independent colleges and universities collectively educate approximately 63,000 in-state and out-of-state undergraduate and graduate students and serve approximately 21% of the four-year undergraduate students in the state and 32% of its graduate students. Our colleges and universities are critical in slowing the 'outmigration' of talented New Jersey students by offering more choices to stay in the state. Our colleges and universities provide opportunities for students to find the best academic and social blend to enhance individual learning right here in New Jersey.

Our colleges and universities are fully committed to providing an accessible and affordable education to all New Jersey students. Our demographic diversity, which matches the demographics of the public institutions and our state, reflects our success in achieving these goals.

The overall income, ethnic, racial, and first-generation diversity of our students mirrors and frequently exceeds the overall diversity at the public institutions, reflecting our state's diversity. Many of our independent institutions are among the most diverse in the state with six designated as Minority Serving Institutions. While overall minority enrollment at our member institutions is 35%, undergraduate minority enrollment is even greater at 40%.

The more than \$1 billion in institutional aid that our institutions provide to our students when combined with federal and state financial aid helps make the opportunity of enrolling at one of our institutions more affordable for many low- and middle-income families.

We provide graduates in the key areas of the growing state economy as well as producing much needed educators, nurses and other health care professionals and administrators. A substantial majority of our students remain in the state as taxpayers, thereby further justifying every dollar that the state invests in their education.

Our colleges and universities provide choices to meet the needs of the students – smaller institutions with smaller class sizes and more personal contact, at campus locations in some areas of the state where there are no other four-year institutions and in some instances cultural options for the student.

In fact, our colleges and universities include the only small colleges options available in the state. Eleven of our campuses have an undergraduate enrollment that is smaller than the smallest state institution, eight are less than half that size, and seven are one-third that size. This smaller size results in a faculty-to-student ratio that is 25% less than the public institutions. We all know that some students require a smaller institution to excel. That is especially important for a number of our students during this post-COVID environment that places added stresses on so many of them, including minority, low to middle income and first-generation students.

As to the contributions to the New Jersey economy and communities, our campuses directly employ more than 20,000 people with thousands more working for contractors such as food service, bookstores, and the like across all counties of the State while generating more than \$4 billion of economic activity.

We care deeply about our communities where our campuses are located and strive to be “part of the community” in a variety of ways including opening some campus facilities to the community and providing voluntary contributions to community groups. I encourage each of you to consider visiting our campuses and their towns and cities they serve and support.

New Jersey’s economic engine needs a robust research and innovation ecosystem. With three research institutions and other institutions involved in research and STEM education, our sector is an important component of the research and innovation economy that is so vital to our state. In addition to groundbreaking research, we also confer a larger percentage of science and technology degrees as compared to our overall proportion of higher education enrollment.

## **CHALLENGES FACING INDEPENDENT COLLEGES AND UNIVERSITIES**

New Jersey’s independent colleges and universities, like independent institutions throughout the nation, face many challenges as do many public institutions.

Many of these challenges were facing independent colleges and universities prior to COVID, however COVID and the resulting economic consequences for the nation and world brought about new challenges as well.

Smaller liberal arts independent colleges have been facing challenges for many years due to the reduced number of high school graduates - - which increases competition among these institutions resulting in aggressive price competition among both in-state and out-of-state colleges and universities that directly and adversely impacts the ability of many schools to meet the cost of providing essential educational opportunities and options.

Student enrollment at the fourteen ICUNJ members has decreased from 65,130 in the Fall 2016 to 62,475 in the Fall 2022, a decrease of 4.1%. During this period four institutions have an increase in enrollment ranging from 2.6% to 40.8% while the other ten have decreases ranging from -2.1% to -42.2%. The overall numbers however are skewed by Princeton and Stevens and if they are removed from these totals the decrease in enrollment from 2016 is nearly 12%. For comparative purposes the decrease at the public four-year colleges was only 4%.

Enrollment during this period was impacted by many factors including a lower number of potential students due to demographics and of course the impact of COVID. The reduced enrollment in the Fall of 2020 has a ripple effect since many of these students never enrolled in college in 2021 or 2022 and thus are not now completing their second or third years. Statistics have shown that lower income and first-generation students (those that generally benefit most from attending our smaller schools) were impacted to a greater extent and a disproportionate number of them have not moved on to continue their education.

Data reflects that the impact of a smaller pool of college aged students will peak in the next five or so years and that overall enrollment will continue to decline.

The current strong job market and the national discussion on whether a college degree is necessary or "worth the investment" is also likely to impact enrollment in the future. A student that can make \$25 per-hour in a warehouse may make the short-term decision that college is not worth the financial and time investment. In addition, more and more employers, both public and private, are considering eliminating degree requirements.

"Free public college" programs such as CCOG, GSG and individual campus "promise programs" will also likely have some impact on our already challenged enrollment. These programs are designed to attract students to public institutions, which in some case may not be the best educational and/or cultural fit for the student. In addition, the recently announced program that would provide that certain SUNY institutions will cap out-of-state tuition for New Jersey residents at the Rutgers in-state level may make some of these out-of-state institutions more attractive. This is again another example of how other states in our region have developed programs to enable their colleges and universities to successfully "poach" our New Jersey students. At some point, New Jersey needs to develop some measures to keep more students in state and attract more students from out of state. These measures could include expanding GSG independent institutions that agree to the same requirements placed on public institutions.

A new challenge that has recently arisen, and one that higher education institutions have not been impacted by for a generation, is the high inflation rate that is impacting the costs of goods and services purchased by the colleges. High inflation rates put pressure on current and future salary demands of faculty and staff. The days of flat salaries or low increases are likely behind us for a

at least a few years. In addition, the competition to retain and recruit qualified staff drives up costs as well and some institutions cannot compete and thus have significant positions not filled.

Insider Higher Education recently reported on the College and University Professional Association for Human Resources survey where “57.2% of respondents were somewhat likely (22.3%), likely (12.5%) or very likely (22.4%) to seek work elsewhere within the next year.” Survey findings indicate that 76% of respondents are seeking new work opportunities because they want increased pay, 43%, 32% are seeking flexible work schedules, and another 30% want a promotion or additional work responsibilities.

Colleges are under enormous pressure to keep tuition increases to levels below the inflation rate and cost drivers since many of the lower- and middle-income families we serve are impacted by inflation in their daily lives.

Over the past decade, student mental health has become a major issue and cost driver on campuses and post COVID even more so. All institutions are putting more resources into mental health programs and policies, yet all face a critical shortage of qualified professionals that impacts the overall mental health system, as the supply of these needed counselors and experts increasingly fails to meet the growing demand for them.

We thank the Governor and the Legislature for the \$16 million in grants provided in the FY 2023 budget and awaiting the final approval of our plans to spend these funds. The FY 2023 budget also provided \$10 million in funding to establish a state-wide telehealth network. In addition, there is funding in other areas of the budget that will help to strengthen the underlying mental health infrastructure in the state. There is much more to be done to increase the number of practitioners and our institutions hope to be part of that solution.

COVID has resulted in costs, processes and procedures that will remain in place to some extent and there will be continuing costs.

Most institutions still are not at the pre-COVID occupancy levels for residence halls. The debt service and operating costs of these facilities are the same regardless of 95% occupancy or 75% occupancy. The lower number of students in residence halls also has an impact on revenue generated from meal plans.

Unfunded federal and state mandates also put pressure on institutions, especially smaller institutions with limited staff. These smaller institutions most likely cannot hire additional staff so the workload is put on existing staff and thus some tasks they had been doing will now not be completed.

Compounding each of these challenges has been the impact of the reduced state operating aid to independent colleges and universities over the last 20 years. At the beginning of this century (FY 2001) aid to independent institutions was \$25.2 million. At the end of the Corzine Administration (FY 2010) funding was down to \$16.5 million and then in FY 2011 the entire aid was eliminated in the Christie Administration’s first budget. No aid was provided in FY 2011 through FY2013 and then \$1 million (shared by fourteen institutions) was provided from FY 2014 to FY 2019 except for \$1.5 million in FY 2016. Since FY 2017 funding has increased to \$2 million in FY

2020, \$3 million in FY 2021, \$7 million in FY 2022, \$10.5 million in FY 2023 and a proposed \$12.5 million in FY 2024. These increases are appreciated but still fall short of restoring to previous levels and meeting the statutory funding level of approximately \$23 million.

Even with all these challenges, collectively New Jersey's independent colleges and universities are meeting the challenges and adapting to the new reality.

Maintaining the future financial stability and viability of independent higher education institutions in New Jersey provides thirteen more options for students to stay in the state; especially those from lower and middle income families that may need to commute to campus because they cannot afford the added cost of residence halls and dining.

An independent higher education sector also provides the jobs that the state needs to keep our K-12 school system #1 in the country, staff our health care institutions and provide other jobs that we need to keep the economy moving forward.

The cost to the state to increase capacity if a number of independent institutions no longer were operating would be substantial. In FY 2021, the state provided \$12,600 per student (operating aid and special appropriations, fringe support, student aid) at public four-year institutions while providing only \$2,700 per student at independent institutions (operating aid, special appropriations, student aid). While our institutions recognize the value of supporting the state's public institutions and are not proposing reductions in that support, we do believe that an increased investment is necessary for our institutions to continue to serve the students and state in both the short and long term.

#### **SPECIFIC TRENDS AND COST DRIVERS OF INSTITUTIONAL OPERATIONS, REVENUE STREAMS AND OPPORTUNITIES, AND THE IMPACT OF CURRENT FUNDING POLICIES, INCLUDING ANY FUNDING FORMULAS**

##### **State funding for independent colleges and universities**

The state provides direct funding to independent colleges and universities through operating aid and special appropriations to specific institutions. In FY 2023, the state provided \$10.5 million in operating aid through the statutory formula and provided \$35 million in special appropriations to specific institutions. For FY 2024 the Governor has proposed \$12.5 million in operating aid and has maintained \$8.4 million in special appropriations to specific institutions. For comparative purposes the Governor has proposed over \$2 billion in support for public four-year institutions.

Unlike the general operating aid for public four-year institutions, there is actually a formula to determine the amount of funding and the allocation of the funding for the independent colleges and universities. Full funding of the formula would provide approximately \$23 million; however with the significant decrease in non-research public institutions the formula base may need to be adjusted to more accurately reflect the state funding of public institutions.

Operating aid is provided under the Independent Colleges and University Aid Act which was established in 1972 and was revised in 1979 to the current formula. This Act provides unrestricted direct state support to eligible independent institutions in order to maintain and improve the quality

of academic programs at these colleges and universities based upon the number of New Jersey undergraduate students enrolled and the number of New Jersey undergraduate students who received state or institutional financial aid.

The Act stipulates that the total funding of this program is based on the number of full-time equivalent (FTE) New Jersey undergraduates enrolled during the pre-budget year at eligible independent institutions multiplied by 25% of direct per student state support in the state colleges during the pre-budget year. For the current year (FY 2023) full funding of the formula would be approximately \$23 million to \$24 million.

Since 1983, this formula has not been fully funded and thus the amount per institution is pro-rated based on the funding level. From FY 2011 through FY 2020 the formula was funded at less than 10% with three years of no funding provided.

The amount appropriated by the Legislature is allocated according to the following formula as detailed in statute:

- 10% of the total is divided equally among the eligible institutions.
- 55% of the total is allocated based upon each institution's number of full-time equivalent (FTE) New Jersey undergraduate students enrolled in the previous academic year.
- 35% of the total is allocated based on each institution's number of enrolled New Jersey undergraduate residents who received State financial aid, or who received \$1,000 or more of aid administered by the institution during the previous academic year.

Attached is an explanation of the formula, a history since FY 1983, a graphic with funding since FY 2006, and a table with the institution allocations from FY 2001, FY 2010, and FY 2023.

The state also provides financial aid to students that attend independent colleges and universities primarily from the Tuition Aid Grant Program (TAG). Students also receive funding from the Educational Opportunity Program (EOF), NJ STARS II and Governor Urban Scholars (GUS). In addition, institutions receive "support services" funding under the EOF program.

Funding from these programs in which the "funding follows the student" totals \$117 million and is clearly the most the state support for independent colleges and universities. More than 95% of the student financial aid is provided through the TAG program which was initially created to support students at independent colleges and universities.

The table below reflects the amount provided from each of these programs and the number of students impacted.

Program	Students	Amount
TAG	12,120	\$111,908,555
EOF	1,955	\$4,869,225
STARS II	88	\$201,250
GUS	17	\$17,000
NJ BEST	83	\$215,000
		\$117,211,030

## Revenue Streams

Like most independent higher education institutions in the nation, New Jersey independent colleges and universities are primarily funded by student tuition and fees and housing and meal plan revenue. Excluding Princeton, nearly 85% of the nearly \$1.5 billion in revenues collected in the 2018-2019 academic year by the other thirteen institutions were generated by student related revenue from tuition and fees and housing and meal plan revenue.

Excluding Princeton, none of the state's independent institutions have large endowments that some erroneously assume are the norm for independent institutions. Only two have endowments of over \$250 million and four of the remaining thirteen institutions have endowments of below \$20 million while another has slightly less than \$25 million. The remaining institutions range from \$40 million to \$141 million.

## Cost Drivers of Institutional Operations

As with all higher education institutions, employee related salary and benefit costs represent the vast majority of costs on each campus. Overall costs associated with students such as instruction, academic support, and student services account for two-thirds of the costs and if auxiliary expenses related to housing and food services are included it reaches three-quarters of the costs.

Based on 2018 data, below are cost categories for the thirteen independent colleges and universities, excluding Princeton.

Category	\$ Amount	%
Instruction	\$494,425,410	34.0%
Research	\$35,762,146	2.5%
Public Service	\$7,441,200	0.5%
Academic Support	\$202,175,843	13.9%
Student Services	\$243,130,062	16.7%
Institutional Support	\$288,718,545	19.9%
Auxiliary Enterprises	\$174,820,347	12.0%
Functional Expenses	\$5,944,437	0.4%
	\$1,452,417,990	100.0%

Another significant cost driver for independent institutions is the institutional aid that is provided to students to reduce the "sticker price" to provide an affordable and competitive cost. For institutions other than Princeton, this institutional aid is considered lost revenue since it is not funded by endowments or other sources.

## POTENTIAL ACQUISITIONS OR MERGERS AMONG INSTITUTIONS OF HIGHER EDUCATION

Of course, you are all aware of the merger of Bloomfield College, currently one of the 14 ICUNJ members, with Montclair State University. I understand the committee will be hearing directly from Bloomfield and possibly Montclair on the issues that lead to the merger and the merged entity that will begin to operate in July 2023.

## FINANCING INFRASTRUCTURE NEEDS

One of the key challenges facing schools in today's highly and increasingly competitive environment is the need to enhance their infrastructure. Colleges and universities across the country are compelled to build or renovate existing facilities, as part of what has been referred to as the 'arms race', for better dorms, cafes, classroom, and athletic facilities than their competition. For example, a new rock climbing wall in the student center or a 'state of the art' fitness center can be the shiny objects that attracts a potential student. Rightly or wrongly, many high school students, and their parents, focus on these structures and enhancements in making school choices. Our schools are not immune from this reality.

Institutions fund their infrastructure needs through a variety of sources – 1) capital campaign fundraising and donor support; 2) tuition and fee revenue; and 3) state programs.

