
Committee Meeting

of

SENATE HIGHER EDUCATION COMMITTEE ASSEMBLY HIGHER EDUCATION COMMITTEE

"The Committees will hear testimony regarding the recommendations submitted to the Governor in the final report of the UMDNJ Advisory Committee"

LOCATION: University of Medicine and Dentistry of
New Jersey
Oral Health Pavilion
Newark, New Jersey

DATE: March 6, 2012
11:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Sandra B. Cunningham, Chair
Senator Nellie Pou, Vice Chair
Senator Paul A. Sarlo
Senator Thomas H. Kean Jr.
Assemblywoman Celeste M. Riley, Chair
Assemblyman Thomas P. Giblin, Vice Chair
Assemblyman Craig J. Coughlin
Assemblyman Charles S. Mainor
Assemblywoman Connie Wagner
Assemblywoman Mary Pat Angelini
Assemblywoman Nancy F. Munoz



ALSO PRESENT:

Sarah B. Haimowitz
Jonathan Tang
Adrian Crook
*Office of Legislative Services
Committee Aides*

Tina LaCasse
Senate Majority
Keith White
*Assembly Majority
Committee Aides*

John Gorman
Senate Republican
Kevin Nedza
*Assembly Republican
Committee Aides*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

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SENATOR SANDRA B. CUNNINGHAM (Co-Chair):

Good morning, everyone.

Thank you for coming this morning for the Senate/Assembly Higher Education Committee's public hearing.

Before we begin this morning, many of you might not know -- or if you do know -- Congressman Donald Payne passed away. I'd like everyone to stand for a moment of silence, please. (moment of silence)

Thank you.

Assemblywoman Riley, who is the Chair of the Higher Education Committee for the Assembly, will be joining us shortly. In the meantime, we're going to begin the proceedings. As you can see, we have a lot of people to hear from today.

We're going to begin with Dr. Rodgers.

D E N I S E V. R O D G E R S, M.D.: Thank you, Senator Cunningham, soon to arrive Assemblywoman Riley, members of the Senate and Assembly Higher Education Committees, for this opportunity to testify today.

Welcome to the Newark campus of the University of Medicine and Dentistry of New Jersey. I'd like to offer my thanks to Dean Cecile Feldman and the New Jersey Dental School for hosting this hearing.

In light of the special guest we have today, I will hold off my testimony until after the Mayor has had an opportunity to speak, if that's all right.

SENATOR CUNNINGHAM: Thank you.

Mayor Booker, Cory Booker, of Newark.

MAYOR CORY A. BOOKER: Good morning, members of the Committee; and good morning, Senator Cunningham.

I want to start -- obviously you've already made mention of it -- but today Newark, New Jersey, lost one of its home-grown heroes. Congressman Payne is and was a champion of all people, from kids on Bergen Street to children all over the globe, literally -- from Bosnia, to South America, to Africa. He was one of our humble heroes. And today a lot of sadness hangs over the city. And I appreciate you taking a moment to recognize him.

This is something that he was very involved in for years, and years, and years. When the origins of the UMDNJ were happening in the City of Newark, and a lot of the controversy that I know members of this Committee remember, he, along with many other people, were championing what was the highest hopes for health care in the City of Newark.

And so this is something that we take very seriously. There are monumental changes being proposed that have a deep and penetrating impact on the lives of residents of this city. We have, and I have, tremendous concerns whenever you come about change. Indeed, there is always opportunity. And I have lived my life as a prisoner of hope. But the reality is, this is something that deeply concerns my community on a number of different levels. And I would like to take the opportunity right now to delve into just a few, to be as respectful of the time that this great Committee has as possible, and be as brief as possible. And if there are follow-up questions, I would like to explore them.

I know the Higher Education Committee is looking at the entire state, but I'd like to remind the Committee that Newark, New Jersey,

unequivocally, is the higher education capital of New Jersey, with the highest number of colleges and universities, students and researchers, faculty and staff. We take great pride in what this institution, along with the other institutions in this city, have helped to accomplish.

We have concerns, and I have concerns, that really lie in four areas. The first and foremost, which has been mentioned, is keeping and maintaining a robust higher education fabric within our community, keeping it vibrant and strong, competitive globally as well as nationally. The second concern I have is in terms of health care delivery and the concerns there. And the second -- the third and fourth, excuse me, are the general economy here in Newark, New Jersey, and employment. I want to just take a moment to hit on each of these, add a few more concerns, and then conclude my remarks.

First and foremost is that as a university town, UMDNJ is a central part of our educational landscape. It's what helps keep this city as one of our nation's more competitive cities educationally. The plan creates a competitive landscape which will make it more difficult for Newark, New Jersey, for UMDNJ to attract the best faculty, students, not to mention research dollars and funding. By creating a system that weakens one of its gems, it doesn't just hurt Newark, it really hurts the entire State of New Jersey. And we want to make sure that central to this plan is keeping this institution strong, vibrant, competitive, and truly one of the state and national leaders when it comes to medical education.

The second area that concerns me, and frankly is the one I hear the most concern on from folks from our community, is just the system of healthcare delivery in and of itself. We, as a community -- as well as New

Jersey -- deeply rely on University Hospital. It is inarguably, in my opinion, the trauma center for this greater metropolitan region; a distinction that can only be maintained through increased investment in the hospital. This is too important of a regional hub and a Tier 1 trauma center for us to do anything that would weaken that strength we have in this institution. It is critical, in order to maintain that, that we have a strong and unyielding partnership with the New Jersey Medical School, Dental School, School of Nursing, and other top academic institutions.

University Hospital is also -- in addition to being such a primary, first tier trauma center -- it is also a safety net hospital. And this cannot be emphasized enough. This is a hospital that serves the people who are often left out of the equation. It serves the people who too often have their backs turned. It is often the first and last resort for many, many people who are living lives of -- humble lives -- that they're struggling with things that are too often overlooked within the national context.

It is the safety net hospital not just for Newark, but as I know factually, other hospitals in this area will send their charity-care cases down to this hospital to be served. And so for us, this is in the vision we have for creating a state that exalts its very model -- liberty and prosperity. We must have a hospital like this that continues to fulfill its critical purpose for serving working poor and poor New Jerseyans. And I add to that many New Jerseyans who are often undocumented -- often find themselves taken to our hospital as well. And this hospital is able to provide the care for them and not turn their back, and exalt their human dignity as well.

The payer mix at University Hospital is heavily weighted to charity care, and this is not adequately -- and I want to say this very

candidly -- is not adequately funded by -- in New Jersey. And Medicare -- Medicaid, excuse me, only provides partial reimbursement for the costs. So this hospital, in many ways, has been pulling more than its weight in serving those populations that are often left out of the equation. They do not turn their back; they do not care where they come from, and they come from all over the area.

Health care in the State of New Jersey, in my opinion, is in crisis. And the data for populations that are very represented here in Newark, New Jersey, is very sobering. We are not doing enough in preventative health, we're not doing enough in dealing with acute conditions, and we have a lot of work to do. But if this hospital in any way diminishes, we will lose, in my opinion, one of the last resorts for so many people.

And I want to add to that. This is what makes me a prisoner of hope. We must find a way not to just prevent any diminution in healthcare services, but really the aspiration for a state as ours is -- we must have the aspiration that we create more robust healthcare services.

I was very fortunate that when -- as I child, when I got injured, when I got sick, when I had a fever, that there was a place for me to go, a hospital that would welcome me when my parents were gripped with concern. We cannot have this hospital diminished in providing for the children of New Jersey -- the kind of support and help they need so that one day they can grow up and be a congressman representing the State of New Jersey, one day they can grow up and be a businessperson. And health care is a critical element in living a robust and healthy life.

The second thing I want to say is my concern -- and really the final two points dealing with economy and employment. UMDNJ now employs well over 1,000 Newark residents, and it brings over 7,000 more employees into our city every single day. This is an economic engine for this region that is truly awesome, to put it very simply. They fuel not only our economy, but they fuel our local businesses. They help to keep the vibrancy and vitality of our city's economy in a very strong way.

In 2011, for example, UMDNJ contracted over \$4.3 million with local businesses, and over \$720,000 with local minority-owned businesses. Again, diminutions in this area begin to make our entire region suffer, just as our city is turning a corner and really becoming more and more an economic engine for the entire State of New Jersey. To take an injury, in this sense, would be an unfortunate blow.

Offering robust higher education opportunities is at the core of Newark's economic plan for growth. We have been building on our university sector, leveraging it as what we believe is a competitive advantage for Newark in this region -- at a time that our universities are growing stronger, are building more dorms, are getting more involved in our community. To see the diminution of UMDNJ in any way undermines the larger vision and hope that Newarkers have for their city. We cannot compromise and be acquiescent to a plan that undermines this economic strength. Newark is a city on the rise. It's time to support greater growth in its educational sector, not to injure or undermine it.

And with that said, these employees -- the over 1,000 Newarkers, the thousands of others from our region-- It is very important and critical to me that not only are their jobs retained, but that people have

jobs with worth, with dignity, they have jobs that pay a living wage, jobs that keep them above the poverty line, jobs that make sure -- in my opinion, are jobs that are the kinds of jobs that we can be proud of. And we have to make sure -- again, my strong feelings -- that we create jobs that really are about keeping more of New Jersey's residents solidly in the middle class. We need to preserve as many of the jobs as possible. And, again, I believe not just jobs period, but quality jobs.

Those are the four areas of my concern. But I'd like to just hit on a few other themes that really have me concerned. One thing is-- And, again, I'm grateful that there is a -- the Governor has put together a committee to try to work with us to solve -- work through a lot of these details. But I have a lot of concerns because the plan that has been offered up that -- is so lacking in the financial impact it could have on the system as a whole. Right now the plan is calling for parts of our system -- the Cancer Institute, School of Public Health -- being pulled out of the UMDNJ system and partnered with other institutions in our state. And there is no real understanding of the consequences that will have to the system as a whole. What is the true impact it will have on our debt rating by institutions like Moody's?

What is a real and fair equitable distribution of those debts? To take out revenue-generating entities -- out of a system that already, as we all know, has revenue challenges -- it could have unforeseen consequences to the strength of the whole system. We must deal with issues around the equitable distribution of debt, and that has -- is an overall concern; of how to make this financially strong and a plan that would not

drain more taxpayer dollars, as a result, in trying to sustain institutions that -- once this lifeblood is pulled out of them -- will have the impact.

The other challenge, I believe, is trying to create a funding strategy for our university and for this hospital that sustains the level of service. And, frankly, I'm a guy who believes that we should be looking to create better services, more proactive services, more preventative services. We are now at a time where healthcare costs in our state, in our nation, are going out of control. America, right now, has over 17 percent of its GDP being used for health care. Our closest global competitor is about 12 percent. What we're doing is health care, in many ways, in the wrong way. We're treating problems on the back end when they get much worse. UMDNJ, in many ways, could be on the forefront of forging a new way forward for this country. We've never really, in my opinion, truly embraced the role that an urban hospital like this can play. Some other areas around our country are starting to get it. But UMDNJ's attitude as we move forward with this can't be, "Let's just hold the line where we are." Because where we are right now is not satisfactory. It's simply driving up long-term healthcare costs and missing opportunities for innovation, for entrepreneurship, for opportunities to be on the cutting edge of bringing health care to disadvantaged populations and driving down overall costs to the state.

It's very important to me that as we look at funding this institution forward, if we put it in a crippled position where it's constantly, every year, trying to negotiate and fight for State aid-- While the climate in this Legislature might be good five years from now, seven years from now, if we don't have some kind of State aid that's built on a formula, if we don't

have State aid that's built with a vision for ultimately trying to be proactive in controlling costs and improving the health care of a population, in my opinion we will be doing a serious detriment to the long-term health of our state, as well as the long-term costs of our state.

This institution -- and I know many of the great people who work in it -- has a vision that I don't think they've been ever able to fully realize, because there's not the kind of support and forward thinking behind some of the great leaders we already have within UMDNJ here, as well as our hospital.

There are also very big concerns I have with what we're doing to our state. Right now we have two areas in our state that are going to be marrying -- as we see with Robert Wood Johnson and Rutgers -- marrying great hospitals -- teaching hospitals -- with large universities. This will create two very strong, competitive universities in the southern sector of our city -- of our state and the central sector of our state. And I applaud that. I think there is some really good thinking that has been going on within creating complex universities. I had the privilege of serving on the Board of Trustees for a number of years at Stanford University. And they moved -- charged, over a decade ago, forward to try and create marriages not just between hospitals and universities, but understanding that where the globe is going in science and technology, you need to create marriages between hospitals and engineers, hospitals and biologists, hospitals and other parts of a vibrant, thriving institution and university. It's exciting to see what's happening. And I'm very happy that in the southern tier of New Jersey, and in the central, that there seems to be -- although not fully articulated -- but there seems to be at least a vision for creating strong centers of

competition that will do wonderful things, potentially, for the state. And, again, I think that there are a lot of caveats and issues that need to be examined.

But what we're seeing here in Newark is our hospital and university putting -- being put at a severe competitive disadvantage compared to those other institutions. This is highly problematic for us. We're basically being told that from the get go, from jump, "We're going to put you in a second-class tier compared to other New Jersey institutions." Think about this now. Suddenly-- We had an integrated, vibrant institution that really was a strong whole, a system that worked through all regions of a state, and now suddenly we're chopping them up and taking two and creating institutions that, if you look at reflective -- from California to New York, if you look at our peers, are, in theory, (indiscernible) smart ideas. But you're leaving one institution on its own, on an island that is much smaller and has less of the vitality that comes from being part of a larger institution.

What does that mean to us now? In this highly competitive region, in this highly competitive state, in this highly competitive nation, in a globe which more and more is competing for scarce dollars, suddenly Newark, New Jersey's premiere institution of higher learning, of medical education is being put in a second-class status within its own state; and now is going to have to compete for faculty, for staff, for students, for research dollars, and more. This is incredibly problematic and disadvantaged to start with a plan that says, basically, "You will take a second-tier status when it comes to competing for all of these essential resources."

We, here in Newark, are great at competition. We are tough, strong, resilient. And we're used to having people throw bricks at us, and taking those very bricks and using them as a foundation to build things other people said could not be done. But it seems almost astonishing to me that in a state's vision for creating a stronger New Jersey, in the very city that is the central region for economic development, for education, for arts and culture -- that produces, with no exaggeration, when you include our airport and port region, hundreds of thousands of jobs-- We are the engine for this state in economics, in culture, in arts, and education. And suddenly we're creating a plan that doesn't have a vision like we have for leveraging those assets to create benefits for the whole state, but basically in this rush to do this creates a second-class status. And instead of putting us in a position where we're imagining what could be, we're now defending what already is. And this is an uncomfortable situation because we know, quite frankly, what is, is not enough. We're not doing enough for disadvantaged populations, we're not doing enough for charity care, we're not doing enough like other areas of our country in thinking in an imaginative way how New Jersey could be the leader in solving global problems. Instead we're creating a system where its parts are less than the sum of its whole. And this is what gravely concerns me.

So to conclude, there are many, many, many concerns. And there is alarm within the greater Newark community, not just about the security concerns of having quality jobs, not just the concerns of a city that is now producing its greatest economic development boom in over a generation -- literally hundreds of millions in new developments pouring into this city. Not just those concerns, but the larger concerns about what

is the vision for a stronger New Jersey. What is the vision that understands that Newark is one of our greatest state assets, that Newark is becoming more and more a city the rest of the country is seeing as a city of hope, a city of imagination, a city of innovation. How can we, in the most important sector -- in human life, in human dignity, in the sector of health and security -- how can we suddenly take this city that is showing promise in so many areas and say, "You all are second-class citizens. We're not going to have a robust and bold vision for your institutions. We're just going to make sure that there is no hemorrhaging."

That is not acceptable to me. That's not acceptable to me. We in Newark, New Jersey, we in the State of New Jersey, should be leaders in the country in imagining a bolder vision. And right now my concern is that there is no bold vision for this institution. Everybody seems to be talking about how we can do no harm. Well, there is a lot of concern for the harm, there are a lot of concerns with the details that have not been expressed by any of the plans that I've seen. But what disappoints me is that even if we work through all those details, we're missing, here in New Jersey, a profound opportunity to take one of our cities that contains some of the best assets and create something greater that, ultimately, makes our state live up to its motto -- that we are the state of liberty and prosperity.

Thank you very much. (applause)

SENATOR CUNNINGHAM: Thank you, Mayor, for that information you shared with us. Certainly you've given us a great deal to think about.

I do have to say this: As you know, I grew up in Newark.

MAYOR BOOKER: Yes. I don't care what they call you in Jersey City, you're a Newark girl and we know that. (laughter)

SENATOR CUNNINGHAM: Don't say that too loud. (laughter)

And I know how much this hospital, this university has meant to the residents of the city. I know how poor and disadvantaged people rely on this facility. And my concern is what is going to happen to them. We have to make sure that health care is given to the residents of Newark in an adequate way.

I'm also glad that you brought up the point about employment. I know that the hospital employs a great deal of people. And I think that those are some issues we need to take an account for.

It is interesting when you're talking -- you forget that Newark is the largest city in the state, and therefore if we're going to do anything, we're going to make Newark stronger, not weaker. (applause)

MAYOR BOOKER: Yes, amen.

SENATOR CUNNINGHAM: Have you been involved at all with the Governor's Committee when they were -- Dr. Barer -- when they were putting everything together?

MAYOR BOOKER: In a very tangential way, they gave my staff some courtesy by sharing information. We were then invited, subsequent to that, to the table -- and some of the Newark legislators who are here -- I saw Ron Rice earlier -- as well as the Speaker of the Assembly, as well as Senator Teresa Ruiz. A number of us were invited to start a continuing dialogue to look at some of these details. But I do still believe that we're moving at 100 miles per hour down a highway that-- There's an

old African proverb: If you want to go fast, go alone. If you want to go far, go together. And I'm worried that we're not going together right now on this, and a lot of people are being left with some serious, serious concerns.

So I'm grateful for -- I do believe it was generosity of spirit with which the Governor reached out to me personally and said, "Let's put together this group to work through some of the details." But I do believe, obviously, this is not just an executive decision, this is a legislative decision. So I'm grateful for the hearings that you're holding. But there is so much more work that has to be done.

And I want to just-- I'm a little jealous because you've got more Newark credit than I do, having grown up on the streets of the South Ward like you have. But I want to remind you, which you already know -- and it may not be said -- that there was a time that UMDNJ had even more robust progressive clinics that they were offering to residents of our city. (applause) And so what you saw coming out of the riots -- and there are some historians who will argue that one of the triggers to the civil unrest of the '60s was the complete destruction of neighborhoods in this community. And out of that came something called the Newark Accord. It's not talked about. But there were commitments made by the State to the community. (applause) And I want to just tell you-- And this is why Newarkers -- we often do have a chip on our shoulder, because all those promises were made back in the 1960s and they were not fulfilled. And they came out of the blocks with all kinds of good intentions. But there was a road heading to a destination that's paved with them. And ultimately those good intentions were not held up. And I watched, in my professional career in Newark spanning the last 15 to 20 years, how there has been a slow erosion of its

community commitment, not because of some of the leaders that I've come to rely on as personal friends, but because of cost issues -- that they haven't been able to do that.

And so now I look at what's happening in the country, and they're realizing so many innovative things; and some of that work is going on in the State of New Jersey in a small way. But they're finding out, "You know what? We can actually drive down healthcare costs if we put more clinics in schools. We can drive down healthcare costs if we reach out to the community before the diabetes becomes the problem. We can actually drive down healthcare costs if we do more programs that focus on fresh fruits and vegetables." So hospitals around our country in urban areas are really getting at the forefront of America's long-term problem: How do we drive down these issues? But at that time, in the same period, what's happening to UMDNJ because of cost issues is we're moving backwards. And so I want to see this to be an opportunity where we exalt the original commitments, when entire neighborhoods were dug up and buried over, when there was grievous harm. I would like for this to be a time in memory of those activists in the '60s who fought so hard for commitments that were broken -- is that we revisit those commitments, and we find a way to celebrate, exalt, and make them real again for this generation of Newark. (applause)

SENATOR CUNNINGHAM: Thank you, Mayor.

And before you continue clapping, I'm going to ask you not to clap because it's interfering with the transcript of the recordings that are being done.

Mayor, I just have one more question, just so we -- everyone visualizes, when we talk about Newark being the number one city -- how many-- What is the population of Newark right now?

MAYOR BOOKER: Again, you and I both know we have cities that are severely undercounted, but the official--

SENATOR CUNNINGHAM: Such as Jersey City. We won't talk about it.

MAYOR BOOKER: That's why I said you and I both know that. (laughter)

But we're a little under 280,000 people in the city right now. And I want to remind you, as you know -- as we know, as a city that pays so much of our city taxpayer dollars to cover the costs of the million or more people who come into our arena, the hundreds of thousands of people who come here to work. When people come to and fro, when there's a hospital ambulance running down from East Orange or from Summit, or where have you, they're running on our roads that we're fixing. If there are problems, our police face them. So we sit on a city right now with over 280,000 people that, in my opinion, has the most in terms of percentage of its square feet covered by nonentities we cannot tax, entities that pay no taxes. So if you're looking at the prisons, if you're looking at the hospitals, if you're looking at the courts, all of those things are in Newark, and those taxable lands would add billions of dollars. But we're okay with that. But we want it to be-- What we would like for there to be is an understanding that, with all of that that Newark is putting here -- that other cities don't necessarily want in their communities or in their towns -- that there is some understanding that there should be equitable contributions that could help

us do the kind of proactive care, proactive services that this city should have.

