

# Public Hearing

before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

SENATE BILL No. 1118 and ASSEMBLY BILL No. 75

"The 'Higher Education Restructuring Act of 1994'" V-II  
Volume II

LOCATION: Room 319  
State House  
Trenton, New Jersey

DATE: May 26, 1994  
9:00 a.m.

## MEMBERS OF COMMITTEES PRESENT:

Senator John H. Ewing, Chairman  
Senator Joseph A. Palaia, Vice-Chairman  
Senator Robert J. Martin  
Senator John A. Lynch  
Senator Gordon A. MacInnes  
Assemblyman John A. Rocco, Chairman  
Assemblyman David W. Wolfe, Vice-Chairman  
Assemblywoman Marion Crecco  
Assemblywoman Barbara W. Wright  
Assemblyman Wayne R. Bryant, Esq.  
Assemblyman Raul "Rudy" Garcia



## ALSO PRESENT:

Assemblyman Leonard Lance  
District 23

Assemblyman Louis A. Romano  
District 33

Darby Cannon III  
Kathleen Fazzari  
Office of Legislative Services  
Aides to the Committees

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NOTE: Due to an intermittent electrical malfunction in the hearing room, portions of spoken testimony were not able to be recorded. Please refer to appended material submitted by those witnesses whose testimony was unable to be recorded.

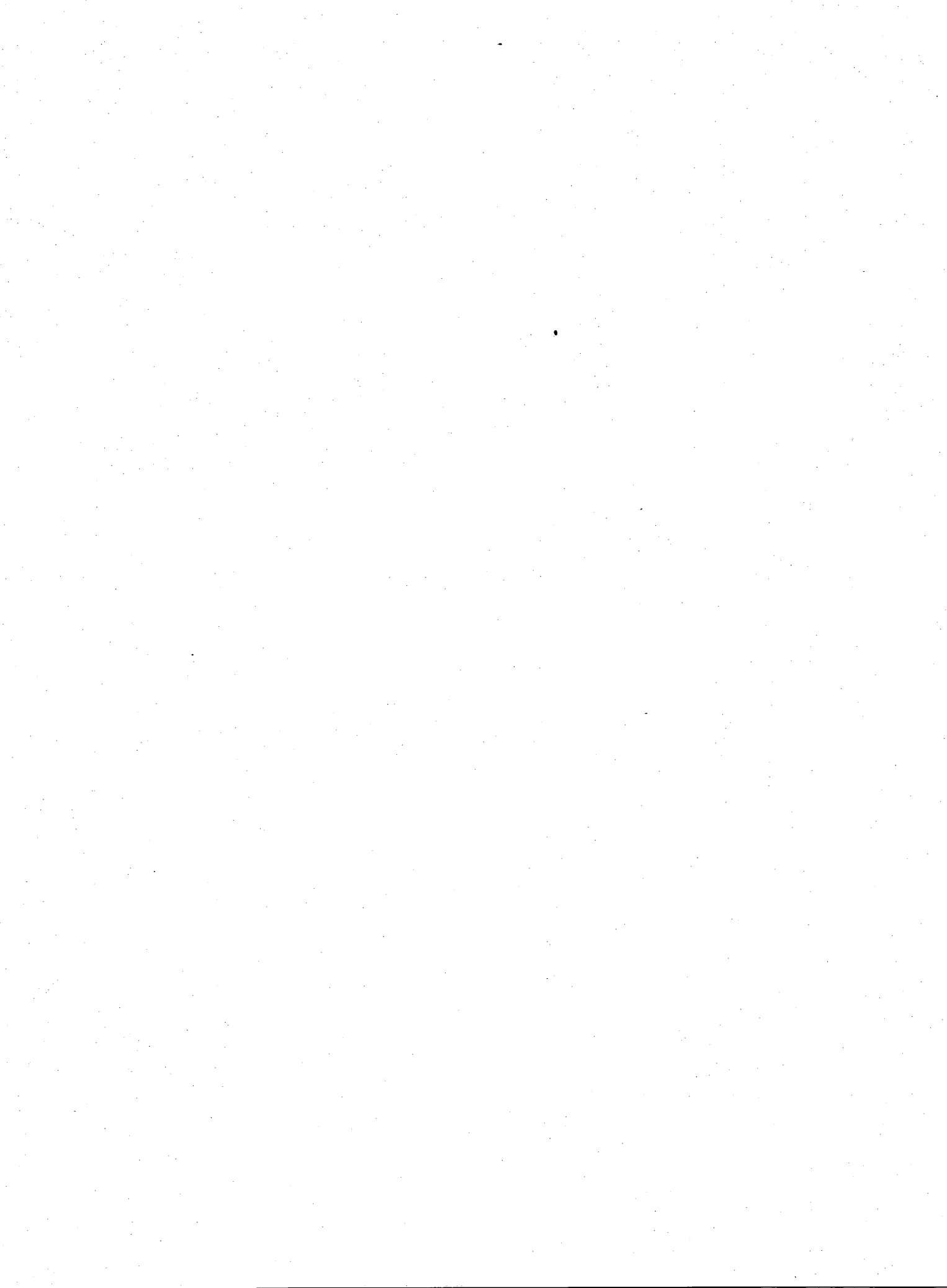
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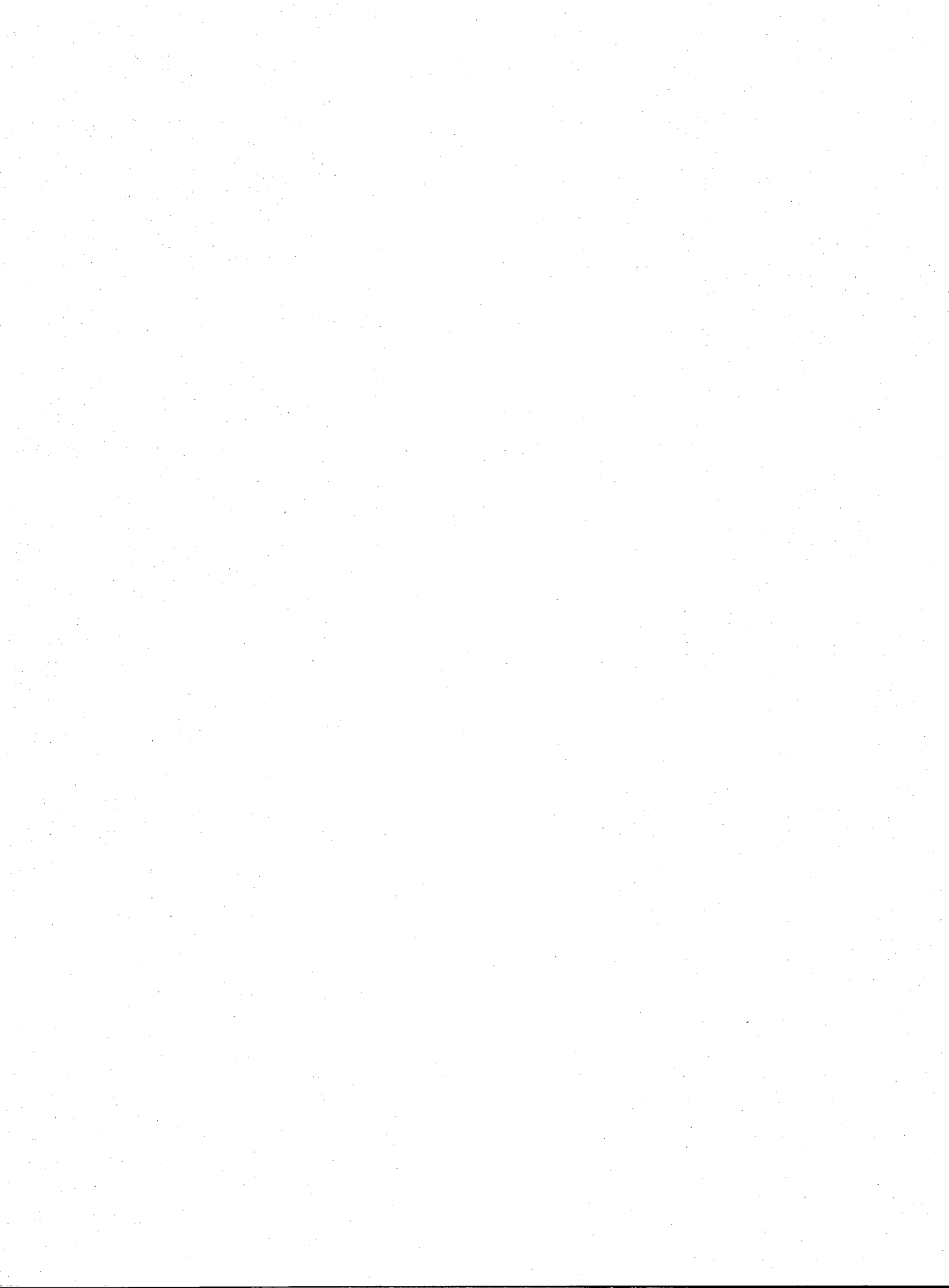
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SENATOR JOHN H. EWING (Senate Education Committee Chairman): Good morning everybody. I'd like to start the hearing.

We have a great number of individuals who wish to talk. What we are hoping is that we will get some concrete suggestions or ideas if there should be changes in the legislation, or should there be no changes. So this is purely a public hearing. There will be a transcript made of it.

The first individual will be Assemblyman Wolfe, one of the sponsors of the bill.

ASSEMBLYMAN WOLFE: Thank you, Mr. Chairman. I apologize, I have laryngitis. I will have to be brief. I believe that most of the people present are very aware of the intent of the legislation. I will not go into the background, into the details of it. The purpose of this meeting today is to have a public hearing. There have been numerous public hearings. There has been a voluminous amount of written testimony that was presented. It is my intent to conduct this and listen to this as a public hearing. I would, at the conclusion of the testimony with Assemblyman Lance, who is also one of the cosponsors of the legislation, be prepared to make a statement at that time.

At this time I would like to thank you for hearing the bill. I would like to hear the testimony of the people who have something to say about what has been proposed.

Thank you very much.

SENATOR EWING: Stephen Wiley, Chairman of the State Board of Higher Education, to be followed by Mary Hartman.

S T E P H E N   B .   W I L E Y ,   E S Q . : Mr. Chairman, members of the Committees: the Assembly Education Committee and the Senate Education Committee. It's a pleasure to have the opportunity to appear before you. I particularly appreciate being called early on in order to accommodate some well laid previous plans.

I applaud and appreciate the fact that you are holding these hearings. I understand that they are going to be today and tomorrow on a piece of legislation of importance that is so large it is hard to describe. I hope that I can contribute something that will be useful to you. I am sure that many others will as well.

I know that you -- those of you who are tentatively endorsing the bill -- want to do the right thing. I know many of you personally. I know something about your service, it's excellent, and you want to advance the interests of the State of New Jersey. I'm here this morning to suggest to you this is a very serious mistake, a very serious mistake.

There is something about the early phases -- the early days of a Legislature. Sometimes when there is an impetuous to do things quickly, that lends itself to very serious risk of error. I see this here in very large part.

Let me try to capsulize my feelings this way: think of the savings and loan legislation at the Federal level. The Congress acted hastily. They said to a fellow named Charles Keating and all of his companions and like-minded people, "We're going to give you a government guaranty. We're going to assure you of the money, and you are free to go do what you want with it," no longer any responsibility. So they guaranteed deposits,

they put the taxpayer on the line for billions, and they released all the accountability standards. They said, "Go do what you want. Go build your golf courses, go run your programs anyway you like, and we will pay the bill, just send it to us." The United States of America suffered with that and is still suffering with it today. It was a colossal disaster.

I'm here to suggest to you that the likes of Charles Keating missed their calling. They ought to be running colleges in New Jersey, in times to come, because think of this: you are putting a billion dollars a year into colleges and for worthy and sound reasons. It's proven. It's tested. No one has disputed it. (portion of testimony lost due to electrical problem)

Under this bill you will have no basic skills program. You have no requirements, so why are you giving the money away? Tuition? One of the principal things you get for our money, for the people's money, is low tuition. Isn't that one of the primary justifications for spending a billion dollars? You assure New Jerseyans of low tuition. This bill gives the tuition away. It says you have no control over tuition. These colleges will set their own tuition without any control.

Today, you have a Board of Higher Education and a Chancellor who set tuition, who set a standard of 30 percent of education and general cost. They look at it, monitor it; now and then an exception is made, if need be, to go up to 31 percent or 32 percent. It's all thrown in the ocean. It's gone. "Raise tuition wherever you want, and we'll still give you a billion dollars."

Charles Keating, I think he missed his calling. Just to prove that you're giving everything away and still spending a billion dollars look at the structure that's left. If you want to prove that the State is giving away -- under this bill -- what it has, look at what happened to your education structure. It's no longer even a department of government; K-12 is, military affairs is, a whole lot of other things are. Higher education? No.

SENATOR EWING: Steve.

MR. WILEY: Yes.

SENATOR EWING: Excuse me for interrupting, but have you got some suggestions of where you think changes should be made in the bill? Or is your feeling, "Let's just scrap the whole bill and let it go," you know, start all over again?

MR. WILEY: My feeling, Mr. Chairperson, is that this is so fundamental that I would mislead you if I were to suggest particular changes. I would put it this way. There are three standards by which any system can be judged, any responsible system of higher education: that it be unified, that it be at the cabinet level, and that it be politically buffered to protect academic freedom.. Those are the three essentials. They're all met now, all three. Under this approach, they're all lost, all three. The political buffering effectively is gone. Cabinet status is gone. The unified focus is gone. You're going to have one person judging budgets and another person reviewing programs to the extent that they review programs.

Bear in mind what is in this bill. A college can set up any program it wants. If they have one master's level

program, masters in history, they can go off and do anything they want at the master's level. They can have a master's of engineering science, build laboratories, and all kinds of things. You're going to fund them and have nothing to say about it. It's fantastic.

Charles Keating missed his calling. I know you don't intend that. I know it. I say, to respond to Chairman Ewing's comment, it needs time. You need to take a look-- You want to do the right thing. The system, I'm sure, can be improved. We have suggested some improvements, as I indicated, on capital facility review and other matters. Indeed the hand of the State ought to be strengthened.

In summary, the State ought to have the power -- we do not have it now -- to cancel programs. They can't start a program without our approval, but we don't have the power to stop a program. You ought to have it. You're spending a billion dollars, why shouldn't you have it? I say what's the rush? It takes a little time. You need to hear from people. There are a lot of fine minds in the field that can contribute to it to give you something that would make you proud and that would endure.

This point you are legislating, of course, on a fundamental matter as the original legislation in the 1960s, the Goheen Report, was fundamental. It lasted for 25 years; we thought it would last for 50, maybe not. It's not one administration. You must set up a system that will endure the finest governors and the not-so-fine governors, the finest people and maybe the people who you don't want to depend on

quite so much. It must have checks and balances. It must protect your and the people's interest. It must be accountable.

Let me compare it, just this much, to the public school system, the K-12 system, where you spend billions. Would you think of continuing to spend those billions in K-12 and give up any kind of accountability? Would you do it? Would you give up monitoring of schools? Would you give up any kind of program control of schools? Would you fund schools on a one-by-one basis, as is proposed here, without a coordinated budget? Would you say here's a fund, and Lynnewood and whoever else comes in, and we'll talk about what you're going to get, one-by-one? Can you imagine spending the public's money in that way? That's what this does.

One-by-one negotiation and, because the political buffering is removed, partisan politics is at the door. It may be benign; it may not be benign. One-by-one, Keating-by-Keating, college-by-college: it's ominous. You will be left with no department. You will be left with no cabinet level for higher education. How do you imagine that? Isn't this important to New Jersey? It's not going to be in the cabinet level. You're going to have no Chancellor. You're not going to have a staff that really knows what they are doing. You're going to have an executive director under political control. Okay, if we have a benign Governor today, how about tomorrow? Are you going to be confident? Are you going to be able to turn to your constituents today and say, "This is good. This is all right. I'm spending your billion dollars, and it's accountable"? Not so.

Time is needed, maybe not a lot of time, but time is

needed, because you want to do the right thing, I know. We'd like to help you. The people, of course, want to be sure of that. Thank you very much for the opportunity.

SENATOR EWING: Thank you very much.

SENATOR MACINNES: Are you leaving Steve? Can't take questions?

ASSEMBLYMAN BRYANT: Mr. Chairman, are we here just to hear folks, or are we here to entertain knowledge?

SENATOR EWING: The knowledge, I think, was gained yesterday. Also, this is to get input to see what suggestions are being made, where they feel corrections could be made in the bill. If we start going around the horn here in asking questions of each individual, if you want to stay till three or four o'clock in the morning, then fine, but I don't think that everybody wants to stay that long. We've got a slew of people-- The idea was a hearing to get their input as to where they felt corrections could be made in the bill, if they felt corrections were needed.

ASSEMBLYMAN BRYANT: Well, Mr. Chairman, let me say from this side of the aisle, we were not privy to that, in terms that we could not ask any questions. I've never been at a hearing where I've never been able to ask questions in order that I could elicit information that I want from people. If what you're saying is that there is some gag order in terms of us having the ability to ask people questions, then I just want that to be on the record, and therefore, then maybe we don't need participation. They can just write what they want and send it to us, and we can all read it.

SENATOR EWING: That's perfectly true. I'm not sure it would be printed that quickly, but it certainly would be sent to everybody.

ASSEMBLYMAN BRYANT: Well, my question is, "Why be here?" If all we want is to hear what they have to say, why don't we tell them to write us a letter, and then we can just read the letters?

SENATOR EWING: Well, they could have done that if they wanted to, if you had asked them to.

ASSEMBLYMAN BRYANT: But I'm trying to find out from the chairpersons, are you telling us this Committee has no power to ask questions?

SENATOR EWING: We think, in the essence of time, with the number of individuals who want to be heard that we do not have time to start going around with questions.

SENATOR MacINNES: Mr. Chairman.

SENATOR EWING: Yes.

SENATOR MacINNES: My apologies to my neighbor for being late and to the panel, I apologize for that.

It seems to me that we have an opportunity, in the case of the Chairman of the Board of Higher Education, to gain some information which may not be available from any other witness that we are going to hear from. This is a person who has served in that capacity for some time and who has a good deal of background. I think it would be strange if we asked the Chairman of the Board of Higher Education to come from Morris County to appear to make a statement, and then we allowed him to depart without the benefit of some questions that--

SENATOR EWING: Senator MacInnes, weren't you here yesterday? Didn't you have--

SENATOR MacINNES: I was not here yesterday, no.

SENATOR EWING: The Democrats had a hearing, and I saw the picture in the paper this morning. They were asking questions and getting a lot of input at that time.

SENATOR MacINNES: Excuse me, Mr. Chairman, this is the Committee, however, that will write the legislation and consider the legislation. The committee that met yesterday was not the committee which will write the legislation. This is the Committee that will do it, number one.

Number two, the fact that we would want to, so quickly, make this a partisan matter is very disturbing to me. This is an enterprise of the State government which has enjoyed powerful bipartisan support in its establishment and in its maintenance. To have it turned into some sort of partisan question, at this point, is terribly unfortunate.

SENATOR EWING: You have your opportunity to give us suggestions on amendments and everything.

SENATOR MacINNES: Excuse me, but I would like--

SENATOR EWING: You know that very well.

SENATOR MacINNES: I do have a question which fits the character of the question that you described for the Chairman of the Board of Higher Education, which, I think, is important, and I'm not certain is answered in the legislation which has been proposed by the administration. As a courtesy, I would appreciate the opportunity to ask the Chairman of the Board of Higher Education this question.

SENATOR EWING: What we will do we'll let the Senate ask one question, and the next person the Assembly can ask a question.

ASSEMBLYMAN BRYANT: Will they have questions throughout?

SENATOR EWING: One representative, not each individual.

ASSEMBLYMAN BRYANT: Is this a Joint Committee hearing? Mr. Chairman, let me put it this way, if I am not free to ask questions, then I'm not going to participate in a charade.

SENATOR EWING: That is your prerogative.

ASSEMBLYMAN BRYANT: Therefore, if in fact this is a closed hearing and we're going to railroad this thing through, then that's fine. I can read the reports when they type them up. I don't need to sit here through a situation where I'm participating in something which is not real. So, therefore, I will leave if that is what the Committee Chairmen have decided.

SENATOR EWING: Go on.

SENATOR MacINNES: May I pursue my question? Steve?

MR. WILEY: Yes.

SENATOR MacINNES: I apologize for my lateness, Mr. Chairman.

The growth of higher education in recent years, in the last quarter century, has been fueled in part by a series of bond issues approved by the public that have made capital funds available for the construction of entire new colleges, as I understand it. Ramapo and Stockton were built with public bond issues that were approved by the people. I understand -- and

this is the question that I'm getting to -- I believe that the present Board of Higher Education played a role in considering the many demands for capital facilities, making recommendations to the Governor and to the Legislature as to how those capital funds could best be distributed in light of an overall plan about what was needed in higher education. Is that characterization correct?

MR. WILEY: Entirely correct.

SENATOR MacINNES: Now, is it your understanding-- Have you had the opportunity to go through the 138 pages?

MR. WILEY: I have.

SENATOR MacINNES: In terms of that planning process, is that something that will be picked up automatically by the Commission? If so, does it have the same capacity, in terms of review and planning, that the Department and the Board of Higher Education presently have?

MR. WILEY: As I understand it, it does not, it would not. The matter of facilities is given over to the colleges. The planning of facilities is given over to the colleges. Presently, any facility change must come to us if it is over \$500,000. We have felt that should be increased to \$2 million. We have advocated that. It hasn't quite happened yet. But certainly above that level, we feel, and it has always been the case, that it comes to us, and it must be seen to fit into a sensible plan. That power is gone under this bill.

SENATOR MacINNES: Thank you.

SENATOR PALAIA: Mr. Chairman, I still would like to ask a question, please.

SENATOR EWING: Yes.

SENATOR PALAIA: Mr. Wiley--

MR. WILEY: Yes, Senator.

SENATOR PALAIA: You know, it's something -- I hear you speaking there-- Do you really believe that our colleges, the people that run our colleges are really incompetent and devious that they would set out on a course of self-destruction? That they are just willfully, arbitrarily going out and doing things that are not going to be in the best interests of their students, parents, and faculty? It boggles my mind that what we are-- (portion of testimony lost due to electrical problem) --the effect is that we have college presidents, college boards who really don't know how to run schools.

Sir, I disagree with you completely. Whether we should have the higher board or not, that isn't even my point. My point is that we have extremely competent people, some better than others obviously, but we have extremely competent people running our colleges and universities. I personally take grave exception to the fact that you or the people on the Board of Higher Education feel that they are not competent of running a school system, a higher education school system.

Another point that bothers me greatly is that I keep reading this number that tuition is going to rise by 24 percent. Could you tell me, Mr. Wiley, where do they get an arbitrary number like 24 percent? How can somebody stay in business if they're going to raise their tuition by 24 percent? Who are they going to have in the schools? Where did that number come from, can you answer me that please, sir?

MR. WILEY: Yes, Senator, let me take the two questions in order. On the matter of the competence of the

people to run the schools, two levels of comment. One, now and then we have found in the history of the Board of Higher Education that there are people who we could not trust. People who did not do a good job. It's a rare exception, but it happens. On some occasions, not during the limited time that I have been there, but during the history of the Board, the Board has had to step in and correct obviously, grossly incorrect conduct and straighten out a school. I'm sure you're broadly familiar with it, and there is a history of that. That is an exception, but it can happen. It can happen even with the structure in place that is there today.

Now, on the second level, I think, for instance, that most college Presidents would agree that it is a good thing to require that basic skills be remediated and that we admit the students even though they may not have all the skills they may need in writing or whatever it may be and that we upgrade them. It's a tough thing to do, but I think they would agree, man by man, woman by woman, that is a sensible, important thing to do in the public interest. They do it today. It costs \$40 million. It does a great deal of good for the people of New Jersey, but they do it today because all are required to do it. If you put them around a table, they will all agree, "Yes, this is a sound thing. We all should be required." But turn them loose, let one not do it, and the others are going to dare not do it themselves because--

SENATOR PALAIA: You're presupposing that this will happen.

MR. WILEY: Well, I'm saying-- I put myself in the position of a leader of a college, I must compete. I must

compete for students. I want students who are going to pay tuition. I want to get the money. I don't want to give courses that don't give credit. I want to keep my faculty happy. I don't want to keep working on basic skills programs if another college is not going to do it and is going to attract that faculty away, or not spend the money on basic skills. It's like anything in the public schools. Certain things are required of everyone, not because you don't trust them, but because we all agree that these are important, so let's say so. You can't simply turn it loose in a competitive atmosphere, and then the worst comes out in many cases.

Now, on the 24 percent, that is a calculation of what tuition would be required to increase if the colleges today are given the budget that is proposed by the Governor in the Appropriations bill. Given that level of base-budget funding, 24 percent is what would be required by the colleges if they were to meet the budget recommendation that was made by the Board of Higher Education, which was not the full-needs budget, but which called for a 10 percent budget. We were criticized for that being too little. College presidents were beating on the table saying, "It's not enough." We said, "Maybe it's not enough, but that's what we recommend. We think that's sensible."

Today, given the appropriation, if you're going to meet that level that we recommended and that they wanted, you'd have to have a 24 percent increase in tuition.

SENATOR PALAIA: Thank you.

SENATOR EWING: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman. Mr. Wiley--

MR. WILEY: Yes.

ASSEMBLYMAN GARCIA: Can you go over the grievance process which exists today through the Department in so far as students who have been aggrieved by the determination of the college or university Board of Trustees? How that works and how this bill will change that?

MR. WILEY: Yes, the higher education system, in that respect, emulates the K-12 system, where for a century the controversies and disputes arising under the school laws were adjudicated in the first instance, in any event, by the Commissioner of Education. There is a simple process by which someone who has a controversy, be it student, faculty member, or whoever, can go to the Commissioner, file papers. They don't have to be too formal and can get a decision by someone who is skilled in school matters and can give a prompt decision. It has worked pretty well. It's lasted a century or more.

When the higher education structure was set up in the middle 1960s, they said, "This is a pretty good idea. Let's do it. Instead of the Commissioner, it's the Chancellor." So, with respect to most colleges, not all, but all the State colleges-- For instance, if there is a dispute arising under the laws governing higher education, it goes to the Chancellor. Likewise, it can be relatively informal and inexpensive but expert, like the Commissioner of Education. If you get a result that you don't like there, you can appeal it to the State Board of Education. Similarly, in higher education, you can go from the Chancellor to the Board of Higher Education. We had a

ple of appeals yesterday at our meeting. At that point you, of course, have the ultimate right to go to court.

Now, what would happen under this bill is that power would no longer exist. You no longer have a Chancellor, you no longer have a Board of Higher Education. Instead a student who is aggrieved in some way, or thinks he or she is, would go to court, go to the Appellate Division of Superior Court. Talk about giving power away in this billion dollars, you're also giving the colleges the power to hire attorneys which they have not had before. We're saying, "Okay, here's your money. Hire your lawyer, come sue us, and we'll still give you a billion dollars." Well, those lawyers would be appearing against the student in the Superior Court, Appellate Division, which is an area of some complexity as you might know.

ASSEMBLYMAN GARCIA: So if a student didn't have the financial access, it may not even be able to appeal a decision by the Board of Higher Education.

MR. WILEY: I could readily imagine that they would not, yes.

SENATOR EWING: Thank you.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Yes, thank you, Mr. Chairman. I indicated at the opening of the hearing that I would not comment as one of the sponsors until that testimony was completed, but because of the nature of the discussion-- It was my understanding that this would be a hearing, as were the other hearings, to get public testimony, but I would like to comment on something that Mr. Wiley said.

My professional work is as a professor, and I organized, with five other colleagues, a program that was judged by Middle States to be a model of administrative efficiency, and it was judged by Mr. John Roche, a national expert in developmental education, as one of the best programs in the United States. Subsequent to that program I-- (portion of testimony lost due to electrical problem)

--Chancellor and the Governor recommended not funding the chairman's position, the head of the program. It gradually began to disintegrate. So to indicate that this is a sudden lack of interest on the part of the Governor or the Legislature, I think, is erroneous. I think it also indicates that there is a substantial concern by the Legislature that these programs continue and that as part of the missions of individual institutions that they take it upon themselves to work with those students to bring them up to the standards that they set for their own institutions.

So I just really felt that I had to make that comment. I think we're looking at the current situation assuming because of what's happening right now that this is a reason that this program is being dismantled.

Thank you.

SENATOR EWING: Thank you.

MR. WILEY: Thank you, Mr. Chairman.

SENATOR EWING: Mary Hartman, Ed Meara.

SENATOR MacINNES: Is Mary Hartman not appearing?

SENATOR EWING: Evidently she didn't stand up, so I guess she's not here, Gordon. Did everybody hear me say Mary Hartman?

SENATOR MacINNES: No, I heard you say it, I'm just curious. She represents the committee, it would be important to hear from her.

EDWARD F. MEARA III: Thanks, Senator. I can't get my glasses out of my pocket.

Senator, thank you very much. I'll be very brief. I know and I really appreciate--

I'm President of the Mercer County Chamber of Commerce. The Mercer County Chamber of Commerce represents more than 1000 businesses in the county and is in favor of the Higher Education Restructuring Act of 1994.

We, in Mercer County, have the rare privilege of being home to five distinguished colleges and universities. They are Trenton State College, Thomas Edison State College, Mercer County Community College, Rider University, and Princeton University. These institutions of higher learning are all members of our organization.

We believe this legislation will enable the administrative officers of these schools to operate in a more efficient and businesslike manner. It is obvious to us that the presiding officers of these colleges know what is best for their students. Senator Palaia made that point very well a few minutes ago.

Mercer County also has become the home of many high-tech businesses who annually tap the wellspring of talent who spring from our local colleges. It is for this reason that we have more than a passing interest in the expansion of quality education in our geographic region.