The vast majority of infrastructure funding for independent colleges and universities are funded through capital campaigns and donor support as well as tuition and fee revenue. Due to the pressure to keep tuition and fees affordable and competitive, our institutions are compelled to focus on targeted capital campaigns and thus other campus needs such as ongoing maintenance are often less of a priority since donors prefer new construction.

New Jersey has provided limited financial support for capital at independent colleges and universities and historically the allocation does not even remotely represent the proportion of the sectors students as compared to other sectors. For example, for the programs from the bond issue and related EFA grant programs, independent colleges and universities have received 8% to 10% of the available funding. For those programs two- and four-year colleges are eligible for the percent of students attending independent institutions is historically 15% to 18% and for those that are limited to only four year institutions the percent is in the 20% to 22% range. A table with the allocations of state bond funds is attached.

One president once noted that "Public College A built a building with state bond funds, while his institution could barely replace windows."

As you know, in November 2021, Governor Murphy announced that the state would be providing \$400 million in capital grants. OSHE and EFA are currently reviewing over \$1.2 billion in projects and it is our hope the allocation to the independent institutions will be representative of the proportion of students attending independent institutions. We would also urge this Committee to recommend to OSHE and EFA that when approving the current applications that they increase the amount to \$600 million since that is the amount that EFA has available. Using these available funds would allow more projects to be funded across all colleges and universities in the state.

We would also request that funding from remaining federal funds as well as state funds from the Debt Defeasance and Avoidance Fund be allocated for higher education capital on a competitive basis and that the independent colleges and universities receive a fair share.

### **Conclusion**

Thank you for the opportunity to provide information on the state's non-profit independent colleges and universities and the importance of these institutions to the overall higher education community as well as the state.

In reference to accountability that has also been discussed at this hearing. Please be assured that the independent colleges and universities are cognizant of the responsibility to students and to the taxpayers for federal and state funds.

Our colleges file numerous financial reports with federal and state government and accrediting agencies and any time an institution borrows funds the various ratings agencies will comment on the fiscal status of the institution.

In 2020, this legislature and the Governor enacted a law that requires independent institutions to file annual financial reports to OSHE in addition to the other required filings. The first of these reports were filed in late January. In addition, the law added a requirement for an institution to notify OSHE of imminent closure. These added requirements were enacted PRIOR to the Fall 2021 announcement from Bloomfield College that an influx of revenue or a merger was necessary.

Again thank you for the opportunity and I am available for questions now and in the future.

New Jersey State Legislature Senate and Assembly Joint Higher Education Committee

Special Meeting March 16, 2023

Testimony of Dr. Nancy Cantor, Chancellor Rutgers University—Newark

Ms. Chairwoman, Mr. Chairman, and members of the Joint Assembly and Senate Higher Education Committees, I appreciate the opportunity to provide written testimony to you today. A few months ago, I came before the Assembly Higher Education Committee and talked about how Rutgers-Newark serves New Jersey and the world as a public good by strategically investing to promote social mobility, producing high-impact scholarship and publicly-engaged curricula, and fostering cross-sector collaborations and partnerships as an anchor institution committed to equitable growth in our home community of Newark, New Jersey. I want to focus today's testimony on the essential role of higher educational opportunity, access, and affordability in creating social mobility.

The conversation on social mobility and affordability is timely given repeated public opinion polls that speak to growing skepticism about the value of higher education relative to its cost and the disparate impact of education debt on BIPOC and low-income communities, and at a time when the wealth gap is escalating with more families and whole communities feeling left on the sidelines of opportunity. We have our eyes laser-focused on cultivating more of the fast-growing talent pool, especially through our home city of Newark—a majority Black and Brown city where the college-going rate has traditionally never scratched the surface of generations of talent, and our home state of New Jersey—one of the most diverse states in the country, yet also the home of the sixth most segregated public schools by race and class in the country.

Accordingly, our expansive talent search centers on the affordability and student debt challenge in our country and puts Rutgers-Newark (and all of Rutgers) out front with our RUN to the TOP last-in financial aid program, which we started in 2016 for residents of Newark with adjusted family incomes of \$60,000 or less and any New Jersey County College associate degree transfers with similar family incomes. We have now expanded it to keep college affordable for transfer students with family incomes up to \$100,000 in line with the State's Garden State Guarantee program. Building on the additional coverage provided by the Garden State Guarantee (GSG), this past fall 2022 we expanded our RUN to the TOP coverage up to the \$100,000 scale for a much wider range of full-time and now part-time first- and second-year Newark/Greater Newark students, and also to include part-time transfer students not otherwise covered under the GSG. Collectively, the much-expanded RUN to the TOP Program and the Garden State Guarantee should strongly boost our talent search and our investments in creating social mobility locally and statewide. We already know that the original RUN to the TOP Program has helped us increase our undergraduate enrollment from Newark by 43% since its launch. We expect to be able to further expand our reach in the coming years.

Like many of our peer institutions, we experienced a drop in undergraduate enrollment during the pandemic years (from 9,319 in 2019 to 7,511 in 2022), especially in transfer students (from 1,217 in

2019 to 714 in 2022). Yet, to put the pandemic-era downturn in some perspective, before the pandemic hit, we had been on a very strong upward trend, and even now, our undergraduate enrollment has increased by 4.1% from 2013-2022, with increases in first generation students of 31.3%, Pell-Eligible students by 7.6%, Latin students by 53%, and Black students by 13% in that period. We have maintained our status as a federally-designated Hispanic-Serving, Asian, and Native American Pacific Islander-Serving, and Minority-Serving Institution, and our national rankings on social mobility (#6 by Washington Monthly and #7 by US News & World Report). There is work to do to push back on the pandemic-era downturns and especially, to re-energize our transfer population and to reach even more of those students with some credits but no degrees, which we are doing with a re-enrollment program that has brought 389 students to Rutgers-Newark over this last year who have some credits but no degree from our institution. We remain steadfast in our commitments to make it feasible, accessible, and affordable for the ever-more-diverse talent pool to continue learning and contributing at Rutgers Newark.

The support from the legislature has been critical for Rutgers-Newark especially given our mission is explicitly focused on the opportunity for, and success of, our diverse student population and our deep commitment to contributing to equitable growth in diverse urban centers like Newark and throughout NJ; your support for so many college affordability programs is essential to our work. Indeed, continued legislative support, as you have given, enables our commitment to college affordability, to addressing the student debt crisis, and restoring pathways for degree completion. It is vital that we be able to build on the foundation of the GSG by expanding our coverage for students with adjusted family incomes of up to \$100,000, to include first- and second-year students, part-time first-year and transfer students, and coverage of summer and winter terms for students from Newark/Greater Newark – these students represent a critical commitment to fostering social mobility for our future talent pool.

We at Rutgers-Newark recognize the critical contributions of the diverse next generation to the workforce, to community stability and growth, to innovation, especially as we face national debates and looming court decisions on a path to citizenship for Dreamers, on affirmative action, on educational debt relief, on increasing Pell Grant Aid to meet college affordability crisis, and on bolstering the social safety net more generally, all of which undergird the ability of our talent pool to fulfill their promise.

TESTIMONY OF PRESIDENT JONATHAN GS KOPPELL  
TO THE SPECIAL MEETING ON HIGHER EDUCATION  
MARCH 16, 2023

Montclair State University has demonstrated that it can broaden access to affordable and high-quality university education for all New Jersey's residents – in particular, those from underserved communities – while simultaneously emerging as a dynamic, community-engaged research university. In doing so, Montclair State University has transformed itself into a 22,000 student, nationally ranked, majority-minority institution that removes the structural and hidden barriers that inhibit the success of first-generation college students. The results are plain to see: the second largest University in New Jersey, designation as an R2 public research university, top 20 national rankings in student social mobility and graduation outcomes, and steadily increasing enrollments (expanding the state's largest Hispanic-Serving Institution). Montclair State University is fulfilling its role as a public-serving institution, building a stronger workforce and society through academic access and excellence.

This transformation did not occur overnight. Montclair has prudently and steadily invested in its people and infrastructure to build the university you see today. We generated demand by developing high-quality programs in areas of great need, at a level of quality consistent with a reputation earned over decades. Once our resources could no longer meet the students' needs, we built capacity through the addition of faculty, staff and campus infrastructure. This has been an ongoing cycle for the past 30 years. It is a deliberate, strategic approach that emphasizes careful attention to the needs of our students. That includes keeping our tuition affordable, even in an environment of escalating costs. We have been careful stewards of the investments made in Montclair State University – by the people of New Jersey and our students.

As a result, *Money* magazine ranked the University among the nation's "Best Colleges for Your Money" in 2022. Indeed, when *Washington Monthly's* 2022 College Guide named us one of a few New Jersey universities in the top 100 nationally, it cited Montclair as one of "America's Best Bang for the Buck Colleges." Among New Jersey four-year colleges and universities, Montclair has 20% fewer employees per student and manages costs to \$73,000 per undergraduate degree as opposed to the sector average of \$105,000. Montclair State University is a stunning New Jersey success story with an unparalleled ROI.

Student success is the bedrock of everything we do. Our students, who come from varied socio-economic backgrounds, earn degrees. Indeed, Montclair grants more degrees to Pell recipients and underrepresented minority students than all but one New Jersey institutions. And not only do Montclair students graduate, they exceed expectations. Montclair is recognized as a national leader in the extent to which our students graduate at higher rates than their statistical profile would predict. Twenty percentage points higher. When people make assumptions about the potential of students based on their "profile," we take it personally. And when institutions like Montclair – committed to serving a diverse, majority-minority student body that is more than 40% first-generation college students – are dismissed, we simply prove that inclusion and excellence go hand in hand.

Prospective students have taken notice. We have had consecutive years of record number of applications and record first year classes. Montclair received over 20,000 student applications for the first time in the fall 2021 cycle and saw a 12% increase in applications this past year. The level of academic

preparation of our incoming students continues to grow as well. The average GPA of an accepted first year student for the fall 2022 term was 3.36, an all-time high for Montclair.

To be clear, they are drawn not just by affordability but by the quality of our programs. Among many examples: our online master's degree in Educational Leadership is ranked No. 1 in New Jersey and No. 10 in the nation by *U.S. News & World Report*; our Theatre and Dance program draws students from across the country and has launched the careers of many Hollywood and Broadway mainstays; our School of Communication and Media faculty includes Pulitzer and Emmy award winning professionals with decades of experience in the news and film industries; students in our Feliciano School of Business are highly sought after by New Jersey's top employers; faculty in our College of Science and Mathematics involve their students in research that seeks solutions to problems relevant to New Jersey, including developing new molecules that may help treat Alzheimer's disease, understanding the economics of clean energy and solving the problem of toxic algae in the state's freshwater lakes; and our Global Center on Human Trafficking creates opportunities for our students to help fight an insidious crime that directly impacts the Garden State.

The University's reputation as a research institution is growing rapidly, and the leading higher education rankings are taking notice. Montclair received two top-100 rankings in *U.S. News & World Report's* 2022 "Best Global Universities" rankings: No. 7 in the world in "Normalized Citation Impact" (the average number of times a research paper is cited in other works – a key metric of research impact) and No. 93 in the percentage of papers that are among the top 1% of all papers cited in their respective fields.

In a relatively short period, we have become an emerging research powerhouse. However, we could be doing more if we had the financial capacity to expand our research facilities. A new interdisciplinary science facility would allow Montclair to draw in more federal research dollars, move toward an R1 designation, and grow enrollment in the sciences, thereby continuing to provide a sustainable – and diverse – STEM workforce for the state. Montclair would build on our four-fold increase in external grants the last five years – we project a similar fourfold increase in grants to the University over a 10-year period – and could house 10,000 GSF of space for externally funded scientific partners, thereby reducing the shortage of research labs in the northern New Jersey area. These are the types of investments in future economic viability New Jersey should be considering to broaden the R&D foundation that will make the state grow.

Our commitment to serve the public interest animates everything we do. There is no limit to the possibilities when a robust research university looks outward and asks how can we intertwine learning, teaching and service in ways that contribute to the well-being of all New Jerseyans. Montclair has amplified its efforts to advance the communities we serve. For example, consider our work in Paterson, where the University recently secured a gift from an alumnus that will be invested in the revitalization of Paterson's Hinchliffe Stadium, helping it become a platform for lifelong learning and community pride, and a grant from the Geraldine R. Dodge Foundation that will help to incubate a place-based initiative to offer integrated services and hope in the city's most challenged neighborhood. As another example, with an investment from our partners at the Volcker Alliance, we launched our Next Generation Service Corps, an innovative undergraduate academic program that prepares Montclair students for lifetimes of service and problem-solving, and expands public service opportunities for all students. Other ongoing public-serving programs include: The Red Hawks Rising Teacher Academy program in Newark, the Montclair State University Network for Educational Renewal, the New Jersey Center for Water Science and Technology, Green Teams challenge, through which teams of students address environmental challenges posed by local businesses, the Center for Autism and Early Childhood Mental Health, and Montclair State's AmeriCorps Education, Environment and Community Outreach (EECO) program which places thousands of students, faculty, staff and alumni as volunteers across the region. Our new Community

Action Nexus will serve as a connection hub between communities and the University, in order to address community needs, and provide students with real-life learning experiences.

Montclair State University's commitment to the State of New Jersey simply does not end at the campus door as evidenced by one of the most significant undertakings in the University's history, the merger of Bloomfield College into Montclair State University, something that was made possible by our healthy financial position.

Bloomfield College, the only predominantly Black four-year institution in the State of New Jersey, would have closed its doors in June 2023 had not Montclair State University pledged financial support for the 2022-2023 academic year. Montclair State University has now committed to creating a differentiated small college experience focused on meeting the distinctive needs of a population that is often poorly served by higher education while drawing power from a public research university. While this effort has not been without significant costs, Montclair believes it to be a wise investment in New Jersey's future and a step toward creating a new type of university that finds success through collaboration and partnership. We appreciate the state's support for this effort, which has been and will continue to be essential.

Montclair State University does not take the future for granted. Higher education is changing rapidly and Montclair will be an instigator and an innovator, not merely a responder. We will be ready to serve our students wherever and however they choose to learn even as that requires our own adaptability. With the flexibility and resources required to succeed, Montclair will build a new model of a public service university that advances New Jersey by developing the human capital and innovative ideas which will allow all of us to soar like red hawks.

Testimony in Opposition of A-4639  
Respectfully submitted by: Paula White  
Executive Director, JerseyCAN

Hello and good day to Chairwoman Lampitt, Vice Chairwoman Jasey and to all of the Assembly Education committee members here today. I am Paula White, executive director of JerseyCAN. As the mission-bearer of our non-profit organization, I am called to support initiatives that advance access for all students to receive a high-quality education in the state of New Jersey. To that end, I am delivering testimony on Bill A-4639, whose passage I believe would be a detriment to our state's most underserved students and thus to our organization's aims.