SENATOR CUNNINGHAM: Thank you very much, Mayor.

I am going to ask the Committee if anyone has a brief question for the Mayor.

Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Mayor Booker, with the Newark Accord-- I've never seen it, the full context of that. Would you be able to provide us a copy of that? Because it's been talked about. I remember the history of this hospital -- a lot of people don't realize this was Seton Hall Medical School before it became UMD and moved from Jersey City to Newark. And that was a big issue in -- like, you alluded to about the '67 issues. That was part and parcel. So I think that's an important consideration we have to look at in terms of fulfilling our responsibility with that Accord at that time.

MAYOR BOOKER: I'm grateful for that. We will do our best to get you an unvarnished copy.

SENATOR CUNNINGHAM: Senator Sarlo.

SENATOR SARLO: Thank you, Madam Chair.

Thank you, Mayor, for being--

MAYOR BOOKER: What county are you from, sir? (laughter)

SENATOR SARLO: Bergen County.

And we have very little skin in this game -- what we're talking about, but we'll talk about that later.

As the Chairman of the Senate Budget and Appropriations Committee, I am concerned that we have this blueprint nobody has ever put a dollar sign to. And that is troubling to me.

You laid out four concerns. But at the end of your opening remarks, you laid something out that was very eye-opening to me, and I agree with you. If I take myself out of New Jersey right now, and say I'm sitting in Stanford University today, and I'm competing for serious Federal dollars, and I'm competing for some of the best and brightest researchers out there, and we're looking -- and we're going to be competing against New Jersey-- If I'm them, I'm looking at New Jersey and saying, "They're now going to take this model and they're going to fracture it and set up three separate systems, three separate teaching hospitals married to a medical school." And I applaud the concept at Rowan and Rutgers. There's a lot of good merit to that. But if I'm sitting at Stanford looking at New Jersey, I'm saying, "They now are three of them competing against each other and competing against us for the same Federal dollars, for the same talented professionals."

Then you look at Newark, and I think that is even more troubling -- is you're not on the same par as our central and our southern systems that are going to be set up -- the marriage that is being created there. So as you're competing against Stanford -- not you individually, but as UMDNJ, the future NJHSU -- as they're competing against Stanford, not only are they a level below the other two teaching hospitals or medical schools in New Jersey, they're now competing against the Stanfords of the world. It puts us in a very, very difficult situation.

So I just think we have to go -- be careful here that, from New Jersey, we're breaking this up into three separate parts. And instead of being unified and going out there against the rest of the country as one, we're going out there as three separate systems and one limping, Newark.

So you touched upon that, and I appreciate your comments on that. And I agree with you.

MAYOR BOOKER: Thank you, Senator from a great, noble county that produces fine young men. (laughter)

I want to just echo-- I actually believe that our state, if done the right way, can create centers of competition that can win the globe. We're all from Jersey. We all have that sort of confidence. But just-- You don't have to go to California. I was just over the river yesterday meeting with civic leaders. And this--

SENATOR SARLO: That was a plug to you, the Stanford.

MAYOR BOOKER: I appreciate that. It was a great university that I got into because of a 4.0 and 1,600: 4.0 yards per carry, 1,600 receiving yards at a nice high school in Old Tappan. (laughter)

But they were thinking, "What, are you guys crazy? You're basically shooting your institution in the foot at a time that the competition is getting more and more cutthroat, more and more vicious." And people think it's just competition for research dollars. But they know it. We have star people, star faculty over here that are getting competed over more and more from different schools. And so if I can offer you -- "Come here to this place. You not only have the hospital, but you're going to have a vibrant university that feeds that with energy, resources, and the like, and collaborators, and the like." We're going to weaken this institution. So at

some point we have to realize that New Jersey has to start really thinking of itself as the globally competitive region. And we have the second busiest port in the United States of America here in New Jersey, in terms of values of goods coming in. We've got one of the busiest cultural centers. We were in the top of arenas. I can go on and on about what Newark is offering in terms of national and global competition. At that very point when I know for a fact that entire industries are created by ideas, by innovation, by research-- We can't even talk about what the job creators of the next 25 years will be. But I know one thing, as a Jersey guy, I want those ideas to be coming from our state and those industries created here.

And so why would we wound and weaken one of those centers of innovation, research, creation, solving diseases -- of creating new ideas -- why would we injure one of those in this context? It makes no sense to me. And so I don't understand why there is not a bold vision. Why are we being meek? And in this case, the meek will not inherit the earth, the meek will be left behind.

SENATOR SARLO: Thank you, Mayor.

If you stick around later on today, you'll hear my plans for a medical school in Bergen County. (laughter)

SENATOR CUNNINGHAM: Thank you, Mayor.

We have one more question.

Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Thank you, Mayor.

I think you actually addressed this in your comments to Senator Sarlo.

As you all may know, I'm not from Newark, but my husband was -- it's the Eric Munoz Trauma Center, and so -- and my son is a resident here in surgery. So I feel the commitment to Newark and to the university.

I think I'd like to ask you to speak to, specifically, the NIH grants and the other Federal grants that University Hospital and New Jersey Medical School has compared to the other medical schools. Because I think that that's somehow being lost in this argument. It's the strength of the faculty and the strength of the grants -- is really an important issue here, because I don't think that the public understands the strength of this medical school. And I would love for you to address that publicly so that the public does understand that. Because I think it's really important in keeping the strength of the medical school within this state.

MAYOR BOOKER: First of all, Assemblywoman, I have very limited power as a Mayor, but I would like to convey upon you honorary Newark status. (laughter)

ASSEMBLYWOMAN MUNOZ: Thank you.

MAYOR BOOKER: Your family has left an impact on the city that is palpable. Obviously your name is legend here. And the work your husband -- we're very grateful that he was-- I considered him a friend of mine as I got into politics. So thank you for making that clear.

And, again, as Newark often-- We don't recognize ourselves sometimes as much as we should. There are a lot of people who take ownership over the city. We have a Diaspora from Newark that is literally helping to transform the globe, as we just most recently saw with the death of one of our great artists here.

There are people far more qualified than me, behind me, who will be speaking soon who have chapter and verse of the amounts of grants that we get. But please know, we're not a pauper institution right now in terms of the way we are competing already. You know, if you looked at a hand of cards that you are holding, the ace in the medical education and research world -- in terms of measured by grant dollars -- the ace is UMDNJ. And so while other people will come behind -- I know will have that factually on papers before them, you point your finger on something that I want people to really understand. This is already, measured by grant dollars, one of the more competitive institutions in our nation. There is so much pride here.

The name has been maligned in ways. In Newark we're used to being disregarded, disrespected, or just plain dis'ed. But the reality is, this institution is already proving itself in the value and the worth in terms of research dollars. And that's something we can't allow to be diminished. Again, we cannot create a system that weakens us or puts a cap on our ability to grow and achieve in the future.

Thank you.

SENATOR CUNNINGHAM: Thank you, Mayor, for your testimony. Thank you for being with us today.

MAYOR BOOKER: Thank you to a fellow Newarker. I won't say that over in Jersey City, but thank you very much. (laughter)

SENATOR CUNNINGHAM: Thank you very much.

Just a little housekeeping details. If anyone wishes to testify, you can sign up at the desk in the hallway. And although we gave the Mayor quite a bit of leverage in terms of time, we are going to limit

testimony to three minutes. If you have a written statement that you'd like to submit to us, please do not read your statement in your testimony. If you can, summarize it.

We're now going to ask Dr. Denise Rodgers -- she's the Interim President of UMDNJ -- along with Mr. Les Aron, who is representing the UMDNJ Board of Trustees.

Thank you.

DR. RODGERS: Thank you.

And as you indicated, before I begin my testimony, I'd like Mr. Aron to read a statement from the University's Board of Trustees.

LESTER ARON, ESQ.: Thank you.

Good morning.

Senator Cunningham, Assemblywoman Riley, members of the Higher Education Committees, the Board of Trustees wants to thank you for choosing to hold your Committee meeting here in Newark today. Your presence here underscores the importance of UMDNJ to the future of higher education in the state, as well as the economic growth and viability, as the Mayor said, of Newark and the region.

The Chair of the Board regrets that he can't be here today. He wants to assure you that the reorganization of higher education in New Jersey is of the highest importance to every member of the Board. We take seriously our statutory and fiduciary responsibilities to the institution, to its students, employees, patients, and the broader community of New Jersey.

As a Board, we have repeatedly stated our preference to maintain an intact UMDNJ. We feel strongly that this is what is best for medical education in New Jersey. However, we recognize and acknowledge

that the structure of all of higher education in New Jersey is undergoing study and discussion. We also recognize the advantages for all research universities to move from good to great. Doing so will clearly benefit the citizens of New Jersey.

We can embrace change that is beneficial to all of New Jersey and its citizens. While restructuring UMDNJ is not our first choice, we believe that an outstanding, best-in-class health sciences research university consisting of the Newark, Stratford, Scotch Plains-based schools and University Behavioral Health Care in Piscataway is possible if, and only if, given adequate resources to do so. In addition, this new structure must continue to have a strong relationship with University Hospital as the principal teaching hospital -- teaching institution and center of patient care for the Newark-based schools. And it must continue to focus on its four-fold mission: education, research, community service, and clinical health care, all toward improving patient care and the health status of our communities and the state.

Our Board will remain committed to protecting the interests of UMDNJ or its successor institution within the scope of our statutory authority and abilities. As such, we would be sorely remiss if we did not point to the financial challenges associated with the presently proposed plans for restructuring. Many unanswered questions remain regarding resolution of the present bonded debt of UMDNJ; the one-time costs associated with the restructuring; the ongoing potential deficits; a guaranteed fair allocation of future State funds for higher education; and equally important, the actual source of moneys to fund these efforts. UMDNJ is at a considerable financial disadvantage due to years of declining

State support for higher education while simultaneously having to support our clinical mission, particularly the safety net mission of University Hospital.

We can only endorse the proposed changes to the extent that there are assurances that the restructuring will not benefit others to the financial detriment of our institution. This cannot be a zero-sum game. Rather, when implementing any recommendations, there must be a well-designed plan with built-in safeguards so that the intended goal of improving all of higher education in New Jersey is ultimately achieved.

Furthermore, during this process, we will work to ensure that the interest of our patients, employees, and students, both current and future, are protected; and that the communities we serve have the same opportunities for advancement and growth in collaboration with higher education as do other parts of the State.

UMDNJ is a transformed university with enormous promise and value. This value must be protected. We have persevered to earn the right to be a viable, contributing institution to not only northern New Jersey but the entire state.

I'm almost done.

As a Board, we and the leadership of the University will continue to advocate for this throughout the process as it unfolds. We will also continue to diligently examine the proposals and the economic impact on UMDNJ.

We thank you, the entire Legislature, leaders throughout the state, and Governor Christie for your commitment to making sure that we

all get this right on behalf of all the students, patients, employees, and communities that we serve across New Jersey.

Thank you.

SENATOR CUNNINGHAM: Thank you.

Dr. Rodgers.

DR. RODGERS: I'm here today to discuss the implementation of the far-reaching proposals of the UMDNJ Advisory Committee. Last month, when I appeared before the Senate Higher Education Committee, I outlined my response to the UMDNJ Advisory Committee's final report and the proposed restructuring of the higher education system in New Jersey.

Let me reiterate that we welcome the interest and attention of the Legislature and the Governor in higher education, and thank the Advisory Committee for its work. We also welcome the ongoing efforts to resolve the decade-long debate about the structure of UMDNJ. As a university and an academic health center, we potentially have enormous opportunities to build student capacity, improve academic quality, expand research opportunities with the pharmaceutical and biotechnology industries, enhance patient care, and create economic opportunities. However, these opportunities cannot be realized while our structure remains in a constant state of flux. With an appropriate resolution to many of the issues associated with restructuring, we can move forward to build a world-class university that will benefit every region of the state.

Since the release of the interim report, the leadership team at UMDNJ has been collaborating with our counterparts at Rutgers to address the logistics of transferring three components of UMDNJ -- Robert Wood

Johnson Medical School, CINJ, and the School of Public Health -- to Rutgers. This process is being overseen by representatives of the Governor's Office. The transfer of these three assets and the recommendation to merge Rutgers-Camden with Rowan University have captured the lion share of public attention.

Today, I am here to remind everyone that the effort to enhance higher education in New Jersey involves not just South and Central Jersey, but North Jersey as well. As evidenced by the holding of this hearing on our Newark campus, you recognize that the institutions in this region are equally important to strengthening higher education across the state. As is evident throughout the country, there are numerous benefits associated with building strong universities in urban settings. Vibrant universities and academic health centers anchor community and economic development in urban areas. They help to improve health outcomes and enhance the quality of life.

Therefore, I would like to present briefly a vision of the future of the University of Medicine and Dentistry of New Jersey, or its proposed new name, the New Jersey Health Sciences University. I believe this vision is applicable if UMDNJ remains an eight-school entity or changes to become a six-school entity. To symbolize the proposed transformation of the institution, I will, at times, refer to UMDNJ as NJHSU throughout my testimony.

Following my testimony, you will have the opportunity to hear from the Deans of the six schools that will comprise the core of the proposed new university. They will provide greater detail about the breadth and depth of opportunities before us.

NJHSU will be New Jersey's only university of the health sciences and, of course, it will remain a major research university, one of the four research-focused higher education institutions proposed by the Advisory Committee. In fact, on this campus we have more federally funded biomedical research dollars than any of our other campuses. After the proposed transition, we will maintain our fundamental commitment to excellence in clinical education, high-quality patient-centered health care, and the enhancement of our capacity to conduct bench to bedside translational research. We will continue to expand economic development and drive job creation in New Jersey. As the healthcare system evolves under the Affordable Care Act, teams of professionals will be delivering healthcare services. With our wide variety of degree programs, one of our core strengths will be in the development of interprofessional education. NJHSU will lead the state in training the multi-disciplinary practitioners of the future.

NJHSU will be a statewide university with campuses in Stratford, Piscataway, Scotch Plains, and Newark, and a widely dispersed clinical delivery system. This transformed university will touch every corner of the state and continue to positively impact the lives of thousands of patients and students.

A financially stable university hospital will anchor the clinical education components of this university. For this university to succeed, University Hospital must remain the primary teaching hospital of our institution. We support a private-public partnership to ensure a sustainable University Hospital, but it must be a true partnership that advances all of our mission areas and provides measurable benefits to the community.

Within the City of Newark, we have a critical mass of higher education assets. Collectively, the assets of UMDNJ, Rutgers-Newark, NJIT, and Essex County College comprise a large comprehensive university. We will take the opportunity presented by this process to expand upon the work of the Council for Higher Education in Newark, known as CHEN, to build stronger research and academic collaborations across our schools.

In Stratford, the School of Osteopathic Medicine will remain our standard-bearer for training primary care physicians. We will maintain and increase the presence of the School of Nursing, the Graduate School of Biomedical Sciences, the New Jersey Dental School, and the School of Health Related Professions. This campus will be a natural laboratory for the development of sophisticated interprofessional education and practice modalities.

New Jersey has all the building blocks to create a world-class higher education system. However, with this historic opportunity also comes an obligation to invest the necessary resources to make this opportunity a reality. The last time we spoke, I pointed out the importance of establishing a sustainable financial platform for our newly transformed university when this proposal goes into effect. To ensure the future success of NJHSU, the State will need to invest, at a minimum, \$30 million per year over the next five years. Moreover, the bonded debt used to create this university as it is must be fairly apportioned and refinanced if at all possible.

Similarly, to protect University Hospital's ability to function as a key part of an academic health center and remain New Jersey's most relied upon safety net hospital--

SENATOR CUNNINGHAM: Dr. Rodgers, we're going to have to ask you to--

DR. RODGERS: Summarize.

SENATOR CUNNINGHAM: Thank you.

DR. RODGERS: Yes -- \$25 million per year for five years for University Hospital. (laughter)

And it is important that I actually make my last statement, which is that in this room there are many familiar faces behind me. They represent the faculty, the students, the staff that make up UMDNJ. They are our most important asset. Without these assets, we will not be able to continue our journey to outstanding. But with your support, with the appropriate resources, with a recognition of our need to be around the table, I can assure you that we will create a university that all of us can be proud of.

Thank you. (applause)

SENATOR CUNNINGHAM: Thank you.

Are there any questions for Dr. Rodgers?

I'm going to ask the audience, again, please do not clap. We would appreciate that. It bothers our recording system.

Senator Sarlo.

SENATOR SARLO: Thank you, Madam Chair.

Just one quick question. I know the report is silent. And perhaps you know, from the implementation standpoint, currently UMDNJ has a very strong relationship with Hackensack University Medical Center, which I believe -- it's my opinion -- one of the finest hospitals across the entire country. What's going to happen to those slots? You currently

provide them, on a yearly basis, with graduate medical students who go up there. The question they have -- and they've been asking me -- what's going to happen to those slots under this reorganization plan?

DR. RODGERS: Certainly it is our proposal to maintain those slots, to maintain that relationship. We are hoping to not disrupt or diminish that relationship at all moving into the future.

SENATOR SARLO: What would happen if there was a third party -- another healthcare system that comes in to take over the hospital? Now they're going to be competing with Hackensack University Medical School for students. Is that correct?

DR. RODGERS: No, not necessarily. I think they're separate issues. I think the issue of, sort of, management of the hospital versus the issue of how our residents will be deployed are separate issues. But it does allow me to say that that's why it's important that in the reconfiguration of University Hospital we're talking about a partnership and not takeover. Because it is important, from our perspective, that we be allowed to continue to maintain our relationships with a number of hospital systems so that we can optimize the training opportunities for our residents and students.

SENATOR SARLO: I know at Hackensack they're very pleased with the relationship and the talent pool that you've been sending them, and I know they want to continue that. So I just--

DR. RODGERS: So do we.

SENATOR SARLO: I haven't seen anything in the report about that, so I just wanted to put that out there.

DR. RODGERS: Thank you. So do we. We value it.

SENATOR CUNNINGHAM: Assemblywoman Riley.

ASSEMBLYWOMAN CELESTE M. RILEY (Co-Chair):

Good morning, Dr. Rodgers. How are you? It's a pleasure always to see you.

DR. RODGERS: Thank you.

ASSEMBLYWOMAN RILEY: We've had many conversations on this very issue over the last couple of months -- actually the last month. And I am looking at your fifth paragraph down, where you said that there is already work going forward on this particular issue with Rutgers and UMDNJ, and then with the Governor's Office. Do you have any insight on how that -- what their insight is; how he is proceeding on this issue?

DR. RODGERS: We don't. I think that the indication is certainly that there is a desire to move forward with the implementation of the transfer of these three units. We certainly are participating appropriately in that planning. As you can imagine, it is an enormously complex process to achieve and to achieve well. Our primary objective in this is to protect our faculty and students, because until they belong to somebody else, they belong to us. And that's our obligation. But also, obviously, in this process our obligation is to ensure that UMDNJ is not damaged in a way that doesn't allow us to remain a competitive institution as well.

ASSEMBLYWOMAN RILEY: Thank you very much.

SENATOR CUNNINGHAM: Senator Pou.

SENATOR POU: Thank you very much.

Can you hear me, Dr. Rodgers?

DR. RODGERS: Yes.

SENATOR POU: Okay. Thank you.

What I'd like to do is follow up on Assemblywoman Riley's question with regard to your involvement, and that of the other universities and colleges that are involved in this whole process with the Administration at this time.

I know earlier this morning, as you heard, Mayor Booker was speaking with respect to a number of different financial concerns that clearly, as a result of this possible merger, would, indeed, create a problem. One of them is dealing with the outstanding debt obligations that he referred to. He spoke with respect to the transferring of other obligations. But let me specifically pick up on something you just said just now with respect to the -- everyone who is sitting behind you. Until such time it's otherwise different, they are still very much a part of UMDNJ. What are some of the discussions that are taking place with the Administration, with in fact -- along those particular lines? For example, will there be a seamless transferring of faculty? What are some of the concerns in contractual obligations? What about some of the cost factors that are clearly going to be questioned -- or questionable, I should say, when, in fact, there is still so much unknown and untouched? If you could just elaborate on that, that would be helpful.

And I would ask, if you can -- if it's at all possible -- who are in these discussions? Who are part of these discussions? Is it the leadership? You mentioned leadership team. If you could, just elaborate on who those members are.

DR. RODGERS: Sure.

So if I might, I'll start with the last part of your question. There is a steering committee that is overseeing the transfer process. And the steering committee is comprised of the presidents of both universities, the general counsel of both universities, the chief financial officers, the public affairs officers of both universities -- and I'm forgetting someone, and I'm going to be in trouble because I'm doing that. It will come to me. And the chief academic officers of the universities as well.

And so below that steering committee, essentially, are 12 integration teams that are looking at things like faculty transfer, student transfer, buildings, assets, information technology issues, just a wide range of issues because this is such a complex cast. And basically those integration teams are really made up of the people on the ground in both institutions who will be responsible for effectuating a successful transfer.

It's certainly my understanding from Rutgers that their goal is to do this in a way that is least disruptive to our faculty, staff, and students. And so the goal really is to allow for a seamless transfer of the people from UMDNJ to Rutgers. And certainly all of us are working hard on that because we want to, again, sort of do no harm, if you will.