We know of instances recently when the Department of Higher Education sought to interfere with some of these policies of one of our State colleges which were designed to improve the quality of their academic offerings. We believe this legislation will eliminate such outside tampering.

For these reasons and many more, we respectfully urge you to approve this legislation.

Thank you very much.

SENATOR EWING: Thank you.

Chancellor Goldberg.

**C H A N C E L L O R     E D W A R D     D .     G O L D B E R G :**  
Thank you, Senator Ewing, Assemblyman Rocco, other members of both Committees. Mr. Wiley has given you a sense of the big picture, and I would like to focus in slightly more detail on some of the elements of the bill that I view as particularly dangerous and ill conceived. I do so within the following context: No sound reasons have been advanced, no studies have been undertaken, no dialogue has ensued to support a proposal to dismantle the State Board of Higher Education and the current form of statewide coordinating and oversight.

Second, in terms of context, the decision-making process before the announcement on March 15 and after March 15 is, in my judgment, a model of how not to formulate public policy. Compare this year's process with that to the one used by Governor Hughes and legislative leadership when the legislation passed in the mid 1960s to establish our current process of coordinating higher education which has served the State well for 27 years.

Third, the two days of public hearings by the Senate and the Assembly Education Committees with what I understand to be a five minute limitation of speakers and what I now understand to be limitations on questions being asked and dialogue between Committee members and those--

SENATOR EWING: You're using your time up, please.

CHANCELLOR GOLDBERG: That's all right I will then step outside and then complete my testimony to anybody who will want to hear it. The limitation on speakers will not deodorize the process, will not correct it in my judgment; only S-1119 will do that. One can spend the months in dialogue about alternate ways to restructure higher education. In fact, there are many things regarding potential restructuring that have not surfaced at all. I call your attention to an alternative to the autonomy legislation of 1985 which talked about a coordinated system of State colleges under one governing board and suggest that if one was really interested in a dialogue on restructuring higher education, that's a topic one might explore along with many, many others.

But let me begin, as I deal with specifics, to share some thoughts on just one phrase. It's on page 1, Section 2.a. It says our institutions are an underutilized resource. I want to do so, because before I suggest some major changes, I simply want to demonstrate that it's hard to find a clause or a page that doesn't demand thought, dialogue, and perhaps change. Underutilized resources, we have more students than ever. We have more ties with K-12 school districts than ever, and we have more ties with industry than ever. We are not an underutilized resource, we are an underfunded function of State government.

I'll take this time to point out that the Governor's proposed budget will provide even less funding and result in even less service.

We do not have excess capacity at our public institutions of higher education, but we have too many excesses: too many adjunct faculty instead of full-time faculty teaching; too many students per class; too many students chasing too few academic support services; too large a deferred maintenance backlog; too few net square feet of building space per student as compared to similar colleges and universities across the country; too many students not persisting to graduation, and tuitions which are already too high when compared to national figures.

Again, we're not underutilized, we're underfunded. The bill is simply wrong in asserting that phrase of underutilization, and I should add that in my judgment that throughout its 138 pages that the bill is simply wrong for New Jersey and its citizens. Now, I'm going to move to suggest a number of changes, but my list is far from exhaustive. It merely represents those elements of the legislation that, to me, fairly leap off the page begging to be amended.

I would also say that even if all these amendments were accepted, I think you would be replacing the current structure with a structure which would turn out to be far too ineffective and far too inefficient in terms of what New Jersey needs in the future. One way of analyzing this bill is to focus on the position to which the greatest power will flow under the bill as drafted, and that is the position of Governor: this Governor, the next Governor, and the next Governor.

So let me begin with some suggestions for amendments. The bill says the Governor will have full and complete appointment authority for all members of the Commission on Higher Education. I recommend you amend the bill to insert legislative advice and consent.

The bill gives the Governor full and complete appointment authority for the Commission Chair. I recommend election by the Commission of its officers or advice and consent of the Legislature.

The Governor will have, says the bill, full and complete authority to remove the Commission Chair at will. I recommend the statute call for a specific term for the Commission Chair and that the Chair be subject for removal only for cause.

The legislation says the Governor will have full and complete appointment authority for the Executive Director of Student Assistance Programs. I believe this appointment ought to be made only with the advice and consent of the Legislature or ought to be made by the Commission on Higher Education.

The Governor, according to the legislation, will have full and complete authority to remove the Executive Director of Student Assistance at will. I recommend you amend the legislation by stating that removal should be only for cause.

Legislation states that the Governor will have full and complete authority to appoint members of State College Boards of Trustees. I recommend that you amend the legislation so that those appointments are made only with the advice and consent of the Legislature, as, for example, S-1118 repeats the

advice and consent authority of the Legislature in regards to Rutgers Board of Governors appointments.

The legislation states that the Governor will have full and complete authority to appoint two county college Trustees and two Trustees of County College Commissions. I recommend that the legislation be amended so that those appointments are made only with the advice and consent of the Legislature.

Legislation gives the Governor full and complete general powers of supervision and control over the University of Medicine and Dentistry of New Jersey. I think that opens up inroads on academic freedom, and I would recommend that power be given to the Commission on Higher Education.

The Governor, according to the legislation as now drafted, will have full and complete general powers of supervision and control over Rutgers the State University. This, again, should be in my judgment a power belonging to the Commission, and I think the clause, as you now have it, is in conflict with the legislation -- the 1956 legislation dealing with Rutgers University.

Legislation states that the Governor will have full and complete authority to appoint all public members of the Educational Opportunity Fund Board of Directors. I believe appointments should be made only with the advice and consent of the Legislature.

The legislation says the Governor will have full and complete authority to visit, examine, and inspect the Educational Facilities Authority. I urge you to change the

legislation so that power is lodged with the Commission on Higher Education.

The legislation, as drafted, now states the Governor will have full and complete visitatorial authority for all institutions of higher education. Again, one fears for academic freedom, and I urge that the legislation be amended to lodge that power with the Commission as the State Board of Higher Education now has that power.

The legislation states the Governor will have full and complete authority to issue subpoenas compelling the production of books and papers. That goes hand in hand, in my judgment, with the visitatorial power and ought to be given to the Commission on Higher Education, not the Governor.

But power to the Governor is not the only type of inappropriate shifts of power manifest in this bill. I would like to point out 12 other shifts in power that I find inappropriate.

First, higher education loses power relative to other State functions through loss of status as a principal State department.

One of the things that I agreed with in the Governor's budget message on March 15: when she said the Russians are not coming, I think she was correct on that one point. Why downgrade higher education and leave the Department of Military Affairs as a principal department of State government, particularly given all of the reports which say that higher education will be much more important to the social and economic mobility of students and the economic competitiveness of any state as we enter into increased global competitiveness?

I also note that certain functions of the State Board and the Department are to be shifted to Military Affairs, the Treasury, and the Commissioner of Education. I find those shifts all inappropriate. I urge you to keep Higher Education and as one of the 20 principal departments of State government. If you think Higher Education is not worthy of that placement within New Jersey's State government, I urge you to exempt the diffused, fragmented structure that will come out of S-1118 from the Executive Reorganization Act so that future reorganizations of Higher Education can't be rushed through even faster than this one can. If Higher Education had not been one of the principal departments of State government, we would not be here today, because unless the Legislature took a proactive stance and overturned the plan of reorganization filed by the Executive, the reorganization would have taken place as of May 15, two months after the March 15 announcement.

The second shift in power deals with the expertise of the Commission versus the expertise of the Presidents' Council and the Presidents as a collectivity across the State. This strikes me as an inappropriate imbalance. Further, the 27-year buildup of expertise on the part of public BHE members will be lost. Therefore, I suggest to place three current public members of the Board of Higher Education among the membership of the new Commission on Higher Education.

Third, the Executive Director of the Commission will have little power and authority relative to the Chair of the Commission and the Chair of the Presidents' Council. It will be the Chair as an unpaid volunteer who is mentioned in this statute as assuming certain responsibilities. For example,

attending cabinet meetings when invited because a priori any particular meeting will deal with higher education. It makes no sense to me to place inordinate demands on a volunteer board member. Go through the 138 pages and see in how many places the Commission Chair is substituted for the role of the Chancellor.

I would make the Executive Director of the Commission-- I find it interesting that the Executive Director is mentioned only one time in the statute. I would make that individual a member of the Commission, so the person might have somewhat the same status, stature, authority as the President, who, as Chair of the Council of Presidents, will serve on the Commission. The President with a vote. I'd give the Executive Director a place, and I'd make the Executive Director ex-officio Secretary of the Board. I would give the Executive Director a term of office. I would add that the Executive Director ought to be chosen on the basis of professional, as opposed to political, credentials. I might specify and urge you to specify that an adequate staff be provided the Commission, because at the moment, it looks like the paper-tiger commission will be even more of a paper-tiger commission, because it is unclear the nature of the staff.

I would like to take a look at local Boards of Trustees on statewide matters and note that they lose power relative to the presidents and ask you the question, when we talk about decentralizing authority to the institutions, to whom are you decentralizing authority? Members of Boards of Trustees or to Presidents? I note that there is to be a statewide Presidents' Council with all sorts of powers and responsibilities but no trustee council.

I note that before members of the Boards of Trustees who initially serve on the Commission serve for only four years and then they drop off the Commission, but that the President who serves on the Commission that at least the seat for a President continues in perpetuity. I don't understand why you have drafted the legislation that way. By the way, in terms of the composition of the Commission, I would add two students. You have left intact service of students on State College Boards of Trustees, and I would think it appropriate to place two students on the Commission on Higher Education. As you know, the State Board of Higher Education, for the past three years, has supported the addition of two students to the State Board of Higher Education.

I would then ask you to take a look at our central EOF Program and campus-based EOF Programs and note the loss of status and power relative to presidents of institutions: no 18A appeals process, splitting the EOF functions into two, a research unit which is not under the direction of the EOF Board. I ask you to write into legislation that the EOF Board's accountability measures, which they call performance review criteria, which provide accountability data on each and every EOF Program in the State, let that accountability continue. If you do not move Higher Education under this legislation to a principal department or exempt the entire structure from the impact of the Executive Reorganization Act, I ask that you exempt the EOF Board of Directors and its function from being reorganized out at the next reorganization.

I ask you to look at the five to ten places in this legislation which talk about budget requests. I had great

ty understanding who had the power to request anything, ere did I get a hint that anybody had the express power ority, in this bill, to make a public request statewide for our EOF Program. I am concerned, therefore, that it will not be too long before individual institutions request moneys for EOF as part of their budget requests, and in another year or two, EOF budget requests by institutions get merged into the institutional base budget request, and neither you, the EOF Board, nor the general public have an understanding of what's being requested for not only one of this State's, but one of this country's most successful programs.

By the way, I find curious the fact that certain regulations are continued under this statute and others do not appear to be continued. Maybe somebody ought to review that. As I read the Act, it strikes me that the State Board's regulation that 10 percent of every institutions' entering first year class be composed of EOF students. I believe that regulation does not continue, and I think that would be highly unfortunate for this State.

Then, I'd like to point to what I see as a very significant loss touched on by Steve Wiley for students, faculty, and staff relative to institutions with the loss of the 18A appeals process. You will be placing a heavy financial burden on any student who has not gotten proper due process or who has been harmed at the institutional level by requiring that student to move directly to court as opposed to moving through the 18A appeals process. I view the loss of the 18A appeals process and the fact that our colleges can now use private law firms as opposed to the Attorney General's Office as not only

costly to students and to the taxpayers of the State, but I view that as the employment program for our law school graduates.

I'd ask you to take a look at the impact of this on students, parents, future students, and their parents who are going to pay more in tuition and fees. More sometimes, Senator Palaia, not always more, because institutional management will have an open, unending revenue source. I do not believe market forces will in any way dampen tuition. The fact that there is not any check and balance on one of the most important principles of New Jersey higher education, I find very troublesome. Budgets will always, at the institutional level, be able to be balanced because tuition and fees will be able to fund any gap between expenditures and revenues.

I think in removing checks and balances not only are you burdening students, but you are, in my judgment, relieving all pressure on the colleges and universities for increased productivity and frankly relieving all pressure on you, the Legislature, to provide a good, solid, public appropriation for higher education.

Now, if I felt the Commission on Higher Education had the strength under the statute and had the staff under the statute and would have the independence under the statute to be the check and balance, I would urge that you give the Commission the check and balance on tuition and fees, but I do not believe the Commission, the way the bill is now drafted, can fulfill that role. Therefore, I urge that you amend this statute to explicitly give the Legislature or some committees of the Legislature the express power to cap tuition and fees.

SENATOR EWING: Mr. Chancellor, I have to interrupt you here. You've been on for 30 minutes, and I see you have notes. Could we have those or, if you want to stay till we go through some of the other people, but we have a huge list, and I want to see if the Senate side or the Assembly side wants to ask a question.

CHANCELLOR GOLDBERG: Will you be meeting tomorrow, Senator Ewing?

SENATOR EWING: Yes.

CHANCELLOR GOLDBERG: Perhaps I could come back at 9 a.m. tomorrow morning and finish my testimony.

SENATOR EWING: If you would like.

There is one individual ahead of you at 9 a.m. tomorrow.

CHANCELLOR GOLDBERG: I'd be happy to come at 10 a.m.

SENATOR EWING: No, no you come at nine.

CHANCELLOR GOLDBERG: I'm happy to come at nine and listen to the one individual. (laughter)

SENATOR EWING: If we could have copies of your notes.

CHANCELLOR GOLDBERG: Certainly.

SENATOR EWING: If you think you could do it.

CHANCELLOR GOLDBERG: I will have more materials for you on Tuesday, as well. I assume you will still be deliberating the potential changes to the bill.

SENATOR EWING: Thank you, I'd like to see if the--  
Senator.

SENATOR MacINNES: Chancellor, you mentioned that the seeming impact of the proposed change would be an unharnessed rise in tuition costs to students and parents. You said

specifically that the market forces that are cited by the administration as the proper governor for tuition will not work to hold them down. Why is that the case? Why won't colleges have to pay attention to what other colleges are charging by way of tuitions in order to compete for students?

CHANCELLOR GOLDBERG: Perhaps we could try it this way as an example. New Jersey has perhaps an increasingly fine public transportation system, but if I am in one of New Jersey's urban areas or a suburban area, I cannot go by public transportation to most of the colleges in the State. In fact, I may not be able to get to the closest institution. So I find myself in an area where my choices are I either go to college at the one college I can get to and pay whatever the price or I decide not to go. Or let's say I have a car, but I have time pressures, and there is only one institution offering laser optics technology or two or three because that's all there ought to be. There are no market forces which are going to drive down the tuition.

SENATOR MacINNES: Do the public institutions compete among each other, do they also compete with private institutions, or is that not important in this calculation? I understood that the idea of public higher education is to provide affordable, accessible, and high quality education to people which by definition means that it is priced-- Because it is an agreement among all of us that this is an asset that is worth the cost of subsidy, if you will.

CHANCELLOR GOLDBERG: Yes.

SENATOR MacINNES: Do the public colleges under this scheme see the marketplace as one where they are free to get

closer to private tuitions? Because there is a tremendous gap between what institutions charge and what public institutions charge. Does that give considerable upward leeway to the public institutions in New Jersey to raise tuitions, do you think?

CHANCELLOR GOLDBERG: I don't know whether they have that leeway, but I think the tuitions will rise whether they defacto have that leeway or not, because the impact of market forces, to the extent they are at play, will not be immediate, will be long term, and in the meantime, we will be harming many lower-middle and middle-class students, working people who want part-time higher education, who simply are going to have to pay or not attend.

You're correct. The reason for the billion dollar investment, I would argue, was to make institutions accessible and affordable because higher education was viewed as a public good for the benefit not only of individuals, but most particularly for the benefit of the State. It does the State no good to drive away students because of cost. But the pressure at the institution is going to be to balance the budget, to balance the budget in the face of any shortfalls in State appropriation, and to balance the budget in the easiest of ways, which, unfortunately, is to place a burden on students through tuition, and we ought never to forget fees as well.

SENATOR MacINNES: Thank you, Mr. Chairman.

SENATOR EWING: Rudy.

ASSEMBLYMAN GARCIA: Yes, I have a question. Mr. Chancellor, my biggest concerns with this bill are the issues of accessibility and affordability as well. Not too long ago, when I went to school, we learned about the theory of relativity,

$E=MC^2$ . What I'm fearful of is that our students are going to learn a whole new lesson, and that's the theory of reality. A college autonomy is going to equal  $LA^2$ , and that's less affordable and less accessible colleges. I'd just like to find out what types of safeguards are going to be eliminated under this bill in terms of accessibility and affordability.

CHANCELLOR GOLDBERG: There has been a long-standing policy on tuition since 1977, there has been a long-standing policy on fees since 1977, and there was a review of tuition and fees every year when institutions had their budget hearings with the State Board of Higher Education, and there was explicitly a charge in legislation to the State Board to focus in on the issue of affordability, that's gone.

ASSEMBLYMAN GARCIA: Do you feel that now there'll be a rush by these colleges and universities to identify students during their admissions process that are going to be able to afford the higher tuitions and thus denying the affordability to the middle class/working class people of the State?

CHANCELLOR GOLDBERG: It would be to my advantage from a fiscal perspective as a college president to recruit students who could pay full freight, tuition, fees and students who were prepared, not underprepared, because the cost of rendering service to prepared students is less than rendering service to underprepared students.

If you take a look at what has happened in independent higher education costs across the country, there are very few independent colleges and universities who still have what's called "needs blind admissions." It used to be, they said, "We will accept students according to our admissions criteria and

worry about whether they need financial aid later." Now, financial aid for the overwhelming number of independent colleges and universities across the country take into consideration student's ability to pay as part of the admissions decision. In fact, the Governor's proposed budget, which asks the institutions to make up the difference for the TAG aided students between a 3.5 percent tuition increase and whatever the tuition increase will be, will begin if that is a philosophy to be continued, will be to take that focus on ability to pay to take it not only from the independent sector, but to move it into the public sector as well.

SENATOR EWING: Assemblyman Lance next.

ASSEMBLYMAN GARCIA: Can I just--

SENATOR EWING: You've had two, we're going to have one on each side. Assemblyman Lance next.

ASSEMBLYMAN GARCIA: I'm sorry, Mr. Chairman, I don't mean to interrupt, but I just have -- it's along the same lines of questioning in terms of what he mentioned about the EOF Program--

SENATOR EWING: Well, he'll be back tomorrow. You can ask it tomorrow, please.

ASSEMBLYMAN GARCIA: Because I have some more questions for him that I'd like to ask tomorrow.

SENATOR EWING: In the essence of time, there are a lot fewer people tomorrow.

Assemblyman Lance, please. Assemblyman Lance is next.

ASSEMBLYMAN GARCIA: But, Mr. Chairman, I'm not going to have the opportunity to ask all my questions tomorrow because I have a lot of questions. I think this is maybe the--

SENATOR EWING: Well, maybe you could ask the Chancellor separately. When he steps outside, you could go out and ask him.

ASSEMBLYMAN GARCIA: Well, I think it may be useful for the entire Committee to hear his answers as well.

SENATOR EWING: We've asked for his notes if he would be kind enough, and he said he'd give them to us.

Let Assemblyman Lance go ahead, please.

ASSEMBLYMAN GARCIA: Mr. Chairman, I'd like him to expand on this a little bit if I may.

SENATOR EWING: I'm sorry. Assemblyman Lance is next.

SENATOR LYNCH: A point of personal privilege. A lot of us are here with open minds looking to learn as much as we can about this issue before we make a decision on this significant issue of the day. To shut this down in any way, shape, or form particularly with questions by members of the Committee makes no sense. What is that?

SENATOR EWING: Senator Lynch, before you came in, we decided we'd have one person from each party and each side if they wanted to ask a question. That's why I asked Senator MacInnes. He had a question so he asked it.

SENATOR LYNCH: That makes no sense. What's the rush to judgment?

SENATOR EWING: Well, excuse me, it does make sense when you see-- I think it's wrong to have these people come down if they can't talk and give us their thoughts. The idea was for them to come forward and give us suggestions. You had a meeting or your party had a meeting yesterday at which time you could have attended if you wanted to and asked the questions

then. Because certainly their pictures were on the front page, and they were certainly here yesterday. The Chancellor said he'll be back tomorrow, so you have that opportunity.

SENATOR LYNCH: Senator Ewing, what happened yesterday? I wasn't at any meeting yesterday. I wasn't part of that. It has nothing to do with what's going on here, today. This is a de jure committee that's functioning for the interests of the public and to allow for--

SENATOR EWING: How long will you stay with me tonight, John?

SENATOR LYNCH: I'm sorry.

SENATOR EWING: How long will you stay with me tonight?

SENATOR LYNCH: That's not the issue.

SENATOR EWING: No it is. We've got these people here.

SENATOR LYNCH: The issue is you can schedule these hearings over a significant period of time if you have to. They don't have to be crammed down in a period of two days. This decision doesn't have to be made next week. Why not give everyone a chance to be heard and, more particularly, the members of this Committee an opportunity to ask legitimate questions? I'm serious. There are a lot of us who want to be totally informed before making a decision. I might vote for this.

SENATOR EWING: I know.

SENATOR LYNCH: But I want to hear it all. I don't want to hear part of it.

SENATOR EWING: Well, I've made efforts with talking to people outside this meeting and getting input from them, making sure they get copies of bills. I think individual legislators, if they wanted to do that, could have done it -- make sure that they talked to people they wanted to and gotten the input before they even came here today.

I'd like Assemblyman Lance to continue.

ASSEMBLYMAN LANCE: Thank you.

ASSEMBLYMAN GARCIA: Mr. Chairman this is a Joint Education--

SENATOR EWING: You've made your point.

ASSEMBLYMAN GARCIA: I'll ask him questions outside.

ASSEMBLYMAN LANCE: Thank you, Mr. Chairman.

I want to thank you, Chancellor, for giving us some suggestions. I assiduously tried to take notes on all of your suggestions. Regarding a suggestion that you made earlier on the sale of land, I believe that Assemblyman Wolfe and I, at least on our side in the Assembly, think that is a very significant and attractive amendment accordingly. I suppose that is one of the reasons that you did not concentrate on that this morning.

I also note that your suggestions on the crisis to Assembly Commission members is something that Assemblyman Wolfe and I have discussed prior to your testimony this morning. I'm pleased to hear that. I also would like more information, in written form perhaps, Chancellor, on the fact that you believe the Reorganization Act should not commit further reorganization without first coming to the Legislature, that was one of your suggestions.

That the 18A appeals process should be reviewed so that students should not have to go directly to the Appellate Division. I think that these are constructive suggestions based upon the purpose of this hearing under the Chairmanship of Senator Ewing. I'm pleased that they are concrete suggestions lowering the rhetoric. You have my word and I believe the word of others, and we will shall certainly review these suggestions.

SENATOR EWING: Thank you, Chancellor. We'll have you down for tomorrow morning. We've made out the slip already.

I believe Mary Hartman is here now, to be followed by Carol Landis, to be followed by Dennis Testa.

DEAN MARY S. HARTMAN, Ph.D.: Good morning. I appreciate, Senator Ewing and members of the Committee, the opportunity to come before you and present some specifics about the Advisory Panel's report.

As Chair of the Panel, I'd like to talk with you about the process that we used, as well as about substance, the work that the Committee undertook, and why we recommended the particular restructuring that we did. I'm persuaded that the recommendations have a great deal to offer to our students, as a means to ensure access to an education that is at once affordable and excellent, and to the entire State, as a way to release the energies of our institutions and help them become more effective partners for economic and social and civic progress.

Members of the Panel share a deep commitment to higher education, but they exhibit a widely different array of backgrounds and of views. They include among others a former education advisor to Governor Kean who now administers grants in

the K-12 area; a current member of the Board of Higher Education who has chaired both the County and State College Board of Trustees; a former college administrator who now heads the United Negro College Fund in New Jersey; a vocational school superintendent, and a State Assemblyman in our presence who also teaches in one of our county colleges.

In addition, there is the Dean of Nursing at UMDNJ, a professor of social science at NJIT, a former senior administrator of student aid at the Department of Higher Education who now heads a major education foundation, and the President and Chief Executive Officer of Bell Atlantic-New Jersey who is unable to be here today.

Moreover, the five seated Presidents on the panel represent all our four sectors: senior research institutions, state colleges and teaching universities, county colleges, and independents, and all have experience that goes well beyond their institutions. The President of St. Elizabeth's, for example, serves on the State Board of Higher Education, as well as on the Board of the only national organization devoted to educating college women for public leadership. The Presidents of Brookdale and Rowan are leaders not only in our State's county and State college sectors, but well beyond.

In addition, the panel includes two Presidents with broad national experience who head the only New Jersey institutions that belong to the prestigious American Association of Universities, that is Rutgers University and Princeton University.

But we didn't stop with a variety of viewpoints on the Panel. We determined from the beginning that our deliberations

would include open hearings to gather commentary from the wider public, as well as open invitations to all of our citizens to share their concerns with panel members. The hearings were held at both Rowan College and at Douglass College at Rutgers.

We heard from current students, we heard from alumni, professors, business leaders, representatives of groups including the Educational Opportunity Fund, the teachers unions, the League of Women Voters, current college Trustees, elected officials, and more. We also received many communications: mail, phone, fax, FedEx, etc., from numerous individuals and groups.

We considered our State's higher education history. We consulted with the Goheen Report of the mid 1960s. We looked at structural arrangements in our own and in other states. We invited participation in two of our sessions from a nationally known expert in higher education systems, who will also be testifying here before you today. Then, after we had deliberated at length both on detailed structures themselves, as well as on underlying principles that ought to inform those structures, the panel members prepared individual statements, setting out their own proposals. We then spent four extended sessions deliberating on the substance of a joint report. We arrived, at length, at a final statement.

At the end of this intensive process, I can report that our group achieved a consensus that is broad and deep. But that consensus was hardly a foregone conclusion at the outset. No panel member, having accepted appointment on this Panel, signed on to anything beyond a willingness to find a more appropriate coordinating structure for higher education for New

Jersey. Having spent these weeks in close company with the panel, I can assure you that the consensus was achieved, that what we did achieve was the result of careful deliberation; there was nothing foregone about that consensus.

I'm aware, of course, that some have claimed that the time frame we had for this activity was inadequate. But they need to be reminded that the task that we were being asked to perform was not, in fact, to create an entire system of higher education. That system was already in place. It's the very system that has evolved over the past 30 years, years which have seen the birth and evolution of county and State college sectors to join the independent ones, as well as the expansion of the senior public research universities: Rutgers the State University, NJIT, and UMDNJ.

So what we were called upon to do was to identify coordinating mechanisms that could make the system that has now emerged work better. The Department and Board, with their substantial staff, their more centralized control mechanisms, may have made sense for a period in which our higher education system was being established. But now what is needed and what we recommend is a coordinating system that places more authority and more responsibility within the individual institutions themselves, while at the same time initiating more collaborative participation by the institutions in linked statewide coordinating structures.

The Governor recommended four guidelines: ensure affordability, accessibility, and excellence; provide greater autonomy for institutions and minimize bureaucratic controls; guard against intrusion of political influence into decision

making; and finally, build in appropriate coordination at the State level. Our recommendations call first for the strengthening of Governing Boards of our colleges and universities to make them, at once, more responsive to the needs of their students and communities and more accountable to the public for maintaining quality and affordability.

The expanded authority of institutions, then, means that the statewide coordinating activities need to be far less extensive than they have, in fact, been until now with a far smaller bureaucracy serving them. A Presidents' Council will draw upon the leadership and expertise of the Presidents of all of the institutions for functions such as improving coordination and sharing of resources, receiving and reviewing proposals for new programs in certain limited categories, encouraging linkages with K-12 institutions; these will be the primary functions.

In addition, a New Jersey Commission on Higher Education, a public body of distinguished citizens named by the Governor, will work cooperatively with the Presidents' Council and be assigned overall responsibility for system planning, for licensure, for higher education advocacy, for insuring against political intrusion in decision making, and for providing public information and research, as well as making recommendations to the Governor and the Legislature on annual budgets and longer range financial priorities.

As has already been noted, student assistance programs will remain intact for the next year, during which the Governor will ask this new Commission to examine student assistance as it relates to proposals coming from Washington and to other recommendations to making our student aid programs even stronger

within an augmented Higher Education Student Assistance Authority. To ensure that the Educational Opportunity Fund Program, a major route of access to higher education for students of color, has a position of high visibility and effectiveness to carry out the mission of providing educational opportunity for needy New Jersey students, the policy board of the Educational Opportunity Fund will be placed and remain within the Commission.

In sum, the Advisory Panel is proposing that the new maturity of our system calls for a coordinating system that is more flexible, more collegial, and more capable of positioning New Jersey to meet the higher education challenges of the next century.

Thank you.

SENATOR EWING: Thank you. Questions?

SENATOR MacINNES: Dean Hartman, I read the report of your Committee, and you plan a good case that given the four weeks that you were assigned to present your report that you made good use of those four weeks. I'm curious, however, looking back on the Governor's announcement which occurred on March 15 and in reading your report on May 2 or whenever it was, that no argument is made about the deficiencies in the present arrangement. You accept, without any argument, the contention of the Governor that her plan will work better than the present system.

But missing throughout, from either the administration or frankly from your Committee, has been any even very good examples of what is wrong with the present system that we have. Because prior to March 15, 1994, the assumption was widespread

among members of the Legislature and the general public that New Jersey had a very good and effective system of higher education, that it was governed reasonably well by a Board and a Department of Higher Education, a fact attested to, in fact, when the Governor praised fulsomely the present Chancellor of Higher Education in remarks made in December of 1993.