Everyone in our state knows that New Jersey is consistently ranked as the #1 or #2 state in the United States of America when it comes to education. That is due, in part, to the standards that we set and the valiant efforts we take to meet them. The same is true for Massachusetts, our most accomplished peer. In Massachusetts, there are both local and state requirements for high school graduation. In this way, local communities maintain a level of autonomy to define what it means to be a graduate of their school district without disrupting the state's obligation to communicate in a uniform manner what high school competency looks like in our state. Simply put, we can and arguably should allow local districts to customize their graduation requirements but we can and should do so without sacrificing a statewide standard. Having worked with many districts across the state when I served as the chief school improvement officer for the New Jersey Department of Education, I know that districts look to regulatory bodies to guide their efforts to serve students best. With membership in organizations like the Council of Chief State School Officers (CCSSO), we have more knowledge of the job marketplace beyond high school than individual districts and it is incumbent upon state leaders to meet - not shirk - their responsibility to set a standard, support local districts to meet it, and provide a viable option for students to be successful if they do not meet those baseline requirements set for graduation. And let's be clear,

this should be done in ways that support students further growth. To return to the Massachusetts example for graduation requirements, if students score within a lower range of the state's 10th grade MCAS tests in ELA and Math than the benchmark passing score, schools must create an educational proficiency plan that provides those students and their families with a review of the students weaknesses and includes students class-based assessment results and teacher input. This is therefore not punitive nor reductive, but more holistic and instructive for where to go next for supporting that student. A similar approach in our state would, as the new phrase goes, "feed two birds with one seed".

I've heard the talking points - grades matter more than test scores. That is true, but only to a point. If the driving test only provides a grade on driving in a straight line to the curb it will not and cannot speak to the driver's competence to parallel park or reverse. So grades matter, but a standardized way to measure proficiency establishes that we know what is used to determine a grade and how. Another valid point raised by those who support this bill is that instructional time is siphoned away from students to take tests. This can be true but only if we make it so. We should be doing assessment audits to balance this, and we should be thinking about length of tests, adaptive technologies and the like. We don't discard things wholesale that have value, we use our professional expertise to tweak them. We also hear that graduations tests can be duplicative, speaking again to the point of over testing. Well they can be but they need not be. We are Lastly, we hear time and time again about the anxiety tests produce. Well, as an educator I know that we set the tone by framing the moment. We can make sure that we make the anxiety elevator go down, not up, by using what we know about mental health to support our students. This will help them to navigate the tests they will later take to become the accountants, plumbers, doctors, lawyers, and estheticians and other professionals our society needs.

JerseyCAN, and certainly I as the other of three high school graduates understand that the eleventh grade year is chock full of high-stakes decisions as students prepare to apply to the colleges of their choice and/or make other decisions about their future. Senator Ruiz (S-50) and Assemblywoman Lampitt (A-4364) rightfully proposed according the state flexibility for assessment delivery, which is something we support.

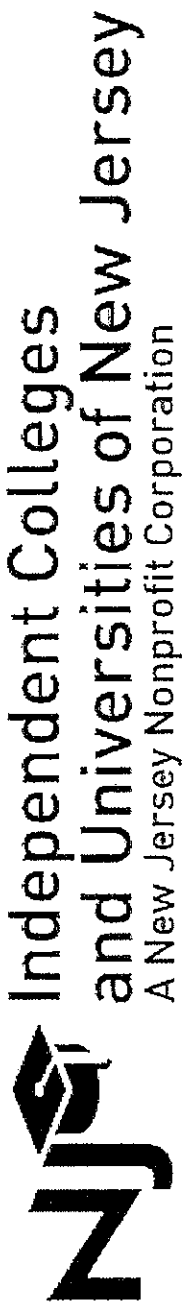
In this, Women's History Month, I am reminded of the words of my heroine, Mary McLeod Bethune who once said, "Power, intelligently directed, can lead to more freedom." This body has the power to regulate the parameters of the high school graduation requirement in New Jersey. The manner in which this is done will help to determine how well our students are equipped for life beyond high school, and thus how much freedom they ultimately have to pursue their dreams. I implore you to use that power wisely as you so often have for the myriad of issues upon which you must decide. Please help our students to know what competency looks like by maintaining a state-set standard so that our systems of support can help them meet that standard and become competent and poised to lead fulfilling, self-actualized lives. Lives that they decide on, instead of having decisions made for them because of academic deficits they take with them to college or the workforce that we hid from them and offered no way to fix.

Thank you.

# ALLOCATION OF STATE BOND PROGRAMS

	Building Our Future		Capital Improvement Fund				Equipment Leasing Fund				Higher Education Facilities Trust		Higher Education Technology Infrastructure		Total, All
	BOF, 2013	BOF, 2016	CIF, 1999	CIF, 2013	CIF, 2016	ELF, 1993	ELF, 2000	ELF, 2013	HEFT, 1993	HEFT, 2013	HEFT, 1993	HEFT, 2013	HEFT, 1997	HEFT, 2013	Amount
Bloomfield College	\$2,200,000	---	\$2,413,463	---	\$1,000,000	\$646,153	\$578,848	---	\$1,244,443	---	\$287,382	\$317,500	\$287,382	\$317,500	\$8,687,789
Caldwell University	\$1,684,272	\$920,520	\$2,293,879	\$1,990,433	---	\$861,538	\$612,848	---	\$777,778	---	\$281,937	\$171,477	\$281,937	\$171,477	\$9,594,682
Centenary University	\$2,105,000	---	\$1,728,633	---	\$38,295	\$592,308	\$474,327	\$125,000	\$1,037,037	---	\$252,243	\$37,000	\$252,243	\$37,000	\$6,389,843
College of Saint Elizabeth	\$1,990,366	---	\$2,270,355	---	\$350,000	\$592,308	\$578,848	---	\$1,037,037	---	\$252,243	\$401,500	\$252,243	\$401,500	\$7,472,657
Drew University	\$2,094,000	---	\$2,609,502	\$3,202,615	\$1,000,000	\$646,154	\$654,417	\$703,754	\$1,555,556	\$759,240	\$323,022	\$51,500	\$323,022	\$51,500	\$13,599,760
Fairleigh Dickinson University	\$8,772,000	---	\$6,704,743	\$582,000	\$2,854,095	\$942,308	\$1,526,846	---	\$2,385,185	---	\$481,917	\$806,188	\$481,917	\$806,188	\$25,055,282
Pellican University	\$2,450,000	---	\$1,858,019	\$1,000,000	\$500,000	\$807,692	\$521,342	\$550,000	\$777,778	---	\$270,057	\$375,000	\$270,057	\$375,000	\$9,109,888
Georgian Court University	\$2,753,946	---	\$2,635,641	---	\$568,133	\$861,538	\$659,863	\$686,040	\$777,778	\$5,000,000	\$281,937	---	\$281,937	---	\$14,224,876
Monmouth University	---	\$1,815,500	\$4,587,539	---	\$3,184,500	\$915,385	\$1,058,956	---	\$1,814,815	---	\$411,627	---	\$411,627	---	\$13,788,322
Princeton University	---	---	\$4,129,220	\$6,452,500	---	---	---	---	\$2,074,074	---	\$438,357	---	\$438,357	---	\$13,094,151
Rider University	\$4,200,000	---	\$4,418,292	---	\$1,000,000	\$915,385	\$1,048,597	---	\$2,074,074	---	\$440,832	\$355,000	\$440,832	\$355,000	\$14,452,180
Saint Peter's University	\$2,766,000	---	\$3,516,511	---	\$1,000,000	\$861,538	\$774,070	---	\$1,555,556	---	\$370,047	---	\$370,047	---	\$10,843,730
Seton Hall University	\$6,336,000	---	\$7,611,751	\$2,180,000	\$1,500,000	\$942,308	\$1,679,312	\$1,511,931	\$2,074,074	\$1,200,000	\$446,772	\$485,601	\$446,772	\$485,601	\$25,967,749
Stevens Institute of Technology	---	\$1,815,500	\$3,222,452	---	\$17,434,500	\$915,385	\$831,718	\$4,500,000	\$1,814,815	\$750,000	\$411,627	\$2,000,000	\$411,627	\$2,000,000	\$33,695,997
Total	\$37,351,584	\$4,551,520	\$50,000,000	\$15,407,548	\$30,429,523	\$10,500,000	\$11,000,000	\$8,076,725	\$21,000,000	\$7,709,240	\$4,950,000	\$5,000,766	\$4,950,000	\$5,000,766	\$205,976,906
% of Total	5.1%	13.3%	9.1%	9.3%	20.8%	10.5%	11.0%	8.0%	9.5%	3.5%	9.0%	13.0%	9.0%	13.0%	8.4%
Sr. Research Institutions	\$299,886,484	\$113,516	\$325,000,000	\$127,300,000	\$50,986,484	\$36,000,000	\$38,000,000	\$51,613,977	\$92,000,000	\$126,030,705	\$14,850,000	\$6,375,524	\$14,850,000	\$6,375,524	\$1,160,056,690
% of Total	41.2%	0.3%	59.1%	77.0%	34.9%	36.0%	38.0%	51.0%	41.8%	57.3%	27.0%	16.5%	27.0%	16.5%	47.5%
State Colleges & Universities	\$244,714,362	\$2,785,638	\$175,000,000	\$22,610,000	\$64,663,993	\$24,000,000	\$25,200,000	\$23,659,271	\$48,000,000	\$57,412,000	\$12,600,000	\$13,709,289	\$12,600,000	\$13,709,289	\$714,354,553
% of Total	33.6%	8.1%	31.8%	13.7%	44.3%	24.0%	25.2%	23.4%	21.8%	26.1%	22.9%	35.6%	22.9%	35.6%	29.1%
County Colleges	\$135,767,126	\$26,881,874	---	---	---	\$22,000,000	\$23,800,000	\$17,916,920	\$4,000,000	\$28,825,219	\$12,600,000	\$12,827,599	\$12,600,000	\$12,827,599	\$324,618,738
% of Total	18.6%	70.3%	---	---	---	22.0%	23.8%	17.7%	20.0%	13.1%	22.9%	33.3%	22.9%	33.3%	13.2%
Other Independents	\$10,635,747	---	---	---	---	\$7,500,000	\$2,000,000	\$0	\$15,000,000	---	\$10,000,000	\$645,323	\$10,000,000	\$645,323	\$45,781,070
% of Total	1.5%	---	---	---	---	7.5%	2.0%	0.0%	6.8%	---	18.2%	1.7%	18.2%	1.7%	1.9%
Program Total	\$728,355,303	\$34,332,548	\$550,000,000	\$165,317,548	\$145,980,000	\$100,000,000	\$100,000,000	\$101,266,893	\$220,000,000	\$219,977,164	\$55,000,000	\$38,558,501	\$55,000,000	\$38,558,501	\$2,450,787,957

Allocations based on each institution's designated sector at the time of disbursement.



# **Background Information**

## **March 2023**

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## **ICUNJ's 14 non-profit, independent colleges and universities are an important, strategic asset within the State's higher education system**

- Provide fourteen additional options for students to CHOOSE college or university setting that best fits their needs – size, location, culture, program offerings, etc.
- Offer additional opportunities for students to continue education in New Jersey rather than leaving
- Serve diverse racial, ethnic and economic populations that match public sector and state's diverse demographics
- Provide high quality undergraduate and graduate education in wide variety of disciplines to meet workforce demands

## **ICUNJ's 14 non-profit, independent colleges and universities are an important, strategic asset within the State's higher education system**

- Provide opportunities for valuable and important research that will help support the State's economic growth
- Attract out-of-state and international students to offset out-migration
- Results with limited taxpayer funding – approximately \$130 million with over 90% directly to students through financial aid programs
- Economic impact of between \$4 billion and \$4.5 billion– \$27 or \$30 to \$1 return on state investment

44x

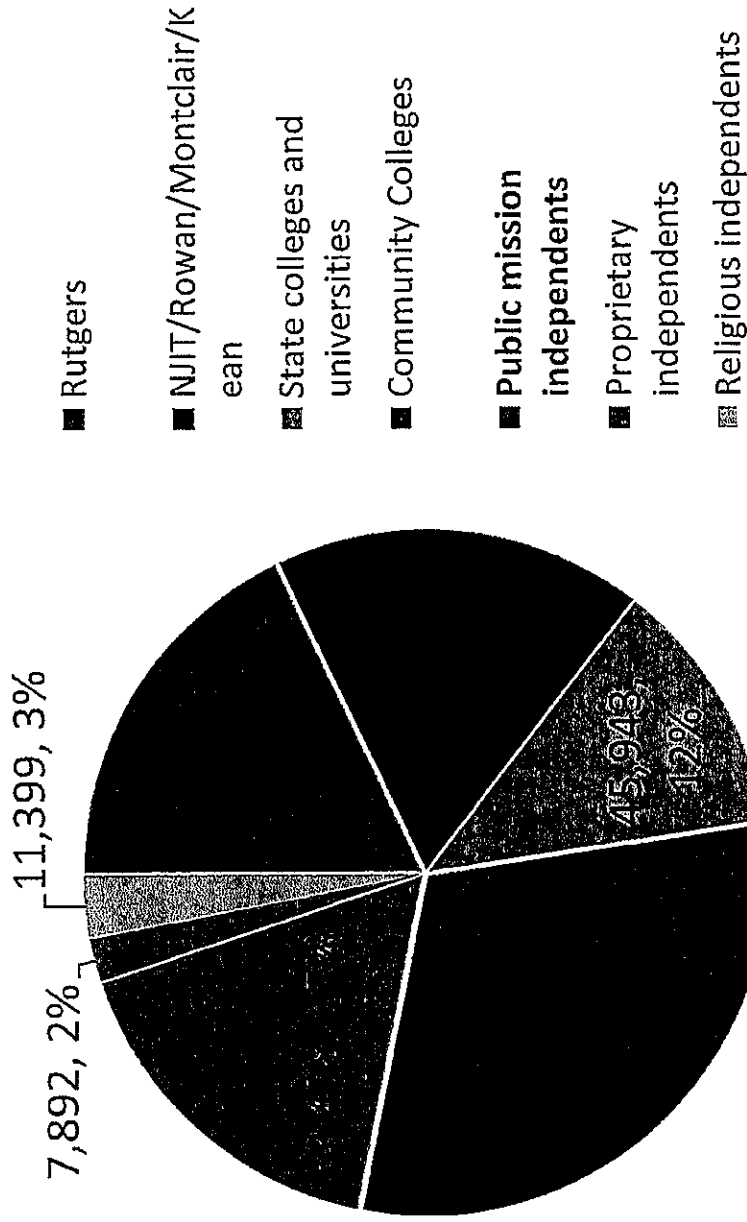
## Importance of independent colleges and universities highlighted in 2010 “Kean Commission” report

- “Overall, the independent colleges and universities **expand the diversity and choice** afforded to New Jersey’s college students, and they have done so for a long time.”
- “New Jersey’s independent colleges and universities **serve an important public purpose**. They annually award almost as many baccalaureate degrees and advance degrees – master’s, professional, and doctorate – as New Jersey’s three public research institutions.”