I think that a number of the issues that you have raised obviously are of significant concern for us. The biggest issue, obviously, being the financial issue, being the issue related to the bonds, but also the issues of ensuring that UMDNJ is left with appropriate resources. The sad reality for us, quite frankly, as we sit here today, is if you look at all the institutions that are involved in this, we, without question, have the lowest bond rating, the weakest financial outlook, and that poses some significant problems for us. Because it, by definition, from day one puts us at a

disadvantage in this process. And what I want -- and what I'm hoping all of you will understand, is that the primary reason that we have the bond rating that we have, the primary reason that we have the financial difficulties that we have, is because we're an academic health center that provides patient care and that supports the state's primary safety net hospital.

If it were not for the financial difficulties of University Hospital -- that are largely driven, quite frankly, by the payer mix of patients that we provide care for, the very mission that we continue to maintain -- this University would not see the same level of financial difficulty that we have. We have embraced our role as a safety net provider. On the other hand, it is imperative that we have resources that allow us to move forward into this new period of time on an equal footing with a new institution being created, or we have the risk of losing a very, very valuable asset for this state.

SENATOR POU: Thank you, Dr. Rodgers.

You touched upon the bond issue. Let me ask you this: Will any of the bondholders be required to approve any aspect of this transfer -- transaction? Would that be required of them?

DR. RODGERS: To be honest with you, I don't know the answer to that question, but certainly we can get that information for you.

SENATOR POU: I would wonder also, if that is the case -- given that there are some obvious changes to what was originally proposed from the very beginning when those bonds were first issued -- if, in fact, there would be any kind of penalties that would be triggered as a result of any of the changes. And these are some of the very basic questions that we're only starting to think about at the present time. But as we move

forward, and as things are being said, I'm sure there are going to be a lot more financial questions that not only impact the institution and impact the ability for any action to go forward, but also the impact that -- it's going to affect your faculty members, your employees: contracts, collective bargaining. Any one of those issues are very, very vital to the transaction of any part of this plan, a lot of which we still don't have any answers to.

DR. RODGERS: Yes, agreed.

And I think that part of the reason that we don't have some of the answers related to the bonds is, we don't yet have a formal proposal of how to deal with the bonds. Because I think there are a number of scenarios that have been discussed, and depending on the scenario, I think it raises questions as to what will be the role of bondholders versus not.

SENATOR POU: Madam Chair, just real quickly. Let me just say, Dr. Rodgers, you made mention about the need for \$25 million. It would be very interesting for us to get a feel in terms of how you come up with those figures. And that's only the beginning part of it, I'm sure. And I would also -- you don't have to answer it, with respect to time. But it would be very interesting to know, from these discussions you're having with the leadership team that you talked about, what are the timeframes that have been placed upon this particular plan in moving forward -- information that we, ourselves, do not have.

DR. RODGERS: The goal remains to effectuate the transfer July 1, 2012. That remains our goal. And if I could, I hope I wasn't speaking so quickly that you didn't catch that I said it was a minimum of \$25 million. (laughter)

SENATOR POU: Oh, no, I got it.

DR. RODGERS: But we'd be happy to provide some of the detail in terms of where the numbers came from.

SENATOR CUNNINGHAM: You did say July 1, 2012.

DR. RODGERS: I did.

SENATOR SARLO: Who set that date?

SENATOR CUNNINGHAM: Who set that date?

DR. RODGERS: That is the date that was discussed with the Governor's Office that we are shooting for in terms of getting the transfer to occur.

SENATOR CUNNINGHAM: They're going to have contracts and everything all cleared by July 1?

DR. RODGERS: I certainly don't want to imply, but I think we can get all of that done by then. And I think, quite frankly, that is the next-- That's where we're having our conversations right now, in terms of what are those things that absolutely must be done by that date in order to make the transfer a reality. But certainly we continue to work toward, and are asking -- I think, both on the Rutgers and the UMDNJ side -- people to think very creatively and outside of the box to try to see what it would take to get it done by July 1; again with the proviso that there's a recognition that UMDNJ continues to need to run and be a competitive institution as well.

SENATOR CUNNINGHAM: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Dr. Rodgers, the question I was going to ask about the timetable you kind of responded about -- July 1, 2012. Do you have an approximate number of employees that will be impacted about this transfer of assets from UMDNJ to Rutgers? (applause)

DR. RODGERS: We think there are about 3,000.

ASSEMBLYMAN GIBLIN: Three thousand people?

DR. RODGERS: Yes.

ASSEMBLYMAN GIBLIN: Will any folks be displaced from the Newark campus to go to the Middlesex campus, New Brunswick, or are they going to -- it's basically the same? They're just going off of payroll -- from one payroll to another, correct?

DR. RODGERS: Yes.

ASSEMBLYMAN GIBLIN: Has any thought been given -- because of the enormity of this project -- about trying to include a person from one of the bargaining units? It just seems to me that for a smoother and more harmonious transfer that would probably make a lot of sense -- not to be an obstacle but more or less to try to look at these things critically and try to come up with something that's going to be successful.

DR. RODGERS: We certainly have had a lot of discussion internally about the role of our bargaining units in this process. We have actually set up an advisory committee made up of the unions at UMDNJ, working with the human resources subcommittee of the integration task force so that we can ensure that their issues get brought to the table appropriately, that we're able to answer questions as appropriately in moving forward.

ASSEMBLYMAN GIBLIN: Have they met?

DR. RODGERS: Yes.

ASSEMBLYMAN GIBLIN: So the folks who are being transferred -- they're going to become Rutgers University employees?

DR. RODGERS: Yes.

ASSEMBLYMAN GIBLIN: The issues of seniority, pay ranges, and all the other considerations -- you think you're going to be able to work out in less than four months?

DR. RODGERS: That is the goal, yes.

ASSEMBLYMAN GIBLIN: Thank you.

SENATOR CUNNINGHAM: Senator Sarlo.

SENATOR SARLO: I know we're going to hear from a lot of people, and I always say I'm not going to ask any questions -- but does anybody really think, on the steering committee, that in the next four months you're going to retire all this debt, you're going to deal with all these collective bargaining agreements, we're going to change the name, we're going to deal with all the contractual issues? Does anybody really think it's feasible? (applause)

DR. RODGERS: I think that many of us are increasingly aware of the complexity of this process and what it will take to achieve this. The easiest question I can answer is that we certainly don't intend to change the name anytime soon, because that obviously requires a lot of money, and resources, and the like. I think that in our most recent discussions, certainly with the steering committee, there continues to be a desire from the Governor's Office to try to meet this deadline. I think we are working to attempt to do that. But we are increasingly recognizing there are enormous challenges in trying to meet that date.

SENATOR CUNNINGHAM: Do you know how far along you've come? I mean, if this is the deadline, and that's July 1, where are you now?

DR. RODGERS: Well, we've actually -- in terms of thinking through a lot of the systems, things that need to happen -- I think we're actually fairly well-grounded in understanding what needs to happen. We've reached a point now where we have a certain level of obstacle because there is not official governmental action yet. So without official governmental action in the State of New Jersey, obviously it becomes difficult or impossible, actually, for us to go to the Federal government and say to the Department of Education, "How do we deal with their issues?" It's impossible to go to our accrediting body and say, "Okay. We're now ready to take some official action." That kind of thing.

But I do think we've actually made significant progress in sort of knowing what to do. It's the timing of how to get it done that becomes problematic.

SENATOR CUNNINGHAM: Okay. Assemblywoman Wagner.

ASSEMBLYWOMAN WAGNER: Thank you, Dr. Rodgers.

I just have a question. I'm brand new to this Committee. And this reorganization is new to me. I've been reading as much as I can to get an understanding. I've also been reading hundreds of e-mails that have come my way to my office, which are largely negative.

But I'm trying to understand this whole plan. What will it do for the University of Medicine and Dentistry of New Jersey? What positive is there for this reconfiguration? Because I'm not so sure that I'm understanding this. And I'd like you to just summarize what good does this do for UMDNJ.

DR. RODGERS: Assemblywoman, thank you for asking me that question. You know, we're in a very unique and difficult situation here at the University. And one can look back with regret for things past. I certainly can tell you that in a more perfect world we would keep UMDNJ together. There is no question that I believe there is enormous promise for this University moving forward.

However, there is a reality that for the past decade there have been moves afoot, particularly related to the Central Jersey components of our University, to have them be moved to Rutgers University. And to be totally frank with you, these are a substantial portion of our employees on those campuses who want to go to Rutgers University. And so I believe that the one positive thing that potentially comes out of this is an end to the uncertainty. Because this uncertainty has been enormously detrimental to this University. Whatever happens, we cannot continue to live through another decade of what school is going to be part of the University, what school is not going to be part of the University. It hampers our ability to recruit and retain faculty, and staff, and students. It's just not a healthy environment.

But, again, in my humble opinion, in a more perfect world we would realize the enormous potential of a unified UMDNJ. That is my personal opinion.

SENATOR CUNNINGHAM: Assemblyman Mainor.

ASSEMBLYMAN MAINOR: You know, when you gave that date it kind of shocked me, because I really started saying to myself, "Why are we here when this seems to be, like, a done deal?" But my question is:

Within four months you're going to make this move. How many jobs are going to be lost after this is done?

UNIDENTIFIED SPEAKER FROM AUDIENCE: They don't care how many jobs are going to be lost.

SENATOR CUNNINGHAM: We're going to ask the audience, again, please--

UNIDENTIFIED SPEAKER FROM AUDIENCE: They don't care.

SENATOR CUNNINGHAM: We're going to ask you to leave if you cannot be silent. We are doing these hearings. We will hear from you if you've signed up. In the meantime, please be respectful of the speakers.

DR. RODGERS: It is my understanding that certainly as we have been planning for this, in the transition from UMDNJ to Rutgers, the Central Jersey assets will not suffer any job losses, in the short-term at least. I mean, I think that the goal is to actually transfer all of the employees related to the activities that go on in that central campus to Rutgers in total.

It's an interesting question for us, on the other hand, in our Newark-Stratford campuses. And that solely relates to my issue of ensuring that we remain appropriately resourced. The irony of this could actually be that if the remaining university is not left with appropriate resources, everyone moving on the central piece will keep their jobs, and we will look at a situation where we have to do layoffs, because we don't have appropriate amounts of money to maintain all of our activities on this

campus and our Stratford campus, which is why I keep harping on resources and money. Because that's what keeps me awake at night.

ASSEMBLYMAN MAINOR: Thank you.

I only asked that because it's kind of hard to believe that none of the unions are a part of any of the negotiating, any of the movement here. And if they're not a part of it, then that means that the employees that you have right now have no knowledge as to what is going to happen tomorrow.

DR. RODGERS: I think we are trying to keep our employees as informed as we possibly can. You know, as you're pointing out, I think the wind tomorrow is very much up in the air. I think there is a date that we have as a goal. I think it then becomes the devil in the details in terms of the date in which we will truly be able to do this. Now, one of the things I can tell you is that Rutgers is also investing resources to bring in consultants to sort of help us and help them guide this process, and sort of figure out what the steps will be, and what the timeline will be, and that sort of thing. And I think we'll have more information as they get more up to speed as well. And I suspect that there is someone from Rutgers who will speak more comprehensively about that than I.

ASSEMBLYMAN MAINOR: Thank you, Madam Chair.

SENATOR CUNNINGHAM: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Thank you, Dr. Rodgers.

I have to go back to the mission of the hospital, which in addition to treating patients is also educating residents. And I go back to the fact that my son is a resident here. And it's full disclaimer.

What is going to happen to the residency program, in two parts? Number one, where -- the ones that are being broken off and going to Rutgers, will they still be UMDNJ residents? And number two -- and this is an issue that has been brought to my attention -- how is this affecting your ability to attract current medical students to the residency program? Because I understand, from what I've heard -- and you can clear this up for me -- that it has actually hurt your recruiting process because there is -- you have some very, very fine programs here, and you attract the best and the brightest. And some of them are-- I heard that your ability to attract them is going down because of what's going on in the process.

DR. RODGERS: Right.

ASSEMBLYWOMAN MUNOZ: And I have a second question afterwards, which is separate. But if you could answer those first.

DR. RODGERS: Sure, of course.

The residents on the central campus will become Rutgers residents, so they won't-- When the actual transfer occurs, they will remain, though, housed in their same institutions. So Robert Wood Johnson Medical School will become part of Rutgers. So the umbrella organization changes, if you will; but the sort of day to day reality for these residents doesn't change at all. The faculty who are teaching them now will be the faculty who will be teaching them into the future. I think that is actually pretty seamless -- that portion of it.

ASSEMBLYWOMAN MUNOZ: They'll be called-- So they will be-- So instead of graduating from UMDNJ as residents, they'll be graduating from Rutgers as residents.

DR. RODGERS: Yes.

ASSEMBLYWOMAN MUNOZ: And how about the ones who are on the Newark campus?

DR. RODGERS: So the ones who are on the Newark campus--

ASSEMBLYWOMAN MUNOZ: Who are actually the ones who staff Hackensack.

DR. RODGERS: That's right. And they will remain UMDNJ residents. And if we change our name, then that. But certainly they remain under the umbrella of the larger university.

In terms of-- In my discussions with the Deans in terms of our ability to attract residents, we have-- The allopathic match day is actually next Friday. We have not had a decrease in the number of applicants to our programs. But the truth is that we will know much better on Friday when we see how our programs fill in the match. So I'm reluctant to be too reassuring until we reach and pass that milestone, to be honest.

ASSEMBLYWOMAN MUNOZ: Because I'm sure that some of your medical students who would be inclined to come here may be disinclined because of what's going on in this situation.

DR. RODGERS: I think that's absolutely right. It would be naïve of us to not assume that. And I think that's why -- you allow me then to reiterate. The period of uncertainty is really very, very problematic for us moving forward.

ASSEMBLYWOMAN MUNOZ: And my second comment is to go back to the fact that this is, in my opinion, the premiere trauma center of the state, number one; but number two, of port. And when the President of the United States lands at Newark Airport, it is this hospital which is on call for the President. And I'm very bothered by the fact that if

you do anything to diminish this institution -- which is the entire comprehensive thing. So I have to ask the question: Where is there Federal government involvement in providing resources to this Level 1 trauma center? I keep asking that question for the last year. Wouldn't it be smart to ask for more Homeland Security funds for a Level 1 trauma center? St. Vincent's is closed. This is the Level 1 trauma center for the port. My husband was a first responder on 9/11. He took care of firemen who were transported across the harbor.

I, on a personal level, but also on a district-wide, North Jersey level, believe that there should be more not only State involvement to ensure the integrity of the trauma center, and the University, and the hospital, but also on the Federal level, because of the importance for the largest port in the United States, and the amount of traffic that comes in through the Port of Newark, and the airport, and the harbor. Is there an attempt to make the Federal government increase funding toward University Hospital?

DR. RODGERS: What I can assure you of is, every opportunity to apply for Federal dollars we apply for those dollars. We have received Homeland Security dollars in the past. Certainly to the extent more dollars become available, we will apply for them. We go after the money wherever we can potentially find it to help us to support the hospital.

SENATOR CUNNINGHAM: Thank you, Dr. Rodgers.

Before you leave, just two questions. One, we hear a lot about the private partnership -- the partners that are coming in. Has that entity been identified as of yet?

DR. RODGERS: It has not, no.

SENATOR CUNNINGHAM: Okay.

DR. RODGERS: Let me clarify my answer. The public-private entity that is discussed in the report has not been identified. What I'm sure your reaction is reflective of is that, sort of prior to the report coming out, we began discussions with the Barnabus Health System to have discussions about a potential partnership. And we have relationships with the Barnabus Health System now, as we speak.

The truth of the matter is though, now that this language has come out in the report, there are some questions as to what process will need to be used to identify which entity we can partner with. One of the questions that I believe is still on the table is whether or not we will have to go out for bid, which I'm definitely hoping we don't. But if that happens, if we were to further discussions with Barnabus, for example, at this time, they might then be prohibited from engaging in the bid process because we have been talking to them.

So my advocacy is really to allow us to behave like most hospitals do, which is to really look at the healthcare landscape in this state and see who are the most appropriate potential partners for us with whom to do strategic planning.

My last comment though, related to that, that I think is also important for the committees to understand-- There are very few hospitals in this country anymore that stand alone. We are looking at consolidation of hospitals not only throughout the State of New Jersey, but also throughout this country. And so one of the concerns that I have is that if we are not allowed to partner and partner appropriately, that in and of itself

could endanger University Hospital's viability as we move into a very much changed healthcare environment under the Affordable Care Act.

SENATOR CUNNINGHAM: Thank you.

And my last question for you would be: Since this is supposed to happen by July 1, 2012, it begs the question: How is it going to happen? Is this going to be executive order? Is this through legislation? Do you have any information on that?

DR. RODGERS: To the best of my knowledge, it's my understanding that the plan -- at least as I understand it right now -- is for it to occur through executive order. But I know that there has been some discussion about that. So I actually can't say what the final answer is, but I can tell you what my understanding is.

SENATOR CUNNINGHAM: Thank you.

And thank you very much for your testimony this morning.

DR. RODGERS: Thank you.

SENATOR CUNNINGHAM: Before we bring up the first panel -- or another panel of people to speak, let me just remind the audience. It is very important that you hold your comments and that you hold your clapping. As I said three or four times now, it is disruptive toward our recording system, that we're trying to maintain a good order.

I'm also going to ask all of the speakers to please limit your comments to three minutes. As you can see, we have a room full of people and we want to give everyone an opportunity to speak this morning.

Now we're going to call up Dr. Thomas A. Cavalieri. He's the Dean of Osteopathic Medicine; Dr. Cecile Feldman, the Dean of the New

Jersey Dental School; Dr. Julie O'Sullivan Maillet, Dean of the School of Health Related Professions.

Thank you.

J U L I E O ' S U L L I V A N M A I L L E T , P h . D . : Good afternoon.

I'm Julie O'Sullivan Maillet, and I am the Interim Dean of the School of Health Related Professions. I appreciate all of you being here and learning a little bit more about the University.

We are the only allied health school in the State of New Jersey. We are currently, and we plan to stay, on the Newark campus, the Scotch Plains campus, the Piscataway campus, the Stratford campus, and a very large web presence. So we are a very large school of about 1,500 students currently. We go from post high school to post doc. So we are managing a world of complexity.

I'm going to spend a couple of minutes talking to you about what UMDNJ as a whole -- and a little bit about what SHRP does for the workforce of the state.

We graduate about 1,800 students a year. About 70 percent of those students are not medical or dental school students. They are, in fact, nursing and graduate school of public health and allied health students, as we graduate. If you look at the composition of the school, we have about 7,300 students across the state. About 5,800 of them will remain UMDNJ if the two schools, in fact, depart from the University.

If you look at that breakdown, the three medical schools equal about 26 percent of our population, the Dental School equals about 7 percent of the population, and that means the rest of us equal about 67

percent of the population. Very often because we're named UMDNJ you think we're medicine and dentistry, but realize that they are the smaller proportion of health professionals that, in fact, we train for the State of New Jersey.

We are historically a Newark-based school. But I will say that the School of Health Related Professions has been in the Stratford-Camden area for 25 years, so it's not like we're a new presence down there. We've been down there for a very long time and continue to grow in the southern part of the state.

We are also about a 23 percent undergraduate school, which -- many of you who are sitting there are thinking UMDNJ is, in fact, a graduate school. But between nursing and-- In fact, we graduate about 400 students a year with post-high school certificates, associate degrees, and bachelors degrees. For the School of Nursing, most of that are second bachelors degrees. For us, we in fact partner with 35 colleges and universities across the state to give associate degrees and bachelors degrees. So if you go into any of your backyards, I am probably doing a partnership with one of your schools to give a degree.

We look at every level of health care from public health, to prevention, to acute care, to palliative care. We work everywhere. If you think about it, we have private practices; we're in schools; we're in physicians' offices; we're, of course, in long-term care, and acute care, and ICUs; and pharmaceutical industry.

So I decided I would read you a few of our professions just so that you could think through the depth, and I'm going to focus predominantly on the allied health ones. And I'm not reading all of my

programs, so I apologize for that. But it would take my full three minutes to read the whole thing to you. We have physical therapists, rehabilitation counselors, mental health counselors, nutritionists, physician assistants, respiratory therapists, clinical lab scientists, medical imaging scientists, dental assistants, dental hygienists, health information managers, dietary managers; and specialists in complimentary medicine, clinical trials, and informatics. We educate at both the entry level and at the post-professional level so that we are making the specialists that we need in all of those fields across the state.

And if you look at all of our schools, in fact all of us are really training students to enter the profession, but also to make them veteran specialists down the road.

I'm hoping in that very brief testimony -- because we're trying to keep it down to two minutes for you -- that you have some sense that we train at all levels of the spectrum, and we train across the state in many, many disciplines. And without us, in fact, health care would not exist in New Jersey.

Thank you.

ASSEMBLYWOMAN RILEY: You're welcome.

SENATOR POU: Our next speaker, please.

ASSEMBLYWOMAN RILEY: Who is our next speaker?

S U S A N W. S A L M O N D, Ed.D.: I am.

I am pleased to be here today. I am Dr. Susan Salmond, Dean of the UMDNJ School of Nursing.

We are currently the largest school of nursing in the State of New Jersey. We have a student body of approximately 1,600 students,

preparing entry level nurses; through a second career, accelerated program. And our 16 graduate programs heavily focus on preparing advanced practice nurses who will assume positions in primary care throughout the state.