Somehow, between then and March 15, we see this turnaround which has gone unexplained. I'd love to hear from you what's wrong with the Board and the Department of Higher Education. What are the serious incidents, that you can recall, where this Board and Department of Higher Education have acted in a way that has been detrimental to the development of a good system of higher education in New Jersey or blocked the aspirations of one institution or another to aspire to standards of excellence, affordability, and accessibility -- all the things that we want in higher education. Give me your best argument about what's wrong with the Department and the Board of Higher Education.

DEAN HARTMAN: Well, Senator, I think that I'd like to begin by saying what was right with the Department of Higher Education and the Board of Higher Education. By pointing out that for a long period of time, and I believe I would say for approximately 20 years -- up until the mid 1980s indeed -- the Board and the Department of Higher Education did an absolutely extraordinary job in an activity which involved bringing into being, supervising the creation, and coming to maturity a set of institutions, public institutions, of higher learning in the State.

As you well know, and its something that we should all be proud of about the Board of Higher Education as well as the Department, what they did was to help bring into being a mature system in all of those sectors: the county sector, the State college sector which, in effect, made both the Board and the Department of Higher Education as they are currently structured obsolete bodies.

So I would say, in effect, that it was their success, not their deficiency which has brought the administration, the Governor in particular, to the decision that now that we have a mature set of institutions -- brought into being precisely by that Department and by that Board -- we are now in a position to face the next century with a structure which is less cumbersome, which has far less individuals involved in its bureaucracy. If you look overall at the numbers of individuals involved in that bureaucracy, you will see that New Jersey is right up near the top in the numbers of people employed even after the cuts that have taken place in recent years. We are well up there.

But more importantly, I think what the Governor perceived was an opportunity under these circumstances with the mature system that had come into being to create a structure which was more flexible, which made it more possible for these institutions to deal directly and have more opportunity, in a sense, to control their own fates, both through the strengthening of the Governing Boards of those institutions and through the creation of a Council of Presidents and a Commission on Higher Education, which would work collaboratively to do at the State level the fewer activities that are now required once we have the mature system in place.

So, in a sense, I would say in answer to your question, Senator, it's not the failure of the Department of Higher Education and the Board, it's their success.

SENATOR MacINNES: Well, if I could, your argument is that sometime in the mid-1980s, without any consistent or widespread public notice being taken of the fact, the Department, because of its previous 20 years of leadership, had brought to fruition a group of public institutions which were now prepared to go on their own, thereby presumably eliminating the need for coordinating, advocacy, and analysis of the system's needs, number one.

Number two, removing the need for the political buffer which was represented by the Board of Higher Education.

DEAN HARTMAN: Senator--

SENATOR MacINNES: Because, as we've heard this morning, it seems that the power has, in fact, been shifted from a citizen board and a cabinet level officer-- I assume that you agree with the recommendation that higher education, unlike agriculture, military affairs, or banking, should not any longer receive cabinet level attention, but in doing that, what we have done is to focus the authority with the Treasurer and the Governor. Now, as we pointed out, that's great if you have a great governor and there is no thought of abusing this. But if you look at the series of questions--

We have limited bond funds. Well, we now have a Board that says with limited bond funds available for higher education, and given our plans and the systemwide plans, these are the best allocations of those funds. Now, we're going to have Trenton State making its claim for the chemistry building

and Montclair State making its claim for the biology building that they both badly need. Having that decision given right to the Governor to decide, we're going to have budgets go directly to the Treasurer so that each institution will be competing directly with other institutions for whatever resources are going to be granted for higher education in this State.

That seems to me to be an elimination of two things, which however mature the institutions are -- my God, Rutgers has been around since 1766, isn't it? So I assume it's very mature by now -- that however mature these institutions are, these other things, coordinating, providing the political buffer, and providing a visible level of advocacy and analysis of our higher education systemwide needs at the State government level, those needs remain however mature your institutions are.

DEAN HARTMAN: Well, Senator, if I thought for a moment, or if members of the panel thought that they were creating a system which involved the elimination of the statewide oversight, they would have walked away from this task. No one on this panel had any interest in doing that.

SENATOR MacINNES: The words are there.

DEAN HARTMAN: No, the words that are there involve the elimination of the Department of Higher Education and the Board of Higher Education. There are no words there that talk about the elimination of statewide oversights, Senator.

SENATOR MacINNES: Excuse me, just a minute. Let's be clear about this because what we are talking about is a change that is very drastic in the status of the coordinating commission that you've crafted here, okay? Let's take the situation of an executive director for a commission which does

not receive senatorial conformation, all right, appointed without senatorial conformation. Now, we've got boards and commissions for the -- you know, the Sandy Hook Pilotage Group -- which get Senate conformation, which is a signal of some status in terms of the importance of the commission.

Here, you've made a recommendation that the Commission which is to coordinate higher education should not benefit from the status of review of its members by the State Senate, which is quite a statement about where it's placed in the hierarchy of State government. Now, we have an Executive Director who gets one line in this bill, who is appointed directly by the Governor, to serve a commission without approval of the State Senate.

The Executive Director is now supposed to be calling up cabinet officers, Commissioner Klagholz for example, to try and work out how the programs between higher education and elementary and secondary education are to be, in the words of the statute, "articulated." Well, gee, that doesn't seem like a very equal match, or maybe you would have the part-time, unpaid citizen, chairman of the board take the responsibility for contacting the Commissioner.

It just strikes me that in terms of the size of the enterprise, a billion dollars-- The State only spends about \$6 billion directly. We're talking about 16 percent of the State budget that we spend directly. In terms of the size of the enterprise here, we are talking about that enterprise not even receiving cabinet rank. In terms of how government works, it seems that the responsibilities which you have enunciated for the Commission are in the real world of State government deemed

by the assets and resources that you have assigned to them by way of status and authority. Did you get that question?

DEAN HARTMAN: Are you finished now? (laughter)

Well, this is one of those questions where you can start almost anywhere, Senator.

SENATOR EWING: Is that a statement or a question?

SENATOR MacINNES: That's a question. That's a continuation of my single question.

DEAN HARTMAN: Senator, let me respond initially to your suggestion of demeaning of status. I think it might be helpful for members of the Education Committee to know, and I'm aware that some of you do, that there are very, very few states in this country in which cabinet level status is assigned to the chief officer for higher education, four or five in which that is the case. These do not always coincide beyond that with those states whose higher education system is regarded as the most effective.

Finally, it is not structure -- though this is an important issue -- it is not structure so much as it is attention, focus, and interest in higher education at all levels that makes a difference in the prestige of those officers who are assigned to represent higher education to the Governor, to the administrator, to the administration, to the Legislature, and to others in the State that makes the most important difference.

That is to say that overall what matters really is the leadership and the importance assigned by the elected officials, as well as by the general citizenry, to higher education.

SENATOR MacINNES: But isn't that--

DEAN HARTMAN: There are several states -- if I just might pursue this for a moment -- a number of states, in fact most of them, which do not have this cabinet level status but which have historically enjoyed both in terms of the officers who are representing higher education and the respect given to higher education in the budget priority process. It is not a one-on-one correlation, the position of the officer assigned for higher education and cabinet level status. It sounds as though it might be that way, but if you look around the country, it's not that way.

SENATOR MacINNES: But excuse me, Dean Hartman, it seems to me that our obligations are to design a system that will best work for New Jersey. The New Jersey Constitution is quite different from the constitution of many of the states that you probably have in mind, in terms of the authority of the Governor, and in terms of the allowance or not of independent commissions and boards and how those boards are selected in terms of the role of the electorate in making decisions on some of these issues.

We're not talking about other states here, we're talking about New Jersey. I haven't heard from you, except through the same words that I heard earlier: the argument against the system as we have in place today. It sounds to me like we may have a person someplace who is a bit zealous in wanting to exercise bureaucratic authority. If that's the problem, there's a way to deal with that problem. But I haven't heard that there is a problem with the system itself. The case hasn't been made. The argument hasn't been made about the problems that are in here in our present structure.

I would have thought that one of the things that your committee would have done, if your charge is as stated, would have been to start with the question, "Well, what's wrong with what we have?" If you start with that question and you answer the question in your report, there's practically no attention given to that very basic first question.

SENATOR EWING: Senator MacInnes.

SENATOR MacINNES: Yes, sir. Yes, Mr. Chairman, I'm sorry.

SENATOR EWING: Assemblyman Wolfe has a remark.

ASSEMBLYMAN WOLFE: Yes, I believe, Senator and panel members, Dean Hartman did answer your question. She answered it twice. You asked the same question twice. But I think it's important I think, you know, so we don't go over the same ground every time there is a speaker and there is a question. Assemblyman Lance has already indicated previously and we have discussed among ourselves various amendments to the proposal. One of them is a consideration I'm sure the Senate is agreeable to and that is to require advice and consent to many of these nominations. I think that should, number one, speed up the testimony and also the questioning. We can ask everyone of these witnesses the same questions, you know. You asked her to justify why did she do what she did. She answered it, and then you asked her again, why did you do what you did.

SENATOR MacINNES: She's the authoress of the program that's been recommended.

ASSEMBLYMAN WOLFE: So we, I mean, we could be here till eight years from now asking the same questions. So, again, I just want to say the question on advice and consent, as far as

I'm concerned as one member of the panel, is pretty well said or will be said.

Thank you.

SENATOR MacINNES: Well, Assemblyman, I appreciate that and the fact that you and Assemblyman Lance have talked about. It may, in your mind, mean that it's taken care of as a question. However, we're dealing here with the authoress of the proposal that has led to this legislation, and that included the recommendation, presumably, that the commission which is being appointed should not be approved given the advice and consent of the Senate.

DEAN HARTMAN: Senator, I'm sorry, I didn't address that portion of your question and let me respond to that if I might.

SENATOR EWING: Senator MacInnes, there will be amendments. We're not going to have to cross -- discussion. Please, Gordon, will you stay with me until 4 o'clock tomorrow morning so we can hear all these people?

SENATOR MacINNES: Chairman Ewing, I will absolutely stay with you until 4 o'clock tomorrow morning, I absolutely will.

SENATOR EWING: Thank you.

Senator Martin.

SENATOR MacINNES: I would pick up on what Senator Lynch suggested which is we schedule more hearings.

SENATOR MARTIN: I hope that the other members don't find this redundant because I do have a related question. I do think it's appropriate to ask you, since you were the head of the Commission.

In the last 10 to 15 years there have been numerous advocacy groups who asked to reach cabinet level status, presumably because they believe that at cabinet level status you get to be able to bargain effectively, if you will, and achieve the sort of more prestige in that negotiation with other areas of State government that have constituencies, that have dollar needs, and resource needs.

There has to be some kind of distribution be it there may never be enough dollars in the State to provide for everybody's need. There is a question about at least being able to present your issues. That being the case -- and I work in higher education, I'm a professor at a college, as well -- I am interested in the fact that your Commission has seemed to voluntarily relinquish cabinet status. That seems to me sort of a remarkable position that you would want to have that. Was that as part of the Commission's finding, not in the Commission, in your deliberations as far as what the Commission would eventually achieve that you would not want to have Commission status?

It does seem to me fundamentally different to have somebody who is merely a representative, who can go to certain cabinet meetings when invited, as opposed to giving somebody cabinet status. The other part of this bill, which I assume you agree with as far as the recommendations, was that the person who is going to go there is going to be a volunteer, who I don't think is going to be in a position to devote themselves 100 percent towards this particular endeavor. Does that bother you and if it doesn't why not?

DEAN HARTMAN: Well, in the report we explicitly indicated that this individual would be someone who would regularly participate in cabinet level meetings when higher education issues were discussed and budget issues were discussed. This was understood and this was understood by members of the Panel that this is in fact important. Indeed the whole role of advocacy is seen as an important role. But I think--

SENATOR MARTIN: Let me just point out one thing of a concern along that line. It seems to me that almost every cabinet discussion has some impact, and it could be -- well not direct -- indirect in the sense that if we devote State resources on a bond issue this year for something entirely different from higher ed, there is an implicit understanding that it won't come around this year, and you may be not there for this year. You may have to wait for next year or the following year. So in your deliberations, it was accepted. Is this part of your understanding?

DEAN HARTMAN: It was accepted, Senator Martin. It was accepted indeed that the system that we were proposing had the potential-- I am not indicating that there weren't risks.

There are risks to most things in life. But, in fact, in this case, the members of the Panel endorsed the principle that the system we were proposing, over all, would be more effective in representing the interests and needs of higher education. Remember, during a period in which we had a cabinet level officer, the appropriations for higher education were cut systematically for a number of years running -- disproportionate to the cuts that went on in other places in the budget.

That's just one example of the kinds of things that can happen that are, from the point of view of you and me in higher education, unhappy for higher education when we have a cabinet level officer.

So you aren't going to insure, in any case, that you're going to protect the interests of higher education against, in this case, disproportionate cutting. What we perceived is that the system that we were creating had the potential to have much more direct and effective representation of the interests of higher education by immediately involving the institutions in the Council of Presidents in deliberation that would take them out of the realm of their own institutional representation into looking at statewide issues and working these out together, then providing advocacy not only through that Council of Presidents, but through the Commission of Higher Education which is explicitly charged with advocacy for higher education.

A lot of the other activities which currently the DHE and the BHE do perform, which have diverted their attention from advocacy, will be performed at other levels now in the system. The institutions will be more responsible through their Governing Boards of doing the kinds of day-to-day activities, so it will free up both the Council of Presidents and the Commission to focus more on policy and on advocacy and less on carrying out regulations. We saw that this trade off was an important one and provided a real opportunity for higher education to have a larger voice in the public arena, not a smaller voice.

SENATOR EWING: Thank you.

Assemblyman Lance.

ASSEMBLYMAN LANCE: Thank you, Mr. Chairman. Before you entered, Dean Hartman, we did have a discussion about possible amendments including an amendment regarding conformation of appointees to the Commission. I've read your report several times. It's not that your report recommended against that, is it, Dean? It's rather that the report did not address that issue.

DEAN HARTMAN: That's right. I don't think that there would be any objection on the part of any member of the Panel.

ASSEMBLYMAN LANCE: Thank you, Dean Hartman.

SENATOR EWING: Thank you, Dean. Thank you very much.

DEAN HARTMAN: Thank you.

SENATOR EWING: I'm taking an individual out of order. He just came in, Senator Bennett, the Majority Leader.

SENATOR JOHN O. BENNETT: Thank you, Mr. Chairman, members of the Committee.

I'm here today to ask your support for the Higher Education Restructuring Act. The measure is designed to foster the natural progression of higher education autonomy which first began when higher education was separated from the Department of Education nearly 30 years ago. That progression was continued in 1986 when Governor Kean signed the law granting State colleges financial autonomy. S-1118 takes another significant step towards the necessary goal of allowing our State institutions of higher education to function with as little bureaucratic interference as possible.

The bill would, to paraphrase Governor Whitman, make government smaller and smarter. The bill creates a new

structure for the governance of higher education. Much of what is now done by the State Board of Higher Education will be decided by the Trustees of each institution of higher education. Decisions like setting tuitions, which now must be done within the policy of the Board of Higher Education, will be solely the responsibility of the Governing Boards of each institution.

Frankly, this transfer of authority and responsibility to individual institutions is the strongest attribute of the bill. I believe this transfer will actually increase the accountability of each institution. Colleges will be forced to succeed or fail with the decisions that they make. I have confidence that the Trustees have the ability to make the right choices for their respective institutions and most importantly for their students.

Oversight will, of course, still exist. The bill provides for a Presidents' Council which will serve as the coordinating body for the various institutions which receive direct State support. The Council will consist of the Presidents of those institutions. An Executive Board of the Council will make recommendations concerning new programs beyond the current mission of each institution, make recommendations of State aid levels, student aid programs, and make recommendations concerning other coordinating responsibilities.

Essentially the Council will be the conscience of higher education in New Jersey. It will function as the forum for the debate of overarching issues. The hands-on oversight will be handled by the Commission on Higher Education established within the Department of State.

That Commission will be a public body of eventually eight public members and the Chair of the Executive Board of the Presidents' Council. The group will be responsible for the licensure of institutions, development of a code of ethics, and it will be the agency for determining university status.

I believe this plan will empower our public institutions of higher education to reach the heights that they and we know that they can. It is obvious that many are concerned about the abolishment of the existing Department of Higher Education. In my judgment, those concerns are unfounded. The bill is really a tacit acknowledgment that the Department has completed the job it was created to do.

Since 1966, what was a crisis of insufficient facilities and resources has been addressed admirably. In 1966, there were only six State colleges, one junior college, one college of engineering, and Rutgers. Today that system has expanded to include 9 State colleges, 19 community colleges, NJIT, UMDNJ, and 3 campuses at Rutgers, a world class public university. Clearly, today New Jersey's high school seniors have a wide variety of programs and careers to choose from by staying right here in our State.

Over the last 30 years, we have improved the enrollment in New Jersey's public higher education institutions from 35,000 students in 1966 to 260,000 students today. Clearly, New Jersey has become an attractive place for our high school seniors to attend college. Thirty years after its creation, higher education in New Jersey has matured to the point where it no longer needs to rely on the State's benevolent control.

This bill recognizes the health and strength of New Jersey's higher education institutions. They are ready to stand on their own. I believe that if we simply sat back and said, "Yes, we have a good system, and it's a system that has done well," we are doing a disservice to the system and to the children.

I believe that what we need to do in our State is to continue to strive for excellence. I believe that this bill does that. We are allowing us to expand and to grow from being good to excellent. That should be the goal of all of us. I'm troubled, when we get into some of the debates, that perhaps we lose sight of the focus as to what higher education really is, and that's our students.

I believe, very strongly, that this bill allows the institutions to continue to demonstrate that for our children, and the economics that it means by keeping our children in our State institutions is an important one to the future of the State. I believe the Governor recognizes this and wants to continue to move forward so that the economy of our State can prosper. It prospers best when New Jersey's own are the ones that are educated and educated by the facilities that we have to offer to create that excellence.

Thank you, Mr. Chairman.

SENATOR EWING: Thank you.

Assemblyman Rocco.

**ASSEMBLYMAN JOHN A. ROCCO (Assembly Education Committee Chairman):** Senator, it seems to me that we are talking about a philosophy here that is engendered in the legislation that we have before us. It seems to me that there

was an election in which the public asked for government to slow down its growth and elected a philosophy that we have before us today. Is this part of the thinking of the sponsors of the bill?

SENATOR BENNETT: I believe, yes, to a certain degree the downsizing of government is something that I believe is important. To streamline and remove those bureaucratic levels of-- Where we end up having the inability to move ahead on something that's positive-- To place those that know best, which are closest to a situation, the opportunity to make those decisions, all of those are encompassing by taking and removing the Board of Higher Education and taking a lot of those decisions and placing them on those Boards of Trustees and those institutions themselves.

I believe that the Governor recognizes that from what she has said and called for this not simply though-- I don't look at this as any method of being a major fund-raiser or a major saver in budget. I look at it much more positively as -- even though it does save some money -- but I look at it as much more positive to being able to move ahead.

It's almost as though higher education has been one of our students. We've moved it ahead. We've progressed to a degree that now it's ready to graduate and stand on its own two feet, being able to grow and move the next step forward. We can only guide so long, and then it's time for those that have been given the guidance and the abilities to stand and move ahead. We have to give them that opportunity. That's what I think we're doing as we strive for the excellence.

ASSEMBLYMAN ROCCO: John, obviously the individual institutions will have a great more say, the Trustees, etc. at the institutions. We have to carefully select those individuals that serve, as we have in the past, so, you know, there is no doubt in my mind that better decision making will occur.

It will occur at the local level, and therefore, ultimately, the philosophy that says we can make better decisions at that level, as opposed to a philosophy that indicates that only big government can make the decisions, I think is really what it is all about in my mind. So we appreciate your sponsorship.

SENATOR BENNETT: I agree with you. I would say that it's clearly much more an evolution than a revolution.

SENATOR EWING: Thank you.

SENATOR BENNETT: Thank you.

SENATOR EWING: Carol Landis.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Senator, she had to leave. She will be back tomorrow, Mr. Chairman.

SENATOR EWING: Fine, thank you.

Dennis Testa.

D E N N I S T E S T A: Good morning. On behalf of 144,000 school employees and members of the New Jersey Education Association, I appreciate the opportunity to speak to you about the Higher Education Restructuring Act of 1994. You may note that the NJEA has been rather silent on this issue up to this point. That's because of the suddenness that the proposal came before us.

Prior to the Governor's budget message, we had heard little about this issue: not a bill, not a debate, not an

editorial, not a suggestion that there was a problem with the current system and that there would be a proposal to alter it, or change it, or dismantle it. Not being an expert on the topic of higher education, or the work of the Chancellor, or the Department, the NJEA did not take a knee-jerk reaction to the proposal, but rather carefully studied the issue. We have a Committee that deals with higher education issues. We turned the issue over to them to carefully study the issue.

To tell you the truth, with all the NJEA has on its table at the present time dealing with as mundane issues as our pensions, health benefits, salaries, private school vouchers, and on and on and on, I was certainly hoping that we could come down on the side of agreement with the Governor on this issue so that we didn't have to face another issue.

I jokingly tell my delegate assembly that I feel like the old marine Chesty Puller (phonetic spelling), who once said, "The enemy is on all sides of me, front and back, and left and right. Now they can't get away." But unfortunately, my committee came down on the other side of the issue, and this past Saturday our delegate assembly adopted a position in opposition to the Restructuring Act.

This legislation seeks to eliminate the Chancellor's office, the Boards, and the State Department of Higher Education, replacing them with a Commissioner of Higher Education, appointed by and reporting to the Governor; a Council of college Presidents; and an Executive Board with staff.

All aspects of higher education would be handled by four departments within but not of the Department of State. Treasury, the Governor's Office, and the Department of

Education, none of these agencies would have the responsibility to provide oversight or vision. None would have ultimate responsibility for the State system. None would have the responsibility to weigh the public interest.

All coordination among State departments would be eliminated. Instead, conflicting policies would be made within independent fiefdoms created by presidents and their boards of trustees.

All State management of tuition would be eliminated. Instead tuition rates would rise to whatever level the market will bear. I'm not certain what forces would suggest what the market will bear given the limited choices that some of our students have.

All checks and balances on college budgets and programs would be eliminated. Instead decisions would be vulnerable to political interference.

Finally, the ability to use an administrative law judge or the State Department of Higher Education to resolve tenure controversies and personnel disputes would be eliminated. Instead, decisions would be made at the public institution's governing board. At this level, issues can only be resolved through adjudication and, ultimately, in Superior Court. So the resolution process proposed is a slower and more expensive route.

But as much as we are concerned about the proposed plan, we are equally concerned about the process through which it was developed. Until the Governor announced her decision in the budget address, no one could have imagined that the most efficient and effective executive department would be

terminated. No one could have imagined that a department accountable for millions of taxpayers' dollars would be rashly dismissed. No one could have imagined that a department that built a stellar system of higher education would be hastily torn down.

Perhaps this is why the proposal, from the moment it was announced, was engulfed in criticism. To mute this criticism, the Governor fingered a commission and charged them with a herculean task: Come up with recommendations, but include the plans I've already proposed, and do it within a month.

The bill we consider today is the unhappy product of that charge. The proposed system will not promote access, affordability, and excellence as our current system does. Instead, it has the potential to create segregated educational systems. One for the very rich and one for everyone else.

The Department of Higher Education now spends and monitors about one-tenth of the State's budget. Who will monitor that process under the proposed plan? The proposed system will not provide equitable funding. Instead, it will allow the big powerful schools to fight for disproportionate funding.

In this regard, the county colleges are our particular concern. In 1981, legislation was passed that would provide the county colleges with 43 percent to 50 percent State funding. A commitment the State has never upheld. The current Chancellor has articulated the need to improve the sector's funding so it can maintain a competitive base with the four-year institutions.

By removing the role of the Chancellor, the proposed plan takes away a safety valve for more than 100,000 students.

Because of their open-door policy, the county colleges now serve about 52 percent of all higher education students. Despite their history of being underfunded, their success is astounding. They have won articulation agreements with dozens of colleges and universities, set up tech-prep programs with dozens of high schools, and established cooperative training arrangements with dozens of businesses.

The county colleges have succeeded largely because of their dedicated full-time faculty who have devoted their careers to teaching county college students. Considering the caliber and achievements of the full-time faculty, it's tragic that the proposed plan and the funding inequities it forebodes will force the colleges to use even more adjunct teachers.

Because we are committed to accessibility, affordability, and excellence in higher education, NJEA urges you to oppose this legislation. We urge you not to dismantle a structure that has produced one of the best systems of higher education in the country.

You know, I joined many of you sitting on this panel four years ago in criticizing an administration for moving hastily through proposals at the beginning of his term in office for not taking the time to analyze and to judge the merits of those proposals based on input of citizens and based on a process over time that would decide whether or not they were the right way to go. I suggest that by moving this process and setting a deadline of June 30 to reach your decision on that issue that you will be as guilty as the prior administration in

moving too hastily to adopt legislation. You have legislation that delays this process and provides the time and the energy to analyze this far-reaching proposal more carefully. I urge you to strongly consider that piece of legislation and slow down the process and be certain we make the right decision and not a hasty one.

I thank you.

SENATOR EWING: Questions on the Assembly side? (no response) Questions on the Senate side? (no response)

Thank you.

MR. TESTA: I thank you.

SENATOR EWING: Dr. Peter Burnham, Brookdale Community College.

P E T E R F. B U R N H A M, Ph.D.: Still good morning. Mr. Chairman, members of the Joint Committee studying this proposal, let me take a brief moment of your time to introduce myself, my name is Peter Burnham. I am President of Brookdale Community College, proudly the county college of Monmouth. We are the sixth largest higher education institution in the State of New Jersey, enrolling some 13,500 credit students and some 20,000 noncredit students. We operate on a \$41 million dollar budget and have some 1300 employees.

I want to say categorically that I have never at any time, or would I continue to pursue, nor would I ever entertain the idea of ever serving as a chief executive officer of a savings and loan.

I realize that this discussion has been filled with a great deal of controversy. I had prepared my testimony to talk more specifically about the proposal before you and not engage

in a tête-à-tête with the previous speakers about what is right and wrong about their assumptions. I'll try very hard to do that. But I must say, personally, that as being the first Chief Executive Officer of one of New Jersey's educational institutions to have this microphone, it is very difficult to sit and listen to the criticisms that are articulated both about the current and the purported future of the management of higher education by persons whom I think know better.

I've had the opportunity to serve as the Chief Executive Officer of a publicly supported community college for eleven years, three of them in Monmouth County in the State of New Jersey. I have worked for community colleges for 26 years, as a teaching faculty member, proudly as an English teacher, teaching basic skills courses for 12 years, as a Dean, as a Vice-President, and ultimately as a President.

Ladies and gentleman, I come to speak to you today about higher education from the ranks. I have been there. I am managing an institution. It is an extraordinarily challenging job. Despite what some of my critics have said, I will repeat my statement. It is very much a business. It requires a certain degree of business acumen, something that I found, quite frankly, surprising 10 years ago when I first sat down in the president's chair and realized the extraordinary responsibilities afforded to me.

When I sat also-- I was invited by the Governor to sit as a member of this Panel, the Advisory Panel created by Executive Order No. 14. I did it with a certain degree of reserve. I had been serving in this State only three years as a Chief Executive Officer.

But I was asked, I believe, because I do have a broad based experience in working not only in community colleges and as a CEO, but having served in the State of New York for 15 years of my educational career. I served as the President of the New York State's Presidents' Association. I had intimate involvement with the state organizations of both SUNY and CUNY working with the faculty associations of both those major state systems and working closely with the Legislature and the Governor in trying to develop a more effective system of higher education.

I do not mean to make parallels directly between the State of New York and New Jersey, that's not fair. As Senator MacInnes mentioned, constitutions are different, states are different, but I will say to you right now that the business of higher education is extraordinarily challenging. I want to thank Mr. Testa for his earlier comments about community colleges. I won't repeat what he said about our 52 percent responsibility in this State and the extraordinary difficulty we're having struggling to make ends meet and meet the mission of open access for the citizens of this State and the provision of quality education for all of our citizens. It is a challenge.

I'd say to Mr. Testa and all of his honorable membership that I do not believe that this proposal in any way, shape, or form threatens the integrity of the quality of that education. I certainly do not believe that it is going to lead to the use of more adjuncts.

Let me say also about Chancellor Goldberg and the entire Board of Higher Education -- and maybe even more

particularly my friend, colleagues, and staff who are members of the Board of Education, many of whom, in my brief time in this State, I have come to respect and admire for their efforts and energy. This effort, as Chairman Hartman said earlier, is not about what they did not do and what's bad about them. It's about what we need to do in New Jersey to get right, to get ahead, and to move forward.

I certainly, again, would not repeat what Senator Bennett stated, I think he stated it very articulately. We are at a time of significant change, both in our society and certainly in this State and we know in this nation. We've heard a lot and we've read a lot about what's called the new realities.

The new realities have affected private industry. We've heard about it. We've read about it. We've seen it in this State. I had the privilege of serving last year in the commission that studied the relationship between education and business. We talked a lot about the need for greater flexibility in all of our educational structures in this State to be more responsive to the needs of the economy of this State, to reach out to business and network and connect.

A person with whom I became very good friends over the past six weeks is a gentleman named Al Koepp, who was mentioned here earlier today. I know a number of you know Al. He's the Chairman and CEO of Bell Atlantic. Al and I chided each other a little bit about who could speak more. I certainly won on that case.

College presidents, believe it or not, can talk more sometimes than lawyers. But Al and I came to understand and

learned together from working on this Panel the opportunities that exist and the things that we need to do as educational leaders to respond to the needs of the business community in this State to strengthen the economy.

I believe that S-1118 and A-75 move us in that direction. I would not be here today if I did not believe that.

Let me address, very quickly, the fact that I believe that this bill -- although, yes, in rough form in some cases and I think this process today, as tough as it has been to sit and listen to some of the vitriol and criticism -- it's important. As it has been pointed out over and over again, it's important because this is part of the legislative process. It helps construct the bills, the best bill for the citizens of our State.