45x

# Over 63,000 students attend non-profit public mission independent colleges and universities

Fall 2022



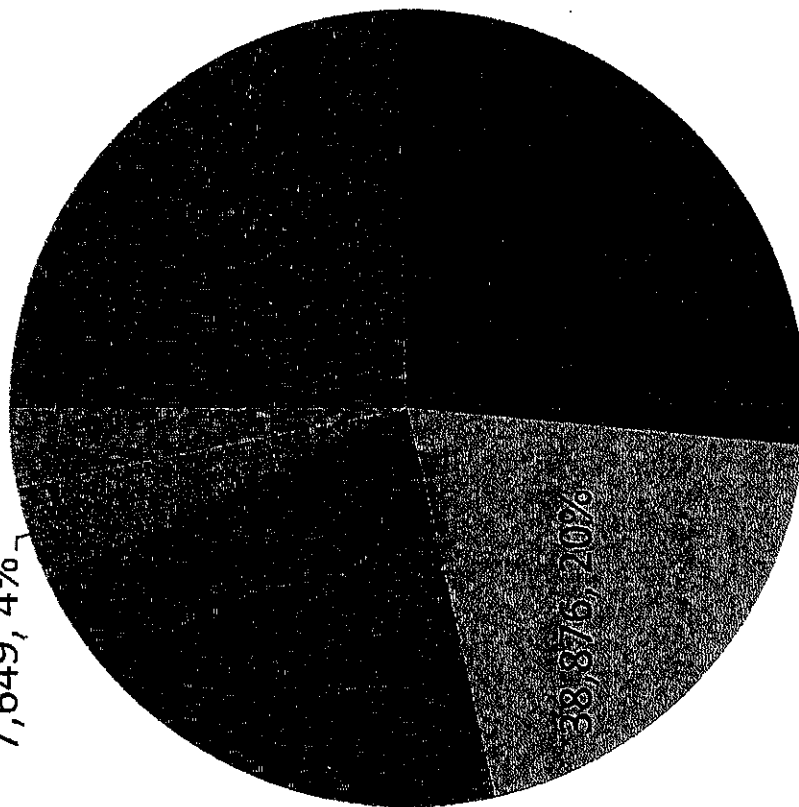
46x

# Over one in five of four year undergraduate students attend non-profit public mission independent colleges and universities

Fall 2022

7,649, 4%

6,114, 3%



■ Rutgers

■ NJIT/Rowan/Montclair/Kean

■ State Colleges and Universities

■ Public mission independents

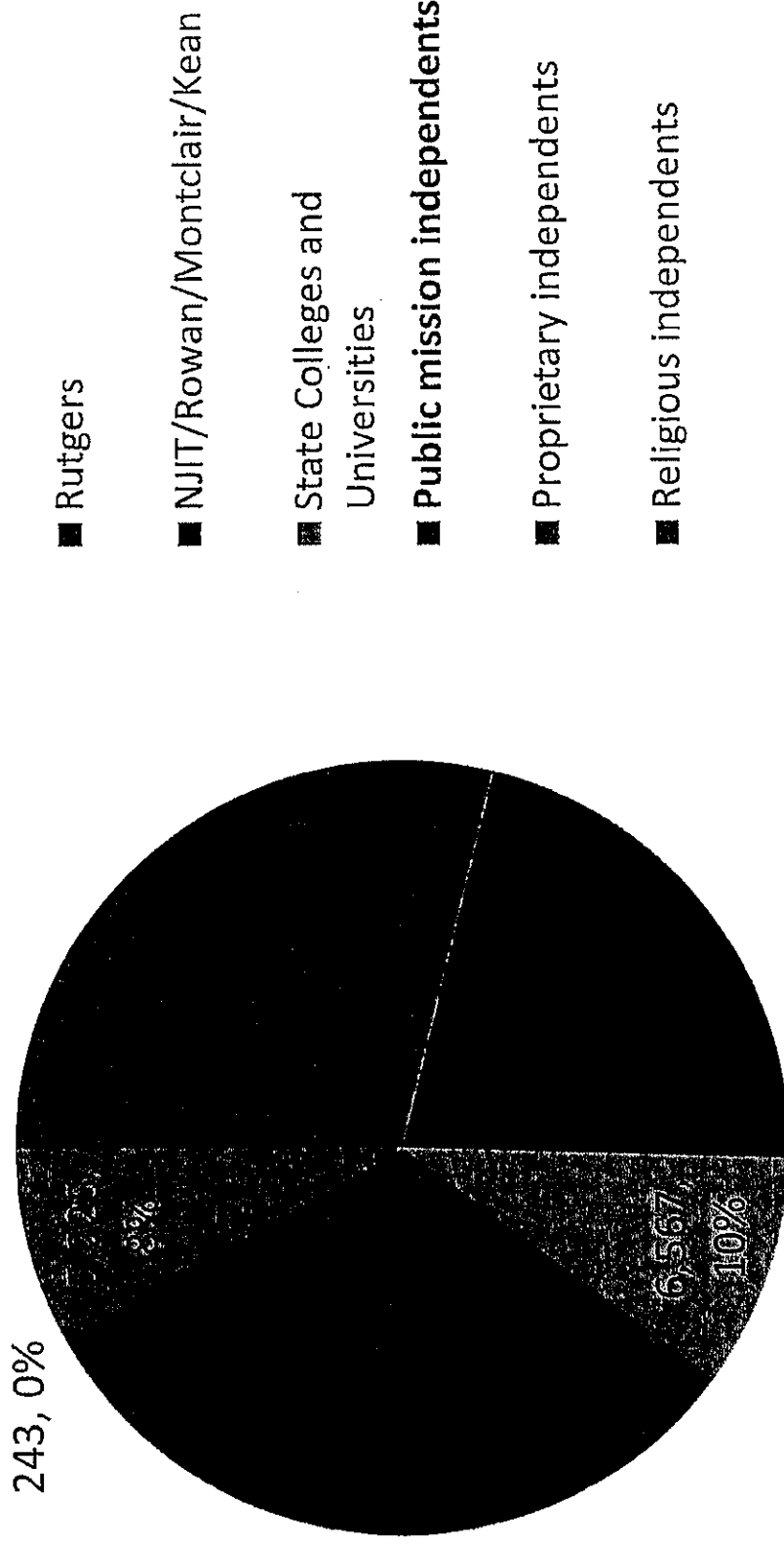
■ Proprietary independents

■ Religious independents

47x

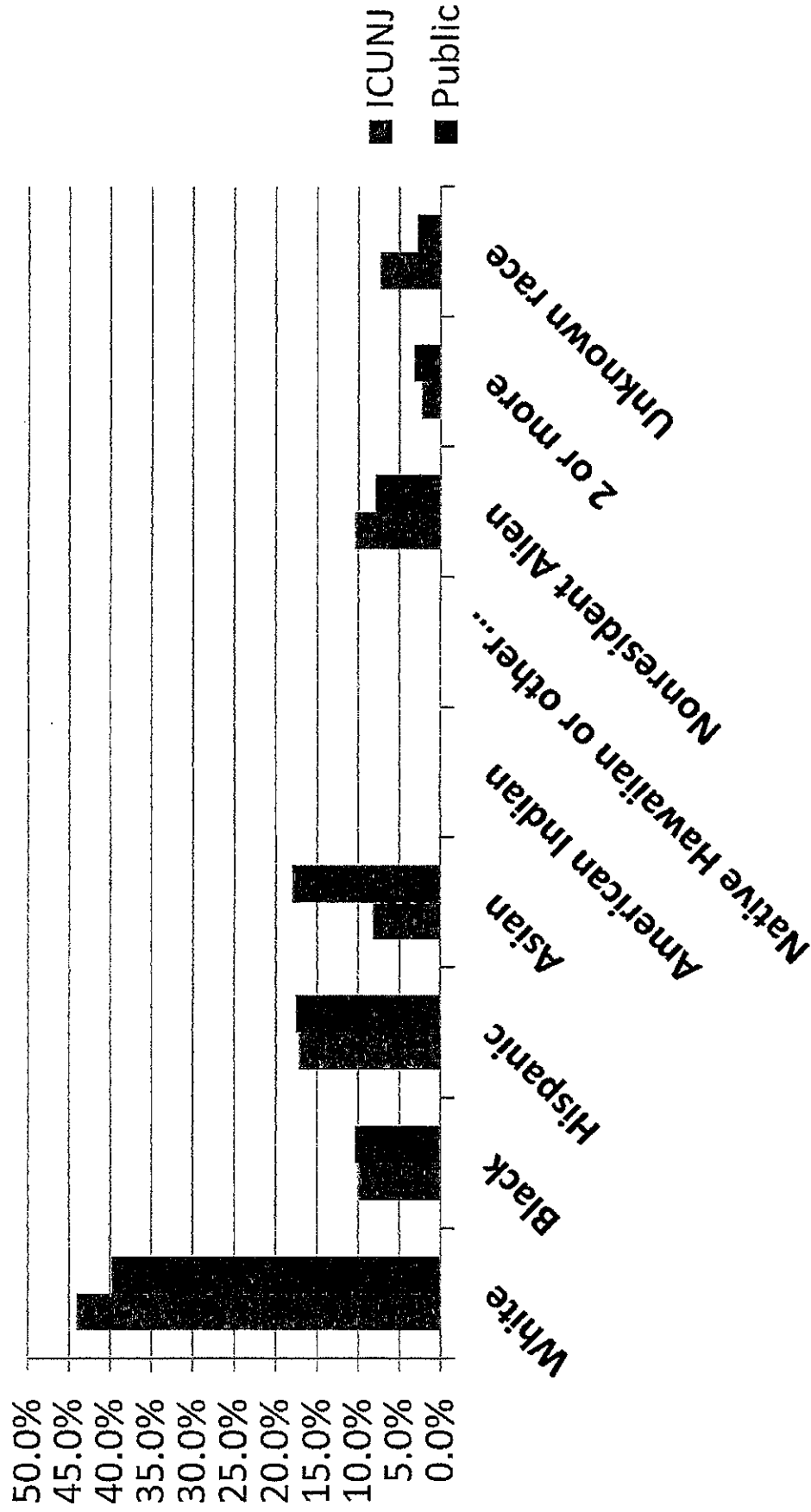
# Nearly one-third of graduate and professional students attend independent colleges and universities