With the current lack of primary care physicians and an anticipated 150,000 New Jersey residents who will be eligible for insurance under the Accountable Care Act, the need for nurse practitioners and physician assistants prepared to practice in primary care along with our medical colleagues will be crucial.

Mayor Booker spoke of the need for an academic health center grounded in a community to provide services to the community. And I want to highlight what an academic health science center is doing, right now, in the City of Newark.

There are multiple programs that are interdisciplinary in nature that have a faculty-supervised, student-run model, whereby services are provided to people in the community. The New Jersey Medical School, Graduate School of Biomedical Sciences, School of Nursing, and School of Health Related Professions runs a two-evening a week clinic here in Newark. The Dental School provides oral health care to the underserved in Newark and in clinics across the State of New Jersey. The School of Health Related Professions provides free physical therapy screening for citizens of Newark. And in Camden, the School of Osteopathic Medicine and the School of Nursing provide primary and episodic care through a free, student-run clinic. Yet we are aware that these services are not enough. If we are to transform the healthcare system, it will take new models of care that use a cost-efficient, interprofessional, team-based care management approach that promotes health, provides for person-centered care, effective

disease management, and effective coordination across the continuum of care. We are doing this at UMDNJ, and we are testing such a model.

Grounded on the premise that the healthcare system cannot influence outcomes in a disempowered population, the Jordan & Harris Community Health Center is an interdisciplinary, nurse-managed center, funded by the Health Services Resource Administration, that empowers individuals and communities to take charge of their health practices. Providing neighborhood-based comprehensive health services to residents of the Hyatt Court, Pennington Court, and Terrell Homes public housing facilities in Newark, a community advisory board representing these three units, along with the different providers from the UMDNJ Newark-based schools, provide outreach, health promotion, and primary care to the nearly 3,000 residents of Newark.

ASSEMBLYWOMAN RILEY: Doctor, could you please wrap up your testimony so we can move on?

DR. SALMOND: You got it.

ASSEMBLYWOMAN RILEY: Thank you.

DR. SALMOND: These teams are the future of health care in the United States. We know that. We must look at new models. And here at UMDNJ, we have them in place. We are researching the models. We are working in interprofessional teams. And we need to be supported to continue these efforts.

ASSEMBLYWOMAN RILEY: Thank you very much.

ASSEMBLYMAN GIBLIN: And this goes for all the panelists. I will be frank with you. We're all cognizant of the good work you have been doing here at UMDNJ. We're all here to try to understand what the

impact is going to be if some of these operations are moved off of this campus, as well as the whole picture up and down the state. And I think we need to hear from you: Are you endorsing this plan? If you're not endorsing this plan, how do you feel it's going to impact your operation moving forward? I mean, that's the things we want to hear from you. And I think an important element too is, some portion of the program has to be devoted to the bargaining unit groups that are here to have their input. Because at the end of the day, with all due respect to the administrators, they're the little people who are going to have to live with this, and their lives could be thrown into turmoil. So that's one person's interest.

SENATOR CUNNINGHAM: Thank you, Assemblyman Giblin.

Would you identify yourself first?

THOMAS A. CAVALIERI, D.O.: Sure.

Thank you very much, Senator Cunningham and Assemblywoman Riley. It is a pleasure to be here with you.

I am Dr. Tom Cavalieri. I'm the Dean of the School of Osteopathic Medicine. The School of Osteopathic Medicine has recently celebrated its 35th anniversary. And since our establishment as an integral part of UMDNJ, we have embraced our mission to provide excellence in medical education, research, and health care by developing clinically skillful, compassionate, and culturally competent physicians from diverse backgrounds who are prepared to become leaders in their community.

We are proud of our track record in meeting New Jersey's need for physicians, primarily primary care physicians, where the need will be the greatest. To address the growing needs for physicians, we've actually

increased class size by 50 percent over the past four years. Among the medical schools of UMDNJ, the School of Osteopathic Medicine is the leader in educating doctors from New Jersey to serve New Jersey. Among osteopathic medical schools nationally, we are the leader in the diversity of our students and in biomedical research, ranking second in NIH funding in 2010.

The fact that five other schools of UMDNJ -- the Graduate School for Biomedical Science, the School of Health Related Professions, the School of Nursing, the Dental School, and the School of Public Health -- have a strong presence on our campus has allowed us to emerge as a leader in interprofessional education.

Also, with 1,200 students and almost 2,000 jobs, the Stratford campus is a significant economic force in the community. We could only achieve these successes as part of a major research university. We are pleased that the UMDNJ Advisory Committee recognized this fact, and we look forward to a promising future serving our communities as part of UMDNJ, the New Jersey Health Sciences University.

As Dean of the School of Osteopathic Medicine, I believe that the opportunities for a renewed health sciences university spanning the state from north to south, adequately supported by the State, and recognized for its many contributions are as vast as the imaginations of our talented faculty and our very enthusiastic students. This is the structure that will allow us to achieve our vision to be the best osteopathic medical school in the nation.

Thank you very much for the opportunity to address you.

SENATOR CUNNINGHAM: Thank you.

And thank you for staying within three minutes. I appreciate that.

KATHLEEN W. SCOTTO, Ph.D.: Good afternoon.

Thank you for this opportunity.

I'm Kathleen Scotto. I'm the Dean of the Graduate School of Biomedical Sciences. I'm also the Vice President of Research for UMDNJ, and I'm a cancer researcher. And I have provided written testimony. So if you don't mind, I'll go off-script.

So what I'd like to talk about is research. We are a research university. UMDNJ is, and always has been, a research university. Now, I make this point because that seems to have been overlooked a lot. If you read the -- if you pay attention to the media of late, they don't talk about us as a research university, but I think it's a very, very important thing to understand.

Now, what are the metrics that allow me to say that? One is the funding. So the National Institute of Health -- and I'm sure most of you know this -- is the primary Federal source of research funding in the country. So NIH funds biomedical and health sciences research. UMDNJ, over the past five years, has brought in \$575 million in NIH funding; \$300 million of those dollars has been to schools on the Newark campus. So in 2007, a study was done to determine how states leverage NIH funding. And actually New Jersey came out in the top 10 with Pennsylvania, with New York, with California, all those other major research university states. And it was determined that for every one dollar of NIH funding that we bring in, we leverage it to \$2.26 in terms of economic impact. So when you do the math, that means that we have brought in, over the past five years,

\$1.3 billion from outside the state into the state, and more than half of that money was brought to the Newark campus. So that's one metric.

Another metric is our scientists. We have national and international leaders who study the prevention, the detection, the treatment, and outreach in order to improve health care in our communities, in our state, and in our nation. We take those studies, we publish those studies, very often we patent those studies and license those studies to our industry -- industry within the state, within the nation, and actually globally. UMDNJ has brought in \$6 million in revenue from licensing biomedical findings this past year. We are the highest revenue generator for biomedical licensing of any public institution in the state. We are the highest *garnerer*, if that's a word, of NIH funding of any institution in the state. And I think that's something that is not often recognized.

We work with industry. At any given time we're working with 100 different companies -- many companies within New Jersey, within the country, and within the world. We feed their pipelines with our new research. In addition to that, we have started 22 of our own companies based on our own faculty's research. Those 22 companies all reside in New Jersey, and they have created 240 new jobs.

SENATOR CUNNINGHAM: Doctor, you're going to have to speed it up a little bit.

DR. SCOTTO: So my final statement: We are a research university. And what I'd like you to take from this is, imagine the possibilities as we move forward. In order to do that, we need to continue to look for Federal funding, we need to continue to look for private funding,

and we need to continue to get the recognition and support of the state for all we have done and all that we can be.

Thank you.

SENATOR CUNNINGHAM: Assemblyman Coughlin.

ASSEMBLYMAN COUGHLIN: Thank you, Madam Chair.

I have a question. It's terrific, and we recognize that this is a research facility.

Is the proposed plan going to aid in further research or hurt it? Is it going to help us or hurt us in terms of getting further NIH funding? Are you in favor of it or not in favor of it? We've heard a lot of great things about it. But as Assemblyman Giblin pointed out, what's important to us in making the decision is-- It's certainly nice to know all the wonderful things that we do. But the core of this is: Are you in favor of it or are you not? Does it help us or hurt us? Does it cost more or cost less?

Talk to the plan, doctor.

DR. SCOTTO: I will speak to the plan as well as I can.

In terms of getting NIH funding, there are many different structures. So I think the structure of a university, the structure of a medical school, a structure of an academic health center is not what determines the ability to get funding. The ability to get funding is determined by the resources that already exist within the institutions, the ability to attract top scientists and top students to do the research, and the ability to leverage that into additional Federal funding.

ASSEMBLYMAN COUGHLIN: Well, in that case, let me ask this: Is this proposed plan more or less likely to assist in attracting top researchers and top students?

DR. SCOTTO: I don't-- So the plan, as proposed, as long as sufficient resources are maintained in all of the different entities, has the potential of bringing more Federal dollars into the state, although on its own I don't think that would-- Restructuring would not be sufficient to do that.

ASSEMBLYMAN COUGHLIN: Thank you.

SENATOR CUNNINGHAM: Does that mean that you are in favor of the plan? (laughter)

DR. SCOTTO: Why did you wait until now to put somebody on the spot? (laughter)

I can tell you that I had many meetings with the Governor's Task Force. I have been here for seven years. Before this, I was at Memorial Sloan-Kettering Cancer Center, which is not associated with a university and does very well in getting NIH funding. I was at Rockefeller and Cornell, so I have seen many, many different structures in my career. Again, it's not the structure. Would this have been my plan? I will go back to what Dr. Rodgers said: In a perfect world, this would not have been my plan.

I came here seven years ago to build -- to continue to build a thriving biomedical research entity.

SENATOR CUNNINGHAM: Thank you.

C E C I L E A. F E L D M A N, D.M.D.: It's an honor and privilege to be here today. I'm Dr. Cecile Feldman, Dean of the UMDNJ New Jersey Dental School, the only dental school in the State of New Jersey.

We should all be proud that the Dental School is at the forefront of training the state's dentists. Our graduates are the finest in the

nation. Over 3,000-plus alumni treat thousands of New Jersey residents each day, and they make up about 60 percent of the dental workforce in the state.

With our clinics throughout the state, the Dental School students, residents, and faculty accommodate over 160,000 patient visits each year. The School is the largest provider of oral healthcare services to low-income, underserved New Jerseyans, and we hope to continue to do so.

We care for the elderly, we care for the developmentally disabled, and we care for individuals with infectious diseases. Our services range from preventative to forensics, from pediatrics to geriatrics, from diagnostic to therapeutic, and from simple fillings to advanced prosthodontics -- making the eyes, ears, and noses for head and neck cancer survivors. We eliminate infections, pain, and unnecessary visits to hospital emergency rooms. With an estimated 1.4 million school hours lost in New Jersey alone, oral health is clearly impacting the lives and future of our most precious resource, our children.

Normally, you wouldn't think of a dental school as providing job opportunities, yet the Dental School performs this role every day. Today we live in a service economy. For those with good oral health, jobs are -- without good oral health, jobs are impossible to find. Even McDonald's won't hire a job applicant with decayed or missing front teeth. After all, would you want to eat a hamburger which was just sold to you by a clerk who had dark, decayed, broken down teeth?

And while the number of patients we treat each year is impressive, it is about the impact we make on individual lives. We have many stories to tell; stories like the 4-year-old boy who was born without

any baby or permanent teeth. He never smiled, he never played, he never interacted with his peers. At the Dental School we provided this 4-year-old, who is now both smiling and laughing, with a full set of tiny dentures. We truly changed this boy's outlook on life, as well as that of his mother who feared the teasing and taunts from her son's future classmates.

Going forward, the New Jersey Health Sciences University will continue to excel in life sciences education, continue to be engaged in leading-edge biomedical research, and continue to be an integral component of the State's healthcare safety net system. Working with our medical, nursing, and allied health colleagues in Newark and across the state, we will be a leader in interprofessional care. Our students will learn together and practice together, thereby setting an example for others to follow. And we will continue to pioneer new discoveries, discoveries targeted to improving the health of urban communities.

But like others, I must caution that restructuring can only be successful if there are adequate resources devoted to not just completing the restructuring, but also to support the ongoing operational and capital needs of the New Jersey Health Sciences University. The devil is in the details.

Again, thank you for this opportunity to testify. Together we are truly giving New Jersey something to smile about.

Thank you.

SENATOR CUNNINGHAM: Thank you.

ROBERT L. JOHNSON, M.D.: Good morning.

I'm Dr. Robert Johnson, the Dean of the New Jersey Medical School. I'm the last speaker, and I'm going to go completely off-script so I can finish this up in about one minute.

I am the Dean of the New Jersey Medical School. I am also a graduate of the New Jersey Medical School Class of 1972. And I have been part of the UMDNJ or New Jersey Medical School landscape for more than 40 years, so I've seen many, many structures. And we have had many interactions with State government in the design of medical education, as well as healthcare services in the State of New Jersey.

You have before you a group of talented healthcare administrators who will take whatever structure is decided on by the Legislature and by the Governor and be successful. We are, as you have seen, enthusiastic about the job we do, and we are very optimistic about what we will have in the future.

Now, I do want to address one of the questions that Assemblywoman Munoz asked, and that is: What has been the impact on recruitment? One of our jobs is to recruit medical students, another job is to recruit interns and residents, and another job is to recruit faculty members. And, admittedly, any disruption in an organization causes ripples throughout the country and causes difficulty and questions asked. So we've faced all those things. Fortunately, each of our schools has been successful so far in responding to the questions and blunting the impact. However, as we go forward, we desperately need a decision; a decision about what our future will look like. And we desperately need the fiscal resources in order to build a strong institution here in Newark. We can do that job, we need your help to do it, and we're happy to engage with you in developing an excellent health sciences university here in New Jersey.

Thank you.

SENATOR CUNNINGHAM: Thank you.

Assemblyman Coughlin.

ASSEMBLYMAN COUGHLIN: Thank you, Madam Chair.

Because I don't want Dean Scotto to feel that she's alone on an island, let me ask you the same questions I've asked her. (laughter) Does this plan, the proposed plan, help or hurt the Medical School? Are you in favor of it or not in favor of it? Is it a good idea or a bad idea?

Look, I know, you do wonderful work, and you're going to succeed no matter what hand of cards you're dealt. I got that.

DR. JOHNSON: We don't control the cards; you do. (laughter) And therefore--

ASSEMBLYMAN COUGHLIN: That's true. And we are looking for your advice when dealing out those cards.

DR. JOHNSON: If I had -- if I controlled the cards, I would have dealt a different hand. But I've never-- I haven't controlled the cards in 40 years. And therefore I take what I'm given and do the best we can. We have been under-resourced for a long time. We have not had a structure that is absolutely an ideal structure. But we will do the job.

ASSEMBLYMAN COUGHLIN: So it doesn't matter. The structure doesn't matter.

DR. JOHNSON: Oh, it does matter. The structure does matter.

ASSEMBLYMAN COUGHLIN: Okay. Then tell me how it matters.

DR. JOHNSON: And I think that if we work -- if you work together with the Administration and the School, we can develop that

structure. But we have to take the lead from the Legislature and from the Governor.

ASSEMBLYMAN COUGHLIN: Well, I'm anointing you today. (laughter) You tell me what structure you want.

DR. JOHNSON: Well, I guess, if you were going to make me king, then I will go away for a month and come back with a structure that will be absolutely perfect. I don't think the Legislature has that authority though.

ASSEMBLYMAN COUGHLIN: No. Okay.

SENATOR CUNNINGHAM: Assemblywoman Wagner.

ASSEMBLYWOMAN WAGNER: Once again, I want to thank each and every one of you. We're very lucky to have such administrators with so much talent. And each one of you certainly has a sense of humor as well.

I'm hearing about -- to provide the economic resources that we need to provide -- that every single person up here has said that. And, you know, whereas -- who is holding the cards -- I'm not so sure I'm holding the cards either. I'm just here listening. And certainly we'll make our -- we will all make our opinions known.

I would also like to get to the students who will ultimately be enrolled in one of your programs. And when we talk about sufficient economic resources, will this plan or this reconfiguration -- how will it impact, or will it at all, the tuition and the fees that our students will be paying? Does anybody have any idea what this impact will be upon the people coming to the institution?

DR. FELDMAN: Again, I made the comment the devil is in the details. We really don't know. I mean, until the finances are completely worked out, until we can do the analysis and we know and understand the resources that are going to be available, that's when we can come up with that answer.

SENATOR CUNNINGHAM: Do you want to speak to that?

DR. O'SULLIVAN MAILLET: Yes. When I look at the School of Health Related Professions, what I really said to you was that I remain a statewide entity. That's very important. I run the only cytotechnology program in the state. Those students come from 14 -- I admit 12 -- 14 colleges in the state supply me those 12 people, because not very many people want to be cytotechnologists or don't know they want to be cytotechnologists. So that's the model-- If I look at SHRP, our model works very well. I do no general education. All these beautiful partners I have out there do the general education. The students come to me for the professional education. I fill my classes well because of all my partners. So we stay statewide.

What would be very harmful to us, I think, as a university is if we have multiple programs all competing with each other on what we're doing in all of the various professions, particularly for us because we train small numbers of people from very small fields, and we don't try to overproduce them.

SENATOR CUNNINGHAM: That means you disapprove of this plan?

DR. O'SULLIVAN MAILLET: That doesn't mean-- I approved that we stayed in tact as a university. Because if you replicated

my programs in the southern part of the state, it would cost the state taxpayers more money. If I have satellites in the state-- So if I do physical therapy in the north and physical therapy in the south, it's more cost-effective than having two physical therapy programs. So I was very happy with the results of the report (indiscernible) the School of Health Related Professions.

SENATOR CUNNINGHAM: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Dr. Johnson, you always had a few aces up your sleeve, so don't sell yourself short. (laughter)

But, seriously, with doctor shortage -- you know, a lot of reports are out there saying we're not going to have enough medical doctors in the future. With this reorganization plan that's being presented by the Administration, do you feel that you will be able to meet the challenges of delivering enough doctors for New Jersey? And then coupled with that, we've had a reputation about producing -- I think it's number two in the nation -- minority doctors. How is this all going to play out with a different focus away from the Newark campus?

DR. JOHNSON: Well, as to the first question, the number of healthcare professionals we're producing in the state-- It's not only doctors, by the way, I have to add it's nurse practitioners, physicians, and other persons who can provide healthcare resources.

The plan, as designed, doesn't actually increase the number of graduates of a UMDNJ new, restructured entity. It does-- It could possibly do that in the future as the structure of Rutgers may expand. And there is some possibility that we could expand capacity in Newark. But that, as I understand it, is not specifically the goal.

As far as minority education goes, I'm really concerned about that, because we -- our tuition is one of the highest in the country for a state-funded school. We also have one of the smallest pools for minority students in the State of New Jersey. And without additional resources, we're going to essentially price ourselves out of the market. So that's one of the things we really have to work very, very hard on.

But, Assemblyman, I don't think that that has been one of the focuses of the reorganization. And you know that's one of the things I'm very concerned about. And we need to make that a particular focus.

The institutions in Newark, as well as the institution in Stratford, have made a significant contribution to the minority workforce in the health professions. We continue to do that. But we need to have the resources to do it. And I know I'm going to repeat that over and over again. We need the money. If we don't have the money, we cannot produce the product.

ASSEMBLYWOMAN RILEY: Thank you very much.

I just want to put some clarification on what our role here, as the Legislature-- This is the Governor's reorganization.

UNIDENTIFIED MEMBERS OF AUDIENCE: We can't hear you.

ASSEMBLYWOMAN RILEY: This is the Governor's reorganization. It's not even been presented -- an actual plan yet. We are having hearings here so that we could possibly influence the Governor before he actually puts together a reorganization. But our role, as the Legislature -- if he presents a reorganization plan to us, we really can only vote it down or approve it. So what we're hoping to do is when something

gets presented to us -- if it's going to be in the best interest of the State of New Jersey and all involved -- that we can be in concert with the Governor. That's what I'm hoping so that we can all move forward.

So when we ask you for what you want, what do you think we should do, what we should suggest to the Governor's Office -- that's what we're here for -- so that we can make our best -- give our best foot forward. That's what I'm hoping we get out of this.

SENATOR CUNNINGHAM: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Thank you.

I'm going to go back to Dr. Johnson.

As you're all aware, reputation is everything. And what I worry about is that -- how this will affect the Newark campus, the New Jersey Medical School. And so my question is in two parts. Number one -- and it goes back to the question I asked about residents -- about it being able to attract them. Number one is: Have you lost faculty because of this? And number two: Have you lost the excellent doctors that you already have at the University as a result of this -- because of the uncertainty that's hanging over the University? Again, it's about reputation. And UMDNJ, New Jersey Medical School, at this point is known as the premiere medical school in New Jersey -- one of the two premiere medical schools in New Jersey.

What I don't want to see happen is that Robert Wood Johnson Medical School, again because of branding, may become the premiere medical school -- or known as. Whereas New Jersey Medical School loses its premiere status, which I think it has. But I think that there are some things linked there, which are: number one, losing faculty and losing fine,

fine, fine, first-tier -- top-tier physicians who will choose to go somewhere else because it is about reputation, especially in academic medicine.