As a member of the Panel, and as a servant of this State and of the County of Monmouth, I say to you I support that. If we can find a better way to do this, let's come together and do that. More than anything else, what I am concerned about is I have learned more and more from my colleagues in this State, 51 other college Presidents at all the sectors.

We have come together on this issue, not all of us in totally universal agreement, some of us have agreed to disagree. But what is important is that we have come together. That the stimulus of this subject, as awkward and difficult as it has been, has brought more dialogue about the future of higher education in the State of New Jersey to the floor -- yes, under enormous pressure and enormous time than maybe in any other time

in its recent history. I think that's timely. I think that's good.

I believe the bill does provide accountability. I want to stress particularly the role of Trustees. I understand the county colleges operate somewhat differently than the rest of higher education in this State, but it's an important model to consider. Accountability is extraordinarily strong in the county colleges through its Board of Trustees.

You have over 200 citizens in this State who serve your county colleges, serve 52 percent of the entire undergraduate enrollment of this State in higher education in capacities of oversight that are probably far in excess of even what you realize. We have excessive levels of accountability at the county level in county colleges, substantial levels of accountability.

At our institution, the County of Monmouth supports our institution some 39 cents on the dollar. That is a high level of accountability, ladies and gentlemen. I listen closely to my Freeholders. I listen closely to my County Manager. I listen closely to the people of my community who are probably my ultimate accountability.

We also, all of us -- independents, four year institutions, and county colleges -- are extremely responsive to the role of the Middle States Association for Higher Education. You may not realize perhaps, as practitioners of another profession, how important the issue of accreditation is for higher education in this State.

I've been very active in the Middle States Association both in New York and in New Jersey. I've chaired

many evaluation teams and have worked very closely with the establishment of standards that have influenced Federal legislation, as well as legislation that affects all of the states covered by Middle States.

Let me say to you very, very clearly that the standards proposed through the characteristics of excellence speak very directly to some of the concerns and anxieties that have been articulated by individuals about fears, the fears and anxieties of the lack of oversight.

In fact, one of the great concerns of the problem of the Board of Higher Education and the Department was the enormous redundancy involved in the process of being accountable through that system while being doubly accountable through so many other different systems, not being willing to accept and recognize the duplicity of that process.

I think what we are working toward here is to try and create a much more direct fixed system that allows us to work directly with the clients and the consumers of our services.

Let me finalize by saying this, as a member of this Panel, one of the principals that I articulated -- and my colleagues on the Panel can attest that I certainly did not sit silently -- was that I felt it was very, very important for us to preserve and protect the issue of accessibility.

Community colleges throughout this nation, 1300 of them, enroll 60 percent of all people, of all races, backgrounds, and ages in higher education in this country. We are democracy's colleges, and in New Jersey we are flourishing. Our institutions must and will, by virtue of our mission, continually provide access. We are the institutions that are

aggressively working to assist in developing an urban agenda for public policy for this State. We are the institutions that are probably most working with our secondary educational environments both public and private to try to strengthen articulation. We are the institutions that are building bridges between business and industry and education, and we need to do more.

Let me say also, on the matter of tuition, Brookdale Community College's Trustees, again, at the request of the Board of Higher Education, published and articulated very loudly our tuition rate for tuition year 1995, academic year '94-'95. We did it in March. Our tuition rate will increase 7.4 percent. Yes, that is above the ceiling that the Governor requested of 3.5 percent.

That 7.4 percent translated to \$2.75 a credit hour. We are able to provide that \$2.75 credit hour increase at 7.4 percent because of the support of you ladies and gentlemen in this Legislature who have continued to recognize the importance of subsidizing public education in this State.

There is no question that our commitment to advocacy and our networking and our relationship with you, the members of the Legislature, as well as the Governor, to sustain that subsidy is a real issue of tuition control. That we must make sure we balance and develop a long-term philosophy and plan for balancing the support between public tax dollars at both a local and a State level and the issue of tuition.

This is not a decision that is solely the college President's or the Board of Trustees'. This will be a decision

that we make together by virtue of how we define our budgets in the future.

I want to thank you all for your interest and support. The questions that I have received, both in writing and on the phone, among many of my colleagues -- Senator Palaia, my friend, and representative of the County of Monmouth -- have been very forceful in asking these kinds of questions to make sure they understood what this was all about. I appreciate that and I think it will make New Jersey a stronger place.

Thank you, Mr. Chairman.

ASSEMBLYMAN ROCCO: Thank you very much. Any questions, Joe, do you have any questions? (no response) Senator.

SENATOR MacINNES: If I might, Mr. Chairman, thank you.

President Burnham, you heard this morning, and it wasn't a point in your testimony, about the sense among some people that the schedule called for by the Governor and now this Committee of resolving this large and rather complex matter by June 30, is in the minds of some of us a bit -- first of all, unexplained and, secondly, not conducive to the kind of deliberation such questions should be given. Is there anything you know about this question in terms of the Department's and the Board's role that if it were to be extended for another 12 months that any great harm would be brought to your institution or to the system as a whole?

DR. BURNHAM: Senator MacInnes, I think that I, too, thought of that issue when I approached initially. As a member of the Panel, I had some concerns and skepticism about our

capacity to accomplish this task. I think, if you polled everyone of our members that Dean Hartman articulated who those people were, it was our considered judgment that we could have met for 12 months, we could have met for 12 years; we don't think we would have come to any other decisions than the ones we made.

We felt that we had discussed throughly the issues and we recognized what the needs of the State were as practitioners and as members of the State's community. We believe that what we were recommending, yes, has its rough edges. I think this process today is illustrating some of the needs for refinement. I also believe, sincerely, Senator MacInnes, that we're going to have to continue to refine it, as we have what has been in place for 27 years, and as we do all the time when we conceptualize something new. But I believe we have a momentum here. I believe we have an opportunity to move forward aggressively and do something that is important for the State of New Jersey. I support that timetable.

SENATOR MacINNES: So you don't disagree, though, that while we do have momentum, although I might characterize it as a train without brakes on a downhill slope, while we do have momentum, should this decision be deferred for one year in terms of the abolition of the Department? I mean, you don't see that there is any great harm that would be caused to your institution or to the system do you? Anything that we would have to go to court to seek an injunction for emergent relief?

DR. BURNHAM: Quite frankly, Senator, I'm doing my best to manage my institution as autonomously as I can within whatever structure I have.

SENATOR MacINNES: All right.

DR. BURNHAM: That's the necessity of being a community college President. What I think is important is that I think this State needs to work -- I need to work with my public four-year institutional colleagues, my independent institutional colleagues. I look forward to the opportunity networking with them more under a new structure.

SENATOR MacINNES: If I might, Mr. Chairman.

You mentioned that the role of a college President really reflects, quite closely, the role of a businessperson in many respects and that those skills are very important in higher education today. What we have here is a -- in the business lingo -- a decentralized model that in fact might be a very good idea, by the way.

As a part of the increased autonomy comes, I assume, comes increased entrepreneurial opportunities for the institutions. These are competitive institutions in that they are competing for students and tuition dollars. Since the Board now, as I understand it, approves new programs and sets parameters among the various sectors of higher education, are you at all concerned that in this new climate of institutional competition that's being invited that four-year colleges might not look very favorably on your pool of conventional two-year students, as a source of new tuition payers, and that they would happily leave for you the problems of dealing with those who are coming to your institution under the open access provisions of our system and snap up the -- those students who presently are there, because there are boundaries set and there is an opportunity, if they succeed at your institution because of

articulation agreements and everything else, to proceed to a four-year institution?

ASSEMBLYMAN ROCCO: Before you answer that. Senator, does this have to relate to the legislation and if so, in what manner?

SENATOR MacINNES: How does it relate to the legislation?

ASSEMBLYMAN ROCCO: Yes.

SENATOR MacINNES: Because the whole purpose, as I understand it, from Senator Bennett, from Governor Whitman, from Dean Hartman, was to set off a -- to liberate our institutions, to act more autonomously and to, therefore, by definition, to compete more aggressively with one another across the boundaries which are now set by the existing legislation. So I think it's right on the mark--

ASSEMBLYMAN ROCCO: If you would like to respond feel free to, if not make that your decision.

SENATOR MacINNES: --and it, in fact, was the main reason cited by Senator Bennett as I recall.

DR. BURNHAM: I would like to respond to Senator MacInnes' observation because it is a potentially valid issue. I think that, first of all, let me say that my judgment in the current structure in no way concludes the same thing happening. There is constant competition between, within, and among sectors. It's a reality of the business, it happens. To some extent it's healthy: it keeps us honest, it makes us realize the importance of being consumer oriented, it makes us recognize the importance of quality, and of assuring our recipient clients

both industry and transferring institutions that what we do is qualitative.

So I don't shy away from that, and I don't think my staff, my faculty-- We take great pride in what we do. But on the other hand, I think that what we also did in this Panel -- and the legislation seeks to articulate that -- we've made a very strong emphasis on the role of mission-based education.

SENATOR MacINNES: What base?

DR. BURNHAM: Mission-based education. I speak to this on the issue of the associate's degree for example. We talked often in the Panel about our concern. What would stop one of the independent or four-year institutions from beginning to offer, Rutgers for example, offering associate's degrees or Brookdale offering master's degrees.

We feel that's exactly the reason why we put an empowered-- One of the regulatory issues we empowered in the Commission was responsibility for evaluating mission-driven change in institutional operations. When you begin to talk about changing your mission, which is essentially the nature of the degree program you offer, you're changing your institution. We do not believe that should be an autonomous decision.

SENATOR MacINNES: But you dispute my characterization, then, that this bill in any way changes the freedom of institutions to move across the sector boundaries, the mission boundaries.

DR. BURNHAM: I think it clearly makes it potentially more easy, but I think at the same time, there is also -- built into this legislation and certainly the recommendations of the Panel -- a responsibility for discussion and dialogue that does

not exist now within and among the institutions, as opposed to discussing it with some paternalistic organization in Trenton.

SENATOR MacINNES: So you have to get your colleagues dreaming, or actually you don't formally have to--

DR. BURNHAM: It's voluntary, but it's certainly important and peer pressure in this business is strong.

SENATOR MacINNES: Is that right?

ASSEMBLYMAN ROCCO: Senator Lynch.

SENATOR LYNCH: Yes, Mr. President, the community college role here in New Jersey is obviously a critical one. I think you have done a very fine job today of portraying that.

For those of us that were here in the 1980s and voted every year for increased funding for county colleges only to see those red-lined out of budget by budget, watching the property taxpayers picking up more and more of the tab-- Your college being a classic example: Now more close to 40 percent of it borne by the property taxpayers of Monmouth County and 20 percent or so borne by the State budget.

Clearly, with the county colleges playing such a significant role here today and in the future, clearly the Department of Higher Education has not been a significant player in terms of being an effective advocate for increased funding at the State level for the community colleges. While we have seen enormous growth in our community colleges, I can't defend their position over the last 13 years in that context.

But how do you see this new vehicle or structure being more complimentary to the role of the county colleges, particularly as it relates to their ability to gain better levels of funding from the State of New Jersey or from other

sources other than tuition and not seeing this continuing evolution of more and more of the onus being placed on the backs of the property taxpayers of Monmouth County, in your case?

DR. BURNHAM: Senator Lynch, let me say, first of all, that I again, having served only three years, that I can't comment with extensive background on the history of the funding in this State for county colleges, but it's certainly been reported to me. I will say, again, in Chancellor Goldberg's defense, that I think both, to me personally in my experience with him, his awareness and sensitivity to issues of community colleges has been good.

I think that the Board of Higher Education, again, based on simply my experience, has become more aware -- the degree of advocacy, I would say, and I have to say this, I wish it were more.

I think that, you know, one of the interesting things about sitting on this Panel with other presidents from other sectors, as well as persons who represented board members from other sectors, there was a lot of education that had to go on about county colleges. It was a lot of learning about the uniqueness of our structure statutorily in this State and operationally, how we relate to our counties and how we fit into the bigger picture of higher ed.

What makes me very proud is the fact that the recommendation of this Panel, and also incorporated in the legislation, is the recognition of that by virtue of representation on the Presidents' Council. As you'll note, there are four presidents of county colleges incorporated there. Part of this is an attempt to recognize the substantial role

that county colleges play in the statewide higher education network now and in the future.

There is an emphasis on the word articulation in several cases. Again, one of the things that we feel is incredibly important for the future is that the State higher education system become more networked than it is, that Rutgers and the professional institutions, the research institutions, as well as the State colleges, as well as the independents help develop a seamless web of education that will support our system.

Underlying the principles of our recommendations was the notion of relationships. I believe that the county colleges, as a majority stakeholder in the higher education program of this State, will have an opportunity to improve relationships.

Right, wrong, or otherwise, the current situation has not fostered that.

SENATOR LYNCH: No question about that. Thank you.

ASSEMBLYMAN ROCCO: Thank you, Senator.

Thank you very much.

DR. BURNHAM: Thank you.

ASSEMBLYMAN ROCCO: Richard Van Wagner (phonetic spelling) and Robert Pachino (phonetic spelling).

Joe, did you have a question?

SENATOR PALAIA: No.

ASSEMBLYMAN ROCCO: Richard Van Wagner obviously is not here.

SENATOR PALAIA: He's out in the hall, but go ahead he's right here.

ASSEMBLYMAN ROCCO: Art Ritter, AAUP President.  
Arthur, what chapter is that? I can't make that out.

A R T H U R B. R I T T E R, Ph.D.: I'm the President of the Council of Chapters of UMDNJ AAUP. We represent the faculty, librarians, and nursing faculty at the New Jersey Medical School in Newark, at the Robert Wood Johnson Medical School in Piscataway, and also at the School of Osteopathic Medicine in Stratford and Camden.

I want to thank you for allowing me to speak today. I just want to start off by saying that I was very impressed with Dean Hartman's -- with the qualifications of the people who served on Dean Hartman's Panel to restructure higher education. It's very amazing to me that the consensus of this august group endorsed all of the proposals put forth by the Governor's staff, agreed unanimously with the extraordinarily short time schedule that was proposed, and there were no minority or dissenting reports.

I've been a faculty member for something like 25 years. I've served on national study sections. I've served on many, many panels and groups. Almost never do you get that kind of consensus in that kind of group. So I want to thank the group for coming up with this kind of proposal in such a short period of time.

However, that's not what I'm here to say. What I wanted to tell you about is that the present system has evolved over a period of over 30 years. Prior to the Governor's proposal for its replacement -- and we're frankly puzzled by the haste shown by Governor Whitman and this Legislature to pass an incredibly complex set of legislation. The complexity of the

proposed changes warrants sufficient time to debate the issues thoroughly before you vote to replace a system that has been working reasonably well for over 30 years.

There are many important issues which can be discussed here today. Without doubt other groups will discuss issues that are important to their membership. I want to limit my remarks to two issues that we believe are extremely important in this debate. One is the politization of higher education and the absence of effective checks and balances in the proposed new structure.

We're deeply concerned that the new structures proposed will more than likely lead to a greater politization of higher education in New Jersey. Even under the current system, some university presidents and some Boards of Trustees believe that they must contribute moneys to political office holders in order to further the interests of their institutions.

Moreover, superfluous administrative jobs have been created at some institutions to accommodate political figures. With the further politization of higher education, more and more of these positions will be created and staffed with people whose only qualifications are their ability to influence the political process. Add to that the likely increase in lobbying expenses and public relations staff, and the result will be that large amounts of resources will be diverted from education programs to political and public relations programs.

At my own institution, the Dean recently announced, in fact at the last meeting of the department chairs, that he is planning a series of luncheons and get-togethers of chairs and administrators with "politicians."

The AAUP and other faculty and staff unions will no doubt retaliate. They will also increase their political activities in light of the contemplated changes. The academic and monetary cost to the State of New Jersey of this diversion of resources will be enormous.

The other important issue is one of checks and balances. The one important function performed by the Department of Higher Education conspicuous by its absence in the proposed legislation is that of oversight of institutions and programs. With self-perpetuating Boards of Directors and institutional autonomy, who is going to act as a check on the ambitions of Boards of Trustees, Presidents, and academic administrators?

The potential for unfettered programs and costs should not be understated. For example, what's to prevent any academic institution in New Jersey from starting another medical school or another law school? With respect to higher education, vague promises of market forces keeping costs in check are merely illusions.

If the State-supported colleges in New Jersey are going to look more and more like private institutions, then their costs and tuition rates will look more like those at private institutions. If that is the case, you can expect to export more and more of our best and brightest students.

I strongly urge this Committee to allow sufficient time to develop and digest input from all parties involved in the education process. The present structure has evolved less than 30 years. We may have to live with any new structure for even longer.

It behooves this Committee, then, to take the time to propose reasoned, informed changes that have a high probability for producing a better system for leading and managing higher education than the one that is being replaced.

Thank you very much.

ASSEMBLYMAN ROCCO: Thank you very much. Any questions? (no response) Thank you.

Dr. Messina.

R O B E R T C. M E S S I N A Jr., Ph.D.: Assemblyman Rocco, in the interest of time, would it be okay if I brought my two Trustees who are also scheduled to speak?

ASSEMBLYMAN ROCCO: Absolutely, love to have them.

DR. MESSINA: Thank you.

ASSEMBLYMAN ROCCO: Richard Van Wagner is back, but he missed earlier, so he's going to have to wait till the next turn around.

DR. MESSINA: Thank you Assemblyman Rocco and other members of the Committee for allowing us to speak today. I'm Bob Messina, President of Burlington County College, Pemberton, New Jersey. With me is Bill McDaniel, he's President of Sined Leasing but also Trustee at Burlington County College. Ron Winthers, a Trustee.

ASSEMBLYMAN ROCCO: Welcome.

DR. MESSINA: We're here to support S-1118, as written. I think one of the things-- I've listened to a lot of the discussion, and I think we have to keep in mind that we're not supporting this change in a total vacuum. One of the things--

I also serve on the National Board of Community Colleges. I'm on the Board of Directors American Association of Community Colleges. I was just elected to College Board Middle States Region. I also, as a representative of the American Council on Education where I serve with 26 other college and university Presidents, I'm the only community college representative on that board.

In looking at change, change isn't just happening in New Jersey, it's happening all over the country. If you want to get a look at an independent report, Pew Foundation just recently submitted a report asking colleges and universities to look at major changes in the way they do business. The reason for that is to look at the global changes that are happening, the competitiveness between the United States and other markets, the types of training our students need, and also where our students are going to be in the next 10 years, 15 years, 20 years.

They concluded, at a meeting in St. Louis, in November, that major changes are required. The three things that they found are: institutions need to be more flexible; they need to incorporate new technologies to make them more cost effective in their teaching; and they need to look to more creative solutions to address the academic needs of institutions. Because if they don't, they don't feel that a lot of institutions will survive into the 21st century.

It's not uncommon to the private sector being forced to make changes. I had the privilege of being with the President of Xerox Corporation. Several months ago he invited me to a meeting of total quality management within their

organization. Xerox, you probably know the story of that institution, they had to undergo tremendous change in order to survive.

I think the colleges and universities are not any different. The community colleges, as you've heard before, have the majority of the students in this State, 144,000, whether you use the number 50 percent, 52 percent, 55 percent. I've been in this State for seven years. I come from another state.

Quite frankly, one of the things they say is, why would you support a change? Community colleges have had very little voice when it comes to the needs for the students, faculty, and staff. We have 19 colleges representing the 21 counties in the State of New Jersey. My county, in particular, happens to be the largest geographical county, 825 square miles. We almost happen to be the size of the State of Delaware, yet the funding that comes in-- We're the only institution of higher education in our county. We have the responsibility of serving a population of 440,000 residents of Burlington County.

What we find though is, when I came back here in 1987, 26 percent of my funding came from the State. In 1994, 14 percent of my funding is coming from the State. My student enrollments have increased from 3000 to over 7000. I have about a 66 percent increase in my full-time equivalent student. Yet, I have not been able to get the ear, or maybe I'll say it a little less reservedly than my other colleagues, get the attention of what is required to produce quality education at the community colleges.

Less you think that community colleges don't have quality, for example, our nursing program at Burlington -- we're

very proud of -- has had 100 percent pass rates in their NCLEX exams in the last two years. The average over the last four years has been a 98 percent pass rate. We have 600 students waiting to get into a nursing program basically because it's such a high demand program.

We believe that the issue really is this: it's a public policy issue. Are we going to change the higher education system, the way we govern higher education, or do we keep it at business as usual? We support a change to that because we think it will make our colleges more flexible. It will provide greater autonomy for Boards of Trustees.

I'll let the Trustees speak to their oversight of my county.

If you know anything about Burlington County, I can start with 51 percent of my funding comes from my county. My county freeholders would not let one nickle go to this college without knowing where it goes and for what reason. We have audits every year, independent auditor. In addition to that, I meet monthly with my Trustees.

We have a committee system, and there's a finance system that reviews every audit and every statement each month. So, as far as oversight being less accountable, we are accountable right now. The bill, as written, gives more accountability to the trustees but also does not lessen the responsibility of the trustees in terms of what their fiscal responsibility to the college is.

My concern, a lot of times we've heard the word "power," who gets control, but I've heard very little about students. I think you have to examine this bill in light of,

does it help students? In essence, if 55 percent of those students are going to community college, then maybe a question should be, how does this bill impact community colleges specifically?

What it does, right now-- In the old structure, although many people are very well intentioned, until five years ago, when I came to the State, there was no representation on the Board of Higher Education for the community colleges. Only recently, when the Council of County Colleges was reformed, in the last four years, there is one out of 18 that represents, which gives you about a 4 percent representation for 55 percent of the students.

So it's not surprising that 9.8 percent of the funding or approximately, maybe, \$90 million of \$1.1 billion was designated towards community colleges. That averages out, in my case, \$916 per FTE student receives State funding.

Yet, I was faced with tremendous-- Every time I have to make a decision I had to go through three or four levels to get a decision made. Quite frankly, if someone wants to make the decisions for me but only gives me 14 percent of the funding, then they should only make 14 percent of the decision.

I think, one of the things, too-- I also serve as the Chair of the Facilities Committee in the State for the community colleges and Chair of the Curriculum Committee. The process of trying to get programs in is a very long drawn out process. But probably more important, it has been said here, depending upon what used to be -- although the Department of Higher Education has gotten better -- when I first came in, there was three or

four different levels of which you had to check to get a building program through.

Right now, if you take a look at a building for \$2 million -- I don't think there's anybody who can build a building for \$2 million -- that means you're putting up a structure approximately 20,000 square feet. You can base that on something like \$110 per square foot or \$120 per square foot as your construction cost. Probably the average size building that most campuses need are probably in the range of 50,000 to 60,000.

We just put up a brand-new building at Burlington County College, for which we are most appreciative, but that building replaces temporary structures that were 23 years old. In the original State 18A, I found a clause that said that no building could exist for more than 5 years if it was classified as a temporary structure. So, even with the oversight what we had there, things were allowed to go along.

I think this bill will be in the best interests of community college students.

Bill.

**W I L L I A M K. M c D A N I E L:** Mr. Chairman, members of the Joint Committee, I come here as a businessman and a Trustee. Since you don't know me, I think that I am sort of in the position of being an expert witness without proving my expertise. If you will permit me a moment, I'll give you a little bit of my background. At the present time, I am Chairman of the Board of U.S. Sugar and President and CFO of Commodity Marketing Associates. My educational background is Ivy League undergraduate and graduate, so my interests would normally tend

to be in that direction. I've been active in politics for a number of years as a Democrat. I was the Democratic mayor of my town for 15 years.

ASSEMBLYMAN ROCCO: Are we talking about Burlington County?

MR. McDANIEL: Yes.

ASSEMBLYMAN ROCCO: Oh my goodness.

MR. McDANIEL: It goes back more than a year.

(laughter)

ASSEMBLYMAN ROCCO: It's a tough county you're dealing with.

MR. McDANIEL: President of the local school board for many years, Chairman of the Burlington County Welfare Commission for five years, I've also been on the Board of Directors of the National Association of Community College Trustees for eight years, and for six years as a member of the Joint Commission of Federal Relations, so I have some expertise in community colleges in other states other than New Jersey.

I have been somewhat amused because I have some rather lengthy notes here, and I was cautioned that this Joint Committee might lose their attention span shortly if you testified too long. So the first two members of the Board of Higher Education today, according to my watch, went an hour and 25 minutes, so at this point in time I'm addressing you as good afternoon, not good morning.

I was delighted to hear that Senator Palaia had noted that I'd been grossly insulted by the Chairman of the Department of Higher Education. I don't believe that any of our trustees are in any way related to the jailbirds who serve time for

stealing money for their own benefit in the savings and loan scandal. I am assuming that particular testimony that went on for a considerable length of time you're going to discard.

I'd like to also say to you, I heard Commissioner Goldberg say that in the 1960s, Governor Dick Hughes formulated this Board of Higher Education. I can tell you that in his election that year, I was on the ticket with him as a candidate for this body. He won, I lost, and for those of you who have a little more experience, I have since become very friendly with the Senator who beat me, Senator Barry Parker, and I thanked him many times for that. (laughter) It permitted me to go about my business.

ASSEMBLYMAN ROCCO: As long as Barry didn't send you here, we'll be in good shape. Barry is a very good friend but of all of us--

MR. McDANIEL: Well, I'm glad that you remember Barry.

In all of our lives we have a cycle. We have birth, we have life, and we have death. An insect, that might be one day. A planet might be eons beyond our ability to comprehend, but for a government agency, that seems to be birth and life and life and life and life. I don't know when the termination comes about. But I was absolutely astonished and delighted when the Governor said it's time to terminate something that is no longer needed. We no longer need it.

I don't know, in Dick Hughes' day, we needed the Board of Higher Education. Why did we need it? Over 50 percent of all the high school graduates in New Jersey had no place to go to college. They went out of the State. There just weren't enough positions. So it was a disgrace, it had to be corrected.

The best of our young people left the State and most often never returned. That's been corrected long since.

We not only have a position in our college system today to educate every high school graduate who wants to be educated at a higher level, but we have several thousand positions in excess of that to reeducate those people who never had the opportunity in the first place. We're proud of that. So I think that it's time for us to bid farewell to an agency that's outlived its usefulness.

Senator MacInnes isn't here, but he asked the question, "What have they done wrong?" Why do they have to do something wrong? They have outlived their usefulness, that's all. We don't need them anymore. It's excess baggage that we're carrying. What can we do for that? If you have testimony here, I'm sure someone will say to you, "The budget for that department is so infinitesimal that it only represents one hour's collection of taxes in this State," and they're right.

But I don't look at it that way. Let me tell you how I see that budget. We have 7,100 full-time students. Their budget would pay 100 percent of the tuition of every one of those students. It's astounding. We could use it that way.

However, I think the Governor's point is that she wants to control spending, and as elected representatives of the people, all of you know that that's foremost in the minds of all of your electorate. This other question that was asked is, "What damage would be done if we postpone it a year?" I'll tell you what damage would be done.

The Governor has presented a program that indicates that she wants to do something dynamically and do it soon. If

she doesn't do it with the first thing she proposes, it's not going to happen, and who is going to get painted with the brush of do nothing? You know who is going to be the brush of do nothing because you're sitting here. I hope you don't do that.

I thank you for your time.

ASSEMBLYMAN ROCCO: Thank you very much.

R O N A L D D. W I N T H E R S: My name is Ronald Winthers. I've been a Trustee of the Board approximately 3 and a half years. I'd like to just put another twist to the reasons why we're here. I'm going to do as Bill did. I'm going to give you a quick background. I'm going to make it very quick and very interesting.

Number one, why am I a trustee? We don't get paid. It's for the children. It's for the education. What is my background? I've lived in Burlington County for 26 years. I have founded several organizations to help children -- male, female, black and white -- to go to college. I have volunteered for the last 10 years with a background in financial aid to assist students and parents on how to apply properly for financial aid. Since 1985 I've talked to many students, and of that, a lot of these students in the State of New Jersey have moved out of the State for one reason or another.

But when I became a Trustee at Burlington County Community College, I found out why I was doing the things that I was doing when I wasn't a trustee. Because at the trustee level at a community college -- and now having the opportunity of speaking not only with our Board, but members throughout the country who are Trustees for community colleges -- it's a commitment.

It's a commitment for excellence in higher education. I believe that this bill will help community colleges tremendously. I think that the quality of the presidents of community colleges is top-notch. I do recall the Chancellor stating something about questioning the quality of presidents of community colleges. I have a question as to why he would think that.

I, as a private citizen first, have seen not only locally at our college, but many presidents of community colleges. I have to tell you that as a father who is paying for a son in college, I was impressed when I first became a trustee. I want to end my story with something that I hope is home with all of us. I happen to have my oldest son home for a week. He was in the kitchen last night, and I said, "Justin, pull your car out of the drive because I have to get out early tomorrow. I have a very important meeting." He said, "What is it?" I said, "I was asked to, if I had the time, to just come today." I'm an insurance agent, time is money to me. I've sat here since 8 o'clock this morning because I am committed to seeing why we are all here. It's for the children.

He said to me "Dad, are you paid?" I said, "No, but I'm rewarded." I asked him, "You know, before you leave, will you do me a favor? Will you drive to Pemberton and see the new academic center that I've talked to you about? That we on the Board, along with our President, have put together." I said, "It's not the University of Virginia, where I'm working very hard with your mother to send you to, but I want you to see it."

Because, you see, my son -- we were very proud of something that many students are awarded in the State of New Jersey, that is that he is a New Jersey Scholar. He was awarded a scholarship in the State of New Jersey in 1991. He chose to go out of state. I could not keep him here, but I was not a trustee. Being involved at the community college level, he's now saying, "You know, I just didn't know."

I end my comments. Pass this bill.

SENATOR PALAIA: Thank you.

ASSEMBLYMAN ROCCO: Thank you very much.