Fall 2022



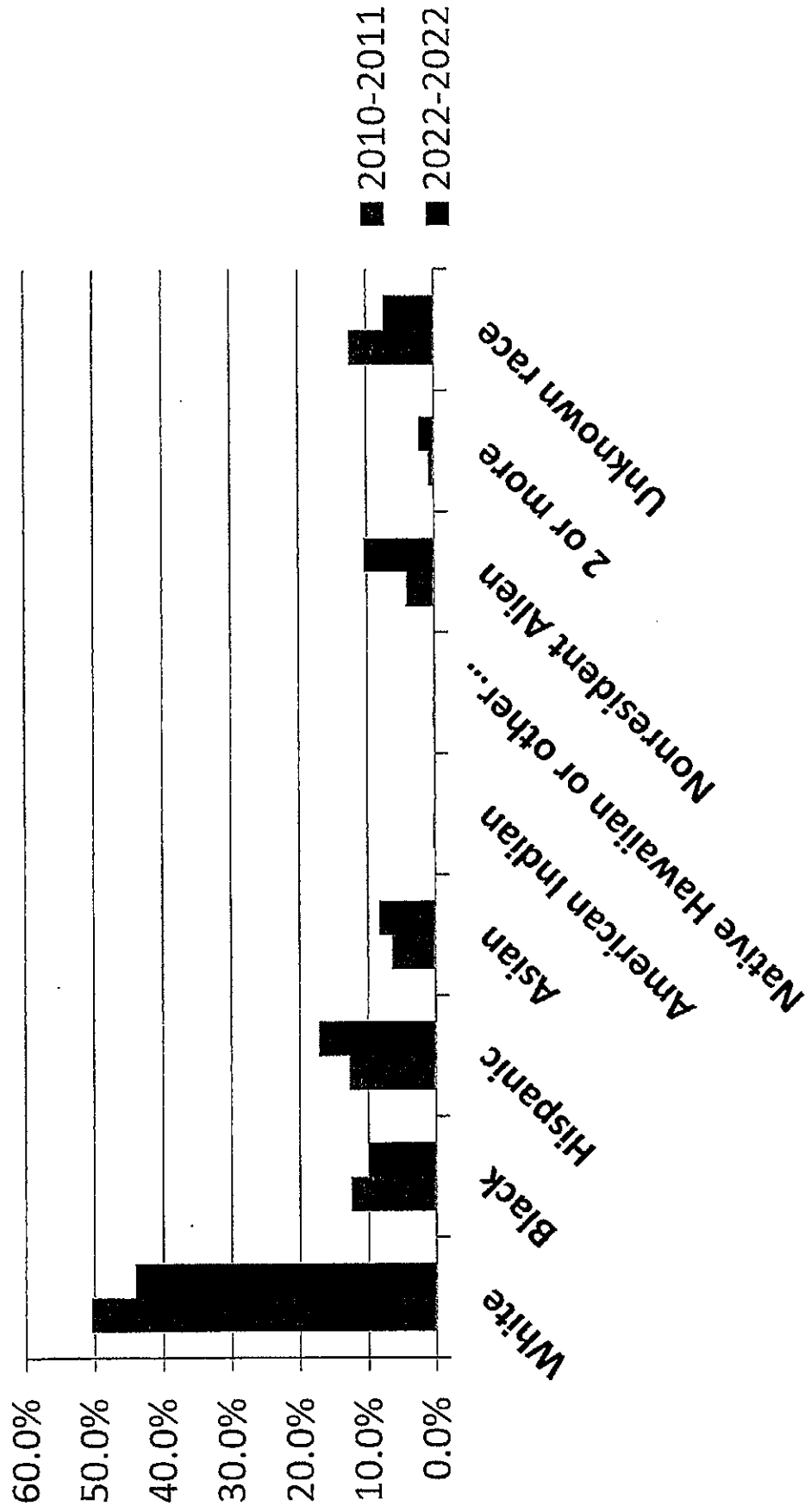
48x

# Diversity in undergraduate enrollment at independent colleges is similar to public colleges (2021 - 2022)



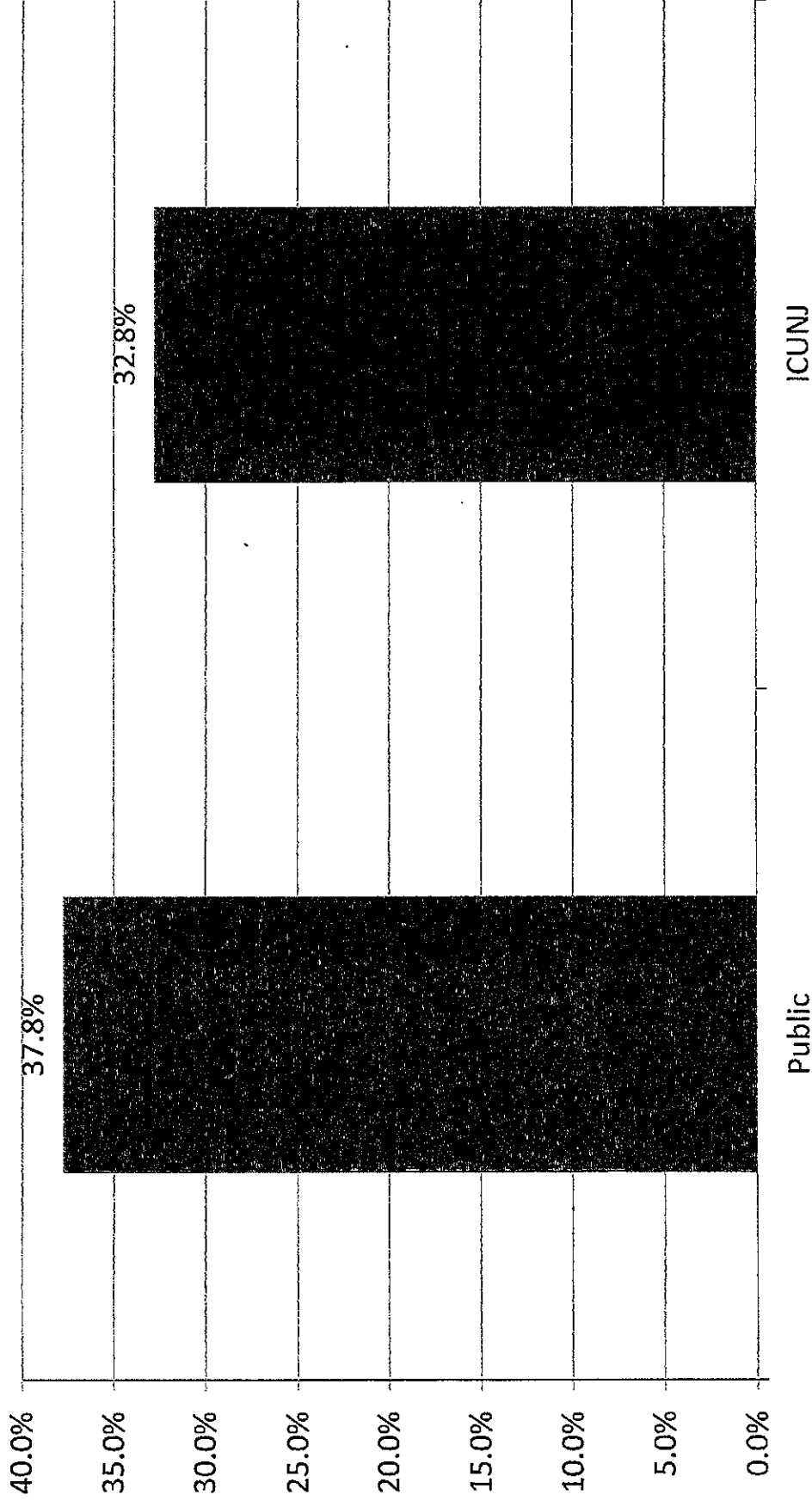
49x

# Diversity in undergraduate enrollment at independent colleges has shifted from 2010-2011 to 2021-2022



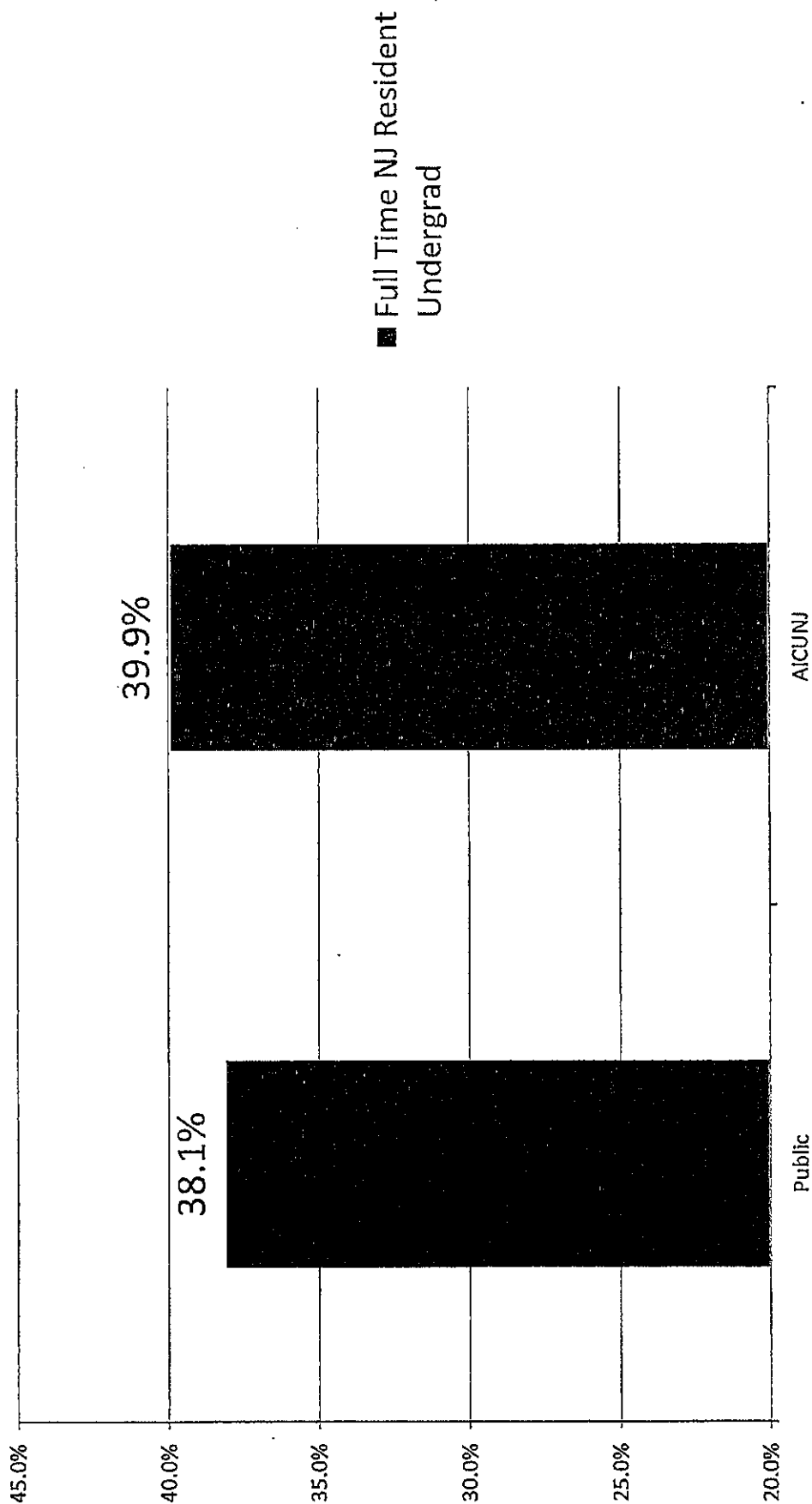
50x

# Independent colleges and universities serve similar low-income population as senior public colleges and universities – federal PELL grants (2021-2022)



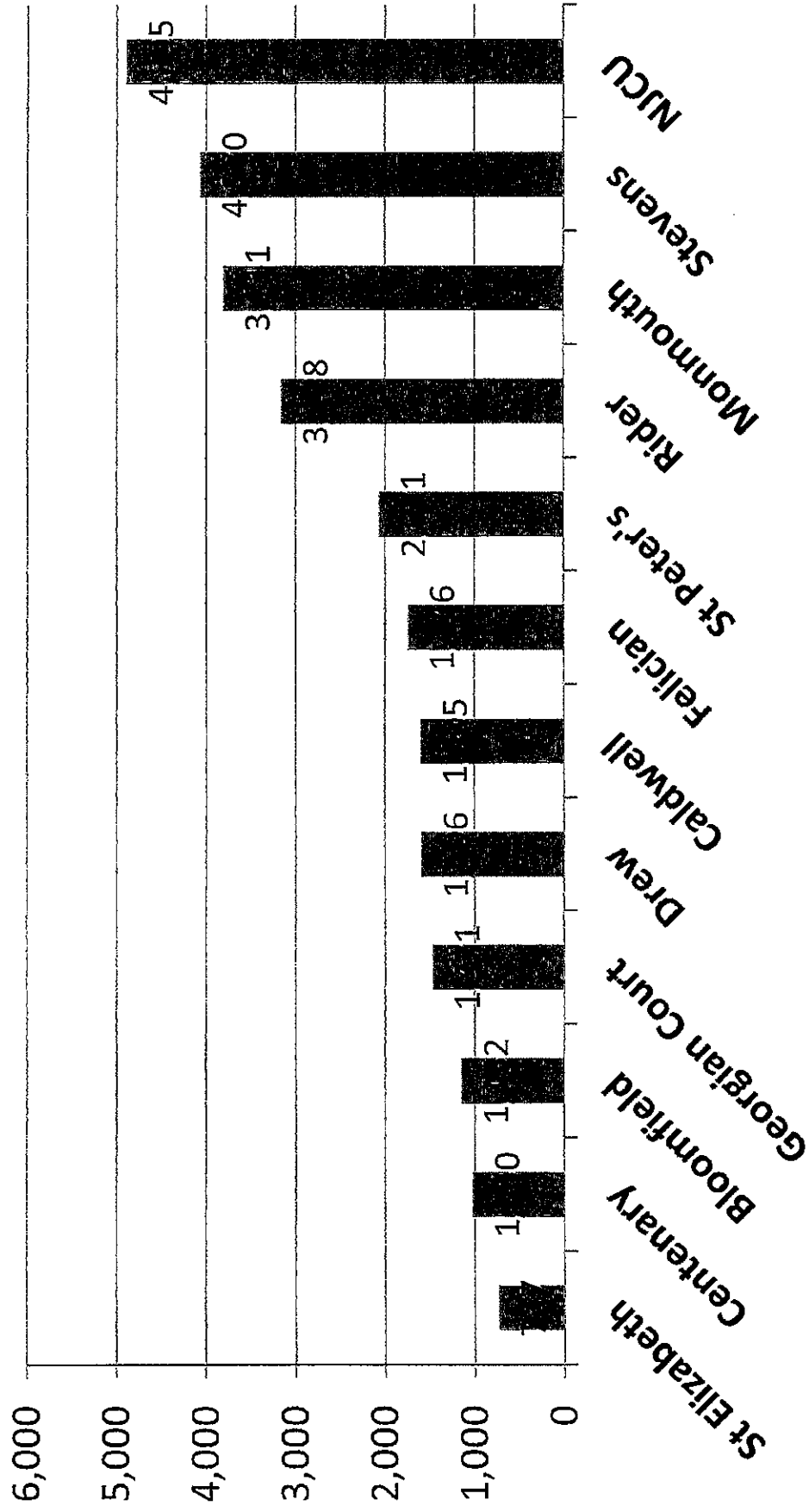
51x

# Independent colleges and universities serve similar low-income populations as senior public colleges and universities (NJ resident full-time undergrads)– State TAG grants (2022-22)



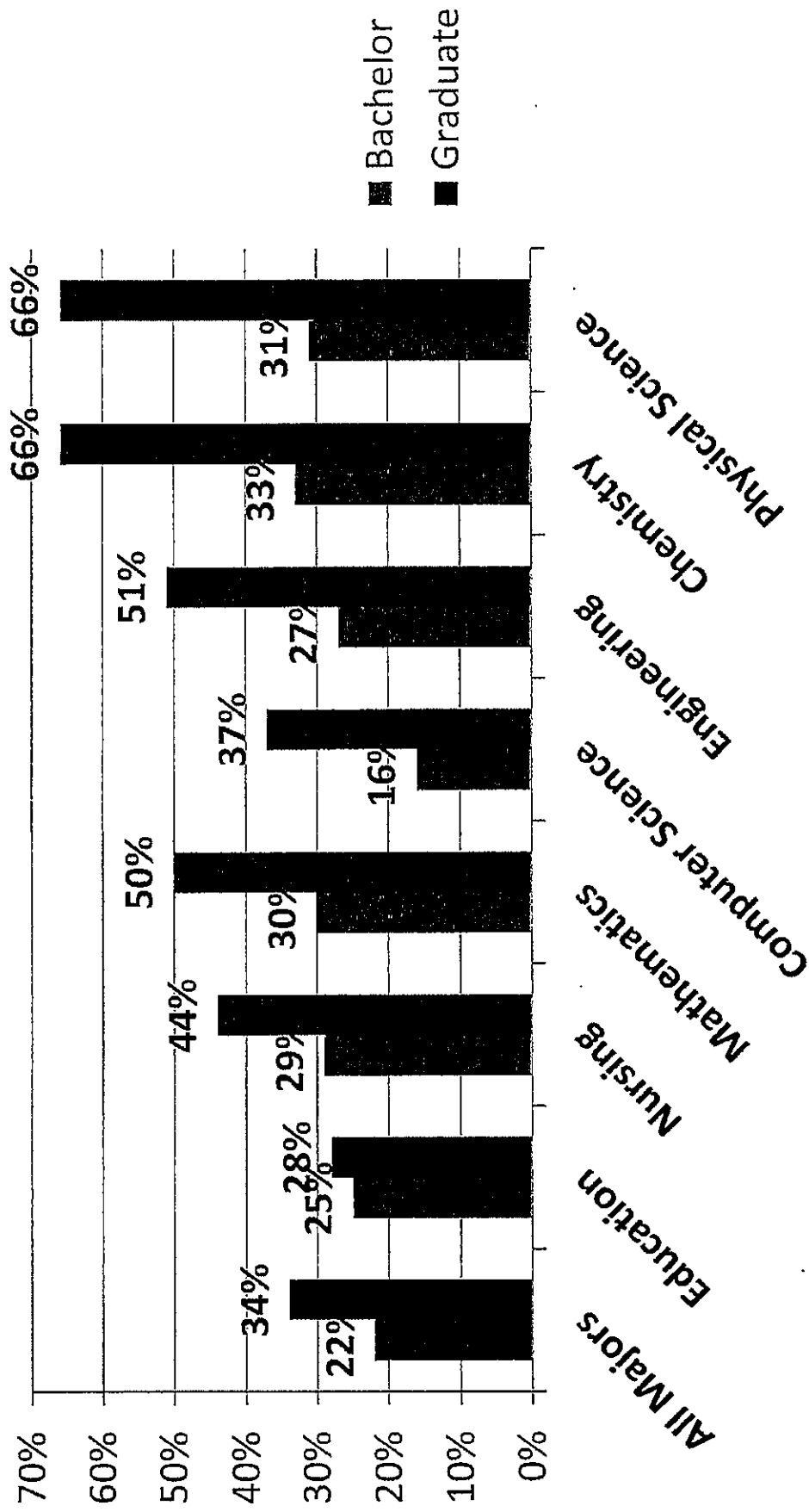
52x

Eleven independent colleges and universities have smaller undergraduate enrollment than the smallest state college or university – eight are less than half the size (Fall 2022)



53x

# Independent college and university graduates are helping to meet NJ's workforce demand of 21<sup>st</sup> century (2021 graduates)