DR. JOHNSON: I thank you very much for that question, Assemblywoman. I think you were sort of testifying too. (laughter) But I think--

ASSEMBLYWOMAN MUNOZ: I think I understand the system probably better than a lot of people because I have 22 years in the system because of my husband's-- He was a professor at the Medical School, a teacher of the residents. He was committed to the institution. So I bring a particularly different appreciation to this panel.

DR. JOHNSON: Absolutely. And your son is in one of the best residency programs around.

ASSEMBLYWOMAN MUNOZ: He is, and I want him to remain in one of the best residency programs around.

DR. JOHNSON: And you're absolutely correct. Reputation is everything in the academic medical business. And my faculty, the faculty at New Jersey Medical School -- both our clinical faculty, as well as our researchers -- have felt they've been overlooked. Because if you read the press, you would think that the New Jersey Medical School doesn't have any research and doesn't have these outstanding clinicians. But if you look at the facts you see that we're the leaders in all of those areas.

Fortunately, I have a very loyal group of faculty, and they have not left. And we have been very successful in attracting new faculty, new scientists, as well as new clinicians. But one of the problems, as I said earlier, is the longer we have periods of uncertainty, the longer it looks as if we may not get sufficient support from the State, the more difficult it's

going to be to maintain that. So we're holding our own right now, but we need the decision, we need the continued support in order to continue to do that.

ASSEMBLYWOMAN MUNOZ: Let me follow up on that question then. You say you need the support of the State. And I'm not going to put you on the spot whether you want this to happen or not happen. If it happens, will you get more support from the State? If it doesn't happen, will you get more support from the State? How does this breaking up, or however you want to say it, making three medical complexes-- How is this going to affect the support that you get from the State in a positive manner?

DR. JOHNSON: If it's-- Well, Dr. Rodgers mentioned that. We need to have an extra amount of support for both University Hospital and the campus in Newark. It's not clear yet what is going to happen with those. It's not clear yet what is going to happen with the bonded debt. So all of those issues have to be clarified. And they're big questions. They keep me up at night, and I worry about those things. And I have faith that the Legislature and the Governor will do what they said they were going to do, and allow us to have the support we need not only to survive but to thrive.

SENATOR CUNNINGHAM: Thank you. And as it was already announced to you, we are really-- It should be the Governor -- is what he is going to do. (laughter)

Thank you very much for your testimony.

Is there a George Hampton here?

UNIDENTIFIED SPEAKER FROM AUDIENCE: There was.

SENATOR CUNNINGHAM: Okay, George Hampton? What about Robert Curvin?

UNIDENTIFIED MEMBER OF AUDIENCE: (Indiscernible)

SENATOR CUNNINGHAM: Okay; and Tracy Rogers (phonetic spelling), Newark One Voice; and Luis Correia. Could you please come forward if you're here.

L U I S C O R R E I A: Just have a seat?

SENATOR CUNNINGHAM: Yes.

Good afternoon.

G E O R G E H A M P T O N: Good afternoon.

MR. CORREIA: Good afternoon.

SENATOR CUNNINGHAM: You're both representing residents of Newark today?

MR. CORREIA: Sure.

SENATOR CUNNINGHAM: All right, let's hear your perspective on this.

MR. HAMPTON: My name is George Hampton. I am a citizen of the City of Newark, and as such I am here to talk to you today.

I might add that I happen to also be the former and now retired -- thank you very much -- Vice President of Urban and Community Development for the University of Medicine and Dentistry. I was hired by Dr. Stan Bergen, and during that time I served directly and reportedly solely to only the various presidents of the University, from Bergen through Bruce Vladeck, being the last one, and then that's when I had had enough and said, "It's time to retire."

With much interest I enjoyed your considerable inquiry in terms of what were the administrators' views on a variety of things; and I'd like to rest assure you that I would love for you to ask me those very same questions. Nonetheless, I do speak for me, as a citizen of New Jersey, as a citizen of the City of Newark, and I do not speak, nor have I been sanctioned by anyone, to speak for UMDNJ. But I have opinions.

So basically, simply, it's this: The Advisory Committee for the Governor -- I call it the Advisory Committee for UMDNJ -- is, indeed, the dismantling committee for UMDNJ. Let's just get real; let's just cut to the chase and say why. (applause)

SENATOR CUNNINGHAM: No clapping.

MR. HAMPTON: This is, indeed, simply-- For Newark, what this comes down to, ultimately, is Newark has been an afterthought of this entire process. It's been, "Let's figure out what we're going to do with New Brunswick; let's figure out what we're going to do with the universities in New Brunswick; and then-- Oh, people are complaining? Well, maybe we should do something also in Newark." But clearly, throughout all of this, Newark has not been thought about until now. It is, indeed, an afterthought.

The dismantling of UMDNJ will do a variety of things to the institution. When it comes to the revenue-generating components of the University, they are, indeed, parts of the University that are taken away. So as you take away those parts of the University that are revenue generators, or make them autonomous, or things of that nature, what that does is minimizes the amount of budgeting, minimizes the amount of

revenues already coming into the system, which are already, as you already know, inadequate. So it hurts the University.

If you take the University Hospital and you place it under either a management system and or under an ownership system of a different hospital -- competitive hospital system in New Jersey -- what will ultimately happen is, it's like a corporate takeover. It's like a hostile corporate takeover wherein, indeed, the parts of the hospital -- those revenue-generating parts, those parts that are, indeed, programs and services that could go other places -- will be taken care of, will go to those other hospitals.

But I'll let you ask me some questions.

SENATOR CUNNINGHAM: Thank you.

MR. HAMPTON: I'd love to answer any of them.

SENATOR CUNNINGHAM: Thank you.

Gentlemen?

MR. CORREIA: You can feel free to ask him questions if you like.

SENATOR CUNNINGHAM: We'll hear you first, and then we'll ask both of you questions, if need be.

MR. CORREIA: Fantastic.

Well, my name is Luis Correia; I actually live here in the Ironbound, in Newark -- 26 years ago we migrated here. I'm actually not here just representing the residents of the City of Newark, but you're actually, probably, speaking to anyone who's actually identified themselves as a patient here from the hospital.

In 1988 I was bitten in the face by a dog -- pretty good job, huh? They actually fixed this. In 1993 my mother came here with breast cancer; she survived. In 1997 my mother came here with cervical cancer; she survived. You're talking money; I'm talking lives. You're talking administration; I'm talking reality. My community has, supposedly, 12,000 illegal aliens. That's 12,000 people who, when they come here, unfortunately, cannot always pay their bills. But the people behind me are saving their lives. They're making their lives better. And your reports, whatever it is you get on your desk, do not show that, because you're not in the emergency room. Because you're going to go back to the Mayor -- excuse, me to the Governor -- but you're not going to be able to tell him what it is that the hospital sees. And I'm not talking about the administrators who will say yes or no, that they agree or disagree; because those people, tomorrow, have to come work for somebody else's administration. This is the reality. You're going to cut the services here, regardless of where they go. This is the only city that is the largest city in any state in the country that is facing this problem at this time. A time where this city is facing nearly 20 percent unemployment. Where do you think the people who have to go by bus for a small service are going to? Here.

How many of you have actually sat down, spoken with the Governor, and said, "Governor, let's bring in an independent auditor and actually check the reality of what UMDNJ means to the community." And I don't mean Newark; I mean Kearny, Harrison, Belleville, Nutley, Irvington, East Orange, West Orange, etc., etc., etc. You need \$30 million? I know of at least 40 communities around here that use this facility -- 40.

You're talking about business? I am a business director. This gentleman said hostile takeover? Up until yesterday I visited nine cities in seven days in seven different states. That's what I do for a living. I usually sit on that side of the table looking at the people on this side of the table trying to convince me not to close them. I recognize all of you because, as you sit there, I already have my plans made and my recommendations made. Not based on what I see at that facility, not based on what I see in those employees, but based on numbers that are provided to me at work. And that's the reality of everyone that's on that side of the table. Regardless if their husbands worked here, or their children are here, or whomever or whatever. Come here for a week; stay in the Trauma Center in the middle of a gang war, okay? And, as a veteran -- as a veteran -- I will tell you this: The statistics that you see here, because I do know doctors who come here--

SENATOR CUNNINGHAM: Okay, so we're going to have to wrap up this.

MR. CORREIA: You're going to have to give me one second.

The Trauma Center in here is only second compared to places like Baghdad, Fallujah, Kandahar, and a bunch of other lovely places I visited while I was in the Marine Corps -- only second to that. You want to be a true advisory board? Delay whatever's happening here by 12 months. Take six months to verify and identify what this place means to us, the community that usually pays for this. Then take three months -- that's a reality check -- three months to come up with a process to either eliminate or reevaluate the people who run this hospital. Because throwing more money into an empty hole does not mean that you eventually fill it.

SENATOR CUNNINGHAM: Okay--

MR. CORREIA: And then, three months later, apply those studies to a new system. That's a true, 12-month step from somebody who usually sits on that side of the table trying to convince the people on this side of the table what they should have done.

SENATOR CUNNINGHAM: Thank you very much for your testimony.

MR. CORREIA: You're welcome.

SENATOR CUNNINGHAM: Are there any questions? (no response)

Thank you.

MR. CORREIA: May I make a comment?

SENATOR CUNNINGHAM: Uh--

MR. CORREIA: There are no questions from a board that is here to listen to citizens, even though two of us are here representing the citizens?

ASSEMBLYWOMAN RILEY: I just want to-- I'll make a comment right to you.

MR. CORREIA: Please.

ASSEMBLYWOMAN RILEY: You're wrongfully accusing us, okay?

MR. CORREIA: I'm-- Okay.

ASSEMBLYWOMAN RILEY: Now, just let me-- It's my turn to speak. You're wrongfully accusing us of being the advisors to the Governor. We are not the advisors to the Governor, okay? We are the legislative body. We are, actually, a separate branch of the government.

Now, this plan -- if it is done by the Governor, okay? -- as a reorganization, that's his prerogative. We have two options: We can vote for it, or vote it down -- that's it. So what I-- This hearing here today is to hear the concerns before the actual plan comes out, because once it's out -- once it's submitted -- we have 60 days once it's submitted to the Legislature to do something about it -- that's it. Either vote for it or vote it down -- that's it. We don't get to change it, nothing.

So what we're trying to do -- and if he listens to us, that's great; if he doesn't listen to us, that's his prerogative also. Do you understand?

MR. CORREIA: Chairwoman, I do understand. And although I did put some pressure and some very adverse comments to your side of the table, please understand this: I speak with a passion of someone who's actually been--

ASSEMBLYWOMAN RILEY: I understand.

MR. CORREIA: --a patient here, and not just a patient, but also family members who have come here. Newark has already had a hospital close in the last five years; I'm sure some of you may be aware of that. Saint James Hospital was closed, okay? Those people now are being taken out of Newark for service.

ASSEMBLYWOMAN RILEY: Yes.

MR. CORREIA: That's ridiculous.

ASSEMBLYWOMAN RILEY: Right.

SENATOR CUNNINGHAM: Thank you, and I think that we all agree with that. We talked earlier about the fact that we're here because we care and because we want to hear what you have to say.

ASSEMBLYWOMAN RILEY: Right.

SENATOR CUNNINGHAM: And we appreciate that, and we're giving you the respect of that.

Assemblyman Mainor.

ASSEMBLYMAN MAINOR: I just want to reiterate what the Chairwoman said: We do understand you, and I do, and I can hear your compassion, and I can see that you really want your--

UNIDENTIFIED MEMBER OF AUDIENCE: Can't hear you.

ASSEMBLYMAN MAINOR: Okay, give me a second.

And I understand what you're saying, and I can understand and respect that you really want to see this hospital stay. We haven't made a decision -- I haven't -- but I honestly sit and tell you that my major concern is not just the hospital staying here; it's the employees. I'm concerned about the families that may get laid off -- the people who may get laid off; I'm concerned about that. But you have to understand something, again: We're here to hear you out. We're here to listen. The decision is not going to be made by us. It's an executive order, at which point then we'll be able to be a part of a decision making.

So state your case; we hear you, and everyone's going to have your own time to make a decision as to which way they're going to go with that. But I respect what you're saying and I appreciate that, okay?

Thank you, Madam Chair.

SENATOR CUNNINGHAM: Thank you very much.

Dr. Janet Golden from Rutgers University; Dr. Richard Edwards, Rutgers Executive Vice President for Academic Affairs.

ASSEMBLYWOMAN RILEY: Okay, go ahead. Welcome.

JANET GOLDEN, Ph.D.: Thank you. I am Janet Golden, a Professor of History at Rutgers University, Camden. I'm here on behalf of 44,220 alums, thousands of current students and their parents, thousands of donors, the Camden community, and the 11,000 signers of our petition to express our collective opposition to the proposal to amputate Rutgers-Camden and hand it over to Rowan University.

Why would the taxpayers of New Jersey support a measure that would substantially weaken its flagship university -- Rutgers? Why would the residents of southern New Jersey want fewer educational choices and to be denied the opportunity to attend Rutgers? And why would they want a proposal that would cost millions of dollars when better, less-costly alternatives are available?

And let me be clear about the cost of the merger: They are substantial, and they will be on-going for decades. To give just one example -- and this is just one: Removing Rutgers-Camden Law School to Rowan would threaten its ABA accreditation and would lead to the flight of faculty and the loss of student applicants. Rebuilding the law school would take millions of dollars and many years.

Please know that both the Rutgers AAUP and the Rutgers-Camden Administration have enthusiastically endorsed partnerships with Rowan-Cooper. These partnerships would expand educational opportunities for students at all institutions; it would create a shared science center to enhance medical and science education; it would establish a center for health care management and research and analytics; it would develop an urban health interventions research center; it would inaugurate a Rutgers-Cooper-Rowan Center for Health Law and Policy; and it would

build a shared program for global languages and literature to support our business students.

So I ask you to please respect the interests of the state's students, voters, and taxpayers. Do not destroy Rutgers at tremendous costs, including legal battles, when there is an opportunity to build a regional partnership that offers efficient, long-term benefits, promotes job growth, and maintains educational choice.

Thank you.

RICHARD L. EDWARDS, Ph.D.: Thank you. I'm Richard Edwards, interim Executive Vice President for Academic Affairs at Rutgers University.

I first want to thank Assemblywoman Riley and Senator Cunningham for holding these hearings and, of course, to thank the members of the Committee for taking the time to come here today to further your shared understanding of the important changes to higher education that have been recommended by the UMDNJ Advisory Committee.

With me today is Pete McDonough, our Vice President for Public Affairs, who joins me to answer questions later that you might have about the proposed changes.

Reflecting on my experiences in higher education in multiple states over many decades, the scope and importance of the recommendations of the Advisory Committee -- or Barer Committee -- I'm confident in saying that the proposed changes are among the boldest and most important changes to higher education that I've ever witnessed. Reports of the UMDNJ Advisory Committee that reflect many months of

study and deliberation propose sweeping changes, sweeping realignments of higher education in New Jersey.

As you know, the Advisory Committee's interim and final reports recommended the integration of the Robert Wood Johnson Medical School, the Cancer Institute of New Jersey, and the School of Public Health with Rutgers. I want to speak just specifically about those, since my colleague has spoken about Camden.

All of the entities that are talked about -- the three units that would be proposed to come into Rutgers -- are already located in New Brunswick and Piscataway. In fact, many of the Robert Wood Johnson Medical School and School of Public Health buildings and some of their classrooms sit on Rutgers property, and some of the buildings are owned by Rutgers. More significantly, we have many faculty members with joint appointments at Rutgers and the Robert Wood Johnson Medical School. Our institutions co-manage research institutes such as the Center for Advanced Biotechnology and Medicine, and all of the Ph.D. programs in the Life Sciences at Rutgers-New Brunswick are joint programs with the Robert Wood Johnson Medical School.

As it has been indicated to you by our University President on previous occasions, the recommendation to integrate these entities within Rutgers may be regarded as logical, it makes some logistical sense and, most important, we believe it will benefit New Jersey. Indeed, the integration of these institutions will launch Rutgers and medical education and research in New Jersey on a path to become not only a national leader, but a global leader as well.

If I may, I'd like to just say a few things about some of the benefits and also mention some of the challenges of the integration proposal.

We believe that a comprehensive university-based sciences center at Rutgers -- Health Sciences Center, excuse me -- would enable us to attract the best medical talent, bring to our state the latest medical advances in technologies, improve access to clinical trials offering hope for intractable diseases, and significantly increase the flow of Federal and industry research dollars into the state; and further, would enable our residents to receive world-class medical care in various parts of the state. From an academic and research point of view, integrating these entities would result in a health sciences presence that is much larger than the sum of its parts. Over the past few years, Rutgers faculty and researchers have brought to New Jersey outside research grants that have approached or surpassed \$400 million a year. The University ranks 56th out of all research universities in America for R & D expenditure. When the Robert Wood Johnson Medical School and associated entities are integrated with Rutgers, that total will grow by approximately \$100 million a year, and Rutgers will immediately rise to 32nd in the ranking of universities -- at the same level as Harvard and Purdue -- and would position us to move much higher.

The critical mass that will be created by combining our schools, elimination of conflicting protocols and bureaucratic barriers to collaboration, will enable the combined schools to seek major scientific grants and other funding that often have escaped both Rutgers and UMDNJ because of these hindrances.

As a result of the integration, Rutgers' rank among the world's greatest research universities will be enhanced. But Rutgers also will play an important role in increasing New Jersey's prominence as an international leader in the bio and pharmaceutical industries. New Jersey faces fierce competition from other states and from around the world for these industries and the investment that they make into the state and local communities. As the HealthCare Institute of New Jersey has argued, "Policies that promote the private sector collaboration with our universities are critical to improving the climate for the life sciences."

ASSEMBLYWOMAN RILEY: Dr. Edwards?

DR. EDWARDS: Yes?

ASSEMBLYWOMAN RILEY: One of my jobs is to tell you to stop talking. Just joking. (laughter)

DR. EDWARDS: Can I just tell you about some of the challenges for a minute or two?

ASSEMBLYWOMAN RILEY: Absolutely; go ahead.

I'd like to-- Actually, I really would prefer to hear what the challenges would be. I do have a couple of questions.

DR. EDWARDS: Sure.

ASSEMBLYWOMAN RILEY: Concerning the three schools: So what I'm understanding is that you, as Rutgers, think that this is a good move.

DR. EDWARDS: Yes.

ASSEMBLYWOMAN RILEY: All right. So that's up here.

DR. EDWARDS: Yes.

ASSEMBLYWOMAN RILEY: Down in South Jersey, okay -- and Dr. Golden, you don't want that move; you would prefer--

DR. GOLDEN: We-- No--

ASSEMBLYWOMAN RILEY: --a partnership?

DR. GOLDEN: We only-- We have no comment at all about what goes on in New Brunswick or Newark. We are simply concerned that we have a faculty and an AAU institution -- Rutgers. And we want to remain with the resources of Rutgers, and we want partnerships -- partnerships with Rowan-Cooper.

ASSEMBLYWOMAN RILEY: Okay.

DR. EDWARDS: And I would say that we're very hopeful that some alternative can be developed; and we're actively involved in trying to bring about some movement that would decouple these and would enable us to maintain Rutgers as a three-campus university that covers the state.

ASSEMBLYWOMAN RILEY: Okay, wonderful.

DR. EDWARDS: So if I could talk about-- I'm sorry.

ASSEMBLYWOMAN RILEY: No, I apologize.

SENATOR SARLO: Does your office oversee the Camden and the Newark campuses?

DR. EDWARDS: Yes, it does.

SENATOR SARLO: Okay. So from your aspect, you would like to see the Camden facility remain under Rutgers.

DR. EDWARDS: Yes, but we'd be very interested in a collaborative model, and we put forth various proposals for that.

SENATOR SARLO: I was just trying to get a handle from what Rutgers, the main part-- Oh. I'm sorry-- What the main part of-- The

main campus of Rutgers -- what's their thoughts on the Camden-- They've sort of been silent on that. What are the thoughts coming out of Rutgers-New Brunswick on the Camden part?

DR. EDWARDS: Ultimately, these decisions would have to be made by our Board of Trustees and our Board of Governors. But I think it's very clear that we are committed to all three of our campuses and doing whatever we can to try to bring about discussions of alternative proposals in the south.

ASSEMBLYWOMAN RILEY: Do you have anything that you wanted to wrap up? I know that we interrupted you.

DR. EDWARDS: Well, I think-- Yes, I wanted to say that the challenges that these changes -- just talking about the three units that are proposed to come into Rutgers -- the challenges are, nevertheless -- while they may have benefits that we've talked about -- extraordinarily challenging. Adding 3,000 or more employees to the Rutgers payroll and integrating data systems, HR functions, telephone systems, and all of the raft of other seemingly routine things that have to do with running the business side of this enterprise, are really challenging and will take a good deal of time. There's been talk about the timeframe for this, and I can speak to that if there are questions. Our current estimate is that the integration costs for Rutgers alone to take in these three units -- not talking about the costs for our colleagues at UMDNJ -- but for Rutgers alone, we estimate currently that that's about \$40 million in one-time expenses that would be spread over 18 to 24 months. This integration will be challenging; we think it's doable, but it's very challenging.

And I also want to take this moment to express our appreciation to Dr. Rodgers and our colleagues at UMDNJ. We've been working together, at the direction of the Governor's Office, with the planning. And we've gotten great assistance and collaboration from our colleagues at UMDNJ. But there are many challenges and there are many costs involved at the -- proposed that the report didn't actually address.

ASSEMBLYWOMAN RILEY: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Yes, a couple of things.