I'm sure there are some questions. I guess those that oppose this legislation, from my perspective, keep indicating somehow that the Trustees of the individual institutions will not have the capability to be autonomous and run their institutions in an appropriate manner, so to speak. That's basically the way they sum up their position. Obviously the skill and ability of Trustees-- You know, you all are perfect examples of the types of trustees we have throughout the State, not only at the county colleges and at the State colleges, so I want to applaud you for your efforts.

Joe, you have any questions?

SENATOR PALAIA: No. I just want to thank you, you know, for reiterating what I had said earlier about quality, as Chairman John Rocco has just said. You know it bothers me that you have attained a level up here (indicating), and if the Board of Education had something to do with that, that's fine. But I can't see, if they're not there to that level, that accountability, Doctor, that you talked about, it's going to go way down here. (indicating) I don't see that at all.

DR. MESSINA: Senator, I would say, in all due respect to whatever existing structuring is in now, we didn't get a lot of help and assistance in attaining what we have at Burlington County College.

Let me just give you one quick example. Before I came, we got a nursing program, but the nursing programs were held back because of the structure in place, because of maybe even a political consideration that one college had it and didn't want to see an emerging institution get it.

It was only through the efforts of Trustee McDaniels, who brought suit against the Department and against the State, that we were allowed to get our nursing program into place. We think we have one of the best ones in the State. The other thing is, too -- I heard something, and I just have to react to it a little bit -- is that we won't have time to build golf courses on our campuses. We have Trustees who oversee that very, very clearly, and believe me, the accountability at my level would be nowhere the level that we have at the State.

Thank you very much.

MR. McDANIEL: I got another complaint. I'm Chairman of the Finance Committee--

ASSEMBLYMAN ROCCO: This is not the complaint department, Mr. Trustee, but go ahead.

MR. McDANIEL: As Chairman of the Finance Committee, our President says you're looking too finely. You're looking at these little expenses that are too small for you to look at. Well, maybe that's a criticism, but we look at them.

ASSEMBLYMAN ROCCO: Absolutely, thank you very much.

ASSEMBLYWOMAN WRIGHT: Mr. Chairman, may I just make a note--

ASSEMBLYMAN ROCCO: Yes, Mr. Trustee, and then Assemblywoman.

MR. WINTHERS: I just wanted to mention one thing which has not been touched on, and I would like to bring it up only as an issue that is a fact as far as my being a minority Trustee. I think it's the best thing for this bill being passed to help minority students in the State of New Jersey.

ASSEMBLYMAN ROCCO: It's a very important factor because that also continues to surface along with the fact that you all are rather incapable of running an institution. But--  
Assemblywoman.

ASSEMBLYWOMAN WRIGHT: I just wanted to respond to President Messina's report on the Pew Foundation. It reminded me of a little bit of government and the fact that obviously we have to learn to be more flexible and creative. I think that perhaps this legislation leads us in that direction.

Also I am astounded at how you lost all of that -- you went from 26 percent to 14 percent. Can you put something in writing to this Committee to let us know the process.

DR. MESSINA: It just so happens I have two charts with me. (laughter)

ASSEMBLYWOMAN WRIGHT: Because of the presentations that proceeded you early in the morning would lead me to believe that couldn't possibly have happened under the structure that we had. So I'm very curious as to that part of the process. I think you've been very helpful in sharing your testimony.

DR. MESSINA: I will put that in writing to you, Assemblywoman.

ASSEMBLYWOMAN WRIGHT: If you would write to Chairman Rocco, we'll get copies here at the Committee, because I think it's incumbent upon us to have a better understanding of how that could have transpired. I thank you for your testimony.

ASSEMBLYMAN ROCCO: Having been one of the charter professors, I guess, or as Director of Continuing Ed in summer sessions at Camden County College when Burlington County wasn't in existence yet in 1968-- When was your foundation date?

DR. MESSINA: About 1970.

ASSEMBLYMAN ROCCO: About 1970. Things have certainly come a long way since then, that's for sure.

SENATOR MacINNES: Mr. Chairman.

ASSEMBLYMAN ROCCO: Yes, Mr. MacInnes -- Senator. I'm sorry.

SENATOR MacINNES: That's all right. I go by Gordon, all sorts of things.

ASSEMBLYMAN ROCCO: Gordon. Okay, Gordon.

SENATOR MacINNES: I was interested-- Is it Mr. Winthers?

MR. WINTHERS: Yes, Ron.

SENATOR MacINNES: I'm sorry. I was interested in your comment that you thought that this bill would be the best thing for minority students. I was wondering if you could just tell me why you think that, in terms of what we had heard earlier about the spreading out of those funding and program boards that are now in one place and that kind of thing?

MR. WINTHERS: Well, Senator, I look at it first as the need for this bill in assisting community colleges which create a great accessibility and will, of course, increase-- That accessibility then allows minority students to come through its ranks. I see that once they are in the community college environment, they are then allowed to transfer within the State to certain schools such as Rutgers, Trenton State, etc. I see that as the value. As a cost factor, community college is truthfully-- (portion of testimony lost due to electrical problem) --as opposed to waiting and hoping that they are going to get financial aid.

SENATOR MacINNES: But that doesn't change. That's how it is today under the present system, and that's presumably how it will be under the future system if this bill is enacted. Is there anything specifically about the bill that gives you greater confidence that as against the situation today that minority students in particular would be assisted through this? I thought that was your stand.

MR. WINTHERS: My feeling-- I understand your question. I would respond by saying, once in place, and specifically when we consider the fact of the Council of Presidents and taking a look at how the money flows through to the students and the decisions that are being made by the people that are in place at that time, I feel that there would be more of a clear understanding of the needs of minority students because of the people who are in position at that time because of the bill.

SENATOR MacINNES: Because of the Council of Presidents' advisory role?

MR. WINTHERS: Exactly. They're closer now to our students.

SENATOR MacINNES: Right.

MR. WINTHERS: They have-- They can touch-- They can put themselves in their position. May I answer this as a parent?

SENATOR MacINNES: Sure.

MR. WINTHERS: To me, the Board of Higher Education doesn't see the needs of our children as a college President or Trustees because they are not there. They are more removed from what I see--

SENATOR MacINNES: Right.

MR. WINTHERS: --than they would be, such as a President and a trustee. Those persons, then, being considered or appointed to certain positions through the cabinet or whether through the Presidents' Council, will then have more vision as to the needs of minority students because they are more localized. That's my feeling.

SENATOR MacINNES: I see. Thank you for that Mr. Winthers.

ASSEMBLYMAN ROCCO: Thank you, Senator.

Thank you Trustees and Mr. President.

Next, we will have our ECS rep, Ames McGuinness, National Center of Higher Education.

Not related to the Senator, by the way.

A M E S M c G U I N N E S S: Mr. Chairman, recognizing you have many people here from New Jersey, I'll summarize my remarks quickly, and then I'll be open to any questions you may have.

Let me just tell you first about my perspective on this issue. I have been a staff member for the Education Commission of the States in Denver for the last 18 years, and I now work for a small non-profit organization -- it's about 25 years old -- on improving the management of colleges and universities. That's my professional background.

What I really specialize in is the coordination and governance of higher education. For better or for worse I've been involved in, I would suspect, at least as an observer but usually an advisor, in, I would guess, every major reorganization across the United States over the last 10 years, from Washington to Colorado to wherever it may be.

So I have observed this process a lot, and I would say from a perspective here I usually come to a state and say deliberately I will never tell it what to do. People don't like out-of-staters suddenly wandering in and giving advice. I will tell you, in this respect, I'm in a little bit of a dilemma. I grew up in New Jersey. My family has lived here, in fact, going back about five or six generations. The other point is I did serve as an informal advisor to the Hartman Advisory Panel and sat through that process.

What I would like stressed here, and I will go through this quickly, is that I think this is more of an opportunity for New Jersey than, in fact, is clearly being stated in any of the current debate, and I'll emphasize that why. I think it's a risk for somebody to come into a state and make that point. But I think that unless you seize this opportunity, there may be, in fact, major losses down the line for the students and people of New Jersey.

Let me just summarize a couple of points just quickly. First of all, two premises -- two things that I would say these reorganization discussions in states totally miss. What I really want to stress is I do not think that the Governor's proposal or the Advisory Panel is missing these points. Number one, I go to more states like this where the debate is totally about turf, defending a department, mechanics, who's on first base without any discussion about the future of the state and the people and the students to be involved.

The thing that is really interesting about this proposal is it is, I think, honestly putting the future of the State on the table and saying we need a fundamental change in the way business is done in order for students to be served in the future.

The second point is that debates like this inevitably swing between two perspectives. You hear from a whole set of people, "Let's give institutions a whole lot of autonomy and just let them run free." Then you have a whole series of people who will come in the next minute saying, "If you do that, the State interests will never be served and society will be ignored."

I think this proposal, much more, in fact, than a lot of the discussion has, balances those two points. There's a really interesting thing that happens in the initial discussion framed just in terms of institutional autonomy. It seems to deliberately ignore the points that are added to a proposal later on to be absolutely sure that the societal perspective is protected.

Let me just talk a little bit about context. I think that the other speakers have really emphasized the changes going on in higher education. I am struck by so many people in higher education who seem to have not a clue about the depth of the kinds of changes that are going to happen.

I'm not going to talk about New Jersey right now. I'm talking about other states. There is absolutely no new money. You know the reasons for that. It's not only a taxpayer issue, it's a question of other state priorities, but it's also that parents and students are at the limit of paying more tuition. So talking about more money in the future is really dreaming.

The second thing is demand is absolutely going through the ceiling. So you have a system caught between two forces that you absolutely need the things done more creatively. Now the problem here is that people talk totally about change at the institution without realizing -- I'm not talking about New Jersey in this case -- but I see more state governments moving more toward the 21st century by basically reinventing the 19th century. You see state structures that are totally out of date with creating the environment that needs to affect change.

So, in that context, I just want to talk a little bit about state coordination and governance across the country. I was involved in a project, in which New Jersey was a participant, in which we looked at the relationship between state government and higher education, and it was funded, again, by the Pew Charitable Trusts. I don't want to blame them.

What I'm going to summarize now are points, and I just want to please stress I am not summarizing New Jersey, but I just want to put this in perspective a little bit. This is what

we really found: a set of Boards, particularly coordinating Boards, that were loaded with outdated statutory requirements; that they were proceeding to continue to implement often enacted by previous legislatures over the years; administering them poorly in an overlapping uncoordinated fashion; a total lack of their ability to raise the serious issues facing the state and getting those on the public agenda; above all, an emphasis on preventing bad things from happening rather than ever getting on the agenda. How in heaven's name do we create an environment for the kind of reinventing and creativity that you need in a higher education system? The most important thing is tentative leadership in which uncertainty about security of the agency and its leadership really leads these bodies absolutely not to get on the public agenda the issues that need to be faced.

Now, that isn't talking about New Jersey at all. I could give you examples all over the country. Now, the key to this is as follows: There are a few agencies around the country and Boards that recognize exactly what I have described, and they have set about their own processes to reinvent the way that they are functioning. I'll just tell you flat out that the states that where there are, in fact, proposals to abolish those Boards tend to be those in which the agency itself did not set about its own renewal process.

So let me just talk a little bit about New Jersey, and I'm going to be, probably more than I ever would at ECS, just be honest with you.

First of all, I think this Panel that worked over 30 days was one of the best groups I've worked with across the country. It was not a group of presidents simply talking about

their self-interest. It was a balanced group that talked about how to really make something work for the future of New Jersey. Only rarely did a question of individual institutions or sectors arise. It was a constant question about how you do a better job for future generations of students.

The second point, as an external observer and again as a long-term resident of this State, an objective statement is, there is no compelling public agenda for the future of New Jersey that I've been able to observe. The major issues that the State has to face, the major dilemmas, and the kinds of policy choices the Governor and the Legislature are going to have to face somewhere along the line, that is not being done. My sense is that what is happening is, the Board and Agency that is responsible for that has gotten lost in all the accumulation of other duties over the years and doesn't have the time to do it with the resources.

The next point is, I think that a lot of comments have been made about New Jersey, and this State clearly lead the nation in innovation in State policy during the 1980s. I've got to say to you honestly, I do not know one single responsible person in the field that I work in that would cite New Jersey in any form of a leader in this respect today. Not a single person.

The last point is that I think the basic lesson, as I mentioned earlier, is that, if there are troubles, if there is in fact a changed agenda, the Board, in fact, reinvents itself and builds a new agenda in a different time. I don't know why that didn't happen in New Jersey, because I know the people on the Board of Higher Education, in fact, the Chancellor, had a

sense that was needed to be done. Maybe it's too late in that process, but I think that's just an observation.

So I want to maybe conclude with some points about the Commission report. Many people begin just with institutional autonomy, and I think it's extremely important to have strong Boards of Trustees. I'm a gubernatorially appointed Trustee myself, incidently, confirmed by the Senate in Colorado. But I really expect the legislature to drag me in as a Trustee and hold me accountable for the kinds of judgments I make on tuition, on student affairs, on transfer policies. The last thing I want is the coordinating board in my state to second me as a Trustee and undermine my responsibility. It's absolutely essential that you put the burden on those trustees because they will never assume the responsibility if you don't do that.

Number two, the commission proposed in this body has all the authority that the most effective coordinating boards in this country have. What is important in these bodies is the quality of the appointments, the quality of the leadership, and as the Goheen Report said, the smaller the staff the better because they focus on the right things. There is nothing weak about this body in terms of advocacy, leadership, and getting the issues (indiscernible) by any comparison. I publish the guide of all the states on this issue, which is in fact used for references.

I just want to perhaps conclude by making two points. I've observed these debates in many states, and I will say to you that it is not helpful for you to prolong a debate about this issue for the next century. If you want to paralyze something, if you want to make sure that students are not

served, just debate this for a couple of years and listen to 15 people try to dissect it. So I would really urge you -- and I can talk about this -- to get it off the table. You have a good framework. Put it down there and get on with it.

The second point maybe sounds contradictory. Within this framework, there are a lot of things to work out. Careful implementation, good appointments, getting things in order will make all the difference in the world. But don't procrastinate on it because, if you do procrastinate on it, in fact, I think a lot of people are going to lose, and the real losers will be the students now and really the future generations of students in New Jersey.

Thank you very much, Mr. Chairman.

SENATOR EWING: Ames, have you ever been called before the legislature as a trustee?

MR. MCGUINNESS: In fact, it's funny. I came back from New Jersey, and I was dragged up there because the legislature in Colorado did something you will never want to do.

SENATOR EWING: No, but were you a trustee at the college at the time?

MR. MCGUINNESS: Yes. I was dragged up there as a trustee.

What they wanted to do was legislatively mandate a cap on tuition and student fees. I said, "You know, I've just come back from New Jersey where, in fact, this whole issue is being debated." I said, "Please, drag me up there, ask me questions, put me on the stand about why I'm doing that, but do not undermine my authority to do that. Because it really is to me

that the students, faculty members, and community members should come to ask that question."

So I made the same point. They confirmed me, which I think is not a bad idea, and hold me accountable as a trustee. They should ask me as a trustee but not get into my business.

SENATOR EWING: No, I mean did you appear before the legislature after you had been made a trustee other than going through the normal routine of--

MR. MCGUINNESS: That's what I'm describing to you. I was both confirmed and I was asked to come up and testify.

SENATOR EWING: What has happened with tuitions in Colorado?

MR. MCGUINNESS: This is a-- One, this you can do parenthetically in a place like ECS is spread diseases rather than cures. So I'm not suggesting the following: Colorado has a constitutional amendment which limits all revenues from all sources. So, in fact, tuition is severely constrained by the overall expenditure and revenue limits in the state constitution. That's what contains tuition in Colorado, and I'm not suggesting that be done here.

SENATOR MacINNES: If I could, Mr. Chairman? Thank you. First and most importantly, how do you spell your last name?

MR. MCGUINNESS: I was about to say correctly but that would be-- (laughter) No, sir, it's M-C-G -- it's like Guinness Stout and "Guinness Book of Records" -- G-U-I-N-N-E-S-S.

SENATOR MacINNES: Okay. Well it's still not a bad name. (laughter)

You described yourself as an "informal consultant" to the Hartman Committee. What is an informal consultant?

MR. MCGUINNESS: First of all, because I publish "The Basic Reference Guide on Coordination" that describes all the states and the trends, I've really been called in this State from Legislative Council, from the Governor's Office in order to be able to provide a perspective, not on New Jersey, but on how other states are organizing the system. Much as the questions that you're asking.

SENATOR MACINNES: Does that mean that you're an unpaid consultant?

MR. MCGUINNESS: No, I was paid, and I will be paid for my time that I devoted, not all the time, but yes, sir.

SENATOR MACINNES: Including your testimony today?

MR. MCGUINNESS: No.

SENATOR MACINNES: That was excluded specifically in your contract?

MR. MCGUINNESS: I don't think that's the case.

SENATOR MACINNES: Okay. You're not sure.

MR. MCGUINNESS: Let me also say that my contract did not read please come to and support the Governor's proposal. What am I--

SENATOR MACINNES: I would never expect to see a contract written like that.

Let me ask, if I could, you mentioned that we should not -- you advised us not to take a century nor two years to study this proposal. Should we take just 30 days to study it? Is that an ample period of time for the Legislature to discharge its obligations for reviewing a 138 page piece of legislation?

MR. MCGUINNESS: I think you have an open process here. But let me just give you a comparison on a range of things. Massachusetts just consolidated its total university system through a note on an appropriations bill on the last day of the session. I could go from the State of Washington across the number of states that have taken two months, three months, or four months to deliberate these things is not high. What happens is there is a build-up over a long period of time, sir, in which the issues that come to a particular point have really been raised.

SENATOR MacINNES: I see.

MR. MCGUINNESS: I could go through that in New Jersey, but these issues are not new. So the question here is you have a short time with a proposal before you, which is very different than the deliberations that really lead up to this.

SENATOR MacINNES: So your feeling is that prior to the March 15 announcement of the Governor that the Department should be abolished, there had been a wide discussion of the issues that describe the reasons for the--

MR. MCGUINNESS: Yes, let me give you a specific reason why I do that. I had a grant at the Education Commission of the States to, in fact, work with a set of pilot states in which I took funding, not from New Jersey, but from that foundation grant, with the agreement of the Chancellor and a set of other people.

We, in fact, commissioned a team which I paid for from that grant to visit county colleges, independent colleges, Rutgers, and a set of institutions, the Department and talk with people in State government in New Jersey. We prepared a report

which examined the relationship of State government to and how it, in fact, supported and detracted from the ability of the institutions to get on with serving students in undergraduate education.

We summarized those reports and, in fact, made them widely available. This is not new.

SENATOR MacINNES: Do you have any left? I'd love to see that report. When was it issued?

MR. McGUINNESS: The point is that there are, and I've just got to be honest with you, a report like that in a year of an election is not exactly the kind of thing one wants to see wandering around, but to say that these issues were new and that somebody was raising them is just not accurate.

SENATOR MacINNES: No, I didn't say that.

MR. McGUINNESS: I'm just saying that. I'm not saying that you were making that assertion. There was a strong feeling that, in fact, there was a need for a significant change, and in fact, what was really interesting is that the members of the Board, at my census, members of the Board of Higher Education and the Chancellor even felt that that was important.

So this is a culmination of a long process. Maybe my best other point to stress is my second point: I have no doubt that in this legislation that there are a whole set of issues, particularly the affordability issue, that needs to be addressed. I think that there is a way to set up a framework and see that those are thoughtfully handled, but they are not necessarily the things that need to be done to delay getting  
t h i s            o n            t h e            t a b l e .

SENATOR MacINNES: First of all, legislation needs to

be read, okay. That's the first part. Your point is that within this 138 pages, you're satisfied that there is nothing terribly major that needs to be drawn out and responded to in this legislative review of it in the next 30 days that should hold up our deliberation of this. Anything that needs to be refined can be done so after the fact. Is that your advice to us?

MR. MCGUINNESS: I want to answer that carefully because I -- just to think it through. First of all, I've had an opportunity, which perhaps you didn't have, of listening to the deliberations of the Advisory Panel in which all sorts of issues were--

SENATOR MacINNES: Those deliberations were closed, so we didn't have that opportunity.

MR. MCGUINNESS: Right. I did, also, have the opportunity to read all the proposals of how to implement the Governor's proposal. I also read all the testimony that was before -- because those were open. Sir, there are a whole lot of issues raised which I know were thoroughly discussed by that Panel as they put this together. Not knowing New Jersey in detail, but knowing around the country, I think that the basic framework for effective coordination and a decentralized governance and a system of accountability is in place there. Now, I think you've raised, in the discussions here, several points that are relatively minor that you may want to address, for example, involving the Legislature in conformation and other issues like that, but I think the broad outlines are there.

SENATOR MacINNES: You mentioned that the real test of any system comes in its implementation and in the quality of

appointments that are made and everything else. Your point of view, however, must be that that by itself is not called for given our present system. That is, if the problem is leadership, if the problem is energy, if the problem is focus-- I mean, that's not something that can be corrected: making changes in the unfocused, unenergetic leadership of the present Department and Board. Is that a fair way to look at it, rather than going through this complex dismantling and shuffling around?

MR. MCGUINNESS: Whether it is in the State of Washington, Wisconsin, Colorado -- I could go through a whole list -- there is a time in which a board can really do what you describe. But there really comes a time when there is an accumulation of a set of concerns in which people say, "Okay, we're moving ahead."

Frankly, that usually happens when a new Governor is elected and the people say, "We're moving ahead." There are a whole set of things that might have been done. I can't judge why they were done or not done. It's not because these are evil people. These are all good people.

I want to elaborate on that. You find a set of agencies that are, in fact, burdened by a whole accumulation of history, which is not the creation of these people. They're legally responsible for carrying out much of what you give them. They have a fraction of the staff they had to carry those things out. It is very hard for them to suddenly sunset themselves to have a new vision. So that's why these new renewal things sometimes are important to get with it.

SENATOR EWING: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Yes. Ames, based on your testimony and your experience, would you categorize the end product of this legislation or the Advisory Panel's report on a scale from liberal, conservative, unrealistic, workable based on your experience with other states? I mean it hasn't happened yet, it's a proposal. Looking at what has been done, what has been proposed, how do you feel about that proposal?

MR. MCGUINNESS: There are some key aspects of this that I think make it workable but also make it absolutely what, in fact, I think the most progressive governments are doing worldwide.

I just want to use this as an anecdote. I've worked with the government of Sweden -- with the new government-elect in 1982, which in its first act abolished the state board of higher education, decentralized the system, and reconstituted institutional governance and created a lightly staffed entity. I could go through about ten other countries. It's absolutely essential, in my view, that you have to do two things. You have to decentralize something to really give that responsibility and then reconstitute something which, in fact, at the state level, really does provide statewide leadership, which I think this does of a lay group and does so in a way which really draws the Presidents in, so they, in fact, collaborate with this to the maximum extent so it doesn't become just a war between institutions in the state.

Now the trick is whether this will work. Those states -- where at about this time in the process people begin to say, "Let's get beyond the battles and really pull together for the future of this state" -- those are the states that succeed.

Those who prolong the battle over a long period of time, I think, are really just digging a hole and realizing that bureaucracies don't count, you know, probably kids do.

ASSEMBLYMAN WOLFE: Thank you.

SENATOR EWING: Senator Martin.

SENATOR MARTIN: You mentioned earlier-- I think Senator MacInnes asked you something about whether the 138 page, proposed piece of legislation dealt with all the issues. I think you said something, "It covers the broad outlines." But you also said sort of in passing that there were issues of affordability which were of concern. Now, I'm real interested in that.

MR. MCGUINNESS: Right.

SENATOR MARTIN: I assume you're talking about the degree of independence which allows the colleges to set their own tuition levels. But I'm interested in--

MR. MCGUINNESS: Let me just talk about--

SENATOR MARTIN: --how perhaps you might see legislation, if not this bill, but in the future or other means, by which that problem would be addressed. First of all, what is it and how should it be dealt with?

MR. MCGUINNESS: First of all, I don't need to tell you all this, but my experience is that voters really care absolutely very little about whether there is a department or not a department and all that stuff, or a commission, or Presidents' Council. They really care about access and affordability.

There are, in my view, a couple of things in this that are really important in that way. I think what is done on

student aid, in fact -- first of all, making sure that things do not fall between the cracks now and that things are well administered.

But, secondly, proposing that in a thoughtful way, there will be a coherent, consistent way to really lead services to students and aid to students. That may be lost in this whole debate. But I'll tell you what happens in other states, and I'm not going to comment on New Jersey, is that as state budgets go down, student aid gets merged in with the coordination function. Neither coordination happens nor effective student aid administration.

So, number one, I think it really is much clearer than my sense in the past about how that's going to be handled.

Number two, I think it takes a good step by not trying to mandate, regulate issues like tuition and fees, but really charges this Commission to come up with the best possible recommendations to the Governor and the Legislature about long-range plans on financing.

It's just like controlling airline prices. I'm not sure you can do this by regulatory approach. But I think you might be able to build in incentives through the student aid approach to make absolutely sure that there are no incentives for people to raise tuition, for example, beyond the availability of student aid. So I think that's addressed in this proposal. Maybe it needs to be stronger, but I think, as an outsider, it's moving in the right direction.

SENATOR MARTIN: Just related to that, let me give you a situation. We have nine State colleges in New Jersey.

MR. MCGUINNESS: Right.

SENATOR MARTIN: Reputations come and go. Some -- I would dare say -- that some of the colleges may have a higher reputation, at least right now, than others. To the extent to which those schools or colleges develop their own independence and-- Do you foresee the possibility of schools becoming-- It was said earlier that it's okay to let the schools survive on their own.

But are we perhaps in danger of creating a system in which there is going to be within these systems an elite, the possibility of an elite -- the possibility of elitism -- where some of the schools will develop to a point where they have the reputation, perhaps the resources, and because they can set the tuition, they will be able to elevate themselves above the others? It reaches forms of competition that could be damaging.

MR. MCGUINNESS: First of all, when I listen to descriptions of proposals as they come along, I'm often interested in how they're characterized. But let me describe my sense of what this proposal does. It really recognizes that the heart to the answer of your question is in the interaction in the budget process between this Commission. As it says, we have the kind of potential problem that you raised. In our policy recommendations to the Governor and the Legislature on a long-range financing plan, we are, in fact, going to raise with you, as legislators, the interaction between the extent to which the State is able to come up with appropriations -- where those moneys go and what students pay.

It is really there that the decision and the debate that you are talking about is going to come about. It's really important for the State of New Jersey to realize that the level

of support and appropriations, the funding for faculty salary increases -- all those issues are intricately related to the question of tuition policy. Now, if you, as a Legislature, never debate those and with the Commission never got those on the table, what you are really doing is forcing the individual Boards of Trustees to assume your responsibility for facing that issue. If you're a Board of Trustees member, as I am, and you're left with students to be educated, faculty members to be paid, and you have a fraction of the funds you had before, you are between a rock and a hard place. You don't want to raise tuition under any circumstances.

The problem is that needs to not be a private problem, it needs to be squarely on the Governor and the Legislature to get those issues before the State. They are really serious ones. Just simply saying you can't raise tuition, that's not the way to handle it. It really needs to be done as it says in this legislation, with the Commission, advised by the Advisory Council in the budget process, with the Governor, and the Legislature, and I think that's what it is like in three-quarters of the other states I work with.

SENATOR MARTIN: Thank you.

ASSEMBLYWOMAN WRIGHT: I just can't let you go without having the opportunity to tell you how much I appreciate your comments today and the broad vision that you bring to us. Because I think that-- I'm not a critic of the Department of Higher Education or the Board, although I was on their staff 20 years ago, but I think that we're aiming for excellence for the best that we can be and do.

I was educated outside of New Jersey as a New Jerseyan, and I see lots that is really wonderful about our system. I think you're here to help us make that even better. So I really want to express my appreciation to so many of the comments you made that illuminated my thinking in terms of the process.

MR. MCGUINNESS: Thank you. Good luck to you. I think you're on the right course. Thank you, Mr. Chairman.

SENATOR EWING: Thank you, Ames, good to see you.

SENATOR MacINNES: What are you cousins or something?

SENATOR EWING: Yes.

SENATOR MacINNES: Yes.

SENATOR EWING: I paid him to come. (laughter) Out of my slush fund.

ASSEMBLYWOMAN WRIGHT: Gordon, Senator, you missed the comment of the previous speaker that in the larger universe, he made the comment that not everyone understands that there are no new dollars in higher education, and that's something that we have to grapple with. That's a fact in terms of the United States. That's what he feels higher education communities must be dealing with. I think that's significant to me, because we have to find a way to use these dollars more effectively.

SENATOR MacINNES: You know, Assemblywoman, I did hear that comment, and it suggested to me that Senator Martin's fears about what might happen under this proposal to tuition for New Jersey parents and students is exactly the fear that I share and which grew from Mr. McGuinness' statement about that. Because I see in the budget this year that support for institutions is

down. I see that-- I don't know the magical source that is available to institutions other than tuition.

It seems to me that the hope which was expressed by Mr. McGuinness, that this new Commission can properly frame the competition for funds between support for the institutions and support for New Jersey students, in the form of scholarships and aid programs, is an important hope. I'm not certain that there's anything here that says, given the way it's structured, that this Commission is going to be able to break through and get our attention, particularly since all of the budget decisions are going to be made directly through the Treasurer, in terms of the institutions themselves. So I think it's--

SENATOR EWING: The overall State budget will come before us.

SENATOR MacINNES: Well, that's right. I mean, we're going to keep giving money to build prisons, man prisons, and take money away from higher education. That's what we're going to keep doing. So that's why there is no new money. There is new money for prisons.

ASSEMBLYWOMAN WRIGHT: Mr. Chairman, this isn't our hearing, but I just need to say that the previous President testified that his county college aid went from 26 percent to 14 percent under this system that we are in.

SENATOR MacINNES: That's right.