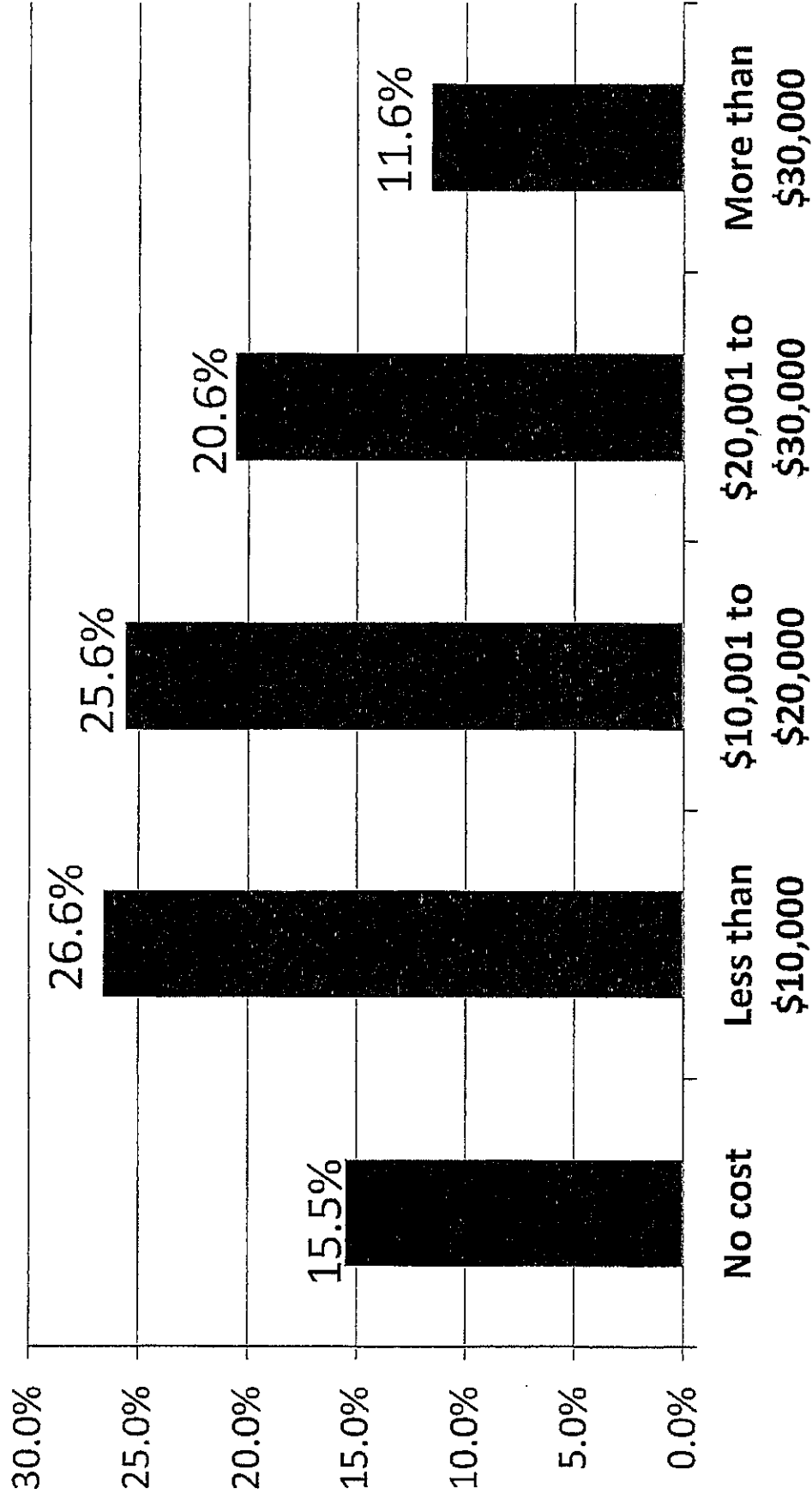
54x

# **Independent colleges and universities strive to keep cost down for students**

- Provide over \$1 billion in institutional aid
- 95% of first time full-time undergraduate students receive some institutional aid including some “promise” programs
- Over 80% of all student aid comes from institutions
- Partnerships with county colleges
  - 2+2 programs
  - Guaranteed admission programs
  - Discounted tuition for transfers from county colleges
  - Degree completion at county college

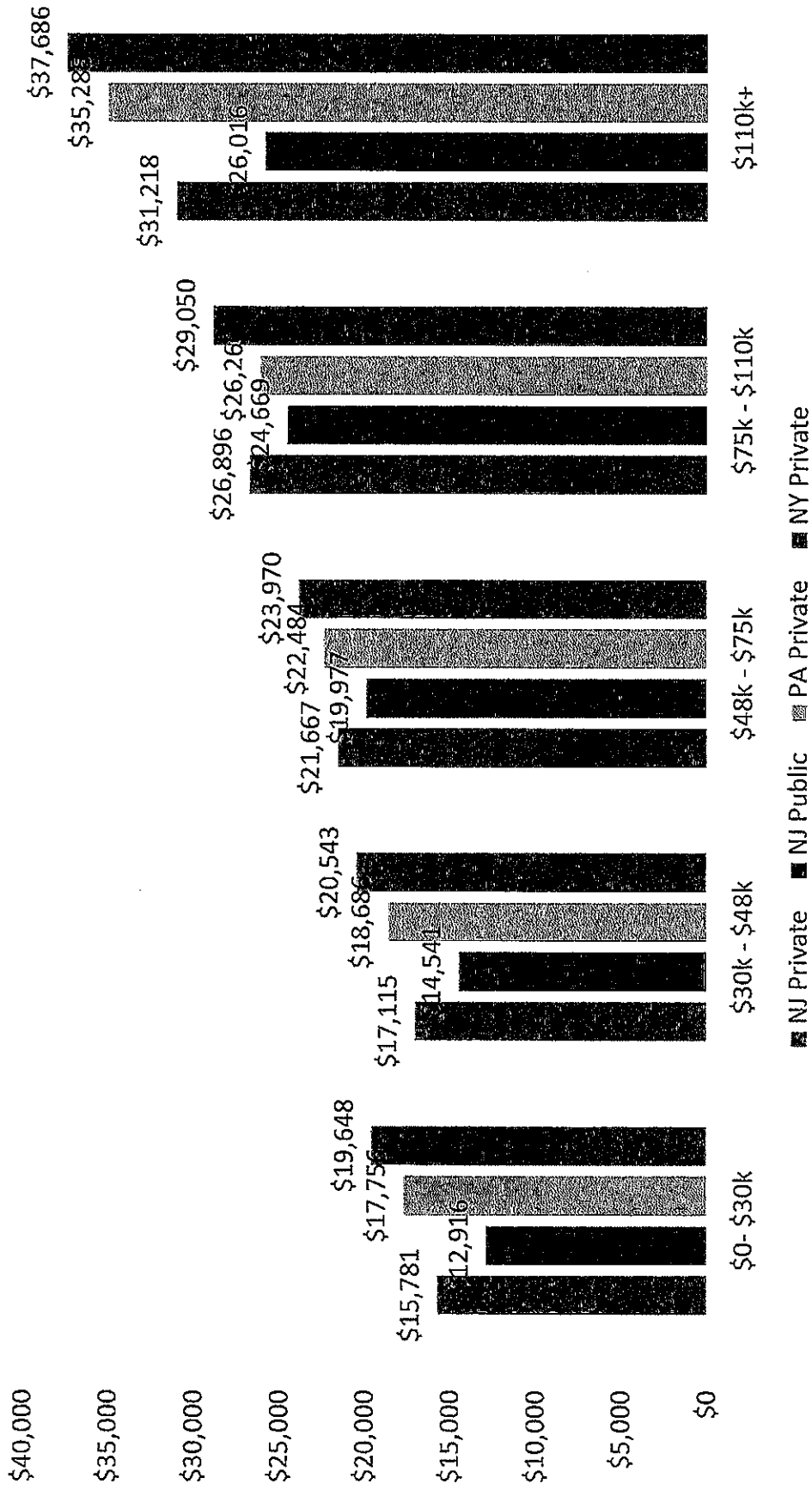
55x

15% of students attending ICUNJ institutions paid NOTHING and over 40% of students paid less than \$10,000 in tuition and mandatory fees in 2018-19 due to federal, state and institutional aid

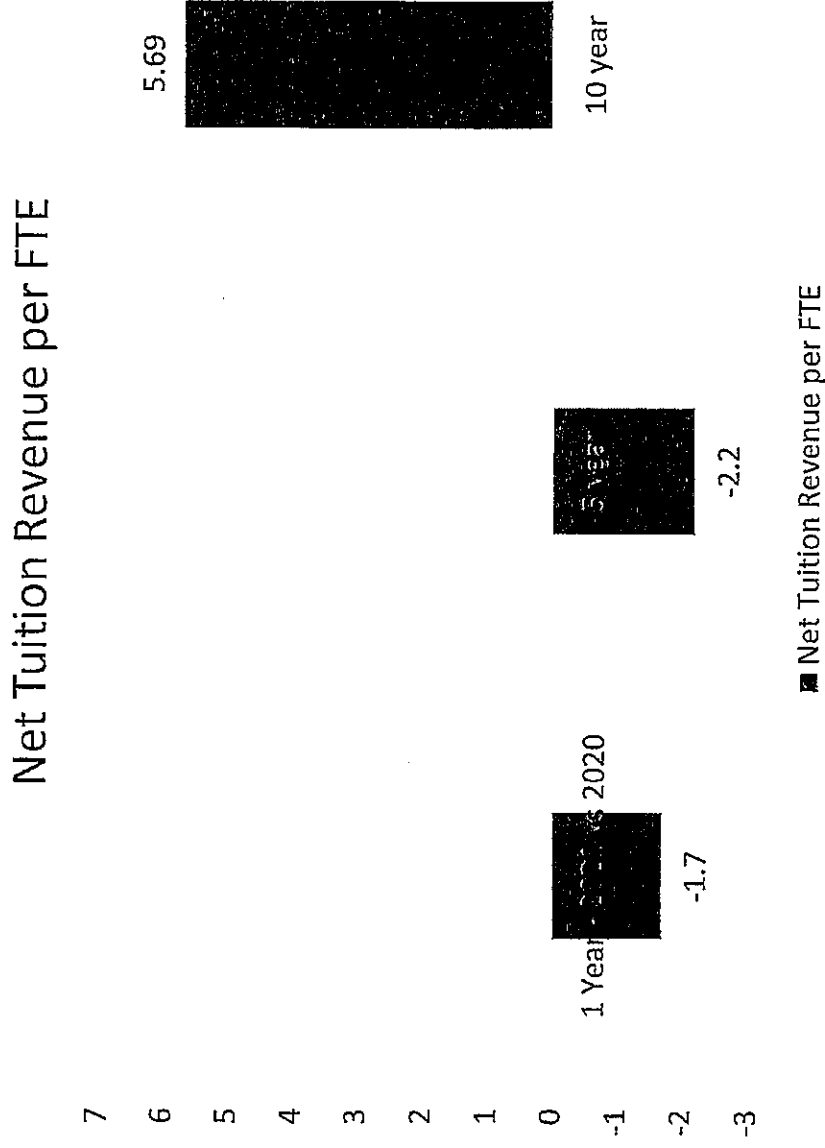


56x

# NJ Independent colleges "net price" competitive with NJ public colleges and NY and PA independent colleges (2017-2018)



# NJ Independent Colleges Reduced “Net Tuition” Revenue over 5 years



58x

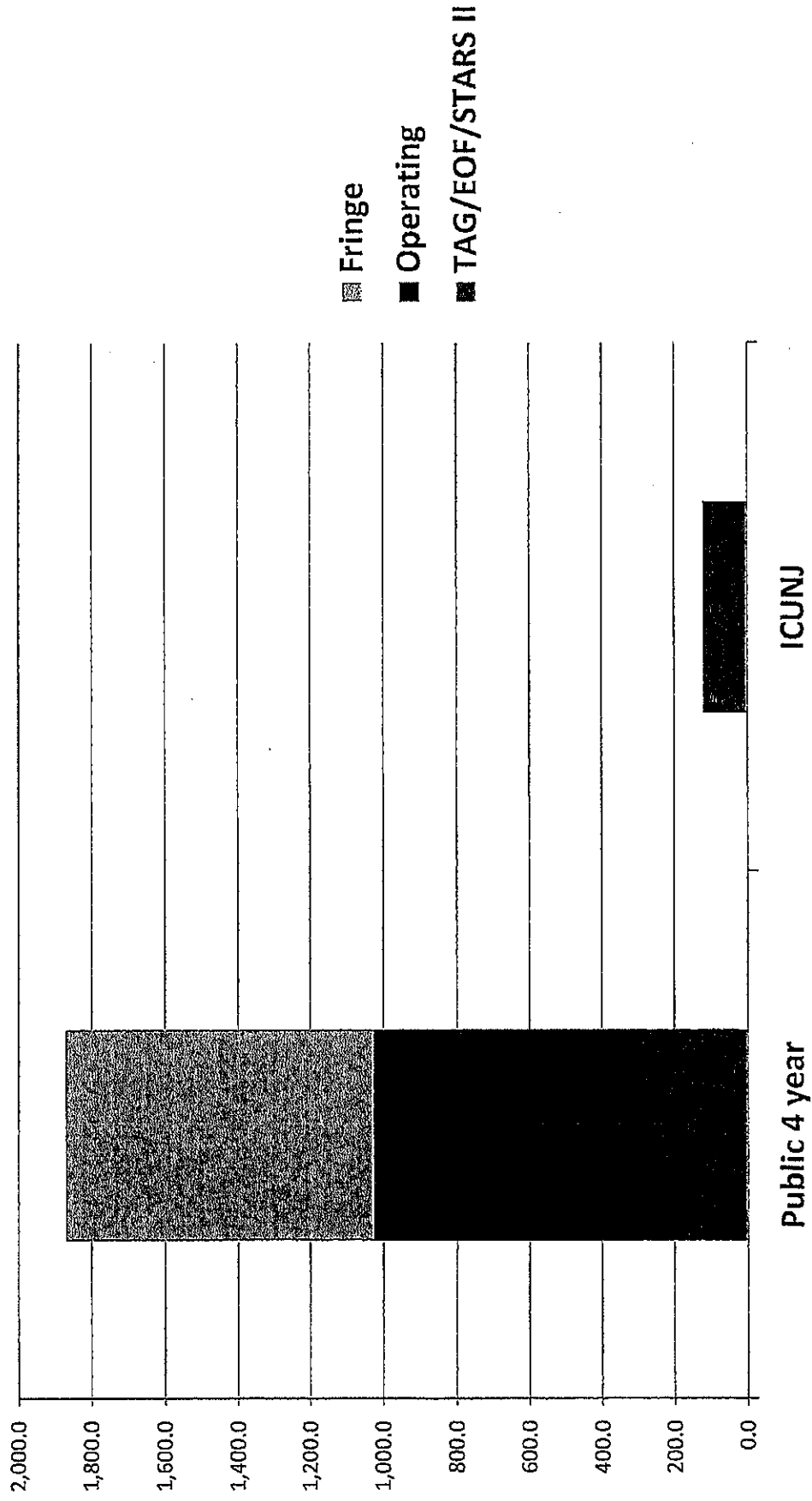
**Providing choice for students and providing results for workforce  
with limited state resources**