You seem to be in support of this, but you say it would cost \$40 million. Now, we have a \$10 billion budget deficit, so I'm-- Is it a good time to do this, number one? Number two: You talk about making -- creating this tremendous university medical school, etc., etc., down in New Brunswick. Well, we're sitting here in Newark, and they have an outstanding medical school. So at what expense would that be? Now, I know you may not be able to answer this, but I just have to say it publicly: At what expense would this be to the New Jersey Medical School in the northern part of the state?

And I just have a question for the Camden professor: Would it cost the students more to attend Rowan? Will Rowan be a private institution, versus a State university? So mainly, my concern is: Yes, we'll build up in the center -- New Brunswick-Rutgers -- but what happens to Newark, which is the largest city in the State of New Jersey? (applause) So that's my concern. And I speak of it -- again, I come from a personal thing because my son is here; and everybody knows that by now.

But what I don't want to see is the-- I don't want to diminish the status of the New Jersey Medical School.

DR. EDWARDS: The devil's in the details, and many of the details are tremendously challenging. The outstanding several-hundred-million-dollar UMDNJ bond debt that has to be addressed -- and it can't be addressed, really, by UMDNJ, and it can't be addressed by Rutgers. It's got to be addressed by the State in some way or another.

The restructuring or realignment of the management of the hospital here is terribly important. That hospital is absolutely critical to the people of Newark and cannot be let to go down the tubes. These are expensive propositions and the report that started all of this doesn't address those; it does address the hospital in the second report by saying there should be some private management. But all of these things have to be addressed and they will take some time -- some considerable amount of time, I believe.

DR. GOLDEN: Well, I want to make one point: The Barer Commission report did not do any cost analysis about the southern New Jersey piece, nor did they interview any of the four deans -- law, business, arts and sciences, and nursing -- at our campus. So they have actually done no research. They've come up with a plan. It probably would cost our students more; the Rowan students do have more student debt. The Rowan-Cooper bond debt is much lower, so I think there's an interest there in combining with Rutgers for that reason. But there's been absolutely no cost analysis whatsoever, nor has anybody looked into the consequences of moving-- You know, de-tenuring our faculty and doing what? Moving them someplace else? What about the alumni, our 44,000 alumni who have degrees from our institution? And then our donors: We've recently gotten a large gift for our Ph.D. program in childhood studies. That donor

is calling all the time. “I gave money to Rutgers-Camden; I want to have a lawsuit if they take my money.”

So there are all sorts of economic costs that have never, ever been examined by anyone; it was just tossed into the report.

ASSEMBLYWOMAN MUNOZ: Rowan would be a private university, is that correct?

DR. EDWARDS: No, Rowan’s a public university--

DR. GOLDEN: Rowan’s a public university.

DR. EDWARDS: --now, and it will stay a public--

UNIDENTIFIED MEMBER OF AUDIENCE: (Indiscernible)
State university.

DR. EDWARDS: You’re talking two public universities.

UNIDENTIFIED MEMBER OF AUDIENCE: It’s a State, not public, that’s what (indiscernible).

DR. EDWARDS: State university.

ASSEMBLYWOMAN RILEY: Hey, no shouting from the audience, please.

DR. EDWARDS: It’s a State university.

ASSEMBLYWOMAN RILEY: You’re absolutely right, though; and, again, we are working off of a report. We’re not working off an actual plan, which we’re waiting for from the Governor.

Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Well, the first area I want to talk about is governance, as far as Rutgers is concerned. I’ll cut to the chase: The last Chancellor-- I think he got a nudge from the Administration -- maybe that’s not the right choice of words, but be that as it may. Newark

campus of Rutgers, for many years, I guess we feel like we're kind of akin to being a stepchild -- that we're not part of the big mix about decisions as far as the Business School and other areas of the University. With this reorganization plan, is there any type of dialogue about giving the Newark campus more responsibilities as far as their own destiny and governance is concerned?

DR. EDWARDS: Let me ask my colleague about that.

PETER J. McDONOUGH JR.: Assemblyman Giblin, no, that really hasn't come up in any of the discussions that we've been involved with. And I don't know why it hasn't come up, but no one has really brought that idea forth as far as we know. We're looking at alternatives right now involving Camden, and no one from Newark has even raised that.

ASSEMBLYMAN GIBLIN: The other issue is if, for example, the University of Medicine and Dentistry is terminated, as we know, with the legal entity and, of course, a new name developed, the bondholders are going to be paid off. Has anybody looked at this fiscally to see what type of bond money you'll need to take care of all of these different entities under the reorganization plan? There are going to be some people out there who are going to do well by this, if there are bonds recast or bonds paid off. And I'm just trying to figure out who all is going to guarantee these bonds. Has anybody thought about this? Is it the State of New Jersey? Is it new entities? New Jersey Health Sciences University or Rutgers University? I mean, because the bondholders will have a right to their money via higher rates, and it might even be a good business deal because you can recast these bonds with today's environment of lower rates. So it might generate

some additional money for the State. Has that even been looked at, this whole entity?

DR. EDWARDS: Is that a question for me? I'm sorry.

ASSEMBLYMAN GIBLIN: Well, who's ever-- I mean, it just seems that Rutgers is a key player here.

DR. EDWARDS: Sure.

ASSEMBLYMAN GIBLIN: I mean, a lot of these things are-- A lot of these decisions are financial decisions, and I'm just trying to understand how this is all going to work out. I mean, somebody is going to have to come up with the money, so I assume it's going to be the State, there's going to be the eventual guarantee as far as this is concerned. You know, you have to pay off these bonds; you know, people will be hauling you into court or the appropriate agency if you don't give them their net proceeds.

MR. McDONOUGH: Assemblyman, that's not a Rutgers question, it's a-- They are UMDNJ bonds. I understand that they are key to the transaction. They are UMDNJ bonds and so UMDNJ's financial advisors on our steering committee -- or connected to the steering committee -- I believe are looking at that. I believe the State's bond counsels are looking at it as well. But that's a transaction between UMDNJ and their bondholders, not us.

DR. EDWARDS: But I would also add that Rutgers has contracted with some merger and acquisition consultants to try to unpack all of this, and it is extremely complex, as Dr. Rodgers indicated. Trying to unpack this and move this into separate institutions is very complex. The

bonding issue is a critical issue and has to be addressed, but thus far has not been addressed.

ASSEMBLYMAN GIBLIN: One final question: Is the South Jersey component the number one priority right now, about trying to deal with this issue over Rowan University and Rutgers-Camden? I mean, that's the feedback that I'm getting personally.

DR. EDWARDS: I think that both taking on the three UMDNJ units in New Brunswick-Piscataway and the Camden issue are of critical priority to both of our boards. They are looking very carefully at that. However, we got started much earlier as a result of the first Barer report with the UMDNJ units, and there was direction from the Governor's Office that created the steering committee that Dr. Rodgers mentioned. But, thus far, none of that has been happening in the south. So there is lots of speculations, but we're not yet seeing the specifics.

SENATOR CUNNINGHAM: Assemblyman Coughlin.

ASSEMBLYMAN COUGHLIN: Thank you.

Dr. Rodgers indicated before that the target date for accomplishing this was July 1. Is that your working target date too?

DR. EDWARDS: That's the date that the Governor's Office has provided to us. I can tell you that just adding the 3,000-plus people to our payroll will take much longer than that. UMD has a different data system than we have and those two systems don't make it possible to simply transfer names over. So at whatever date the legal action -- whatever the legal action is -- establishes, we would anticipate that that would be the beginning of a much longer process. We're thinking that 18 months to 2

years is probably reasonable for merging all of the different kinds of things that need to be merged.

ASSEMBLYMAN COUGHLIN: Have you looked at the collective bargaining situation--

UNIDENTIFIED MEMBER OF AUDIENCE: No.

ASSEMBLYMAN COUGHLIN: --for your employees relative to UMDNJ employees?

DR. EDWARDS: I've had one meeting with the leaders of one of the UMDNJ units, but those folks are employees of a different university -- they're employees of UMDNJ. We have some 14 unions at Rutgers; there are 13 or 14 at UMDNJ. We are well aware that all of this is going to be a major issue, but I would go back, also, to what Dr. Rodgers indicated: The membership of the steering committee was set by the Governor's Office and it is what it is. And I think if we were establishing something, we might have thought about other people being on there.

ASSEMBLYMAN COUGHLIN: Well, let me ask you one more question. Does your working plan as it exists right now anticipate any layoffs?

DR. EDWARDS: No.

MR. McDONOUGH: Assemblyman, if I could follow up on the July 1 date, because I think there is some confusion. I think Dr. Rodgers tried to clarify it a bit. Getting it done by July 1, to paraphrase a former President, depends on what your definition of *it* is. (laughter) It may be, simply, the Legislature passing legislation by July 1; it could be an executive re-org plan taking effect by July 1 -- both of those with long implementation

dates. None of us on this steering committee are under the illusion that we're going to get all of the mechanical stuff done by July 1.

SENATOR CUNNINGHAM: Thank you.

Assemblywoman Wagner.

ASSEMBLYWOMAN WAGNER: Yes. In the beginning I had talked about receiving hundreds of e-mails from parents, graduates, students, and most of them are from the Rutgers-Camden branch. Are you hearing from them? Because the mail that I am getting -- is that there is not one e-mail that I have received that is in favor of this. And I know that they are fiercely loyal to their school, that they're fiercely loyal to their library, they're fiercely loyal to their research, and they are proud of the degree that they have and do not want to see that changed. Are you hearing from them, and have they been included?

DR. EDWARDS: You're speaking specifically about the Camden situation--

ASSEMBLYWOMAN WAGNER: Yes.

DR. EDWARDS: --not the Medical School? Yes, we're hearing from them.

ASSEMBLYWOMAN WAGNER: And what are you hearing?

DR. EDWARDS: Same thing you're hearing. (laughter)

ASSEMBLYWOMAN WAGNER: Exactly.

DR. EDWARDS: There's no doubt about what the Rutgers family at Camden believes--

ASSEMBLYWOMAN WAGNER: And listen--

DR. EDWARDS: --students, faculty, alumni, parents, etc.

ASSEMBLYWOMAN WAGNER: And that's what bothers me about this whole process, is that there's a steering committee, somebody is doing this, and it's the people who are left out. It is the graduates who are left out. It is the students who are left out. And if this plan goes forward, I think it's just-- What is democracy all about? The people having a voice. We are here today to listen. (applause) I hope we have an opportunity to help the people and the students.

UNIDENTIFIED MEMBER OF AUDIENCE: Thank you.

DR. EDWARDS: May I make one comment?

ASSEMBLYWOMAN WAGNER: Yes.

SENATOR CUNNINGHAM: One comment.

DR. EDWARDS: The steering committee is exclusively focused on the three units merging into Rutgers -- the three units in New Brunswick-Piscataway. No similar organizational entity has been established; there's nothing like that happening with the south, so how long anything down there would take is anybody's guess. But there's not even a beginning (indiscernible). We've spent months together with our colleagues from UMDNJ on the stuff related to the Robert Wood Johnson Medical School, Cancer Institute, and School of Public Health, but not anything has been done like that.

DR. GOLDEN: Can I just say that, in fact, we have had the proposal for the shared Science Center with Rowan-Cooper -- has been around for quite some time, and ever since we understood that there was some interest by the Governor in partnerships, we came up with this massive partnership plan. We've presented it fully; it does, in fact, include some more governing autonomy and some more resources -- shared

resources -- in our region, but the Barer people went in an entirely different direction that we knew nothing-- As I said, there's been no consultation. January 26 we were told, "Your university will be no more."

SENATOR CUNNINGHAM: Thank you very much.

DR. EDWARDS: Thank you.

SENATOR CUNNINGHAM: We're going to bring up a few representatives of the unions: Ann Twomey from HPAE, John Bogden from AAUP, and Tony Tarchichi from CIR.

We're going to ask you, please, to keep your testimony to three minutes. We are getting late in the day and we need to hear from many more people. Thank you.

J O H N D. B O G D E N, Ph.D.: Can I start?

SENATOR CUNNINGHAM: Yes, you may.

DR. BOGDEN: First of all, is this microphone working, or is it the other microphone? (referring to PA microphone) This is okay?

I'm John Bogden. I have not been here as long as Dr. Johnson; I've only been here as a New Jersey Medical School faculty member for 38 years. (laughter) I think I know something about this place.

I also wear another hat at this time. In the current academic year I am the President of the Newark Campus Chapter of the AAUP -- the American Association of University Professors. We are the elected representatives of faculty at all eight UMDNJ schools, representing 1,500-plus faculty members.

I'm not going to talk about union issues today, as much as issues of accreditation. And I do this as a faculty member. My objective is

to raise your awareness at the possibility that the reorganization of UMDNJ can threaten the accreditation of our various academic degree programs.

Accreditation is a vital achievement. The loss of accreditation, or the failure to maintain accreditation, can result in the demise of an academic program. As one example, the LCME -- the Liaison Committee on Medical Education -- decertified a U.S. medical school in October of last year. That school is done, out of business. The LCME vowed to help their medical students transfer to other places. So you don't want to lose accreditation of any of your schools.

The New Jersey Medical School was last visited by the LCME in March of 2005 and we passed with flying colors. We received a full eight-year accreditation. If you do the math you will realize that our accreditation is up next year. We will be revisited by the LCME in March of 2013. We are working daily to prepare for this and, in particular, we need to submit to the LCME a preliminary self-study document, essentially, that is due in November of this year. And as you may surmise, we need to submit this in a situation of great uncertainty. It won't be easy to address these issues.

To maintain accreditation our medical school, and every other medical school, must comply with 125 LCME standards. We can give you a copy of the LCME document that outlines these standards. But basically, we have to have enough faculty members -- enough well-trained faculty members; adequate finances -- the LCME will look at the dollars very carefully; we have to have appropriate clinical teaching facilities. Importantly, the control of the medical education program at each facility must be under control of the faculty, not under the control of a private

partner. That is an LCME requirement. As you may imagine, with 125 standards, there are many more requirements.

SENATOR CUNNINGHAM: Sir, you're going to have to go a little bit faster on this.

DR. BOGDEN: Okay.

SENATOR CUNNINGHAM: Your three minutes is already up. Thank you.

DR. BOGDEN: Well, I figured that would happen.

I highlight these as just some of the requirements. So my concern is about retaining our faculty. An internal UMDNJ report from September 2010, even at that time, found that over the prior five years we were having trouble already holding on to our faculty at the senior ranks -- at the full professor and associate professor levels -- and they were being replaced by junior faculty at the instructor and assistant professor levels. We are not top heavy here with faculty; we are bottom heavy -- too many faculty at the bottom with less experience.

The finances will matter to LCME, and that has to be worked out. And the fate of University Hospital is a key -- it's our primary teaching hospital.

I had some other thoughts to present, but I will not do those and I will conclude.

If there is to be change, it should neither compromise nor threaten the very substantial progress that has been achieved at each of our schools in recent years, nor should it threaten the accreditation of any of our schools.

Thank you for your attention.

SENATOR CUNNINGHAM: Thank you. We'll hold questions until all three of the panel have spoken.

Yes.

T O N Y R. T A R C H I C H I, M.D.: Good afternoon. I am Dr. Tony Tarchichi; I'm the chief Pediatric Resident at New Jersey Medical School, University Hospital. I was also a combined internal medicine-pediatric resident prior to that.

Thank you for this opportunity to testify. My points today are short and brief, hopefully.

University Hospital provides medical students and residents, as you all know, with unparalleled resources and a diverse learning experience. An asset which we all strongly believe in is its location in Newark. It allows us to gain a wealth of expertise and community ties, unlike a lot of other places.

We're concerned about the lack of transparency, some of which we learned today, about this public-private partnership proposed by the Governor; and fear that the reorganization really may prove a detriment to our educational experience and our ability to attract the best physicians-in-training we possibly can.

Specifically, the lack of details we're talking about in the public-private partnership means the following questions: one, what standards will the State use to evaluate the academic quality of UH as a teaching hospital if there is a public-private partnership? Two, how will the current configuration of valuable rotations between University Hospital, the Veterans Hospital in East Orange -- which we go to -- and Hackensack University Medical Center -- which we've already brought up -- how will

they be affected? And then what changes to UMDNJ will be implemented in such a manner that strengthens our educational programs and gives students in a hospital-based setting continued access to an array of programs that we currently have?

Our academic programs, as they exist right now, are very strong. The quality of medical education is impressive, and the evidence is in all of our results. We send more than 300 medical students every year to top-tier residency programs, and that will be happening next week again.

Thirty percent of our UMDNJ residents -- or students -- stay within New Jersey, most of whom stay within our UMDNJ system to complete residency. And 98 percent of our medical students go to their first choice, and that's because of the training that we give them here.

Our hospitals program trains over 500 interns, residents, and fellows; and more than 300 of these are trained at University Hospital; the rest at the varied facilities, Hackensack which is the largest. They have about 150 of our residents at any point.

As residents, the ability to rotate through all these sites is crucial: you have the State hospital, you have the private hospital where there is -- for instance, in pediatrics I can tell you there are some specialists there that are almost nowhere else in the state. And then for the Veterans Hospital, it's one of the only Veterans Hospitals in the state, so it gives us a lot of experience with specifically that population, which is important.

As such, we are really deeply concerned then that the public-private partnership hinders the ability to affiliate with these other institutions and it really could have adverse effects on our graduate medical education.

So we're also concerned about the ability to manage the hospital with respect to its mission, specifically as a leading charity care provider in the state. We are a key supporter for the Newark community; we really enjoy taking care of the Newark community. And anyone who cannot pay, we just don't ask questions. We take care of them and, as a resident, that's actually very important to us.

And many residents make the choice to come here specifically because of our mission. And that choice is a very deep, personal one for me especially.

I'm almost done.

So 10 years ago a colleague of mine, a lifelong Newark resident -- Dr. Fatima Wilder's older brother was critically injured in a shooting in Newark. He was rushed to the Trauma Unit at University Hospital and saved by the medical staff in the ER. Dr. Wilder believes strongly that the trauma team's superior training prepared them to handle her brother's injury, and ultimately chose to serve her residency at the hospital; and it was largely based on her experience there. In a recent interview she said, "I'm invested in the success of the hospital and in ensuring that the people of Newark get what I believe is best for them in terms of quality health care. As a first-year intern, I'm going to be here for the next five to seven years and want to be able to continue to serve the community that I came here to serve." So stories like that highlight the importance of our association with the Newark community and resident physicians' commitment to it.

SENATOR CUNNINGHAM: Okay, sir, I'm sorry, we're going to wrap up.

DR. TARCHICHI: Okay, so my last comment was just, basically, going to be a shortage of primary care physicians and specialists; and we have to keep the hospital open. That's it.

SENATOR CUNNINGHAM: Thank you.

Ms. Twomey.

A N N T W O M E Y: Thank you, Chairpersons Cunningham and Riley, and thank you Committee members for this forum.

I'm not going to go into too much because, clearly, you understand the issues; clearly, you've done your homework. You've asked the right questions and so I don't need to preach to you.

I am Ann Twomey. I'm President of Health Professionals and Allied Employees, and we represent 12,000 nurses and healthcare professionals, 4,000 of which work at UMDNJ.

One of the things I want to mention: The Advisory Committee report has indicated that details will be following. The details that they refer to -- and were put in a category of being merely details -- are: what happens to the employees? What happens to patient care? Can the hospital survive? And there is a whole list of questions. You have copies of my testimony which I'm not going to read to you. You also have a copy of a white paper we did, hopefully to give you information precisely in one place.

But there are some things that the report-- There are many questions that we believe have to be answered -- not just asked -- but answered before you can give your consent to this. And one of it has to do with the oversight: the public-private partnership. New Jersey has a, kind of, mixed record of success on public-private partnerships. So learn lessons

from the past, but also there needs to be oversight and there needs to be transparency.

It recommends that the Robert Wood Johnson Medical School, and the School of Public Health, and the Cancer Institute be merged, but it doesn't-- It fails to analyze what the benefits are, or the impact on our community clinics in New Brunswick. It recommends that thousands of health professionals and medical educators and nurses and other staff would be transferred, yet it fails to give any details about the process, and the protection for the staff and the work that they do. And just as a comment, I heard that there was some committee and some input from union representatives or staff. Well, that is news to us, okay? We know that there has been some, like an integration committee, but we don't serve on it. And so that it's once removed or twice removed in terms of what the input is.

Again, the cost of restructuring hasn't been identified; the benefits haven't really been identified; transparency; and most important, the protection of the patient care, particularly in the hospital in Newark; and also the guarantee of workers' rights. These have not been addressed and we ask that you continue your efforts to make sure that we're included in terms of input, and that you get the answers that you need for the protection of the community, the patients, and the workers.

SENATOR CUNNINGHAM: Thank you very much.

Are there questions?

Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: I seem to have a lot of questions.

Thank you.

I'm particularly interested in what-- Is it Dr. Bogden?

DR. BOGDEN: Yes, that is correct.

ASSEMBLYWOMAN MUNOZ: Yes. What concerned me about what you said was that the residency training program would have a potential to lose its accreditation based on the private-public partnership. Is that what you said?

DR. BOGDEN: I didn't talk about the residency program; I talked in particular about the New Jersey Medical School and the fact that we are, indeed, in the process of reapplying for accreditation. And the uncertainty created by this whole realignment -- restructuring -- since we don't know the final details, will make it a greater challenge to submit the document that we need to submit to the LCME by November.