ASSEMBLYWOMAN WRIGHT: I'm hearing today that, if the system we are in doesn't have adequate resources as you're defining them--

SENATOR MacINNES: Right.

ASSEMBLYWOMAN WRIGHT: --then I think it's time to change the system.

SENATOR MacINNES: I don't think he anticipates that 14 percent going up under this new system. I don't think he thinks it's going up.

SENATOR EWING: Be that as it may.

Donald Silberman.

ASSEMBLYWOMAN WRIGHT: Thank you, Mr. Chairman.

SENATOR EWING: President of the Council of New Jersey State Colleges, local AFT.

D O N A L D J. S I L B E R M A N, Ph.D.: Dr. Thomas Wirth has a presentation to make on a very particularized issue that bears relevance to what you are considering.

First of all, Senator Ewing, I want to thank you for the opportunity to address these important issues. In listening to Senator MacInnes earlier, I was struck by his comparison with respect to a train that has no brakes. I felt like I should come out here and wave a warning flag, because there are a lot of students down the line, and if the train doesn't slow down and stop, they are going to get run over. I think the train actually does have brakes, but the engineer has been instructed not to apply them.

What I would like to see is this express train switched to a slower track so that we can consider all of the very important issues that are before us contained in the bill, including all of the amendments that were proposed by Chancellor Goldberg. It's going to take some time to consider all of those amendments.

I have certain amendments that I would like to propose here today. First of all, though, I want to indicate to you that the Council of New Jersey State College Locals, the American Federation of Teachers, AFL-CIO is opposed to this bill, but because Senator Ewing has established a framework for discussion whereby we're not supposed to just attack the bill, but we're supposed to suggest amendments, I will accept that framework, and it's within that framework that my remarks ought to be considered.

The restructuring of higher education is being touted by the Whitman administration as an example of downsizing government and eliminating bureaucracy. There is further talk of cost savings and greater efficiency. In fact, there will be a growth of bureaucracy, increased expenditures for noninstructional purposes, and also, in addition, waste and corruption.

In place of the staff of the Department of Higher Education, we will have at least two staffs: the staff of the Council of Presidents and the staff of the Commission for Higher Education.

The bill does not authorize the staff for the Council of Presidents, but given our experiences on the campus -- and I'm a faculty member -- I can't imagine a Council of Presidents going for very long without a large and growing staff. The staff may be planned as small, at first, but the staff for the Council of Presidents will grow like a weed. On the campuses, as the size of the faculty shrinks, the size of management invariably grows. The less there is to manage, the more managers there are.

There will also be an expansion, I believe, of the staffs of Treasury and the Department of State and the other departments to which functions of the current Board and Department of Higher Education are assigned, but the greatest expansion will be at the campus level. S-1118 permits the colleges, as well as the Presidents' Council, to hire their own law firms instead of using the Attorney General's Office. Nine law firms will serve nine colleges. Think of the billable hours. Those of you who are attorneys will appreciate the opportunities here. The legal costs will be astronomical.

Furthermore, without the Board of Higher Education to develop a coordinated budget for the institutions and without the Chancellor to serve as an advocate for adequate funding for the State colleges, each of the colleges will hire its own lobbying firm to lobby for its budget. We already have the example of the State College Governing Boards Association, which represents the State college Trustees and Presidents, hiring an expensive lobbying firm, using taxpayers money and student tuition to lobby for this bill. So we'll have nine law firms and nine lobbying firms where before we had the Attorney General and the Board of Higher Education. In addition to a great waste of the taxpayers' money, this bill will bring to New Jersey's institutions of higher learning what deregulation brought to the savings and loan industry, corruption and scandal.

Savings and loan deregulation resulted in a great loss of public confidence in our banking institutions and created a situation in which corrupt individuals discredited the reputation of bankers everywhere. Our union does not want the

same thing to happen to the colleges and universities of New Jersey where we work.

Now, some Trustees and Presidents have stepped forward to assure you that will not happen in New Jersey. Well, it already has happened in several institutions. The most recent one I will cite, because I'm familiar with the situation coming from Jersey City and Hudson County.

Hudson County Community College, which was nothing more than a patronage mill with a former State Senator who was the President for life-- That situation was cleaned up because of the intervention of the Chancellor of Higher Education and the Board of Higher Education. A blue-ribbon panel was set up to turn Hudson County Community College into a genuine college serving the students of Hudson County.

This bill will give the State college Presidents and Trustees unchecked power at the institutional level with no oversight and no accountability. I know, Senator Ewing, that you are very much concerned about this issue of oversight and accountability. I urge the Legislature to provide some checks, some oversight, some accountability. Giving the colleges the power to hire their own attorneys, rather than requiring them to use the Attorney General's Office, will permit mismanagement and corruption to proliferate.

When a college is guilty of mismanagement or of corrupt practices, it will be able to protect itself, at taxpayers' expense, with a private law firm paid to say that the college administration has done no wrong. Instead of a lawyer from the AG's Office, who will become aware of the extent of the administrative errors or wrongdoing and advise the college to

cease and desist from its inept or unlawful ways, the college will have a mouthpiece paid to look the other way and defend the client no matter what.

If you think that this prediction of corruption as a consequence of the bill is just doom and gloom, consider the Trenton State College housing scandal about which Dr. Wirth will speak in greater detail shortly. Student tuition money was used to purchase and renovate expensive houses in which top administrators lived rent free, including the Vice-President, who was in charge of the housing program, which incidentally was creatively called the Community of Scholars. In response to a citizen's suit over the program, the Board of Higher Education stepped in and curbed the worst abuses.

President Eickhoff hired Jane Kenny's sister to defend him, and he certainly got his money's worth. If this bill is enacted, President Eickhoff will never have to worry about anyone looking into his scandalous policies and practices again, whether it be the Board of Higher Education or the Attorney General's Office.

In another most crucial area, the elimination of the Board of Higher Education will result in huge costs for the taxpayers. The institutions are given the power to set their own tuition policies. According to Governor Whitman, market forces will limit tuition increases. The colleges, she argues, will not price themselves out of the market, but they may price large numbers of students out of the education market.

I want to pause for just a second. Several times I've heard people talk about the kids or the children at our institutions. Forty percent of the students at our public

higher education institutions are adult students. Jersey City State College, in particular, has a large number of adult students. Most of the adult students go to our State colleges part-time, and they're not covered by tuition aid grants. So as tuition goes up, those students are hit particularly hard.

In other words, the colleges will charge whatever the market will bear. The result will be that middle-income students will be hard hit with sharp increases in tuition. Because most middle-income students cannot afford to travel very far, they will be forced to pay what the presidents' charge or not go to college.

Since tuition is a user tax, escalating tuition will undercut the Governor's promise to cut taxes. If you are committed to cutting taxes, you must assume responsibility in this area.

I would urge the Legislature to delete the provision in the bill that allows the colleges to hire their own law firms.

I would also urge the Legislature to take the responsibility to establish tuition policies that are in the public interest, policies that provide the access and affordability that are consistent with a democratic society committed to keeping the door of higher education open. Amend the bill to give the Legislature the authority to provide oversight on tuition policy.

Thank you very much.

SENATOR EWING: Any questions? (No response)

Thank you.

Dr. Wirth.

T H O M A S   H .   W I R T H ,   P h . D . :   Yes, Senator. Thank you very much, Senator and members of the Assembly, for giving us the opportunity to speak.

First, I'd like to point out that we have a number of technical amendments to propose, which I have given to your staff and which I can provide you again here, relating to the area of collective bargaining. The Governor and the Commission, in introducing this bill, had indicated that there would be no changes in collective bargaining. The fact of the matter is that there are significant changes in the collective bargaining process and prospects that are inherent in the bill. We have a number of amendments to carry out the stated intention of the bill to leave collective bargaining alone. So I'll present that material to you.

I'd like also to point out there will be another amendment that we would like to suggest about the appeals process, because the problem with the appeals process out of 18A replacing the Chancellor and the Board of Higher Education with a direct appeal to the Appellate Division is that there is no provision for the adequate development of a record at the campus level. That being the case, it's going to be kind of hard to go to the Appellate Division and try to develop an adequate record on which the Appellate Division can make a decision.

However, I'd like to focus, at this point, on the authorities that this bill gives to the State college Boards of Trustees. We've been discussing the issue of land, and from what I understand, the land is not going to be given to the Boards of Trustees after all, but the bill gives the Boards of Trustees a lot of other authorities.

It gives them the authority to invest and reinvest college reserves, to hire their own investment advisors, and to trade securities through their own brokers. I think there are a lot of security brokers who would like a \$20 million or \$30 million account.

It gives the State college Boards of Trustees the power to issue bonds on their own authority in unlimited amounts. It gives them the authority to condemn land, to construct buildings, to hire their own lawyers, as we discussed earlier, to establish and regulate their own auxiliary corporations for any purposes whatever, to determine the size of themselves, the boards, and to nominate their own successors. All of these activities will be undertaken without any oversight of any kind.

It's been said here, and I agree, that we have to have confidence in our Boards of Trustees. Most of our members of our Boards of Trustees are indeed very conscientious and honest and capable of making good decisions, but nonetheless, it is not good sound public policy to eliminate all checks and balances and rely exclusively on the personal integrity and acumen of a few individuals to protect the public interest. This is particularly true when those few individuals are not involved full-time in the complex operations of the institutions.

As an example of what can happen, I think we do have to look in rather more detail at what happened at Trenton State. In June 1988, the Trustees passed a long-range financial plan, and they passed that plan without any dissent whatsoever. The plan projected an astronomical \$215 million in capital construction over 20 years, most of which was to be financed

with revenues from students. The plan estimated that the college's budget would rise by 6 percent a year, from fiscal year 1989 to fiscal year 1998. The cumulative increase over from the fiscal year 1989 to fiscal year 1995 was projected to be 59 percent.

That estimate was a gross error. In fact, the cumulative increase was only 22 percent. I have a graph of just exactly how bad that is. (witness shows graph) The top line is what this plan estimated. This was passed by the Board of Trustees, and it was used as a means of authorizing a number of activities of the college. The top line is the estimated. The bottom line is the reality.

Now, over that period of time, the cumulative difference between projected and actual expenditures was \$58.5 million. In other words, one of the six years worth of expenditures was over estimated. Also included in this plan, and this plan was relied upon as the authorization for the Trenton State College housing program-- The idea there was to use student tuition, fees, dorm rentals, and auxiliary services funds -- all from students -- to buy residential properties near the campus for resale or rental to selected faculty and staff and to expand the campus. The plan proposed the acquisition of 160 residential properties over the period of 20 years.

The total projected cost was to be \$31.6 million, basically to buy up the whole neighborhood that the college is in. To date, the college has spent at least \$9 million in this way. If that money had been available, the \$350 tuition increase imposed last year on the students could have been delayed by at least three years.

Over a million dollars of that money was spent to purchase and renovate three houses for the college's Vice-Presidents. It was the college administration's original intent that those go to the Vice-Presidents rent free. It didn't work out that way. Under pressure from the Board of Higher Education, the college began to charge rent and, more recently, discontinued the program for two of the three Vice-Presidents.

Earlier this year, those two Vice-Presidents were paid a total of \$30,000 to settle claims of personal financial loss. Payments which were neither approved by or announced by the Board of Trustees in any public meeting.

Implementation of the housing program as a whole took place in secret without required public authorizations and with the complicity of key members of the Trenton State College Board. So much for the ability of institutional trustees to exercise oversight and assure that administrations act responsibly. Now, we have right here a clear case of what can happen.

Most recently -- this thing keeps going on -- Trenton State College Development Corporation sold one of those properties for \$160,000. Four and a half years ago it bought the property for \$188,000, so they lost \$28,000 on this one piece of property, not counting \$8,000 they spent in the buying, selling, and maintenance. Now, if that \$188,000 they had spent had been invested at 6 percent interest, say, which is kind of conservative, the college would have earned over \$50,000 and the principal would still be intact. So this is what we might face.

As it turned out, action by the Chancellor and the Board of Higher Education eventually stopped the expansion of

the housing program and forced a slow down in the construction schedule that had been projected in the 1988 long range plan.

Now, under this law, neither the Commission, nor the Presidents' Council, nor any other entity will have the power to do anything at all about a board that runs off the rails in this manner. So we would really suggest and urge you to set aside this bill and to take a careful look at what is going to be necessary in order to provide, at least, some minimal checks and balances here, so that we will have some control over these kinds of situations, because when you start saying to the institutions, "Act creatively," there are an awful lot of strange things that can happen.

SENATOR EWING: Thank you.

Any questions?

SENATOR MacINNES: I had a factual question, Professor, about what you said about the Trenton State Housing Program.

SENATOR EWING: Could you speak into the microphone.

SENATOR MacINNES: I'm sorry.

Can you hear me now, Jack? (laughter)

The way you related the story of the housing program, it sounded to me like there was a connection between the department stepping in and halting the rent free access of two or three Vice-Presidents to housing and to later financial settlements that were made to those Vice-Presidents, was that link intended?

DR. WIRTH: No, let me say this -- I mean let me just clarify what, indeed, I'm saying here. The process by which the public and the Board became aware of the ramifications of this

whole affair was somewhat extended. So I don't think one can say that any particular event was the response, at least not-- I mean I don't know what went on behind the scenes. However--

SENATOR MacINNES: The Department stepped in, the rent-free policy was stopped--

DR. WIRTH: Right.

SENATOR MacINNES: --and then some time later, of the three Vice-Presidents who were to receive rent-free housing, two of them reached a financial settlement of some kind with the College.

DR. WIRTH: Yes, because the college had recklessly, as it turns out, entered into understandings with them about how free their rent was going to be, then, as it turned out, changed its mind for good reason. I would say the problem was their having entered into those understandings in the first place and thus placing the resources of the college at risk.

SENATOR MacINNES: Thank you and excuse me for eating in front of you.

SENATOR EWING: Thank you.

We should have a trio now, Carlos Hernandez, President, Jersey City; Dr. Darryl Greer, Executive Director, New Jersey State Colleges; and Harold Eickhoff, President, Trenton State.

ASSEMBLYWOMAN WRIGHT: Mr. Chairman, for the record, I hear you just called Dr. Eickhoff from Trenton State, because my understanding of some of the discussion of the Trenton State College issue that is in previous testimony and was offered by previous speakers may not be factual. So I would expect that Dr. Eickhoff would clarify that when he testifies.

Thank you.

SENATOR EWING: Well, I imagine-- He's been around.

(laughter)

H A R O L D W. E I C K H O F F, Ph.D.: Good afternoon, Mr. Chairman and members of the Committees. I want to thank you for the opportunity to address the Committee and to support this restructuring of higher education in New Jersey.

I'm Harold Eickhoff, President of Trenton State College. I hope you note that I'm wearing my Trenton State College tie to celebrate two national championships we won over the weekend. Our women won a lacrosse national championship and a softball national championship. I thought I'd throw that in there as a moment of celebration or at least reference to it.

I would note in my commentary that I simply want to address how I think this restructuring will work. I believe we've heard a good deal of testimony, Mr. Chairman, about what will happen. I would like to talk about what will happen, in my view. I've had the opportunity to participate in higher education in several states -- four states to be precise, as both a college administrator, and I've also had associations with national organizations. I've served as an officer on the American Council of Education Board of Directors; I'm active in the American Association of State Colleges and Universities; and I am just now completing my Chairmanship of the Board of Directors of the Association of American Colleges and Universities. That's the national association dedicated to the supporting and improving of undergraduate liberal learning.

So it is that perspective I bring to my testimony. I support this restructuring because the restructuring, in my

view, is basically sound. We've heard some of the reasons for that given by Ames McGuinness. Mr. McGuinness is -- usually I disagree with him. I'd had--

SENATOR EWING: Excuse me just a minute, Harold. Are each one of you going to have separate statements to make?

DR. EICKHOFF: Yes, sir.

SENATOR EWING: Well, will you please move it along. Is this the statement you're going to read to us?

DR. EICKHOFF: No, I'm not going to read that statement to you. I will read you portions of it.

SENATOR EWING: Okay.

DR. EICKHOFF: Mr. Chairman, is there a problem with this?

SENATOR EWING: Well, I felt that all three of you were going to be talking with one voice but evidently not.

DR. EICKHOFF: I have not rehearsed the session with these gentlemen, Mr. Chairman.

Again, my support for this proposal is predicated on what I believe to be its building on traditional higher education practices, as well as the national experience in higher education. I note that those practices and traditions defined expression in all three elements of this restructuring, that is, newly empowered Board of Trustees, in the Council of Presidents, and the Commission on Higher Education.

Under the Governor's proposal, we find the following: That the campus Boards of Trustees are assigned primary and, in my view, unambiguous responsibility for the delivery of higher education. Trustees will be responsible for defining institutional mission, the setting of tuition and fees,

institutional planning, budget preparation, financing, staffing, program offerings, as well as capital improvements. Now, these are standard accountabilities for campus Boards of Trustees. For those who worry about escalating tuition costs, and I think we all should, you should consider this: that the pressures both past, present, and future to keep tuition affordable are greatest at the campus level.

Now, the Council of Presidents will coordinate cost effective program offerings at all levels and across all sectors through peer review, close attention to program duplication, and collaborative efforts to meet the State's educational needs. As a body subject to the Open Public Meetings Act, as I read the legislation, the Council will be required to justify its decisions publicly.

The Commission will advocate the needs of higher education and publish to the public a record of higher education's performance in service to the public good. The record will be based on data collected and analyzed by high quality professionals who are neither part of a self-serving agency nor beholden to institutional parochial interests. Nothing gets educators' attention more quickly than an honest report on performance.

The financial oversight, as has been mentioned by several people before this microphone, that financial oversight of higher education will continue as, I think, it basically is now, as a responsibility of the Governor and the Legislature through the budget process.

Now, I could go on, Mr. Chairman, to emphasize or to at least comment on the four items or the four goals of higher

education that have been mentioned several times. Three of them are: the goal of access, of quality, affordability, but the fourth one, which the Governor has articulated a number of times, is one called results.

Here, I think it's important to highlight how I think that will work. The Commission will identify and advocate higher education's needs. Those are the statewide needs, and it will inform the public of higher education's performance. Again, in summary, the proposed restructure includes, I believe, again, as Mr. McGuinness noted, it includes every element needed to build an outstanding dynamic system of higher education for the citizens of New Jersey. It measurably strengthens the role of Trustees.

I would point out that whatever else has been said about Trenton State College that the recognition of Trenton State College as one of the nation's best public liberal arts institutions is a prime example of what can and will happen when strong Trustees are empowered to bring high quality education and service to New Jersey.

I close by saying our citizens deserve the best, and I believe the restructuring will make it possible to build a first rate system of higher education and, through that effort, insure a bright and prosperous future for the Garden State.

I close by referencing three documents submitted for the Committee's information. They are offered as examples of a campaign which I think is well underway against this restructuring. That campaign seems to be designed to distort, to mislead, to rewrite history, and to create crisis. The first article that you'll see there or the first attachment is an

article from the May 1 issue of one of North Jersey's newspapers and a letter from Mr. John Berry, (phonetic spelling) an attorney, responding to the article's misstatements and distortions. That letter was never published by the way.

Second, a 1990 Board of Higher Education resolution, not part of an institutional plan, but a separate resolution passed by the Board of Higher Education, approving Trenton State College's purchase of residential properties for a faculty and staff housing program for up to 50 residences, 16 more than it presently owns-- It's been widely reported. You've just heard a moment ago that the BHE, DHE intervened to stop this program.

Finally, I attach an essay by the Chancellor, in which he advises newly appointed officers in State government how to affect change through manipulation, creating crisis, and the use of divide and conquer.

I thank you for this opportunity to comment. I recommend that you read these documents.

SENATOR EWING: Harold, a question I'd like to ask you, as far as the investment of funds: What would be wrong in using Rollie Machold who does such an outstanding job for the State of New Jersey, rather than going out to a private consulting firm or brokerage firm, etc?

DR. EICKHOFF: I think there would be nothing wrong with that.

SENATOR EWING: Good. Thank you.

Senator MacInnes.

SENATOR MacINNES: First of all, congratulations on your victories.

You mentioned there are a number of factors affecting the setting of tuition rates. I didn't hear you mention supply and demand, which I think might be included as a factor. I'm interested, particularly in the case of Trenton State College, which, as I understand it, at one time advocated a \$500 "quality fee" on top of regular tuition. I don't know if that's accurate or if that's subject to the same distortion you were referring to or not.

DR. EICKHOFF: So far that's accurate.

SENATOR MacINNES: Okay. I'm interested in the fact that one of your colleagues is seated next to you, from Jersey City State College, and that as we talk about tuition and what might happen down the road, and no one knows, we look at a college which has been designated as one of the nation's best values for higher education, one of the best liberal arts colleges in the country run by a public authority, and we looked at a State college which is not included on that list both in the same State system.

Now, my bet is that if you get-- I think the very first thing I received as a Senator-elect was a copy of the "U.S. News and World Report" designation of Trenton State College.

DR. EICKHOFF: I hope we sent it to you.

SENATOR MacINNES: You did; your marketing department is on the ball. Now, my question is this, I assume that if you get these kinds of reviews, you know, like a good restaurant, pretty soon you have to take reservations to get in and not everybody gets in. If you're a good restaurant and you got people waiting out the door and you want to charge \$21.95 for

the tuna instead of \$16.95 down the street, you can probably do that. So since I'm assuming that people are reading these reports and you're betting they're reading them by distributing them on a wide basis, more people want to go to Trenton State than want to go to Jersey City State. You now have the opportunity to reflect supply and demand in your standard tuition rate, is there anything wrong with what I've just said?

DR. EICKHOFF: No.

SENATOR MacINNES: So we might expect, as Senator Martin suggested and, I think, feared, that down the road -- and maybe not too far down the road -- we will see differential tuition policies set and that the tuition policies at Trenton State College would be higher than they would be at Jersey City State College, a natural outcome right?

DR. EICKHOFF: They are now.

SENATOR MacINNES: By what amount?

DR. EICKHOFF: I think there's about a \$900 difference.

SENATOR MacINNES: Okay, and that constitutes a percentage of tuition, what is that? In tuition and fees combined, what is that? Is that an 8 percent difference, a 10 percent difference?

DR. EICKHOFF: Probably about 8 percent, I would think.

SENATOR MacINNES: And you would expect this to continue. Is there anything that would prevent the gap from widening?

DR. EICKHOFF: Oh yes.

SENATOR MacINNES: So you expect that will be one of the consequences?

DR. EICKHOFF: I'm sorry.

SENATOR MacINNES: That will be one of the consequences.

DR. EICKHOFF: I think you can expect a differential to be there, but you can also expect it to go the other way. I think it's a possibility. My point here is this, tuition is a function of cost -- total cost. I'm just talking about total cost of education. We think we know at Trenton State College -- I'd be happy to discuss this in some detail -- what it takes by way of resources to deliver a top quality, residential, undergraduate liberal arts education. I mean it isn't that complicated -- actually it is that complicated to figure out, okay.

SENATOR MacINNES: I don't think it's complicated either.

DR. EICKHOFF: Okay. Now, if you know what it costs to deliver a quality education, and I think we could probably agree on what a quality education is, there are really three or four sources for meeting that cost. One is private fund-raising, another is grants from the Federal government, the third is support from the State, and the fourth is tuition. So tuition becomes a function of what it takes to deliver a quality education.

What I find has great promise in this restructuring is the opportunity to sit before legislators and to go before whatever group is willing to listen to us to explain exactly that and to talk about why it is in the public's interest, why

it is really addressing the public good when we see to it that quality education is funded. That's what I like about this process and the restructuring.

SENATOR MacINNES: That defines public higher education. The fact is that we all agree that public higher education should be funded, and that is, in fact, what defines it. That's the difference between public higher education and private higher education. I mean that's definitional. What we see is a trend line that's upsetting to those of us who support public higher education, and the trend line is the reduction in State support for public higher education.

DR. EICKHOFF: That's the same trend line, Senator, that I see, and it distresses me greatly.

SENATOR MacINNES: Okay, so we agree on that. What I am trying to get at is this, that -- and I think, frankly, that you would be foolish not to pursue this policy -- you have not all the funds you need to provide the quality of education you would like to provide. So, yes, while there is sort of this pie here made up of Federal grants, private fund-raising, State support and tuition, you can, in fact, expand the pie by charging higher tuition. If the demand for your services are greater than the seats you have available -- the places you have available -- you'd be a fool not to take advantage of that circumstance.

All I want to point out is that one of the consequences is that as you move up that scale, closing the gap between the cost of tuition at private institutions and at public institutions, there is, inevitably, a larger and larger number of families in New Jersey who fall out of the pool of

people who can afford to go to Trenton State College. That's what Senator Martin was fearful of in his questions to Mr. McGuinness. That's what I'm fearful of in my questions to you.

I think that this is a change in the structure of higher education, which not only permits that, but encourages it. In fact, the administration has used the term marketplace tuition. That seems to be their policy, and I would expect now that since you supported this proposal before -- it was, in fact, a proposal, just a gleam in the Governor's eye, a one sentence statement in the budget message -- that you would support the emphasis given to marketplace driven tuition policies.

DR. EICKHOFF: I would not support that.

SENATOR MacINNES: You don't? How do you draw the line then, and where do you draw the line?

DR. EICKHOFF: I'm not sure anybody can draw the line, Senator. I think we're talking about a process that brings three things out into the open. One is, for what purpose do we have higher education and particularly public higher education? You bring it out into the open where you can debate it, where you can discuss it, where you have an agency that is specifically charged with the responsibility of advocating the importance of higher education. That is one thing that you have under this new structure.

The second thing you have is the exposure -- the ongoing exposure -- between the leadership of the college, trustees, presidents, others, and the Legislature. You have that exposure under this system where you make your request to the Treasury, but you come before the budget committees to make

your -- at least that's what I'm envisioning -- that we come before the budget committees to talk about why it is good public policy to fund higher education and action is available.

SENATOR MacINNES: Yes, but your obligation as the President of Trenton State College -- the people who employ you as the President of Trenton State College employ you on a full-time basis to give your attention to enhancing the quality of education of Trenton State College. You're not responsible for the system of higher education in New Jersey. You're paid to take care of Trenton State. (portion of testimony lost due to electrical problem)

--Appropriations Committee. Your responsibility clearly is to increase the chances that Trenton State will get more, not less, from the limited funds that are available for all of higher education in New Jersey, isn't that right?

DR. EICKHOFF: Senator, talk with our Trustees. Our Trustees will tell you that they take very, very seriously their statewide responsibility to serve New Jersey students. They take that very seriously, and they take the oath of office to do that.

SENATOR MacINNES: Well, I understand that, but their primary responsibility is they are appointed to be fiduciaries for the rest of us--

DR. EICKHOFF: Right.

SENATOR MacINNES: --on the Board of Trenton State College. They're not appointed to be fiduciaries for the rest of us on a Commission of Higher Education or to oversee the system of higher education. They're not in a position to do that. They don't get the information to do it. That's not

their job. That's not your job. Your job is to stick up for Trenton State College, to make it the best institution you can, to make sure you're on that list of best liberal arts colleges in the country, which you did by the way, under the existing system. I don't think that, you know, the progress that has been made to date under your leadership at Trenton State is much of an indictment over the existing system.

DR. EICKHOFF: Mr. Chairman, if I may, one response to the Senator is, how many times have you heard the Board of Higher Education and the Department of Higher Education hold up Trenton State College as an example of a fine institution?

SENATOR MacINNES: I'm afraid I'm relatively new to the job, and I haven't been -- and if I get the minutes, I don't read them from the Board of Higher Education.

ASSEMBLYWOMAN WRIGHT: You won't, don't worry, it doesn't exist.

SENATOR MacINNES: I don't know, what's the answer?

DR. EICKHOFF: I can think of very few instances.

SENATOR MacINNES: That is a problem. I would agree with you that they don't recognize the accomplishments of one of the State colleges. I don't know why they wouldn't want to do that.

DR. EICKHOFF: Nor do I.

SENATOR MacINNES: But, you know, that's bad manners almost. (laughter)

ASSEMBLYWOMAN WRIGHT: Mr. Chairman--

SENATOR MacINNES: Just like eating in front of you is bad manners.

DR. EICKHOFF: Yes, particularly when I'm hungry and I have a toothache.

SENATOR MacINNES: I was directed to do it by my Chairman, that's the only reason I did it.

SENATOR EWING: We're now going to call on Senator Martin.

SENATOR MARTIN: A little question. I asked this before to somebody else, so it is repetitive, but I'm interested from a college president of a school with the stature of Trenton State. If you had your druthers, would you rather have somebody who had cabinet level status who was in the cabinet and able to represent the public and private colleges in New Jersey as a whole in the Governor's cabinet, or does that not bother you at all, or do you prefer to see us not have that?

DR. EICKHOFF: It does not bother me at all not to have somebody at the cabinet level. Basically, Senator, and here this is a personal statement, I'm a Populist. I really believe that if you give people an opportunity to express their interest through processes that are very clear -- and that's again why I think the restructuring has great promise -- if you bring trustees from not just the State colleges, but from all the institutions in the State, the community colleges and others, if you put them into the system where they can make the importance of their work known, I think that is a much better way to keep higher education on the public agenda than it is to say, "Well, we'll keep higher education on the public agenda through having a cabinet officer."

SENATOR MARTIN: Second last question, there has been some talk of some form of oversight, if not legislative then

some from-- Let's say, hypothetically, Trenton State were to increase its tuition two years from now 15 percent. Do you envision some type or would you support some type of oversight where an amount of increase in tuition at some level would trigger some form of scrutiny other than just your own board, or do you think it should be left solely in the hands of Trenton State to make that determination?

DR. EICKHOFF: Well, I indicated before, Senator, that I think the oversight is really part of the budget process. That is the oversight of our tuition policies at the college level. That oversight is part of the budget process. I would fully expect the Appropriations Committee to ask me and, in fact, quiz me very, very sharply, and the Chair of our Board of Trustees I would insist be here for a hearing on our tuition policy. What I would add, and not really gratuitously, but as part of my answer, is that we really do need, very badly in this State, some kind of indication of what the State is willing to do to support higher education on a continuing basis.