**\$12,600 per student vs \$2,700 per undergraduate student (FY 2021)**



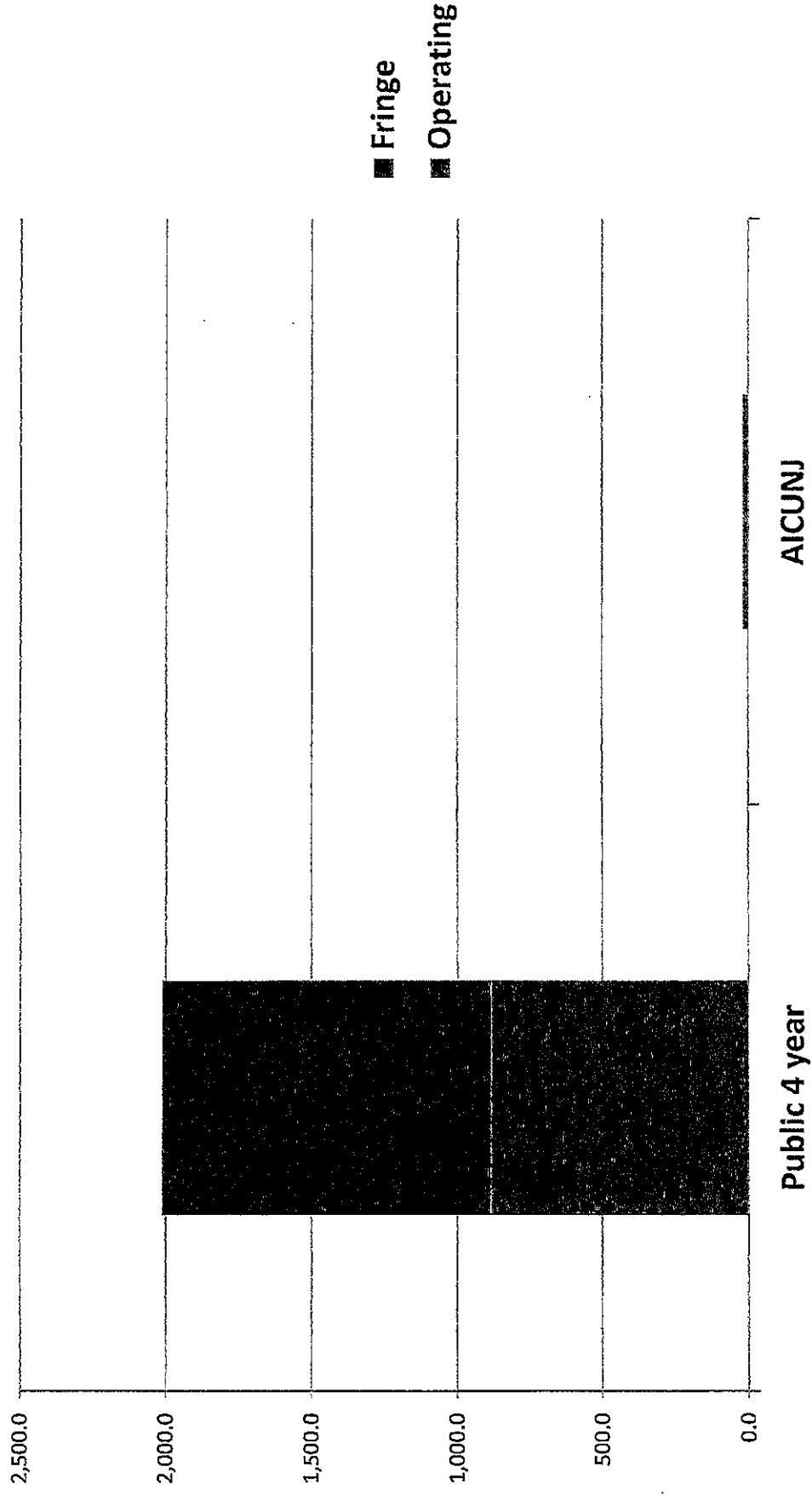
59x

# Providing choice for students and providing results for workforce with limited state resources nearly \$1.9 billion vs \$129 million (FY 2021)



60x

# Providing choice for students and providing results for workforce with limited direct state resources for operating aid over \$2 billion vs \$18.5 million (proposed FY 2024)



61x

62x



# Impact of Operating Aid by Institution

	<u>Est. FY2023</u>	<u>FY2010</u>	<u>FY2001</u>
Bloomfield College	\$551,814.00	\$1,108,299.00	\$1,758,418.97
Caldwell University	\$554,034.00	\$666,429.00	\$1,232,340.15
Centenary University	\$466,113.00	\$1,157,129.00	\$776,037.25
Drew University	\$467,748.00	\$587,275.00	\$950,300.87
Fairleigh Dickinson University	\$1,459,093.00	\$2,577,059.00	\$3,240,917.60
Felician University	\$678,382.00	\$824,171.00	\$1,088,792.70
Georgian Court University	\$494,773.00	\$983,254.00	\$1,392,672.87
Monmouth University	\$1,158,590.00	\$2,124,369.00	\$3,442,639.61
Princeton University	\$375,411.00	\$478,290.00	\$763,801.59
Rider University	\$886,969.00	\$1,816,392.00	\$2,804,653.63
Saint Elizabeth University	\$326,838.00	\$534,912.00	\$828,763.28
Saint Peter's University	\$678,825.00	\$1,048,721.00	\$2,205,549.78
Seton Hall University	\$1,374,144.00	\$1,673,355.00	\$3,421,013.54
Stevens Institute of Technology	\$1,027,266.00	\$791,345.00	\$1,339,098.17
Totals	\$10,500,000	\$16,371,000	\$25,245,000

63x

## **Independent colleges and universities provide over \$4 billion economic impact to NJ**

- \$35 - \$40 to \$1 return on state taxpayer investment
- Over 20,000 employees with payroll of over \$1.2 billion
- Additional contract employees in areas of facilities, food service, bookstores, etc.
- Additional money spent on private vendors and contractors including engineers, architects, lawyers, etc.

64x

## **Independent colleges and universities provide over \$4 billion economic impact to NJ**

- Projected capital construction of nearly \$2 billion in 2022 and 2023
- Out-of-state and international students bring in new money to the state
- Nearly 600,000 living alumni with more than half still living in New Jersey
- Excited to work with Governor and Legislature on future economic development initiatives and growing economy

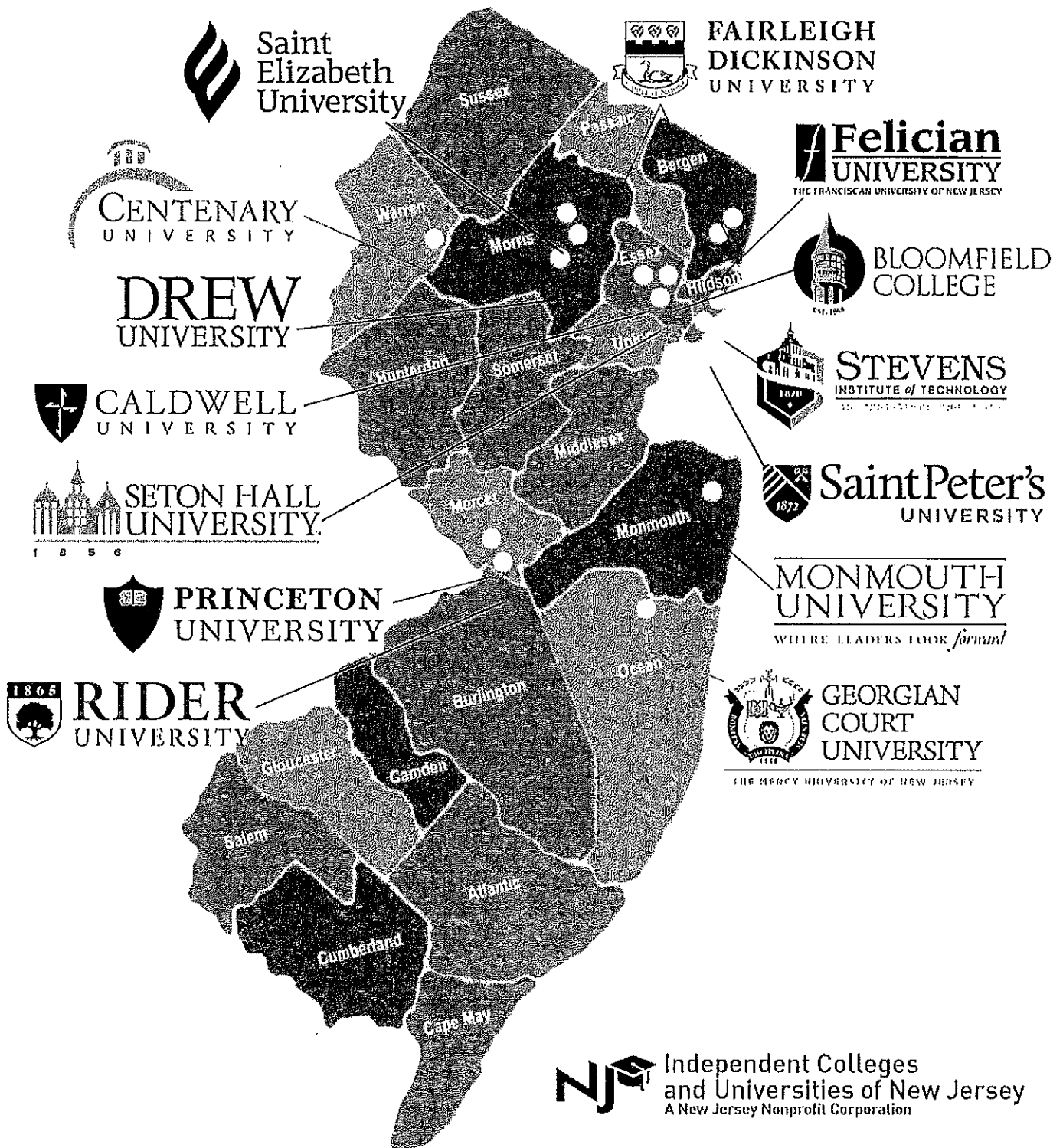
65x

# Summary

- Our 14 independent, non-profit, public-mission colleges and universities are an important component of the overall higher education structure in New Jersey
- Work diligently to continue to provide the access and affordability to offer students more choices and opportunities to stay in New Jersey for college education thus limiting the out-migration
- Face numerous challenges in a market that is becoming more competitive
- Want to work cooperatively with Legislature and Governor on improving access, affordability and the quality of higher education in New Jersey

66x

# INDEPENDENT COLLEGES AND UNIVERSITIES OF NEW JERSEY



**NJ** Independent Colleges  
and Universities of New Jersey  
A New Jersey Nonprofit Corporation

67x

New Jersey's  
Independent  
Colleges & Universities

Bloomfield College  
Caldwell University  
Centenary University  
Drew University  
Fairleigh Dickinson  
University  
Felician University  
Georgian Court  
University  
Monmouth University  
Princeton University  
Rider University  
Saint Elizabeth University  
Saint Peter's University  
Seton Hall University  
Stevens Institute of  
Technology

R. David Rousseau  
Vice President  
154 West State Street  
Trenton, NJ 08608  
609-218-5026  
rdrousseau@njcolleges.org  
www.njcolleges.org

Enabling Student Success

- Our member institutions enrolled nearly 62,500 in Fall 2022 providing opportunities for students to find the right academic, cultural, and social blend to enhance individual learning.
- We enroll 21 percent of all students attending four-year institutions in New Jersey.
- The overall minority enrollment at our member institutions is 36%, with the undergraduate minority enrollment even greater at 41%.
- Our colleges and universities provide over \$1 billion in institutional grant aid to undergraduate students which resulted in over 15% of independent college students in NJ paying NOTHING and another 27% will pay less than \$10,000 in tuition and mandatory fees in 2018-19 due to federal, state and the institutional aid we provide to them.

Meeting the Workforce Demand

- While enrolling 17% of all higher-education students, New Jersey's independent colleges awarded 19% of all degrees conferred in FY2021.
- Our students earned 22% of the baccalaureate degrees and 34% of all advanced degrees conferred in FY2021.
- Our students earned 27% of all the education degrees and 28% of all advanced education degrees conferred by four-year institutions in FY2021.
- New Jersey's independent colleges excel in degrees awarded by four-year institutions in the fields of Science and Technology:

37% of all math degrees	66% of all physical science advanced degrees
31% of all nursing degrees	43% of all chemistry degrees
35% of all engineering degrees	37% of all computer science advanced degrees

New Jersey's Investment in Independent Higher Education

- The Tuition Aid Grant (TAG) and Educational Opportunity Fund (EOF) programs totaled \$105.6 million in financial aid for nearly 13,000 New Jersey students attending an independent college or university in New Jersey (FY2022).
- Direct state support for operating aid in FY2023 is \$10.5 million which is an increase from the \$7 million provided in FY 2022 but is still less than half of the FY 2010 amount of \$17.5 million. Full funding of the formula would provide approximately \$28 million.

Contributions to the State of New Jersey

- The economic impact of the sector on the State of New Jersey is over \$4 billion; a return of 30 to 1 on the state investment.
- New Jersey's independent colleges and universities directly employ more than 20,000 people plus more thru contractors for food service, bookstores, etc.
- The fourteen institutions collectively have more than 600,000 living alumni. About half of all graduates of these institutions still live in New Jersey.
- Our 14 member institutions will spend nearly \$2 billion on new construction and renovation of campus facilities. These projects will generate many jobs in construction and related industries over the next several years.

## ABOUT ICUNJ

The Independent Colleges and Universities in New Jersey (ICUNJ) advocate on behalf of the students who are served by the fourteen (14) privately supported institutions of higher education in New Jersey. We accomplish our mission through public relations, research, government liaison, support for strategic investments in programs, grant development, scholarship fund-raising and education. Members include non-profit four-year undergraduate, graduate, and professional schools accredited by the Middle States Association of Colleges and Schools and licensed by the State of New Jersey. Institutions whose primary function is religious training are not eligible for membership.

Originally organized in 1966, the advocacy branch of our organization represents the interests of its members to New Jersey's state, local and federal lawmakers, regulators, and citizens. ICUNJ seeks to strengthen financial aid programs for students and bring about a greater understanding of the significant impact and valuable contributions provided by independent colleges and universities in New Jersey. ICUNJ also works with members to develop consortial programs that save time and money and enhance the services provided to their students. At the same time, ICUNJ works to promote the well-being of New Jersey's higher education system as a whole, with special regard for the dual private/public nature of that system and its responsibility to serve the educational, social, and cultural needs of the state and the nation.

ICUNJ is a state association member of the National Association of Independent Colleges and Universities (NAICU) and, as such, is involved in public policy advocacy with the executive, legislative, and judicial branches of the federal government.

### MEMBER INSTITUTIONS

Bloomfield College ♦ Caldwell University ♦ Centenary University ♦ Drew University ♦ Fairleigh Dickinson University  
Felician University ♦ Georgian Court University ♦ Monmouth University ♦ Princeton University ♦ Rider University  
Saint Elizabeth University ♦ Saint Peter's University ♦ Seton Hall University ♦ Stevens Institute of Technology

## **Presidents, ICUNJ Member Institutions**

### **Bloomfield College *(member until June 2023)***

Dr. Marcheta Evans

President

467 Franklin Street, Bloomfield, NJ 07003

973-748-9000 x1290; marcheta\_evans@bloomfield.edu

### **Caldwell University**

Matthew H. Whelan, Ed.D.