ASSEMBLYWOMAN MUNOZ: So then we affect the accreditation of the medical school. Does that have--

DR. BOGDEN: Right, but they-- Every school--

ASSEMBLYWOMAN MUNOZ: --a direct effect on--

DR. BOGDEN: --needs to be accredited.

ASSEMBLYWOMAN MUNOZ: Understood. But that does have an affect on the residency program as well?

DR. BOGDEN: Well, I'm not sure the answer to that.

ASSEMBLYWOMAN MUNOZ: But, I mean-- I guess if you weren't an accredited medical school, that would be a problem.

DR. BOGDEN: Yes.

ASSEMBLYWOMAN MUNOZ: Okay.

DR. BOGDEN: I think that is correct.

ASSEMBLYWOMAN MUNOZ: What percent--

DR. BOGDEN: There are 125 standards, and there is something in there about residencies.

ASSEMBLYWOMAN MUNOZ: What percentage of the medical students do you educate at New Jersey Medical School? Because there are two medical schools in the state, currently. So do you-- Are you 50-50? Or are you a larger percentage?

DR. BOGDEN: We have a bit more than Robert Wood Johnson Medical School. We currently have an average of about 175 per class. We have something north of 700 medical students. I believe that the number at RWJ is less than that. I think Dr. Johnson could probably give you a more precise answer. But it's a bit above 50 percent of the medical students, if we do not count these (indiscernible) medicine students as medical students, but as DO students. So more than half.

ASSEMBLYWOMAN MUNOZ: So it would be fair to say that if you lost accreditation this would be a huge loss of medical education in the State of New Jersey.

DR. BOGDEN: Of course.

ASSEMBLYWOMAN MUNOZ: Of course.

DR. BOGDEN: And the effect on Newark would be absolutely devastating.

ASSEMBLYWOMAN MUNOZ: Well, at Newark and all of northern Jersey, because you too provide the-- And you provide the residents for Hackensack and the VA, etc.

DR. BOGDEN: And we treat patients from Summit and elsewhere who come to see our specialists that are on campus.

ASSEMBLYWOMAN MUNOZ: Exactly. Thank you.

SENATOR CUNNINGHAM: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Ann Twomey, you mentioned about the proposal about management taking over one of the responsibilities as far as the hospital is concerned. And you mentioned about public-private partnerships not really measuring up sometimes. Do you know of any experience or any knowledge of such arrangements like in the regional area? I'm talking New York, New Jersey, Pennsylvania?

MS. TWOMEY: Well, there is one in Bergen Regional Medical Center -- a public-private partnership. And one of the issues there, and could be here, is the fact that public monies go through into the hospital, but the accountability of how they're actually spent is not necessarily transparent. It's not at Bergen Regional, and that's a particular problem.

ASSEMBLYMAN GIBLIN: Up at Bergen Regional, if my memory serves me right, the people were in the PERS system -- retirement system -- and had to be terminated and go into a privately defined benefit or--

MS. TWOMEY: That's because-- Yes. That was because -- and, again, a good point to raise -- is that they terminated all the employees. And then the private partner became the employer of the employees and took them out of the public system.

Again, we don't have enough details to know what their plans are. And again, I just want to refer you to my testimony on the second page. There are some very detailed questions that we're asking for you to consider asking. The whole thing about-- They have to go through the CHAPA process, but there is still a lot more scrutiny that needs to go on,

and public accountability. You need to also consider what about charity care levels. Are they going to be built in? What about the accountability for public funds, which I talked about? What about maintenance of certain services and staffing levels? You can't just leave that to the details that will follow later. These are hard questions that need to be answered now.

ASSEMBLYMAN GIBLIN: Could you advise me what the status is of your current collective bargaining agreement, as well as the other speakers -- where you're at? I think a lot of your contracts have been up for a while, correct?

MS. TWOMEY: At-- They have been settled at UMDNJ.

ASSEMBLYMAN GIBLIN: Same with the other speakers?

DR. TARCHICHI: Ours have been settled as well.

ASSEMBLYMAN GIBLIN: Okay, thank you.

DR. BOGDEN: We are negotiating ours. Ours is expired.

ASSEMBLYMAN GIBLIN: Thank you.

DR. BOGDEN: If I could make one more comment about University Hospital. It has a highly integrated role with New Jersey Medical School. As one example: Our figures show that about 60 percent of the faculty salaries at New Jersey Medical Schools are paid from revenues and funds derived from University Hospital. There's a very tight, close working relationship between these two components of UMDNJ. I do worry about how that will all play out in this restructuring.

SENATOR CUNNINGHAM: Thank you. Thank you very much for your testimony.

MS. TWOMEY: Thank you.

SENATOR CUNNINGHAM: Amy Lewis from the Teamsters; Rick Pinto, FOP 74; and Kathy Hernandez from CWA.

Thank you for testifying. Once again we're asking you to please try to keep your comments to three minutes. Thank you.

RICHARD PINTO: I guess I can start.

I would like to say thank you, and good afternoon, for giving me this opportunity to speak here about the role of the UMDNJ Police Department and the importance of keeping a police force should any (indiscernible) take place.

My name is Richard Pinto; I've been a police officer at UMDNJ since 1988. Currently I serve as the President of the Fraternal Order of Police Lodge 74, which represents 66 active police officers here at UMDNJ. The Department was started in 1976 and since then has served both the University community and the City of Newark.

At the height of its history the Department was staffed with 108 active, full-time police officers throughout three campuses. Today there are 47 active police officers for all three campuses -- 30 which are stationed here at Newark. The role of the police officers at UMDNJ is to maintain order on the campus, monitor reported activities, and keep its employees, staff, students, and visitors safe. Our job here entails responding to Crisis Unit to restrain an unruly patient, take a report on campus from an employee who had their sweater stolen or the doctor who had his prescription pad taken. We also help the citizens of Newark who reside around the campus when they flag us down because of a crime that has been committed against them, and we man both the general and trauma entrances of the emergency room.

So as you can see, the University Police Department is a very vital part of both the University and the citizens who live on the streets surrounding it. For those who may think that the University Police are nothing more than just another department within the University structure, in 2011 we took 9,513 reports of crimes. In light of these figures, my members and I feel that should any reorganization of UMD take place, that the Department needs to remain intact. To someone who feels the need to dismantle the unit or go outside looking for other agencies to provide security, I have four questions: One, is the State willing to pay for police services or security that will be needed? Two, is the City of Newark going to be kind enough to provide free police service to the University? Three, of the approximately 10,000 calls for service we do per year, do you think other agencies will provide the same level or understand what we currently do? And four, we all know that the City has been hit hard with police layoffs. Will they be willing to put aside the City, come on campus, and take a report of that stolen sweater or come to Crisis and restrain an unruly patient?

If this sounds like someone who is doing nothing more than trying to save the job of the people who I represent, let me say having grown up in East Orange and Newark for 34 years of my life, and using the services of this great hospital, I can tell you that my members and I take protecting this University, its property, and its inhabitants in the area surrounding it seriously -- very seriously.

And again I'd like to thank you for this opportunity to speak.

ASSEMBLYWOMAN RILEY: Mr. Pinto, thank you so much.
It's Officer Pinto?

MR. PINTO: Yes.

ASSEMBLYWOMAN RILEY: Is there someone threatening to get rid of the Police Department?

MR. PINTO: My understanding is that if the hospital should go private, then Saint Barnabas is -- which we've been told is one of the partners -- has private security, which they can do away with the Police Department, at least at the hospital end of it.

ASSEMBLYWOMAN RILEY: Okay, okay. Thank you, thank you very much for the clarification.

SENATOR CUNNINGHAM: Next.

A M Y L E W I S: Good afternoon, Senator Cunningham and Committee.

I'd like to commend you, Senator Cunningham, on the community work that you have done in Jersey City along with your late husband. I have done my homework on that and I do understand that you have some admiration for community work.

I am a business agent. I represent approximately 2,000 employees here in the City of Newark. I am born and raised in Newark, New Jersey, and I have to speak from the heart when I tell you that we are the unknown. I represent rank-and-file, anywhere from a housekeeper to a respiratory therapist. They have no idea what their future is going to be like. We have met with UMDNJ's administration; however, they have not told us exactly what their plans are for these individual's lives. They stand the risk of losing pensions, health care, and seniority, and yet still all they're being told is, "Just wait until July of this year and there is going to be a change."

So all we're asking is if this is done, we ask that it be done amicably and that the members that we represent have some knowledge about what their future is going to be.

SENATOR CUNNINGHAM: You mean in any discussions you've had with them, they've given no other information?

MS. LEWIS: They've told us that they have a disclosure agreement that they signed off with Saint Barnabas. And since Saint Barnabas was a private entity, they couldn't disclose that information. So we have no idea what is actually going on, and we do know that Saint Barnabas has-- Their bond rate is worse than UMDNJ in Newark; we know that.

SENATOR CUNNINGHAM: How many meetings have you had? How many discussions?

MS. LEWIS: There has been too many to even recall. I'd have to say over 10.

SENATOR CUNNINGHAM: And that's all the information you've received?

MS. LEWIS: That is as much as I would know to this day, as I sit before you, Senator.

SENATOR CUNNINGHAM: Thank you.

MS. LEWIS: My name is Amy Lewis.

J O S E P H G R A S S I: Good afternoon, folks. My name is Joseph Grassi. I work here at the hospital for 15 years with the EMS Department.

Currently we have about 260 employees at the University EMS, between us up here in Newark and in Camden. We've also been told that it's a possibility that we would be privatized. Our responsibilities are for

the City of Newark, for Camden, the port, the airport, and advanced life support in East Orange and Orange.

Our questions of our employees are the same: whether we're going to continue to be State employees, whether we're going to have our pension when this is all over. We're also having problems retaining solid employees because they're afraid of what's going to happen in the near future. Along with signing contracts with other agencies like-- Excuse me. Signing contracts with the City of Newark was a problem. We've always had long-term contracts. This year we were able to sign a one-year contract. It limits us from advancing when we don't know what we're going to do at the end of the year. We're having problems in that aspect.

That's about it. I mean, the rest of it is submitted in my report.

SENATOR CUNNINGHAM: Thank you.

Ms. Hernandez.

KATHLEEN HERNANDEZ: Good afternoon, both Committees. My name is Kathleen Hernandez and I'm the Executive Vice President of CWA Local 1031. Local 1031 represents workers at the nine State colleges, including Kean, Jersey City, and Rowan University.

The merger of Robert Wood Johnson Medical School, the School of Public Health, and the Cancer Institute of New Jersey with Rutgers University is not as simple as changing the letterhead or the sign on the door. Both UMDNJ and Rutgers have set up 12 integration teams to start to work out the very complex issues of integrating the two universities. Some of these teams include finance, technology, administrative, and human resource. While both universities are public institutions and share the same health benefits and pension systems, Rutgers and UMDNJ do not

share the same software, payroll systems, or policies. They must be able to transfer and integrate files, evaluations, FMLA paperwork, benefit information, job titles, pay scales, job duties, and collective bargaining units in order to transfer employees.

Labor at UMDNJ and Rutgers has actively requested a seat at the table for the human resources integration team. So far this request has been denied. And just so you know, UMDNJ's HR team has met with the unions once. We've met with them other times to talk about things, but they've met with us once and given us no answers.

At UMDNJ, labor has met with human resources and identified numerous concerns, some of which are: Will UMDNJ employees retain their seniority? Will they be considered new employees, thus changing their hire dates and their contributions to health care? Will this affect sick and vacation accruals and balances? What will happen to the collective bargaining contracts? What will happen to logistical services and central administration in New Brunswick and Piscataway? Will these employees be part of the transfer? Will there be layoffs? If so, how will the layoffs be accomplished, if necessary? What about the UMDNJ buildings in New Brunswick and Piscataway that will not be part of the transfer to Rutgers? Who will provide security and maintain these buildings? What about parking?

UMDNJ has stated to the unions that they hear our concerns and support them, but no one from Rutgers or the Governor's Office has supplied definitive answers. There are hundreds of positions that are in limbo; it's not clear if they'll remain with UMDNJ or go to Rutgers.

The Higher Education Advisory Committee recommended that the transfer happen by July 1, 2012. Rutgers would need to hire many more employees in order to make this happen. Will those employees be from UMDNJ?

There are many more issues than I have identified today. These issues will take more than a few months to work out; and without legislation clearing up the finance and funding issues, the merger should not take place.

The workforce of New Jersey's higher education system is absolutely essential to the delivery of world class medical care, education, and research. For any integration to be successful, we need commitment from our elected leaders immediately that workers' rights will be an important part of the conversation moving forward.

And just to answer a few questions today: You should not do this if it does not make Newark stronger. So far, I hear Rowan being stronger, and Rutgers being stronger -- and I'm a Rutgers alum. But if you cannot ensure that Newark is going to be made stronger, then don't do this.

And my second-last comment is: This does not need to be done by executive order; it should be done through legislation so that every aspect can be looked at. (applause)

SENATOR CUNNINGHAM: Thank you.

Are there any questions?

Senator Pou.

SENATOR POU: Thank you, Madam Chair.

I just want to follow up on a comment that I heard before with respect to the private-public partnership. Some of the speakers before you

indicated and made reference to the private-public partnership, but there was no definitive response in terms of who that particular institution was going to be. You seem to feel and indicate that it is very clear that this is going to Saint Barnabas. Is that-- I don't want to put words in your mouth, but is that your understanding? Was that the information provided to you during one of the meetings that you referred to?

MS. LEWIS: That was the information that was provided to us at a meeting before Senate President Sweeney on February 6.

SENATOR POU: I'm sorry; repeat that, please. You had a meeting with--

MS. LEWIS: That was the information that was given to us by Senate President Sweeney on February 6.

SENATOR POU: Interesting. Thank you very much.
(laughter)

MS. LEWIS: You're welcome.

MR. PINTO: If I may, for a second?

Saint Barnabas also has it on their website. The CEO talks about merging with UMD.

MS. HERNANDEZ: It's not a secret.

SENATOR POU: Who else was at that meeting?

MS. HERNANDEZ: The meeting was at the AFL-CIO, and several unions were there. I was at that meeting.

MS. LEWIS: And I was at that meeting.

SENATOR POU: Thank you very much.

MS. HERNANDEZ: One last comment: Rowan University is a State university, not a public institution like Rutgers and UMDNJ. So

the integration into a State system, which has civil service, from a public system adds more complexities there.

SENATOR CUNNINGHAM: Thank you.

Next we're going to hear from Professor Robert Schwartz from UMDNJ -- would you come up; along with Dr. Joshua Berlin from UMDNJ; and Dr. Ellen Townes-Anderson, New Jersey Medical School.

UNIDENTIFIED MEMBER OF AUDIENCE: I think Dr. Berlin is not here anymore.

SENATOR CUNNINGHAM: Is Dr. Josh Berlin here? No?

Okay, Dr. Larry Frohman.

Thank you very much for your testimony. We're going to ask you, please, to try to limit it to three minutes. We're running out of time. Thank you.

E L L E N T O W N E S - A N D E R S O N, Ph.D.: I guess ladies first?

I am Ellen Townes-Anderson, and I am the President of the Faculty Organization at New Jersey Medical School. So I do need to say that by several measures one can argue that New Jersey Medical School is the top medical school in our state. New Jersey Medical School garners the most NIH research dollars of all the schools; trains the greatest number of residents, medical students, and graduate students; and has the widest diversity of clinical subspecialties and specialties and community-based programs.

You have already learned today of many important concerns that I absolutely agree with. However, in several ways the leaders of the Faculty Organization at New Jersey Medical School are supportive of the

report of the Governor's Advisory Committee. And I'd like to discuss just three points.

First, the State Legislature needs to provide adequate resources -- you've heard this many times -- to reorganize and establish a New Jersey Health Sciences University. Decentralizing the University's administration will result in significant costs. We've got to set up new policies, new procedures, new databases, and offices and so forth. While reorganization of the administration promises to significantly increase productivity, the cost of planning and carrying out such changes is beyond what current funding can support.

So there are opportunities for improvement with this decentralization, but this transformation must be financially supported.

Second, we do welcome in the report the Advisory Committee's recommendation to maintain University Hospital as a State healthcare facility. However, the hospital also needs resources -- you've heard this many times again -- to sustain and improve its mission and facilities. In addition, it's imperative that the hospital continues as the primary teaching hospital for the school because the close alliance between the hospital and the school is essential to maintain outstanding medical education. And a future public-private partnership must recognize and promote teaching and research as well as the healthcare roles of the clinical faculty.

And third and finally -- my last point -- there is a pressing need, first described in the Kean report and now in this report, to revise State regulations which govern academic institutions. Let me illustrate: Procurement of new equipment can take months because of State bidding protocols. These protocols, however, are often unnecessary because of the

very specialized nature of the equipment. So while we are waiting for the equipment, patients suffer, and research and the associated hiring of research personnel is delayed. Please do not underestimate the chilling effect onerous procedures and regulations have on our productivity.

The faculty believes in New Jersey Medical School, and we are eager to work toward further growth and transformation with your help.

Thank you.

SENATOR CUNNINGHAM: Thank you.

ROBERT SCHWARTZ, M.D.: I'm Dr. Robert Schwartz and I'm from New Jersey Medical School -- not UMDNJ. At least, I'm not sure what that will be. But I appreciate, Senator Cunningham, Assemblywoman Riley -- thank you for having us, thank you for listening. I'm a two-term faculty president; I've been here more than a quarter of a century. I'm glad you're focusing on Newark -- northern New Jersey.

Rutgers is a magic name in this state, and it's great that the Governor is returning it to medical education -- that's laudable. I think bringing that name, bringing us, protecting us, through his commitment is laudable, too. He's also committed to no cost. Remember, this is going to be cost-neutral, okay? That's not what I've been hearing, and that's critical. I think if you can't make it cost-neutral, we need to re-look at it. I think we need-- Please consider applauding the transformation of UMDNJ done by this Governor and let us resurrect the New Jersey Medical School and the New Jersey Dental School into the Rutgers Health Sciences University. Look, there's a name you can relate to. Rutgers is a magic name. I don't know what N-J-S-U-- (laughter)

Branding does matter; reputation does matter -- exactly as you said, Assemblywoman Munoz. We need that golden name, but we don't need--- See, many universities have their own structure where the medical school is not part; it's a separate entity, as we are. It's a prudent model. Rutgers was founded in 1766. We're all proud of Rutgers. My medical students, my residents say they want to graduate from the New Jersey Medical School of Rutgers Health Sciences University -- not Rutgers University -- Rutgers Health Sciences University. That'll cost us very little; that'll make us all go to Rutgers football games and cheer, okay?

So Rutgers, The State University, New Jersey Medical School, Robert Wood Johnson, the medical schools of Rutgers Health Sciences University -- thank you.

SENATOR CUNNINGHAM: Thank you.

L A R R Y F R O H M A N, M.D.: Senator Cunningham, Assemblywoman Riley, and the rest of the honorable guests here. My name is Larry Frohman; I appreciate this opportunity. I've been practicing and teaching at New Jersey Med School for 27 years, where I am Professor of Ophthalmology and Neurology. I'm here only representing my personal opinions; however, as background, I've twice been Faculty Organization President, and I'm the first President of the university-wide Faculty Senate that we're finishing forming now.

I'm not smart enough to tell you what the proper alignment of healthcare education should look like in New Jersey. What I will do, though, is identify for you six land mines that we all need to avoid, or that you need to avoid as you review this as you decide what the configuration

should look like. The cost of not avoiding these land mines includes having a state-wide impact on patient access to health care.

The first land mine is: Whoever owns or runs UH, the State must fund its social mission of caring for under- and uninsured whose volume dwarfs that of any other hospital in the state. No talent at managing or operating a hospital will alter the fact that the fact that the social mission is being underfunded by tens of millions of dollars. This chronic underfunding is the source of why infrastructure investments have not been adequate and why capital equipment purchases have been delayed. It has caused sacrifice of desired programs due to lack of funds. Unless you have a plan or someone has a plan to fix this, any restructuring will fail.

Land mine number two is that the total cost of the realignment -- as you're hearing -- will be much more than the figures you've been hearing. To attain these funds, as it's being purported, from existing resources simply means we need to choose if we should downsize a training program, delay the purchase of a critical piece of equipment, or to not fix something that's long been overdue for repair. The concept that such funds are internally available is simply not valid.

The third land mine results when resources have been cut so much that talented faculty leave and it becomes difficult to recruit replacements. This impacts the training of the future generations of healthcare providers. Someone asked before if we're going to be able to train as many as we need. I don't know that they'll change the numbers, but it might change the quality if we don't have the great faculty here.

So the perpetuation of the uncertainty about the University Hospital's future, the unfortunate tainting of the reputation of those who've

been working for a long time -- very hard here -- to fulfill the university's missions under what we can, at best, call adverse circumstances has, by itself, made it very difficult to recruit those we need to train the next generation of healthcare providers. Our children's health care in New Jersey may not be as good as our, because of the quality, unless we have proper resources.

The fourth land mine would result from NJMS and UH no longer being governed by the same board. And I don't think this has been talked about yet. If you look at State universities that have great medical schools, you'll find a recurrent theme: they control their principal teaching hospital. You can look at the state of Washington, the state of Michigan, you can look at UCLA -- great medical schools; they own their teaching hospital. The ability to coordinate strategic planning between the school and a teaching hospital is almost a requirement for their achieving greatness. And yet we're thinking about sacrificing that vital relationship we already have here, one that is even more critical in times of limited financial resources.