SENATOR MARTIN: I understand what you are saying, but let's say the Legislature, speaking for the public, makes some determination about the amount of dollars that they are willing to give Trenton State and all of the other institutions of higher education in New Jersey. That's done, then Trenton State has the opportunity, I presume, subsequently after the fact, to then determine what its final cost is going to be, you then can set tuition.

What I am concerned about at that stage is, after we've made our determination as to what the resources are -- we may all admit that it's not enough, just forget about that

debate for a moment -- Trenton State then sets a tuition level. Is there some point which you would subscribe to that? If that tuition reaches a certain level, there should be some form of review of that tuition, other than the board itself?

DR. EICKHOFF: There are a number of ways that you could do it: you could require the institutions to set their tuition before the appropriation is given, or you could review it, just put everybody on notice that next year we're going to watch tuition and the increase very, very carefully.

SENATOR MARTIN: I know there are a number of ways we could do it. I was asking if you would support that type of review?

DR. EICKHOFF: No.

SENATOR MARTIN: Do you think it's good?

DR. EICKHOFF: No.

SENATOR MARTIN: Well, we could just flat out cap you anyway, you know.

DR. EICKHOFF: Of course you can, you've always been able to do that. (portion of testimony lost due to electrical problem)

ASSEMBLYWOMAN WRIGHT: Mr. Chairman, I'm interested, because Trenton State College is adjacent to my district, in some of the outcomes at Trenton State College, particularly as it relates to minorities. That I think is part of the line of questioning of some of the previous speakers, and I'm as concerned about tuition as the previous speakers have been indicating. How is this played out at Trenton State College in terms of minority students? In terms of--

DR. EICKHOFF: As far as access is concerned?

ASSEMBLYWOMEN WRIGHT: That's right, and actually in terms of completion of the program.

DR. EICKHOFF: We have good news/bad news in that regard. About 21 percent of our student body is in the category of minorities. The good news is that we have a very high retention rate compared with the national averages for retention of minority students. The bad news is that it isn't as high as it is for our regular admitted students and for all other students.

SENATOR MacINNES: Are all minority students admitted on a different standard than the other students?

DR. EICKHOFF: No, no. If I said that I misspoke, or if I implied that I certainly misspoke.

SENATOR MacINNES: You said the other regularly admitted students, is what I heard you say.

DR. EICKHOFF: I'm sorry, I misspoke.

SENATOR MacINNES: What percentage of the minority students are admitted on a special basis?

DR. EICKHOFF: Slightly over half.

SENATOR MacINNES: So that's 10 percent of your student body.

DR. EICKHOFF: Roughly, yes.

SENATOR MacINNES: I'm sorry, Assemblywoman, for interrupting you.

ASSEMBLYWOMAN WRIGHT: No, that's fine.

SENATOR EWING: I didn't want to point it out publicly.

Carlos Hernandez, President, Jersey City.

C A R L O S        H E R N A N D E Z,        P h . D . :    I think it's fortuitous that two very interesting institutions within the same system, with very different missions are next to each other, because I think what that demonstrates is that we have a range of State colleges in New Jersey. That range really meets the needs of an increasingly diverse population of individuals who, in fact, want to take advantage of the opportunities of higher education that we can provide.

My institution is strengthened, I believe, by a very strong Trenton State College. I think that his institution is, in fact, strengthened by a very strong Jersey City State College, that has a very different mission and, quite frankly, responds to a very different population and responds very specifically to a geographic area where quality of services, in fact, does not exist as it does in other areas.

So the question here is not so much comparing the missions or comparing the quality of the institutions. I think it's really a question of being able to accept that there is a level of excellence at Jersey City State College that is defined differently.

We should not compare retention rates. We should not be comparing SAT scores. We should not be comparing, if you will, even the quality of the entering class. Perhaps what we should be looking at are, for example, the 893 graduates who I gave degrees to on Sunday, who represent every county in New Jersey, eight different states, and 43 different countries.

I want to talk very briefly, if you will. I'm not going to spend a lot of time going over my prepared remarks. I'm cognizant of the time that you have allowed yourselves to

listen to people either in favor of or against the proposal. Let me say, very quickly, that I am in favor of the proposal for restructuring. I am in favor of that proposal from the perspective not just as an urban college President and the newest of the nine State College Presidents. What has been missing this morning, I think, is a perspective of that of a Chief Academic Officer, and before taking on the assignment as President of Jersey City State, I had served as a Chief Academic Officer and Provost for 10 years.

We've heard a lot about tuition. We've heard a lot about union contracts. We've heard a lot about other things that have to do with the management of higher education. But let me talk very briefly about the academic environment of our nine State colleges and tell you why I think -- I support the restructuring proposal. Some of this has to do, I think, in response to questions about what is wrong with the current system.

As the Chief Academic Officer, again, which I served at for 10 years, the current system failed me in three very significant ways. Those failures have nothing to do with, if you will, the quality of the individuals currently in positions in the Department or Board of Higher Education, but it has to do with a system that I think really is in need of significant change.

As Chief Academic Officer, one of the things that I was most interested in, as all Chief Academic Officers are, was the improvement, the integrity, and the evolution of academic programs and services that meet the needs of the student and the constituency that we respond to. The backlog of academic review

and new academic programs currently at the Department and Board of Higher Education is somewhere in the average of three to four years. I can't begin to tell you the frustration that creates with faculty and staff who really want to provide the kinds of programs and services but, because of the backlog, really are not allowed to provide those new academic programs to their constituencies.

The current system has also failed me as a Chief Academic Officer, and I think it has failed our faculty and staff, in that it hasn't provided a vision for a long time of what higher education should be about in the State of New Jersey. We're still operating with a State Higher Education Master Plan that has the date 1981 on it. The community has changed drastically in those 14 years. One of the things that we would look to, to a Chancellor and a Department and a Board of Higher Education is, in fact, the leadership that would motivate the institutions to progress and move aggressively on new academic programs. So the vision has just not been there, and to some degree, I think we've all suffered as a result of the loss of that vision.

Thirdly, I think the Department and the Board of Higher Education have not been able to respond to a real cry for some resolution toward the creation of a rational basis for funding for higher education. I know they could not do that on their own, but there has been an absence of dialogue, I think, with the Legislature and with others, on how do we finally come to grips with not just the issue of tuition and fees, because that is, of course, just a small portion of the equation, but how do we fund higher education appropriately? What is the

adequate level of funding for our colleges and universities? There has been an absence of dialogue on that issue for at least 10 years.

So, in just those three areas, as a Chief Academic Officer, I have always wondered, where is the vision? Where is the leadership? How can we move away from a system that hasn't really evolved and needs to move in other directions? I don't know if the restructuring, as it's currently proposed, is going to work. Time will certainly tell whether that's the case or not, if it's enacted.

But I'm certainly, at this point, willing to listen to my colleagues. We've been meeting for the first time as a group not just of State colleges, county colleges, or independent colleges, but we're looking at higher education now -- and I'll use Alexander Aston's terminology -- as all one system. Not so much that we're community colleges, but that we're community colleges that work very closely with State colleges and independent colleges, and that all of us have a stake in improving the system of offerings for higher education. I'm optimistic. The fact that we're meeting for the first time as a group of presidents is, to me, very uplifting.

I'm also optimistic on one very specific issue and that is EOF. I know there is a lot of concern voiced in the press and elsewhere about where are the opportunities going to be for underprepared students, for minority students. As I read the proposal, I'm very pleased to see that EOF will have a seat on the Commission. It has never ever been put forward that way, and I think, by presenting EOF as part of the Commission, it

gives it a place at the table to allow it to interact with Presidents and others.

So, in essence, what I am saying is that I am clearly in favor of the restructuring. I think it opens up a whole new world of communication among presidents and dialogue among institutions. Unfortunately, there is no way predicting now how effective or significant it is going to be, but I'm very hopeful that it will be effective.

SENATOR EWING: Dr. Hernandez, I just want to clear a point up. EOF is not on the Commission, they're under the Commission.

Darryl Greer.

SENATOR MacINNES: Could I ask a question?

SENATOR EWING: I'm sorry.

SENATOR MacINNES: That's all right.

SENATOR EWING: I didn't mean to cut you off.

SENATOR MacINNES: I know you've been very courteous, Mr. Chairman, I appreciate that.

President Hernandez, you have mentioned, without elaboration, that Trenton State College benefits from a strong Jersey City State and you benefit from a strong Trenton State, but you didn't tell me why that is the case. How do you benefit from a State college, a peer institution, which enjoys a different reputation? How does that help you?

DR. HERNANDEZ: Well, it helps me in that the citizens of the State, those who want to take advantage of higher education, have a variety of institutions that they can go to that meet their differing needs.

There is a population of people who want to get into higher education to a four year school who are, quite frankly, very capable of attaining baccalaureate degrees, who my institution can serve very well, and that possibly Trenton State College may not be able to serve very well because of differences in faculty and academic programs and services. I think that when we look at this, not so much as individual institutions, but again, as a system of higher education, by having all of the institutions as strong as possible, we all benefit from it.

SENATOR MacINNES: Let me ask you an unrelated question. Does Jersey City State College now employ lobbyists for representing it in Trenton?

DR. HERNANDEZ: No, we do not.

SENATOR MACINNES: Have you had any conversations about changing that at all?

DR. HERNANDEZ: No, we have not.

SENATOR MacINNES: Thank you.

SENATOR EWING: Darryl.

D A R R Y L G. G R E E R, Ph.D.: Thank you, Mr. Chairman and members of the Committee. I'll be brief given all the testimony that you've taken and still must take. I'll try to speak on behalf of the Trustees, since you have Presidents before you of the State College Governing Boards Association.

SENATOR EWING: Can you speak up please?

DR. GREER: I'm sorry. Thank you, I was saying Mr. Chairman, I'll attempt to, in two or three minutes, just address some of the issues raised by the State College Governing Boards Association of which I am the Executive Director. Again, my

name is Darryl Greer. The Association is a not-for-profit, nonpartisan body established by law to advocate and support the collective interest of New Jersey's State colleges and universities and Montclair State.

First let me share the support for the need to restructure state-level policy coordination of New Jersey's higher education system. (portion of testimony lost due to electrical problem) --primary accountability for the visionary development of higher education to the campuses and to the campus Governing Boards with appropriate state-level checks.

Unfortunately I do believe that there's been too much misinformation about-- (portion of testimony lost due to electrical problem)

--effective policies to move us into the 1990s and beyond. You might ask how has-- (portion of testimony lost due to electrical problem) --be happy to redistribute it. It is a report from the Association on the implementation of the State college autonomy law. It would be presumptuous for me to say that would be an unbiased report or unbiased in the sense of total objectivity. What we try to do is not judge the quality of what changed but was the law implemented appropriately.

I might point out that one thing that you might also look at in the statute or ask your staff to look at the Department and the Board of Higher Education are also charged by law to review and report on the outcome of that Autonomy Act in 1986. To the best of my knowledge, no such report has ever been filed with you or with anyone else in the State. That's just one example of one thing that's gone wrong.

Let me turn, in closing, to some principles that the Association has looked at to guide its deliberations about the implementation of the Governor's plan and the legislation before you. Let me just run through, quickly, eight key principles that the Association has kept very high in its collective mind as we've progressed.

First, we believe that higher education serves the public good.

Second, that equal opportunity access and affordability must be driving goals within the new structure. A strategic vision for higher education to-- (portion of testimony lost due to electrical problem)

--either propose or the legislation before you as a means of trashing higher education, rather it enhances higher education's ability to fulfill its mission in service to the public-- (portion of testimony lost due to electrical problem)

We don't have-- (portion of testimony lost due to electrical problem)

SENATOR MacINNES: Please, with all due respect, Dr. Eickhoff, we've seen and heard today that the community college sector in terms of State funding, even though the legislation says that 43 percent of their budgets will come from State assistance--

SENATOR EWING: If the funds are available.

SENATOR MacINNES: --are now down to 14 percent and that weakening has occurred without a rush to by other sectors in the system to increase the funding for community colleges. I would say that the logic of your statement, in terms of if any sector is weak or any college is weak-- I mean we have Upsala

just about bankrupt today, and I don't notice anybody worrying about the credit rating for Princeton University.

I believe that it's possible, even possibly intended, that one of the things that will occur under this change is that in the competition -- and we've heard a lot about the business opportunities that are presented to institutions of higher education -- that we are going to see a reeducation in the number of public institutions of higher education. That's what happens when the marketplace is turned to as the arbiter instead of having something else intervene in those decisions.

So I mean maybe that's the way it should be. I'm not arguing against it, but I'm just saying that this talk about getting together once a month and being together in solidarity just defies the facts as we know them in terms of the individual differences among colleges within sectors and between sectors. Plus, you're already doing it, so why do you have to go through all this pain and suffering to bring about the same level of collegiality that you attest has already been achieved?

DR. GREER: You wish for me to respond?

SENATOR MacINNES: If you like to, you don't have to.

SENATOR EWING: Yes.

DR. GREER: Sure. I think the answer is that institutions will not be carried by this new system, but they'll be given an opportunity to understand the interrelatedness of their work. That, it seems to me, is an important feature of this restructuring. You cannot divorce them from the strength of institutions. You cannot divorce them from the quality of the leadership and the quality of the trustees. When you

mentioned Upsala or any other institution, you're talking about what's happened under the present system.

SENATOR MacINNES: I don't deny that. I was using it to question your assertion that we're all in this together and that a weakness like-- It's a chain, and if Jersey City State is weak, that will pop the chain for Rutgers. I don't think that's the way it's going to work and that's not the way it does work. I think that there's plenty of room for weakness, fragility, and death within institutions without the better institutions being affected at all. By the way, they don't even have to care about it. They don't seem to care about it. That's not a moral failing. That's just the way it works.

DR. GREER: It should be.

SENATOR MacINNES: It should be?

DR. GREER: Yes.

SENATOR MacINNES: I don't think you want to look at that amendment. I don't know how you would word it. (laughter)

SENATOR EWING: Dr. Eickhoff, just one last question regarding these investments, who does your investment advisory service now?

DR. EICKHOFF: We use the State Division of Investments.

SENATOR EWING: You do use it already?

DR. EICKHOFF: Yes, sir.

SENATOR EWING: Thank you very much.

SENATOR MacINNES: Do you have somebody in mind, Jack?

SENATOR EWING: Yes, my brother. (laughter) I wasn't going to give you his name just yet.

Dr. Francis Lawrence. Do you have any bodyguards with you going up there?

**F R A N C I S L. L A W R E N C E, Ph.D.:** No. I don't have any, I came by myself today.

I think I'll just start off with a few brief remarks, and then gauge by your questions what's already been answered and what's already been stated and not be repetitive.

As you know, I was on the Advisory Panel. One of the comments I would like to make is I believe that this whole restructuring issue has been very useful in focusing public attention on the real problems of higher education in New Jersey, such as, the autonomy of the institutions, tuition increases, State funding. I think it's been very good in spite of the fact that I will agree with everybody else, there has been an awful lot of misinformation, misrepresentation of the facts and, obviously, agendas on all sides.

Responsibility is not simply upon the institutions themselves and the Boards of Trustees, but I believe responsibility is on the Legislature, the Governor, and the public. One of the basic questions that I see coming out of this is how important is higher education to this State? What do people want it to do? How much are they willing to support it?

One of the difficulties I've had with a lot of the response on the report is that I don't know if it's been read carefully enough. We're not creating something that doesn't have imitations in a large number of other places. You have certain models, not too many, whereby you can function, and you need checks and balances. That's one of the reasons why we have

a Commission which is independent and why we've inserted a Presidents' Council in an effort to work on some of the issues of commonality.

The one having to do with Trustees and their role within universities is as old as -- I think as this country, in the beginning of the first institution of higher education. Institutional Boards of Trustees have a long history of being involved in not only fiduciary areas within the universities, but programmatic areas and have a history of a lot of success there.

We focus on issues that are obviously concerns that we all have. Since I came in a little while ago and this is the third committee that I've addressed in the last few weeks, the issue of tuition is one of deep concern to everyone and rightfully so. But as I mentioned to the last committee I addressed, I don't think you can talk about tuition without talking about State funding. You've heard that theme, I think, over and over again from people from the institutions who've talked to you. The two go hand in hand. You cannot separate tuition from consistent and adequate funding.

I think if you do a study of it, you will see that as funding goes down there is a tendency for tuition to go up. That is why I think this issue is vital for us in New Jersey to address and address now. I've been here four years, and the base operating budget is less than it was in 1989, with an \$81 million TAG that is higher than it was in 1989. Tuition -- all of the tuition increases wouldn't even come close to addressing that.

Tuition is important but so is access, affordability, and quality of our institutions in preparing our people for the future workforce. As we look to 1995, we're looking at a population that is a vast majority of women, minorities, and immigrants. There has got to be something there, some way in which they can be prepared for the kind of workforce we're going to have into the 21st century.

That's not done by saying it's fine to cut operating budgets on a regular basis and hold tuition down and therefore reduce classes, reduce faculty, go to more part-timers than you should, qualified as they are. What we need is a way in which we can manage our institutions in a rational way, and we need to know it yearly. We can't get it after the fact.

Again, I'm giving you my experience of four years. I mean, I dread the month of July -- some people dread the month of January because of the snows -- I dread July because that's when those infamous interdepartmental cuts come sweeping down and force you, after you've started your year-- You have your full-time faculty, and we're largely personnel. You go from \$15 million two years ago to \$10.8 million last year, and looking at this particular year, the cut is less to the base operating budget, but there are those attrition figures and once more the interdepartmental cuts.

I'm not trying to be overly critical. I understand this State, as other states, has had difficult economic times, but what I'm trying to get across is that we want our institutions to be all the things that I think you want them to be. But it is impossible to plan, forget one year in advance, sometimes two months in advance with the kind of funding that we

have. If we can tie in a real discussion of State funding -- what is adequate, what can the State do, and what do we need to do in an effort to deliver a high quality education -- if that is the one issue that gets addressed as a result of this new structure, I think you can call it successful.

I'll stop now.

SENATOR MacINNES: Thank you, Mr. Chairman.

Mr. President, I share your concern about public funding for a public higher education. It seems to me that in your testimony you have given most weight to resolving this to the existence of the Commission on Higher Education, which you describe as an independent commission. Just by way of contrast with the Board of Higher Education, as it presently exists, I was struck by your characterization of this Commission as independent.

The present Board, as I understand it, is bipartisan in nature. It cannot have more than a one person majority from either party. The appointments are made by the Governor with the advice and consent of the Senate, and the Board itself selects its Chairman.

The Commission that is contemplated here is appointed by the Governor without the advice and consent of the Senate. The Governor appoints the Chair, who serves at the Governor's pleasure. Since the Governor is also responsible for signing the budget message each year, in which these questions that you have raised are wrangled with, it seems to me that you have set up a circumstance where the advisor to the Governor is no longer independent but is, in fact, directly accountable to the Governor. If she does not like or he does not like, at some

future time, the character of the advice or the urgency of the tone about additional State funding, then something can be made to make that person or commission disappear, as the present Department is being made to disappear.

Now, I'd be interested to see-- Explain for me if you could -- since this does not seem to be the case for me from my reading how the Commission that you and Dean Hartman have recommended -- meets this test of independence and sort of disinterested representation of the interests of the higher education community before the Governor and the Legislature.

DR. LAWRENCE: I will respond. First a caveat, if you remember, at the beginning I mentioned I was going to shorten my remarks and focus on a few points. I did not want to walk you through the rationale for the Commission and what it might do and the Presidents' Council and the institutions because I felt that much has been said there. So, if you want to focus your questions on other issues, I did shorten it quite a bit.

To begin with, in the case of how these are appointed, I know that within the Committee, as Assemblyman Wolfe will remember, we did talk about how that first Commission would be formed. We did talk about bipartisanship. Therefore, I don't have any-- That was my interpretation of this, that like many other appointments, trustees and governors to the different institutions, there would be the usual kind of consultation.

We also, in an effort to try to help this different and new group to function, suggested that for the first four years that there be some representation from the institutions and after four years they would go away and not be replaced. You would then have a group, an independent group, a new group,

very different, that would focus on issues for higher education. Different from the current Board and Department, which in some cases, duplicate some of the activities that occur within the universities.

I'll give you an example of a couple of those issues, one of which is the future financing of higher education. I think that is a major issue on which a commission could focus on for six to nine months and come back with recommendations to the Governor and the Legislature on how higher education could be financed in the future. How do you deal with these tuition issues? Rather than caps, how do you address the problems that the institutions have?

Second issue, and that's why I'm trying to focus on some of those key elements. The second one is how budgets are represented. Again, there was a lot of discussion within the Committee. Does every single institution go and knock at the door and make its case? The feeling was that from the point of view of the general budget issues of each of the institutions, once again, the Presidents' Council would work on the same and forward recommendations, and the Commission would then make its recommendations to the Governor and the Legislature.

SENATOR MacINNES: But the budgets are submitted directly to the Treasurer by each institution.

DR. LAWRENCE: Once you have all your information, you currently submit them to the Treasurer in a line item way, but not to negotiate individually or collectively increases in funding. These issues I believe have not been focused enough on in much of what I've read. So to begin with you have the issue

of financing. The second one has to do with the general budget recommendations.

Thirdly -- and again, these issues, I believe, have not been focused enough on, in much of what I've read. To begin with you have the issue of financing. The second one has to do with the general budget recommendations.

Thirdly, one of the major issues that we face is controlling cost and making higher education the most efficient system that it can be, as well as the most accessible with the highest quality. That is mission differentiation. As David knows, I think I spoke about that point at every single meeting, and from some of the questions that you raised, you're well aware of it.

One of the areas that you have to be very careful about, under any system, whether the current one or the other one -- and I don't think we've focused enough on it -- is to watch carefully the proliferation and the duplication, especially of graduate and professional programs in State-supported institutions and I would say, forget about New Jersey, nationwide. Because those are extremely costly programs, they're expensive, each state in this country can afford only so many. I'm not telling you how many it should be able to afford, and the other thing is the market is saturated in those areas.

I see under this structure an opportunity, first, for discussion to take place within the Council, as far as understanding the sector needs, the quality needs, and the accessible needs -- information being produced that has both national statistics, as well as statewide statistics, that can make the case for these kinds of changes. But the group that

makes the decision for this is not the Trustees, it's not the Presidents' Council. It is the Commission on Higher Education, and that is a very important factor in crafting change into our current system.

I'm expanding on what you asked, but I'm trying to give you some idea of what I meant by this independent group, as well as saying that we fully understood that there would be bipartisan representation.

SENATOR MacINNES: The language is without regard to political affiliation which is not the same language that is carried in other bills which mandate bipartisan representation.

You didn't comment on the question of independence where the Governor has so much such different powers than is currently the case, in which I think by the way it's been drafted, and the legislation eliminates the independence of the Commission.

DR. LAWRENCE: Well, my quick response to that is, I think the Chair of that Commission, as an unpaid person coming out of the public sector, will be far more independent than someone who is in the cabinet, who is basically at some point, and I assume it's like my board chair telling me at some points, "This needs to be done." I understand it needs to be done. I think you're going to find far more independence in this kind of individual who serves as a result of wanting to serve the State.

It would be extremely difficult if marching orders are given on a regular basis to get anyone to serve on a Commission like this.

SENATOR MacINNES: People can be found. People will be found, you can be sure of that. There doesn't seem to be any

vacancies on our boards and commissions requiring gubernatorial appointment.

ASSEMBLYWOMAN WRIGHT: Mr. Chairman, I just have to make an observation that I'm impressed that the President served on a panel when his Dean was the Chairperson and the fact that they came out with no minority reports. I mean that has to be a record in the history of higher education in the United States and other governmental bodies.

DR. LAWRENCE: A quick response to that. You probably will have a side-bar conversation with David on this, but as he well knows, we came out with a unanimous recommendation. There was no minority report. But the tension, the fur flying on some issues was the way it should be on committees. I felt very good by the number of issues that were resolved as a result of people working out the best possible recommendations for constructing a new system. This was not a rubber stamp. We did not shy away from some tough issues. We did the best we could.

SENATOR MacINNES: Mr. Chairman.

SENATOR EWING: Senator MacInnes.

SENATOR MacINNES: With your forbearance, thank you.

President Lawrence, I had the impression from your answer that the Commission will review the budgets submitted by institutions. That does not ring true with me, and checking on Senator Ewing's legislation here, it says that institutions will submit it directly, individually to the Treasurer. That the Commission's review is limited to the question of mission and whether there is inappropriate-- That's how it seems to read, to me.

DR. LAWRENCE: That's not my understanding.

SENATOR MacINNES: That's a factual matter of some consequence, I think--

DR. LAWRENCE: Right.

SENATOR MacINNES: --in terms of what you say the Commission is supposed to do. I'm worried now that we've got a Commission that's portrayed as independent, which it is not -- a Commission which is portrayed as having powers that it doesn't have.

DR. LAWRENCE: Senator, let me try to clarify my understanding of it. When we talk about budgets, when I say budgets, I'm not talking about a huge 600 page budget line item from 50 some institutions in the State that goes to the Commission. What I'm talking about is a unified budget recommendation for higher education based on input from the different schools and colleges, in some ways, as we currently do about our needs, our concerns, having to do with issues of tuition-based budgets, issues like the Higher Education Facilities Trust Fund and so on.

Those recommendations being put together in some way in which it is meaningful to the Legislature, the appropriate committees of the Legislature, and the Governor, not whether you're going to hire three more professors of English. I believe that's very clear in the report, and it's clear with my understanding of the way it's been discussed.

SENATOR MacINNES: So the Commission would not set guidelines for any of the institutions but instead would receive the budgets and attempt to coordinate their presentation to the Governor and the Legislature with a policy statement that would

reflect overall goals and the questions of mission that might be addressed by those budgets?

DR. LAWRENCE: Absolutely. I assume that as things go on there will be discussions about key issues including tuition, as well as base funding. All of those it's simply-- (portion of testimony lost due to electrical problem) --eventually having a unified report coming out of the Commission.

SENATOR MacINNES: As you know, the tuition policy has received a good deal of attention, and I guess it's finally clarified; although; it's gone through a number of iterations sufficient to confuse me on the matter. But I guess now that we have a tuition policy that says for TAG recipients it will be limited to 3.5 percent and to others it will be what the institutions deem necessary--

It goes back to my question about -- since that is such a high visibility issue and since the question is directly related, as you pointed out -- to the level of State support. If we have an administration which wants to or feels it has to reduce State support directly for institutions, as was done in the budget this year, and also wants to have tuition set by "some marketplace," a Commission with a chair that can be removed by the Governor, who speaks out against that policy, I think would be in for some hot times. The two things come together in that statement, I guess. I think your portrayal of it is optimistic, but I don't think it's quite as wedded to the words in the legislation as maybe you think it is-- (portion of testimony lost due to electrical problem)

DR. LAWRENCE: --enhance accountability by focusing--  
(portion of testimony lost due to electrical problem) --simply  
sending an example from another direction.

This is my 18th year of serving in the administration in some form. The prior 17 years were on a faculty full-time; therefore, I've dealt with boards and different administrative roles for quite a period of time. I would assume the Commission, in its discussion of policy type issues, would be no different than the Boards where I have sat and listened and heard the discussion.

You will go the gamut. You will have people who will want to keep tuition down to a bare necessity and if necessary close down schools and colleges within or departments or just be fervent in their defense of it. You will have some who will say that if the market bears -- if you've got one school that has 50 times the applications of any other school, that the market shall govern it.

But my experience, and it's again "X" number of years, basically 18, has been that you usually come down to a reasonable agreement, and the reasonable agreement is sort of a mid-way process, not a zero and not an infinite amount, taking into consideration what needs to be done in order to keep the instructional programs whole.

Certainly, in the four years that I have been at Rutgers, I would say the issue that Board has talked about prior to making a decision has focused 95 percent of the time on: We really don't want to cut instruction. We don't want to cut classes. We have a real problem about not filling full-time positions. How can you cut the administration more because we

have to try to do the best we can? Have we been able to keep it whole? No, not when you have this kind of roughly between 27 percent and 30 percent cut over a six year period. You're strapping yourself, and you are using each year one year fixes that eventually catch up on you.

The other thing is the concept of private education versus public education. A good part of my life I've served in private education. There was a concept there that in private education, pay what you can and those who can't afford will get the full financial aid, and that's how they did it. But they, in many, many cases, except for the handful that can live with that, have found themselves right at the wall and are finding ways in which to not only downsize, but to have literally little or no tuition increases in an effort to be able to be viable again.

I think those factors all come into a discussion within the institutions. That's why I think it's so important, at the same time as you look at the importance of a new commission, that you deal with the issue of how trustees, administrations, and universities will function in the future. Trustees raise these issues. I am confident that you will not have people going rampant, and if they are, like we have on this particular issue, it will probably take 20 minutes before it's known by everyone in the State of New Jersey and becomes an issue that everyone gets interested in.

I think the checks and balances are there. I don't think we disagree on this. I would love if you told me today that our operating budget is going to increase by "X" amount over the next three years. You would probably see a tuition

that would surprise you as far as its increase. Because what I need are the resources, as my colleagues do in the other institutions, to do the best possible job for the citizens of New Jersey. I'm not looking for the Cadillac route. I'm just looking for what we can do to have the best system that we have, and the resources are vital to us. We have to put the two together.

We understand the issue of tuition. We are very sensitive to that issue. Believe me, we are thrashing like the dickens right now for this year's recommendation. Because as I've said publicly, I would like to honor the Governor's recommendation that we keep it down to 3.5 percent, but at the same time, I'm looking at further cuts in instruction. What do I do? How do I split this so I don't hurt the institution worse than it can be hurt? How do I try to keep us as accessible and as affordable as we can?