President

120 Bloomfield Avenue, Caldwell, NJ 07006-6195

973-618-3217; mwhelan@caldwell.edu

### **Centenary University**

Dr. Bruce Murphy *(retiring June 2023)*

President

400 Jefferson Street, Hackettstown, NJ 07840

908-852-1400 x2300; bruce.murphy@centenaryuniversity.edu

### **Drew University**

Mr. Thomas J. Schwarz *(retiring June 2023)*

President

36 Madison Avenue, Madison, NJ 07940

973-408-3100; president@drew.edu

### **Fairleigh Dickinson University**

Dr. Michael Avaltroni

Interim President

1000 River Road, Teaneck, NJ 07666

201-692-7093; mavaltro@fd.edu

### **Felician University**

James W. Crawford, III

President

One Felician Way, Rutherford, NJ 07070

201-355-1421; crawfordj@felician.edu

### **Georgian Court University**

Dr. Joseph R. Marbach

President

900 Lakewood Avenue, Lakewood, NJ 08701-2697

732-987-2252; jmarbach@georgian.edu

### **Monmouth University**

Dr. Patrick F. Leahy

President

400 Cedar Avenue, West Long Branch, NJ 07764

732-571-3402; patrick.leahy@monmouth.edu;

### **Princeton University**

Ms. Hilary Parker

Vice President and Secretary of the University

1E Nassau Hall

609-258-5574; haparker@princeton.edu

### **Rider University**

Dr. Gregory G. Dell'Omo

President

2083 Lawrenceville Road, Lawrenceville, NJ 08648

609-896-5001; gdellomo@rider.edu

### **Saint Elizabeth University**

Gary B. Crosby, Ph.D.

President

2 Convent Road, Morristown, NJ 07960-698

973-290-4475; gcrosby@steu.edu

### **Saint Peter's University**

Dr. Eugene J. Cornacchia

President

2641 Kennedy Boulevard, Jersey City, NJ 07306

201-761-6013; ecornacchia@saintpeters.edu

### **Seton Hall University**

Dr. Joseph E. Nyre

President

400 South Orange Avenue, South Orange, NJ 07079

973-761-9691; joseph.nyre@shu.edu

### **Stevens Institute of Technology**

Dr. Nariman Farvardin

President

Castle Point on Hudson, Hoboken, NJ 07030

201-216-5213; nfarvard@stevens.edu

**Operating Aid**  
**New Jersey's**  
**Independent Colleges**  
**and Universities**

# **Independent College and University Assistance Act (ICUAA)**

## **Purpose**

The original legislation was passed in 1972 and revised in 1979 to the current formula. The basis for the legislation is that independent colleges and universities deserve state support insofar as they are fulfilling a public mission. Institutions whose primary purpose is to provide religious training or are for-profit are not eligible.

This Act provides unrestricted direct state support to eligible independent institutions in order to maintain and improve the quality of academic programs at these colleges and universities based upon the number of New Jersey undergraduate students enrolled and the number of New Jersey undergraduate students who received state or institutional financial aid. Funds can be used for any purposes which institutions deem appropriate to maintaining or enhancing the quality of the academic offerings available to New Jersey students, except for the purposes of sectarian instruction, the construction or maintenance of sectarian facilities, or any other sectarian purpose or activity.

## **Legislative Citation - 18A:72B-16**

"The Legislature finds and determines that:

- A. This State remains committed by law and public policy to the development and preservation of planned and diverse system of higher education which encompasses both public and independent institutions. Independent institutions make an important contribution to higher education in the State and it is in the public interest to assist these institutions in the provision and maintenance of quality academic programs.
- B. The provisions of this act will serve the cause of higher education in this State by assuring maximum educational choice among colleges and universities through the preservation of the vitality and quality of independent institutions of higher education in this State."

*Definitions can be found in New Jersey Statutes Annotated, Title 18A:72B, page 107.*

## **How Total Funding is Determined**

The Act stipulates that the total funding of this program is based on the number of full-time equivalent (FTE) New Jersey undergraduates enrolled during the pre-budget year at eligible independent institutions multiplied by 25% of direct per student state support in the state colleges during the pre-budget year.

Over →

72x

### How Funding for Each Institution is Determined

The amount appropriated by the Legislature is allocated according to the following formula as detailed in statute:

- 10% of the total is divided equally among the eligible institutions.
- 55% of the total is allocated based upon each institution's number of full-time equivalent (FTE) New Jersey undergraduate students enrolled in the previous academic year.
- 35% of the total is allocated based on each institution's number of enrolled New Jersey undergraduate residents who received State financial aid, or who received \$1,000 or more of aid administered by the institution during the previous academic year.

# ICUAA Full Funding vs. Actual Funding History

FTE Estimates Submitted to OMB

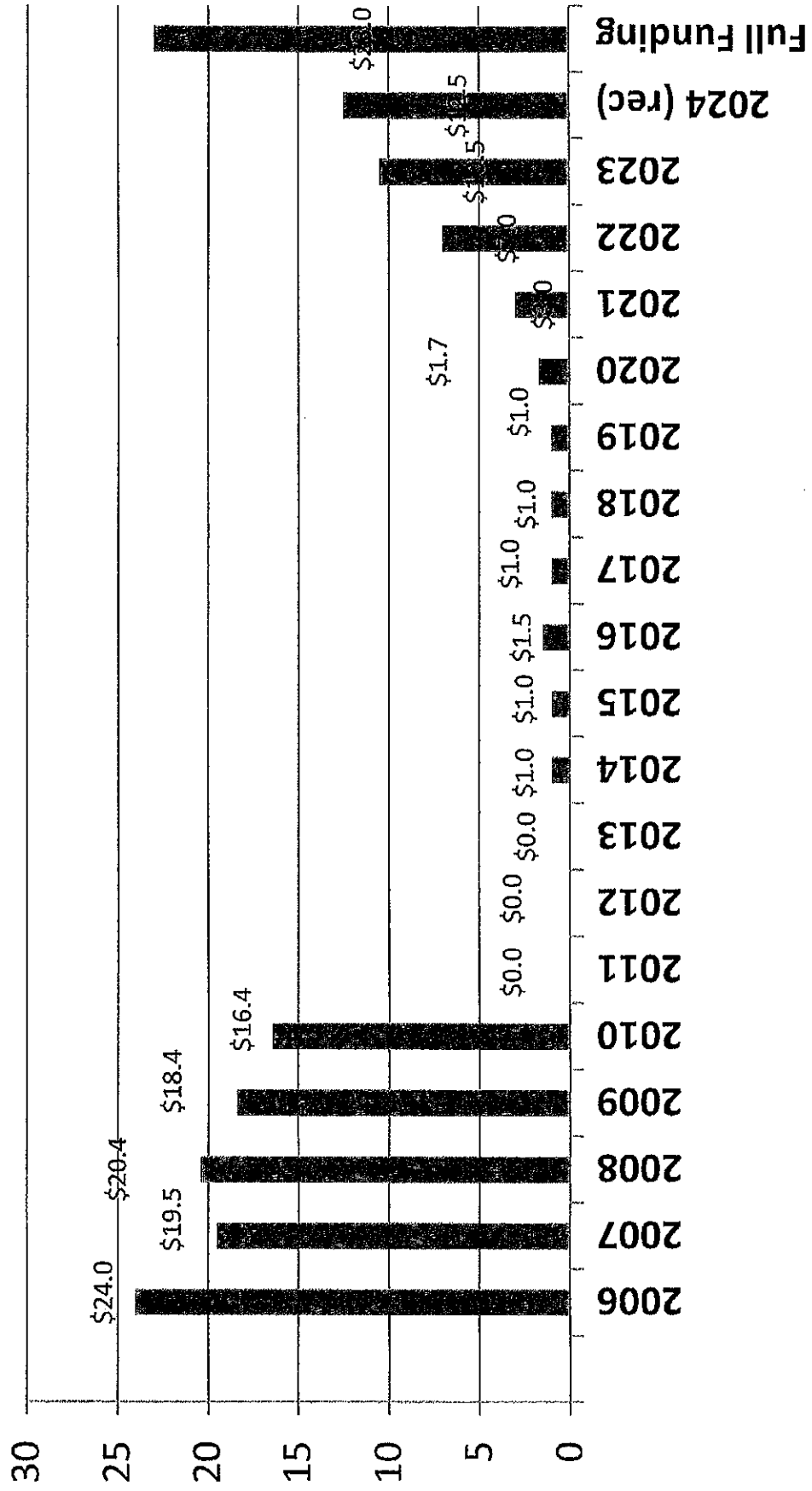
\* Estimate

	ICUAA FTE	25% of Direct Per Student State Support, State Colleges	Per Capita Independent Student	Full Funding Appropriation	Governor's Proposed Appropriation	Actual Disbursement	Gap From Full Funding	% of Full Funding
FY2023 *	26,095	\$878	\$402.38	\$22,911,410	\$8,500,000	\$10,500,000	(\$12,411,410)	45.83%
FY2022	27,108	\$866	\$258.23	\$23,475,528	\$3,000,000	\$7,000,000	(\$16,475,528)	29.82%
FY2021	27,144	\$878	\$110.52	\$23,832,432	\$2,000,000	\$3,000,000	(\$20,832,432)	12.59%
FY2020	27,167	\$801	\$62.58	\$21,760,767	\$2,000,000	\$1,700,000	(\$20,060,767)	7.81%
FY2019	26,898	\$804	\$37.18	\$21,727,296	\$1,000,000	\$1,000,000	(\$20,727,296)	4.60%
FY2018	26,794	\$734	\$37.32	\$19,666,796	\$1,000,000	\$1,000,000	(\$18,666,796)	5.08%
FY2017	26,904	\$746	\$37.17	\$20,070,384	\$1,000,000	\$1,000,000	(\$19,070,384)	4.98%
FY2016	26,879	\$811	\$55.81	\$21,798,869	\$1,000,000	\$1,500,000	(\$20,298,869)	6.88%
FY2015	27,360	\$814	\$36.55	\$22,271,040	\$1,000,000	\$1,000,000	(\$21,271,040)	4.49%
FY2014	27,588	\$814	\$36.25	\$22,456,632	\$1,000,000	\$1,000,000	(\$21,456,632)	4.45%
FY2013	27,588	\$835	\$0.00	\$23,035,980	\$0	\$0	(\$23,035,980)	0.00%
FY2012	27,811	\$946	\$0.00	\$26,309,206	\$0	\$0	(\$26,309,206)	0.00%
FY2011	27,263	\$1,019	\$0.00	\$27,780,997	\$0	\$0	(\$27,780,997)	0.00%
FY2010	26,160	\$1,059	\$625.80	\$27,703,440	\$17,471,000	\$16,371,000	(\$10,232,440)	59.09%
FY2009	25,625	\$1,205	\$717.70	\$30,878,125	\$18,435,000	\$18,391,000	(\$12,443,125)	59.56%
FY2008	25,479	\$1,158	\$802.03	\$29,504,682	\$20,235,000	\$20,435,000	(\$9,069,682)	69.26%
FY2007	24,896	\$1,226	\$782.50	\$30,522,496	\$12,000,000	\$19,481,000	(\$11,041,496)	63.83%
FY2006	23,989	\$1,219	\$998.87	\$29,242,591	\$24,000,000	\$23,962,000	(\$5,280,591)	81.94%
FY2005	23,711	\$1,211	\$1,010.59	\$28,714,021	\$23,262,000	\$23,962,000	(\$4,752,021)	83.45%
FY2004	23,648	\$1,341	\$962.53	\$31,711,968	\$20,000,000	\$22,762,000	(\$8,949,968)	71.78%
FY2003	22,500	\$1,430	\$1,088.22	\$32,175,000	\$24,485,000	\$24,485,000	(\$7,690,000)	76.10%
FY2002	22,414	\$1,370	\$795.91	\$30,707,180	\$26,245,000	\$17,839,500	(\$12,867,680)	58.10%
FY2001	22,915	\$1,339	\$1,101.68	\$30,683,185	\$24,245,000	\$25,245,000	(\$5,438,185)	82.28%
FY2000	21,797	\$1,326	\$1,066.43	\$28,902,822	\$22,245,000	\$23,245,000	(\$5,657,822)	80.42%
FY1999	20,895	\$1,313	\$1,016.75	\$27,435,135	\$20,245,000	\$21,245,000	(\$6,190,135)	77.44%
FY1998	20,443	\$1,295	\$990.31	\$26,473,685	\$18,645,000	\$20,245,000	(\$6,228,685)	76.47%
FY1997	20,339	\$1,270	\$916.71	\$25,830,530	\$18,645,000	\$18,645,000	(\$7,185,530)	72.18%
FY1996	20,321	\$1,164	\$993.55	\$23,653,644	\$20,190,000	\$20,190,000	(\$3,463,644)	85.36%
FY1995	21,229	\$1,137	\$942.11	\$24,137,373	\$15,840,000	\$20,000,000	(\$4,137,373)	82.86%
FY1994	22,540	\$1,208	\$932.56	\$27,228,320	\$21,020,000	\$21,020,000	(\$6,208,320)	77.20%
FY1993	21,909	\$1,129	\$913.78	\$24,735,261	\$20,020,000	\$20,020,000	(\$4,715,261)	80.94%
FY1992	22,518	\$1,176	\$889.07	\$26,481,168	\$20,020,000	\$20,020,000	(\$6,461,168)	75.60%
FY1991	21,861	\$1,348	\$936.83	\$29,468,628	\$20,480,000	\$20,480,000	(\$8,988,628)	69.50%
FY1990	21,483	\$1,284	\$1,103.43	\$27,584,172	\$23,705,000	\$23,705,000	(\$3,879,172)	85.94%
FY1989	21,744	\$1,172	\$1,112.49	\$25,489,404	\$24,190,000	\$24,190,000	(\$1,299,404)	94.90%
FY1988	22,499	\$985	\$940.93	\$22,167,140	\$21,245,000	\$21,170,000	(\$997,140)	95.50%
FY1987	23,780	\$847	\$759.13	\$20,129,770	\$18,127,000	\$18,052,000	(\$2,077,770)	89.68%
FY1986	25,126	\$735	\$636.02	\$18,461,329	\$14,195,000	\$15,980,516	(\$2,480,813)	86.56%
FY1985	25,903	\$624	\$491.74	\$16,150,521	\$11,575,000	\$12,737,500	(\$3,413,021)	78.87%
FY1984	26,110	\$574	\$421.60	\$14,987,140	\$11,075,000	\$11,007,882	(\$3,979,258)	73.45%
FY1983	27,120	\$581	\$401.29	\$15,743,160	\$10,900,000	\$10,882,912	(\$4,860,248)	69.13%

74x

# Direct Operating Aid to ICUNJ Members

## FY 2006 to FY 2024



75x

# STATE OPERATING AID TO ICUNJ MEMBERS - FY 2023, FY 2010, FY 2001

	<u>Est. FY2023</u>	<u>FY2010</u>	<u>FY2001</u>
Bloomfield College	\$551,814	\$1,108,299	\$1,758,419
Caldwell University	\$554,034	\$666,429	\$1,232,340
Centenary University	\$466,113	\$1,157,129	\$776,037
Drew University	\$467,748	\$587,275	\$950,301
Fairleigh Dickinson University	\$1,459,093	\$2,577,059	\$3,240,918
Felician University	\$678,382	\$824,171	\$1,088,793
Georgian Court University	\$494,773	\$983,254	\$1,392,673
Monmouth University	\$1,158,590	\$2,124,369	\$3,442,640
Princeton University	\$375,411	\$478,290	\$763,802
Rider University	\$886,969	\$1,816,392	\$2,804,654
Saint Elizabeth University	\$326,838	\$534,912	\$828,763
Saint Peter's University	\$678,825	\$1,048,721	\$2,205,550
Seton Hall University	\$1,374,144	\$1,673,355	\$3,421,014
Stevens Institute of Technology	\$1,027,266	\$791,345	\$1,339,098
Totals	\$10,500,000	\$16,371,000	\$25,245,000

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