The next land mine also would result from UH and NJMS not being under the same board. It's the impact -- and this is very technical -- of losing the academic safe-harbor protections from the Stark and anti-trust regulations. Those are Federal guidelines -- laws -- that prevent money from being moved between hospitals, medical schools, and practice plans unless they're under the same corporate control. If you lose that unique single corporate control, it's going to cost the State tens of millions of dollars that no one has thought about, because you're not going to be able to have a liquidity to do certain planning and moving of programs.

The sixth land mine is the loss of the board's ability -- of a single board's ability to plan unique sites of critical excellence. When we deal with rarer diseases, if we have one top-notch service in the state, we may only have the patients and the resources for one. If we're going to have three universities in the business of health care, are they going to have three mediocre services with inadequate patients, or are we going to stick and have a way of having one great one?

I'm concluding.

We need to have an overarching board that looks at coordinating these.

Thank you. I'd be happy at any other time to answer questions you might have.

SENATOR CUNNINGHAM: Thank you.

Are there any questions? (no response)

Thank you very much.

Oh, just one -- sorry.

Senator Pou.

SENATOR POU: Just a quick question. You made reference to the board. And there was discussion-- The previous speakers talked about the public-private partnerships. Let's talk about the boards for a moment. If you have a board -- and I believe it's referenced in Dr. Barer's report -- there's reference that there would be members -- joint members -- of each board on the board, including one of the members from the public-private partnership hospital or so. In your estimation, just based on some of the statements that you've said, doesn't that create some type of a problem or a conflict of interest if you have one member who is serving on

all three boards, but that one particular board member also has something to do with how much funding that particular -- that UMDNJ is going to be receiving?

DR. FROHMAN: I am most certainly not a healthcare attorney. That's about as far I can get from what I do. However, I will bring some history: Some years ago, UMDNJ had a Board President who was the CEO of one of the affiliate hospitals. And you've been hearing about all the accreditation standards. When the LCME took a look at that, they said that was a violation -- they said it was inappropriate for the governance standards and the Board President changed. So yes, there are-- I can't speak about whether it would be anti-trust violation, that's way beyond my expertise -- that particular detail that you're talking about. But yes, there are governing standards that have difficulty with healthcare institutions that are affiliated with the med school sitting on their governing board.

SENATOR POU: Great, okay. Thank you.

SENATOR CUNNINGHAM: Thank you.

We'll now have Renee Steinhagen from New Jersey Appleseed.

Neil Kaushal, Student Council President, New Jersey Medical School; Nelson Chiu, student at New Jersey Medical School; and Bill Holland, New Jersey Working Families Alliance.

Thank you. You may begin.

B I L L H O L L A N D: Thank you, Chairwoman Cunningham, Chairwoman Riley, members of the Senate and Assembly Committee. I have comments that I will submit, so I'll just cut my remarks.

SENATOR CUNNINGHAM: First of all, just give us your name.

MR. HOLLAND: Yes, sorry about that. Bill Holland, Executive Director of the New Jersey Working Families Alliance, which is a coalition of labor, community, and environmental organizations dedicated to a vision of a socially and economically just New Jersey.

Just to comment on the recommendations submitted to the Governor in the final report on UMDNJ. We're asking the Committee to exercise its full authority to make sure that any reorganization plan for UMDNJ protects the interests of the community these institutions serve, as well as the employees who work there. That includes guaranteeing access to quality, affordable health care for current patients, maintaining benefits and organizing rights for employees, and ensuring that each of these institutions continue to serve the public interests instead of generating private profit.

For the last 40 years, as you know, University Hospital has been operated by UMDNJ and remains one of North Jersey's most vital, bedrock institutions. It has more than 500 beds, 3,000 employees, and it remains the single-largest provider of charity care in New Jersey.

We believe that reorganizing these institutions without a solid plan for University Hospital will leave a critical resource for northern New Jersey without adequate funding and the support now provided by the UMDNJ system. And so any restructuring plan must protect currently provided services and maintain the quality of health care for the region. And that also means increasing funding for medical research and improving access to health care for all New Jersey residents who access healthcare services from New Jersey higher education institutions.

The employees of University Hospital are a critical part of delivering the care for local residents and of the Newark economy. Any restructuring plan for Newark and for other areas of the state must maintain the jobs, benefits, and negotiating rights of all represented employees.

And finally, stripping UMDNJ of the Medical School, School of Public Health, or Cancer Institute will make it more difficult for UMDNJ to get grant dollars, and top researchers and staff. To be successful, any reorganization must make each of these institutions stronger and enhance the quality of higher education here in New Jersey.

So thank you for your time.

SENATOR CUNNINGHAM: Thank you.

NEIL KAUSHAL: Senator-- Is the mike on? (referring to PA microphone)

Senator Cunningham, Assemblywoman Riley, and the members of the Higher Education Committee, I want to thank you for allowing you to speak today.

My name is Neil Kaushal; I'm a fourth-year medical student and the President of the Student Council here. I'm a product of the New Jersey public school system. I went to high school in Somerset County, The College of New Jersey for my undergraduate education, and now here at New Jersey Medical School. And I will preface all my comments by saying I fully intend on practicing in the State of New Jersey as well.

I'm here today to voice my opinion on the Governor Advisory Committee report, offer insight to the New Jersey Medical School that you

haven't heard today, and the future of the Newark schools of higher education.

The Governor's Advisory Committee report provides a glimpse into a dynamically different university structure in an attempt to streamline higher education in New Jersey. And I applaud the effort. I personally spoke to the committee in the summertime when they were doing their due diligence.

We must be careful, however, that we do not make any changes to the university structure that compromise the education, research, and community outreach at the expense of each of the schools.

While I feel that the Governor's recommendations may give New Jersey Medical School and the rest of the graduate schools in Newark the opportunity to rise and stand out over the other institutions of higher education in the State of New Jersey, we must be sure that we do not compromise the mission of New Jersey Medical School, New Jersey Dental School, the Graduate School, the School of Health Related Professions and simply promote the best interests of the other campuses that are proposed in the report.

Although I am an ardent supporter of all higher education in Newark, let me just give everyone today present a few key facts about New Jersey Medical School for the record. We have 2,200 esteemed teaching faculty, 750 medical students. We fall in the 90th percentile in terms of number of underrepresented minorities enrolled. We have 600 residents and fellows at University Hospital. Last year we had a residency placement rate of 100 percent -- 40 percent of the students stayed in New Jersey for residency and 40 percent entered primary care.

We are the only teaching hospital in the State of New Jersey with ENT and ophthalmology residency programs, as well as several unique fellowships. We have the first and the oldest student-run medical clinic in the nation which serves the citizens of the City of Newark.

We have clinical revenue on the rise, and NIH funding, as was alluded to earlier, of \$75 million last year -- the highest of all the UMDNJ campuses.

The reason I labor upon these key points is that the public, the government, the media have all not done their due diligence in giving the attention to the Newark campus that it deserves. In your analyses of the Governor's proposal, I encourage all of you to sort through the recommendations that are truly streamlining and making the university more efficient, while recognizing the recommendations that are simply a reflection of regional politics.

We are at a critical junction in the State's history -- and I'm finishing up -- of higher education, and the Governor's taken a real lead role in the situation. As representatives of the student body, I trust that your judgment will lead to a university in Newark that will emerge at the forefront of higher education, maximizing the resources of its respective schools, and taking into account the fact that we have an LCME accreditation process coming up next year, and the financial ramifications of the plan.

I want to finish up by mentioning that branding and imaging is a major concern of mine and the students of New Jersey Medical School. Any proposed name change to this University and to the campus in Newark poses a threat to the reputation of the clinical training that we receive here

at the New Jersey Medical School. When I go out there and I train at another hospital or rotate at another hospital, they know what they're receiving in me as a medical student. So I've been exposed to, literally, everything that one student can see -- and that's why they would hire me. And the proposed changes definitely pose a threat to that.

With that said, I thank you for your time and I'll entertain any questions.

SENATOR CUNNINGHAM: Thank you.

NELSON CHIU: Good afternoon, Committee members. Thank you for spending the time to talk to us today and learn more about what you can do to help us.

My name is Nelson Chiu, I'm also a fourth-year medical student at New Jersey Medical School here in Newark. And I just want to say I'm very grateful for the four years I've had to spend here. One of the things I am most grateful for is the clinical experiences that I received here at University Hospital. As you've heard time and time again today, it's just a fantastic place for me to train as a student, as a resident, but is also just a privilege to take care of the patients who we have here. They are a very unique group of patients; they are underserved, urban patients similar to other great teaching hospitals in the nation -- Bellevue in New York, the San Francisco General Hospital come to my mind, as well as here in Newark. It's been a true privilege.

Secondly, in addition to the clinical experience in the underserved population, I think one of the things that we do really well here is emphasize the importance of primary care. Our interim President, Dr. Rodgers, is a family doctor, and our Family Medicine-- I'm planning to go

into Family Medicine myself. Our Department of Family Medicine here at New Jersey Medical School just received a just under \$1 million grant from the NIH to create a patient-centered medical home in the free student-run clinic here, which, as you've heard, is the oldest free student-run clinic in the country.

And we're also proud that another UMDNJ doctor, Jeffrey Brenner -- who you may have read about in Atul Gawande's *New Yorker* piece last year called "The Hot Spotters" -- down in Camden -- he's one of the leaders in the national healthcare debate on how to bring down the costs of medical care in this country. And this problem is relevant throughout the country, and it's very relevant here in the inner city where there is overutilization of care. And I think this hospital and medical school play a key role in the debate, not just locally but also nationally as we move forward.

And finally, I just wanted to say I'm also a product the New Jersey education system. I went to high school in Montville, I went to Princeton as an undergraduate, and now I'm here at New Jersey Medical School. And I think in my anecdotal experience, talking to my friends and though my own experiences, I think this is a fantastic educational institution that just needs more resources. I think that's one of things that we're really lacking. If we really want to compete with other great State medical and State universities throughout the country -- like the University of California, our colleagues across the river in the SUNY system -- I think money to improve our physical plant, to improve our information technology, to improve patient care, it's just-- I know money is short now,

but I think that's one of the things that we can really get much, much value from here.

So we thank you again for your time, and I'm happy to entertain any questions as well. Thank you.

SENATOR CUNNINGHAM: Thank you.

Does anyone have questions? (no response)

Thank you very much for your testimony.

And now we'll have the last panel for the day: Elmer Daniels, HPAAE; Joan Ruder (phonetic spelling); PHY Plant; Donna Jackson, New Jersey Monitors; and William Mallon, New Jersey Medical School.

E L M E R D A N I E L S: Good afternoon. Thank you all for coming out to Newark to hear our testimonies and our concerns about the impending merger and reorganization of UMDNJ.

My name is Elmer Daniels and I'm a registered nurse here -- nurse case manager -- at UMDNJ. I'm also the President of the Nurses Local here, HPAAE Local 5089, and we have approximately 12 (*sic*) nurses throughout the State of New Jersey under our membership.

UNIDENTIFIED MEMBER OF AUDIENCE: (Indiscernible)

MS. DANIELS: Twelve hundred.

SENATOR CUNNINGHAM: Oh, okay. (laughter)

MS. DANIELS: I'm sorry -- 1,200. (laughter)

Let me just preface all this by saying that -- and I say this to everyone when I first meet them -- is that I am one of the first graduating registered nurses from the School of Health Related Professions here in Newark. And as the medical residents were indicating, I am also a product of New Jersey. I graduated from Jersey City's Snyder High School.

SENATOR CUNNINGHAM: All right.

MS. DANIELS: All right. (laughter)

I came over across the bridge here to Newark and went to the School of Health Related Professions, at which I received my associates degree in nursing. I went over to Kean University in Union County and received my bachelor's degree in nursing. I went back over to Jersey City to New Jersey City University and received my master's degree.

After for that I came back here to work, to take care of the patients in my community.

The problems and the concern -- and you've heard everyone today say -- you all want -- not you all, per se -- they want to merge our schools, give away what we have developed and have grown and have, pretty much, made a perfect entity -- to give to Rutgers. Why do we need three different medical schools in the State of New Jersey? That will take away from what we do for our patients here. That will decrease, probably, our enrollment; I don't know. But what we do know is that we have a partnership with the people in the community to provide health care. We have a commitment to provide any kind of resource that we can, because our population, our case index, is not the best -- we have a lot of indigent and charity care patients. We are a Level 1 Trauma Center. I have more recently, for the past six, seven years, worked with the Stroke Center and part of the stroke team. So we are a comprehensive center and we receive patients from all over the world. The same goes for Trauma, the same goes for our Level 1 maternity-child nurseries.

So you're asking: Do we endorse this reorganization? Personally, if all the pieces aren't correct, if we cannot remain viable --

excuse me for appearing selfish -- no, okay? If we can keep things intact and grow -- that remains to be seen; and who's going to fund it all? And who's going to take care of our patients?

Thank you.

SENATOR CUNNINGHAM: Thank you.

D O N N A J A C K S O N: Good afternoon. Donna Jackson, Newark resident, New Jersey hell raiser. (laughter) Thank you, again, for coming back.

We don't support any of this merger. It hasn't been done with any thought. Today as I am one of the only community members who could make it, I'll speak for all of the community until you guys have the guts to come into Newark after 5 o'clock and have a hearing where people who work, who take advantage of this hospital, can come and tell you themselves. I know they don't mind me speaking for them this afternoon. Maybe if you hang around another hour they'll be getting off, and maybe I can get some more people to come in.

First of all, I understand that this is all political. This has nothing to do with the school. This is about the power in South Jersey versus the power in North Jersey. This is about Senator Norcross kicking his legs down the hill, and let's hear who's strong enough to kick them uphill. Well, Senator Norcross, I am neither an elected official, nor a government official on any level; I'm a community person and I will kick back.

I'm going to start kicking back today. We have had rallies outside before, but I let you guys know that this will be a tremendous detriment to a city that is already going through major changes on all levels.

Our unemployment level in this city right now is so high, people without insurance is so high right now, and I am appalled that while we're having this hearing today our illustrious Governor -- AKA Krispy Kreme -- felt it necessary -- yes, that's what I call him; he knows, I met with him already -- felt it necessary for UMDNJ to be the second-lowest funded charity care hospital in the state. I'm appalled by that. And trust me, I will be speaking to him about that personally.

But I'm also appalled that our elected officials in this city don't understand that in this number one trauma city -- because we are number one for that, too -- that there's no need now to let your voices be heard in opposition, other than what you want to go through with your co-partners. The people who sit on the review committee are all Rutgers graduates -- so you tell me how stacked the deck is. This is not about making Rutgers sustainable. Tell them to get a better football team; tell them to go recruit some kids from across the country. I don't care what they have to do. This is not about taking services from a community that will not make it without them, and making your South Jersey friends happy, and trying to make Rutgers look like a viable university, and have some other illustrious area now because football isn't doing too good and we spent millions on a football stadium -- State dollars as well. It is all interconnected.

Now, let me talk about the 5 to 10 shootings a day in Newark that I have right now -- right now -- 5 to 10 a day, okay? My Mayor spoke well in his tone of -- as he speaks, and you guys think he's a well-spoken person; yes he is. Today is the only day I've ever agreed with anything he said, so I will applaud the Mayor's last portion of his -- and have that for the proper intellect in testimony. But I'm going to tell you today that we

have had officers, not only Newark officers, but from all counties in North Jersey and sometimes from South Jersey, who have had their lives saved in this trauma center here at UMDNJ. We have had kids who have fallen from windows, buildings, etc., who have been saved at UMDNJ.

And let me just lastly say this about Saint Barnabas so there is no question: They are not coming here. They have already destroyed Beth Israel; it is the nastiest hospital in the county right now under their direction. You go in the emergency room right now, it is so filthy you would not leave your family member there. God forbid we only have to leave ours there. The waiting room is so atrocious.

Now, do we need to talk about better services at UMDNJ? Absolutely. Is everything here 100 percent? No. Is our trauma 1,000 percent? Absolutely. There are kids in this city and surrounding cities that if not for this Trauma Center would not be alive. Do we have to talk about the level of service? Yes, we do. You ask these officers what kind of trauma they have to go through when families come down here being concerned about their family member who is in that trauma room. We cannot afford to take this dental school; the people who they service-- You guys look at dental care and uninsured facilities across this state from the economic downturn.

In the County of Essex right now -- in my conclusion -- we have 84,000 people -- 84,000. You couldn't imagine it in your county. Right now in Essex we have 84,000 people on the welfare rolls -- 84,000. Two years ago we were less than 50,000; and that is growing every day. So to now talk about moving any of this, to now, as we are improving education in the City of Newark -- and we are doing that, contrary to what you guys

say down the hill -- we will now not have a track for our kids coming out of Science High School who may want to come into this field. For children in West Side who are under my mother's tutelage -- as the number one biology teacher in the country -- to not have a facility to come to. Because she's been doing it for 56 years, and yes, she is an expert, and yes, she has her master's. So any kid who she teaches is going to be brilliant.

So now you're taking away the advantages that children who live right here in Newark will not have the hope of coming over here, interning here, and learning from here. We have some kids who come into the Trauma Center with their family and because they see their family member lying there, you know what? "I need to get into that field. Maybe I should work in the coroner's office. Maybe I could bandage somebody up." So we cannot, and will not, just (indiscernible) -- the community of Newark does not support this. I guess if you guys needed us to shut down some more traffic so people who don't live here get home a little slower, and then maybe you'll take us seriously, then we will do that. All I'm letting you guys know is that you have power over this Governor, and if you sit here and allow this man to do this, not only will he be in trouble, but you will too.

SENATOR CUNNINGHAM: Thank you very much.

MS. JACKSON: You're welcome.

SENATOR CUNNINGHAM: Yes.

D O N A L D J A C K S O N: My name is Donald Jackson. I was also signed up to speak in reference to NJ Monitors, so I'm going to do that.

I want to first welcome you to the Central Ward, the Ward that, during the 1967 rebellion, burned due to the lack of achievements and

due to the impoverished conditions that African-Americans faced during that time. And yet, again, we come back to the table to discuss the treasure that we have left in this City, and that's this hospital.

I want to talk for a second about a personal experience that I had. I had a distant cousin of mine who was shot about a month ago on the corner of Renner Avenue, and I was on Terrace. And for those of you don't know the City of Newark, that's about two miles away from here and it's about a thousand feet away from Beth Israel Hospital. Thanks to the quick response of the University Hospital's medical EMS unit, they were able to receive my cousin, bring him here to the hospital, and save his life. Now, if he would have walked a thousand feet to Beth Israel, who could say would have happened? He might not even be here. He's now recovered, thanks to the Trauma Center in this hospital. This Trauma Center saves lives -- not only for shootings, but for car accidents or any of the other things that happen within the north New Jersey region.

To now take that away from the citizens of not only this city, but this county, and not even only this county but northern New Jersey, and to move it just to keep Rutgers afloat is preposterous. It would be detrimental to the citizens of Newark and it will take away lives. Not only that, we now have to look at the economic piece that this hospital helps with this city. We have a lot of Newark residents who work for this hospital. What will happen to their jobs?

Thank you.

SENATOR CUNNINGHAM: Thank you very much.

And I have to tell you, I graduated from West Side High School and I grew up in this neighborhood.

MS. JACKSON: Thank you so much; we appreciate it.

SENATOR CUNNINGHAM: Are there any questions from the Committee? (no response)

Thank you very, very much. (applause)

Thank you, everyone. I'd like to, first of all, thank Dr. Rodgers and her staff for welcoming us today. Thank you very much to the community, for the residents, for our students, for faculty, for everyone coming out today. We're very happy to be in Newark; we thought it was important to come to Newark, one, to see where the hospital is located; to get a feel for the kinds of people who are being taken care of here; and to hear what the people who are going through this most directly feel, to hear what they have to say. I think that we've done that today, and I appreciate everything that everyone has done.

I also want to thank the Committee for coming here today. I really appreciate that, and I know that you're going back with valuable information.

And before I close this, if anyone knows Senator Ron Rice (laughter), he has to have the last word. We've asked him a couple of times, "Do you want to speak?" And his answer has been, "No, I'm taking notes." But this is Mr. Newark, Senator Ron Rice. (applause)

UNIDENTIFIED MEMBER OF COMMITTEE: Use the mike (referring to PA microphone).

SENATOR CUNNINGHAM: You have to use the mike, Ron.

SENATOR RONALD L. RICE: On behalf of the taxpayers and residents of the City of Newark, the elected officials -- collectively, county, freeholders, Newark Municipal Council, the Mayor, County Exec,

the Essex delegation -- we want to thank this Committee for coming in -- the Joint Committee -- to take this testimony; it's very important.

I know that many of the administrators are somewhat shy and apprehensive about responding the way you want them to; I don't think they should be that way. We do meet with them; we do know that they really don't like this plan. They should be planning, they have a plan. But it's our job to hear what is being said. So on behalf of Assemblywoman Grace Spencer and me, and our delegation, we just want to thank you, Senator, and wish you good luck with this new Committee. It's a very important Committee on the Senate side. I know that there's always been a division of Higher Ed and Education on the Assembly side, but I think that you two are going to go very, very well together.

So thank you very much. We really appreciate you. And being a Rough Rider is not a bad thing. (laughter)

SENATOR CUNNINGHAM: Hey, it's helped me all my life. Thank you.

(MEETING CONCLUDED)