SENATOR MacINNES: I think that's the question that we're all worried about. We want to have some time to figure out whether this proposal for restructuring higher education is going to better help achieve those objectives or not. We need some time to reach that conclusion because it's very complicated and there are all sorts of different interpretations on the same words that need to be ironed out. I think that's exactly the best statement of what we're trying to do with public higher education: To make it excellent and to make sure it's affordable and accessible to people in New Jersey. I fear, and it's fair to ask the question, does this proposal help us get closer to that goal or does it move us away from it?

SENATOR EWING: Thank you.

SENATOR MacINNES: Thank you, Mr. Chairman.

DR. LAWRENCE: May I respond to his question?

SENATOR EWING: No. (laughter) I cut him off before I have to cut you off.

One question I wanted to ask, who does the investments for your fund?

DR. LAWRENCE: I knew you were going to ask me that one.

SENATOR EWING: You have to look in the book and see?

DR. LAWRENCE: Well, actually, I don't have all of their names. We go out and--

SENATOR EWING: No, no, no. I mean are they outside consultants that you pay?

DR. LAWRENCE: For investment?

SENATOR EWING: Yes.

DR. LAWRENCE: Yes. I mean we have two or three of them that do that.

SENATOR EWING: Would you send to me, to the Assembly, and the Senate--

DR. LAWRENCE: We will send you--

SENATOR EWING: I don't care who the names are. I want to know what it cost you per year to use that service and also what the rate of return was for the last year that you have a record of -- the last 12 months. We can compare it to what Rollie Machold does for the State.

SENATOR MacINNES: Get a three year read, Jack. It's not fair.

DR. LAWRENCE: We can give you the three, that's no problem.

SENATOR MacINNES: Give him your brother's business card, too. (laughter)

SENATOR EWING: I'll see you outside later.

Thank you.

DR. LAWRENCE: Thank you.

SENATOR EWING: Dr. Saul Fenster.

To be followed by three college students.

Thank you. Dr. Fenster, NJIT.

S A U L K. F E N S T E R, Ph.D.: Mr. Chairman, I will be very brief. I have a very short prepared statement, and then I would just like to make a few comments to annotate my statement.

First of all, I'm pleased to be here, obviously. I want to acknowledge the individuals who served on the Advisory Committee on restructuring. The proposal that you have before you I believe is the legislation. The manifestation of the Advisory Committee's recommendations I believe offers the real possibility of improving higher education in the State. I believe it builds on past successes. I believe it builds on past successes, and I believe it recognizes the potential benefits to New Jersey of added flexibility and creativity in the system.

The concerns implicit in the April 15, 1994, testimony that I presented to the Advisory Panel, have been addressed in the Panel's report and in the legislation before you. I had certain concerns. I'll tell you what they were:

\* They were related to continuity of existing Board of Higher Education policies so that past some magic time, July 1, or whenever, all policies not disappear, that they be revised in

a studied way after consideration by the new Commission, and that has been taken care of.

\* I was concerned that there be a policy formulating commission.

\* I recommended, Mr. Chairman, that there be no institutional representation at all, but in the legislation there is one institutional representative who is the Chair of the Presidents' Council. It would have been-- Pardon me?

SENATOR MacINNES: After four years.

DR. FENSTER: After four years. It would have been fine with me not to have any institutional representation on the Commission.

\* The absolute necessity of addressing the issue of programmatic mission differentiation which Fran has discussed, that is key.

\* The importance of the EOF Program in the new structure.

\* I raised other concerns addressing licensure.

\* The development of a comprehensive master plan, which is explicitly covered.

\* The responsibility for dealing with statewide Federal mandates.

Mr. Chairman, the New Jersey Board of Higher Education I think should be proud of its contribution to the evolution of a system of public higher education in the State. The body of policy formulated will serve as a foundation on which we can all build.

The concept of providing additional flexibility, responsibility, and authority with the individual Governing

Boards of the colleges and university has the potential for moving these institutions to new levels of accountability and responsiveness in the public interest.

In short, I believe the proposal to restructure reflects a new phase of a continuum in higher education. The proposal offers the possibility that these institutions will more and more be institutions of choice for New Jerseyans so that we will not annually lose the human resources to other states that we do and the monetary resources which are measured in the hundred of millions of dollars that flow with these students.

Finally, I would ask that the Committee consider the enormously impressive inventory of accomplishments of our colleges and university as a result of voluntary activities, not DHE or BHE mandated activities. They're not policy driven activities, but voluntary activities are carried out on their part as they've attempted to deal with a growing public agenda and increasingly limited resources.

They haven't been at each other's throats. They haven't served as individual fiefdoms. They have, in fact, cooperated because it has been an imperative of higher education that they cooperate. There are limited resources, lots of programs, colleges, and universities, and it was in the interests of their students, their faculties, their individual institutions that they cooperate.

There are literally hundreds of interinstitutional arrangements that are done voluntarily in the context of a shared system of higher education. Done voluntarily. It's an amazing thing and it's one which is very gratifying. These

voluntary activities range from hundreds of articulation and joint admission agreements, to private fund-raising, to intellectual property development, and to assisting in the building of neighboring communities.

I am very proud of the accomplishments of New Jersey's colleges and universities. Still, I believe we can do better and I believe we will.

I want to now do a couple of short annotations to my comments, Mr. Chairman. NJIT's structure and flexibility are such that we anticipate, in a way, many of the elements of additional latitude anticipated in the legislation. I simply want to indicate to the Committees that I believe it works.

Right now, the Governor of the State of New Jersey, as a matter of fact since 1881, when our enabling legislation was passed, appoints our Trustees. So this is not new for NJIT. Right now, NJIT appoints its own outside attorneys and has internal counsel as well, tries its own, deals with its own litigation, and so on. Right now, NJIT negotiates its own labor contracts. Regrettably we do find it, as a matter of practice, practical to follow the State pattern bargaining, and that's a whole other issue which I know the Committee is well aware of.

Dealing with the issue of how we support one another. Just to remind the Committee that last year the coalition, that is to say, Rutgers, NJIT, UMDNJ, the State colleges, the independent colleges, and the community colleges, together did support an increase in the funding of the community colleges. That was part of the coalition decision because the community colleges we felt needed additional support and, in fact, did receive additional support.

I should point out that the coalition every year is a voluntary effort. One of the things we've heard year in and year out is that the coalition must be lead by the colleges and universities because the Chancellor cannot lead it. Because the Chancellor is a member of the Cabinet and cannot be seen in opposition to the Governor.

Because the recommendations, with respect to Appropriations, come from one of the Chancellor's bosses who is the Governor. Therefore it is very much up to the colleges and universities to take leadership of that coalition. Every year that there has been a coalition, that I know of, the Chancellor has asked that the colleges and universities lead the coalition because he -- whether it was Ted Hollander or Ed Goldberg -- could not do it as a Cabinet Officer.

I'm going to the issue of advocacy, Mr. Chairman. That advocacy to a large extent, and you've seen it this year, has come from the college and university presidents. It has in past years as well and has worked well.

I would very much like to end by bragging a bit because I heard Harold do it. I will acknowledge that we are a little bit of a competitive group. I would acknowledge also that competition in higher education very much like competition in any enterprise economy is really very good. It's really very good. We compete for students. We compete for private funds. We compete for the attention of legislators. We compete in the arena of excellence and quality. We want to be known for excellence and quality. And yes, we do brag about magazine listings and listings in "Barons" and listings in the "Princeton Review." We brag about those. Those are instruments which are

used to attract students, and that is the marketplace of ideas and the marketplace of education.

I would also point out that with this flexibility and latitude that this institution has enjoyed over a relatively short period of time that we have raised privately about \$100 million. We have built largely through private funds about one million square feet of physical plant. Our status has changed with respect to Carnegie Foundation Classifications. Our research has grown by one order of magnitude in a decade, and that has been largely, largely by voluntary activities of my students and my faculty and the fine fiduciary oversight of the Board of Trustees.

So I would like to close with that. I promised to be short and I am being short. Thank you, Mr. Chairman.

SENATOR EWING: Thank you, Saul. Questions? (no response)

Thank you very much.

DR. FENSTER: Thank you.

SENATOR EWING: Kerry Riordan, from Douglass College, a student.

Jeanne Locicero, Rutgers.

I think there's a third student, too.

G I N A G U E R R I E R I: Gina Guerrieri.

Good afternoon.

SENATOR EWING: I need the third student's name.

MS. GUERRIERI: Gina, G-I-N-A, Guerrieri, last name.

SENATOR EWING: Gina.

Are you all from Rutgers?

MS. GUERRIERI: I'm from Rowan College.

J E A N N E L O C I C E R O: I'm Jeanne Locicero. I'm a resident of Ocean Township, New Jersey. I'll be a senior at Douglass College this fall. I've been active in the university community and currently serve as a university senator.

I'm here to oppose Governor Whitman's proposal to dismantle the higher education system in New Jersey. The proposal will eliminate the system of checks and balances, and it relinquishes governmental control. The current structure gives higher education some insulation from political battles and analyses statewide higher education system.

The proposed legislation puts most of the power and control in the hands of a few nonelected officials which greatly concerns me. Our tax dollars are paying for colleges and universities, and you people that we're electing to govern need to be able to hold college administrators accountable to the people of New Jersey.

Right now, according to The Home News for instance, the President of Rutgers is making \$195,000 a year, and there are 37 Vice-Presidents that also make over \$100,000 a year. That's a lot of money to me. I don't know how much the Governor makes, but I don't think it's that much. That's paid by New Jersey taxes and tuition money. They're not representing the people of New Jersey, so these are the people who will be left in control of the higher education system.

Senator Bennett talked about putting control -- the tuition control, which we've been talking about this afternoon -- having it reside with the individual colleges. Well you can look at the past at Rutgers to see what's happened with that. Over the past decade tuition has more than tripled. Even when

the State was fully funding our budget, tuition still rose. So there aren't any guarantees that are going on. While our tuition has risen, the increases haven't maintained the standards. Our classes have still been cut. Our departments have still been slashed. We have less faculty. Our services have been cut. So we've been paying more for less. The people of New Jersey can't afford that.

The only time the students have had a chance at affordable, accessible education is when the Legislature has stepped in and capped tuition for the past two years. So it is imperative that you vote against this bill. There is no student support for it. The faculty doesn't support it. The only people I do know who support it are those who are in the position to get fat off the State's dollars, not those who are providing and seeking the education.

You shouldn't be forcing this upon the State simply to make the Governor look good, you know, by eliminating bureaucracy. It's a necessary department. As I'm sure you know, the future of the State is dependant upon a strong higher education system, and it is important to insure that the citizens of the State can afford to use it. Leaving the control of tuition and other issues with the Presidents and Trustees of the colleges takes public education away from the public.

Thanks.

SENATOR PALAIA: Thank you.

Gina.

MS. GUERRIERI: Hi. My name is Gina Guerrieri. I'm a recent Rowan College graduate. Everyone here has been talking about students. I've been hearing all day about students,

tuition, yet we wait until almost 3 p.m. for students to speak, and the room is basically empty. I don't appreciate it. It's an insult to students. I paid my tuition for the past four years. I don't know anyone else in this room who has been in a higher education institution and participated as students have for the past four years. I'm a product of the higher education community. Also, we're not paid to be here. Actually I have to be at work at 6 p.m.

Students are adults also, not just 40 percent of us. I'm 21 years old. I had to pay for my tuition for the past four years because my mother, a single parent, cannot afford to do that. I've been at Rowan College, and I can tell you what's been going on there.

President James, who just happened to be on the Advisory Commission, has already announced that he wants a 13.5 percent tuition increase for next year. This is the breakdown of what it will be. This is his paper, this is what's going to happen. The back up would be a 9.5 percent. So, we don't have much choice, at our campus at least. What we need actually is language in the budget that caps tuition.

Also, the Chairperson of the Board of Trustees at our college approached me personally because I had been making a lot of noise down there and around the State about tuition and how it has been increasing in the past few years. They've been having Rowan Vision Forums for the past few months, and the Chairperson approached me because he said we're going to need more money for all these ideas that we're having. We want to enhance this school.

"We're going to have to do that through tuition, you know that, don't you? Is there any type of compromise we can make?" I said, "No there isn't a compromise. Tuition needs to be stabilized at the cost of living." If it doesn't, that's a tax on what we already pay for. We're paying for the institutions through our tax dollars. So this is where it is going. To give the Board of Trustees and the college Presidents autonomy and independence would be doing exactly what they want. They want independence. They want to create the schools that they want to create, not what the taxpayers want, not what the students want, and I know this from personal experience.

Also, the less responsibility that the State has, the less control they have. That also means for students. Students are trying to get involved in the political process. We now have a State Student Association, which a lot of administrations are trying to block funding to. The less involvement the State has in higher education that means the less opportunities that students have for involvement in the process.

New Jersey higher education institutions were meant to be accessible and quality education grounds for anybody who wants them. They're not right now. I'm not opposed to change. I'm opposed to the direction this change is going in. Obviously, we need change because there isn't any student representation on the Board of Higher Education, and tuition right now I think is the sixth highest in the country. More people leave our State than any other state in the country besides Alaska to go to college elsewhere. Obviously we need change. We need reform but not through autonomy and independence.

Since 1986, when there was autonomy granted to the schools, the average tuition has increased 76 percent. Trenton State's has increased 99 percent. Between 1985 and 1989, the number of executive administrative and managerial personnel increased 39 percent. Autonomy causes the duplication of administrative services, increased institutional costs, provides for less State support, and less control on excess spending. That comes from the checkbooks of the students and parents.

Not only do students bear the financial burden caused by this increased excellence through autonomy and independence, but we have no significant role in the governing process, as I said before. The Advisory Commission appointed by the Governor is going to implement her vision, and we've already had a taste of what her vision would be.

The college Presidents are paid. They are not representatives of any state to the public, and they'll be doing what they want. Before the students can accept any type of proposal that is going to eliminate the Board of Higher Education and the Department of Higher Education, we need to see tuition set by the State Legislature in order to assure that tuition will not go past the cost of living.

\* We need to see financial aid remain centralized so that students don't have to decide which school to go to by how much financial aid they might get by that institution.

\* There needs to be student-elected student representation on all sectors of the governance of higher education.

\* There needs to be nonpartisan, publicly accountable people in the governing of higher education.

\* We also need student control of our student activity fees. As I said before, the administration is trying to block us from funding a State Student Association to protect our rights as students and as New Jersey citizens. This is happening at our schools all over the State, and we need to stop this.

I guess that's all I have to say, thank you.

SENATOR PALAIA: Thank you.

Kerry.

**K E R R Y   R I O R D A N:** Good afternoon. My name is Kerry Riordan. I'm from Eatontown in Monmouth County. I'm also a senior at Douglass College in which Mary Hartman is the Dean. I've been active in the student government for the past three years on both the State and university senate levels.

I came here this morning because, when I went and discussed the Board of Higher Education issue with my representative, Senator Palaia, he encouraged me to come and testify before this Committee.

One of the first questions that he posed to me when I brought this issue up and my concern about the elimination of the Department of Higher Education was, well it's really just about giving autonomy to the colleges, don't you trust your administrations? You, since you've worked on the student government, don't you think that they're accountable? It's precisely the answer to these questions that I want to address the issue of accountability, specifically, accountability since that's been the issue I've heard so many people come up and address. The answer is that though our administrators are friendly, which is very nice, there is absolutely no way -- no

democratic process -- through which we can hold them accountable.

For example, at Rutgers University we're one of 11 state universities in the entire country that does not have student voting power on the Board of Governors. Bodies which students do have representation on, like our student governments, don't even have control of our student fees if our administrations don't agree with the way the student governments decide to democratically vote.

In addition -- and this is all-- I'm bringing all this up in regards to, "Do I trust my administration? Do I think they're accountable?" In regards to the management of Rutgers, I know several administrators are doing work that could be carried out through work-study programs, through students hired by work-study. For example, many colleges have student centers run by students, but at Douglass we have an administrator plus assistants hired to do that job.

I also don't really understand what President Lawrence needs 37 Vice-Presidents for. I don't think that State government has anything like that. It doesn't make sense to me. Furthermore, the fact that our college and university administrators have been uncontrollable was clearly illustrated by the press, when, on the day of our college graduation, The Home News printed front page articles and charts showing that even in the midst of budget cuts our administrators have been -- President Lawrence and his cabinet are all receiving increases in their salaries in double digit percentages.

I think the people of New Jersey are aware of this. I think we also are realizing that anyone who tries to do

something about it are finding out that there isn't any way to hold them accountable.

Of utmost importance is the issue of tuition. I think there is no question that left on their own the Rutgers University Board of Governors would skyrocket tuition. It's been brought up that they wouldn't do this because students couldn't pay it, so it's bad business. But already, there is a strong push to get out-of-state students. My roommate, for example, is from New York State, and she gets all this mail saying she'd get expenses paid if she'll go back to her high school and recruit students to come here -- out-of-state students that pay more in tuition.

Affordability provides the opportunity for education to invest in the future of the--

SENATOR PALAIA: Kerry hold on a minute.

MS. RIORDAN: Okay.

SENATOR MARTIN: That point you just made, are you saying she got some kind of finder fee?

SENATOR PALAIA: No, no, no, they collect more from out-of-state students than they do from in-state students.

MS. RIORDAN: If she goes back to her high school, she's from New York-- I'm assuming they're sending this to students from all the different states. If they go back and recruit students from their high school, they'll pay for the trip. They'll pay for expenses for travel or whatever they need. They have a Strategic Planning Steering Committee which puts out a report "Maintaining Excellence" which also highlights this as one of the ways of bringing in money. I think we all agree we're New Jersey citizens here to govern New Jersey; we

want the institutions serving the people of New Jersey and the citizens of New Jersey.

SENATOR MARTIN: Just so I'm clear, I know you said it, but they actually pay these students for transportation to come to Rutgers--

MS. RIORDAN: They pay their travel, yes. I'm not sure what else might be included.

SENATOR MARTIN: They're assumed to be, I suppose, very good academic students who meet certain criteria?

MS. RIORDAN: I would say my roommate is an average student. She doesn't have any special honors. So I don't think it's going to only students of a certain criteria.

SENATOR MARTIN: But they reimburse them for travel.

MS. RIORDAN: Right.

SENATOR MARTIN: Just one other point you made earlier, if I may. I've heard this figure about the 37 Vice-Presidents. Is your dean considered a Vice-President?

MS. RIORDAN: No. But Deans are not--

SENATOR MARTIN: They're below the Vice-President? Aren't you offended the head of Douglass isn't even a Vice-President?

MS. RIORDAN: There's a central administration that has 37 Vice-Presidents under President Francis Lawrence.

MS. LOCICERO: Then each college has their own administration, like Dean Hartman has assistants under her.

SENATOR MARTIN: We're not even talking about the status of the head of Douglass College. The Dean is not in that league.

MS. LOCICERO: No.

MS. RIORDAN: No, we're talking about President Lawrence's cabinet, his Vice-Presidents.

SENATOR PALAIA: You do realize that we're giving you a lot of latitude here because it's not on the bill, but I thought the questions were very important that Senator Martin wanted to ask.

Go ahead, Kerry.

MS. RIORDAN: I also wanted to bring up that I can tell you personally that a lot of our students are spending time trying to figure out how to and working to pay for our education that we would much prefer being able to use to study and invest in our studies and our education instead of having to pay for it. I think that is also an investment. Maybe I don't have to explain the importance of tuition; I think we all know that it's important.

I guess that I just want to stress that we can hold our State government accountable through elections, but there is nothing of the sort in the university process. Putting our public State universities and colleges in the hands of unaccountable administrators would take New Jersey a serious step away from democracy. I believe that a truly autonomous system would provide for citizens of New Jersey to be a part of the process that runs the New Jersey higher education institutions and only the government provides for that democracy.

Just to finish up, please remember that it's the voters that each of you are ultimately accountable to, and please do not shove this proposal down our throats when nobody except a few unaccountable administrators, nobody that I know

of, students and parents, and I'm very involved in the community, wants this proposal. Thank you.

SENATOR PALAIA: May I ask just a question of the three of you? Try to be as brief as you can. We'll start with Jeanne on the end there. Having said all that, did you feel you got a good education at your school?

MS. LOCICERO: I think I received a great education at Rutgers, my State school. I think it's great. Services have been cut continually. I feel like I paid too much for what I got. But, you know, I couldn't be happier staying here in New Jersey.

SENATOR PALAIA: Gina, how do you feel about it?

MS. GUERRIERI: I think ultimately received a good education because of the faculty that were there, because of how they got involved -- didn't really have anything to do with the workings of the school I don't think. Our departments were getting cut. The college kept looking better, but we had to sit on floors in our classrooms. So it doesn't have anything to do with the administration. They're just trying to look good to the State.

SENATOR PALAIA: Okay, but you felt you had a good education because of your faculty there.

MS. GUERRIERI: Yes.

SENATOR PALAIA: Thank you for staying for this.

Okay, Kerry.

MS. RIORDAN: I'm proud of our State's higher education institutions; however, I feel that they are going down the drain. We're paying more for them because the class size is increasing. We have to sit on the floors. There are reports

that now the students taking Shakespeare classes won't have to write papers anymore because there aren't enough TAs to grade them. So from now on we'll just have scan-tron, what we usually call the multiple guess.

What is that going to do to the education to the future of the citizens of New Jersey because there aren't the teachers there to be grading the papers? So we're not going to be writing papers. We're not going to have that practice. There is a lot that needs to be improved upon. I'm still proud of them, but I'm fighting for them because I'm really concerned. I have a younger brother who will be a Rutgers freshman next year. I have another brother in high school who will, hopefully, come to the same system. I think that it's definitely going downhill, and it shouldn't be while we're paying more.

SENATOR PALAIA: Thank you, Kerry.

Thank you, ladies, very much, appreciate it.

Mr. Chairman, back to you.

SENATOR EWING: Thank you. Dr. Frances Quinless, Dean UMDNJ School of Nursing.

DEAN FRANCIS W. QUINLESS, Ph.D., R.N.:  
Hi. Thank you very much. I appreciate this opportunity to present testimony on behalf of the University of Medicine and Dentistry as a total community. I would also like to mention that I was one of the Panel members, but my remarks today really are around the University's full support of restructuring. I'll keep my comments brief at this point.

We believe that the restructuring of higher education, as it has been proposed, will, in fact, provide for increased

access, increased collaborative efforts between and among institutions, and increased articulation agreements between institutions. Ultimately, that will provide students much better access to education and therefore our citizens.

I have three very specific points. The first is that UMDNJ is an academic, health sciences university. The only one in the State and the largest in the country. In addition to being a university, it is the State's major health services delivery arm.

Our faculties are people who do not only teach, they do what they teach. That is a very important piece to recognize about the University. The faculty are expert clinicians. They practice what they preach. They are out there all the time with students in the clinical arena. These are the people who know exactly what needs to get done in education of health professions.

One of the things that has happened over time is that there is a big difference between health care needs in our State and our health professions education ability to train adequately, to educate the providers to fill those needs. Health care reform would appear to be only something that has occurred in the past 18 months, but it hasn't. It's been something that has been absolutely on a roll for at least a decade.

We have known for many years that there would be major shifts in health care delivery. We have known that at UMDNJ. In the Nursing and Allied Health Fields, specifically, we have worked arduously to develop academic programs that would meet

the needs of the new system that was evolving and is evolving today. No matter what the Federal government does.

But our situation is such that there is such an enormous amount of time spent in processing new applications for new academic programs that, although you may have a product that will fit a specific health care delivery need, a new academic program, processing of that application is so enormously burdened and constrained by bureaucracy that the ability to get people into the educational pipeline, get them graduated, get them into the system, really retards our ability as educators to get the graduates that we need to provide the health care. So we have too much lag in the present system.

At times the processing becomes more important than the substantive issues, that of what is the curriculum and who are the clinician faculty who will provide that curriculum? I have experiences in that arena, and I would be happy to give you some of those experiences should you so wish.

But that is I think the most important point from the University's perspective. That we know what needs to be done, but we do not have the ability, in the present system, to create the educational programs that we need to create that we know are vitally important in order to fill those needs.

The restructured system, where autonomy and accountability are pulled back to the grassroots level of the individuals who have the knowledge, will allow us to stop the lag time, to move things forward at a much faster pace, and to get people in and out of the pipeline, and meet the need.

The second point is that the Council of Presidents, as has been proposed by the Panel and is included in the

legislation before you, fosters, facilitates, would enhance collaboration that many people who have already testified have said has gone on already in our State and to a great extent.

The presidents, some of the testimony that has been given today and has been written about in many, various newspaper accounts, would lead you to think that they are individuals who cannot play and share in the same sandbox, rather they would all be throwing sand in each other's eyes. Our presidents are individuals who have integrity and have expertise.

They have, in fact, as both the President of Jersey City State College and Rutgers have said, "They have been playing together already." No matter what the present system is, they have done that because of a felt need to not duplicate and not replicate services, and have maintained institutional mission differentiation by playing and sharing together.

In my world, which is a microcosm of this whole State, we have a school that has three academic programs. One program is a joint program with a county college, Middlesex County College. A second is a joint degree program with a State college, that's Ramapo. The third is our own graduate program. Within the graduate program, we collaborate among the schools of the University, with NJIT, and Rutgers, in order to provide different tracks within our graduate program and the different schools.

Collaboration is something that works. The Council of Presidents, rather than being people who would only be turf-bound and would only deal with their own issues, would be, in this new environment, would have the ability to really learn

more about each other's mission, be able to foster articulation agreements for students, be able to plan interinstitutional programs that did not extend beyond the missions of the institutions but rather had institutions playing together for the students' benefit.

From a student perspective, in a joint program between a research university and a county college, what the student is getting is the best of both worlds. They're getting the clinical expertise of that faculty and that research institution, and they're getting the enormous teaching strength of a general education faculty at the county college. We feel very strongly that these types of arrangements would not only be encouraged but would flourish. Because people would be forced to work together, they would learn to respect each other a lot more and would be much more collegial.

My third point is that we need to create a structure that will force decision making down to the level of the people who implement. What is more important than worrying about control, what the name of the individual is that will be in charge of higher ed, is it in or of a department, and what department, etc: All of those issues are absolutely coincidental to the fact that outcomes are related to the faculty, to the students, and to the quality of the educational programs. It is the faculties that implement the programs, and that result in the outcomes of achievement of our students and meet the needs of our citizens.

We have a system now that is extremely concerned about making sure that the risks are decreased in developing new academic programs. That risk, I would say, when one looks at

the balance of being afraid to take too many risks, to be too nontraditional, to go out on a limb a little bit, forcing people to resort toward the mean of mediocrity, stifles creativity enormously, or at the very least, it lengthens the time it takes for that creativity, if one is patient and persistent enough in the current system, to flourish.

So in looking at risk and creativity, we have a potential system evolving that will simply make that balance a little more balanced. It will allow the institutions with the resident expertise to make the decisions about what it is that is best for the students and for the residents.

I will finish my remarks by just giving you an invitation. I am not only a Dean, I am a nurse. I'm a teacher. We operate University Hospital in Newark. I would invite anybody to come to the ER on a busy holiday weekend -- this weekend -- and get a sense of what is really needed in the health care world.

We know that in that environment, we need physicians who can make decisions about complex health care. We need midlevel providers, such as advance practice nurses and physician's assistants, to be able to manage common, chronic, and acute illnesses. We need a myriad of allied health and paraprofessional staff who can do specific things for betterment of patient care. We need differentiation among those health care providers. We know that as faculties of our various schools.

We need to be able to have an environment -- a higher education system environment -- that allows institutions like us, who are on top of what our needs are for our patients, who

are citizens of this State, to be able to develop creative programs to meet those needs in a very timely fashion.

Health care reform is gone already. We are, as providers of health professions education, far back behind health care reform issues, because we don't have the structure that allows us to respond creatively, flexibly, quickly. Take a little risk, there's no doubt about it, but if there's no risk, there's no gain.

Our patients, who are now going to be forced into different types of health care environments, will not have adequate primary care providers, be they physician or non-physician, because we do not have an educational system in health professions that has created enough programs. That has such a long pipeline of programs waiting in the wings that we cannot meet those needs.

If health care reform happened tomorrow, we would still not be able to have it tomorrow because we don't have people and programs approved quickly enough to meet those challenges.

Thank you very much.

SENATOR EWING: Thank you very much.

Charles Anderson, Dr. Betty Barber.

DEAN EDWARD D. WEIL, Ph.D.: Chairman Ewing, my name is Edward Weil. I'm Dean of the School of Liberal Arts at Kean College of New Jersey, sitting with me are my colleagues, the other academic Deans at the College.

We're here to make a few comments about the proposal to restructure higher education in the State of New Jersey. Most of these will reflect the earlier words of President

Hernandez, who spoke about the concerns of faculty and students regarding, specifically, academic programs. We each have chosen a few issues to give you a sense of our concern at this time.

As one who received my degrees from public institutions in another state and who spent 11 years of my professional life at a state university on the west coast, I have often been troubled by New Jersey's seeming reluctance to provide the necessary support to allow the State colleges to offer the people of New Jersey the finest higher education possible for their children.

From my experiences in other states, I can tell you that our faculty are as talented and as dedicated as elsewhere. However, our programs cannot currently be modified or developed quickly enough to meet the needs of the students we serve. Our facilities and equipment do not meet all of the standards necessary to provide a competitive educational environment.

The School of Liberal Arts is the largest of the four schools at Kean College. As would be expected, we offer majors in many of the traditional liberal arts disciplines, as well as most of the core courses for the College's general education program. It is our school which offers students numerous opportunities to participate in and view the visual and performing arts, and to experience cultural, ethnic, and gender diversity through the lenses of the social sciences and the humanities.

Our traditional majors have recently evolved, wherever possible and despite limited resources, to include computer applications, multicultural, interdisciplinary approaches, and cooperative education experiences. The School of Liberal Arts

also offers some very strong undergraduate and graduate programs in professional areas, which are recognized statewide and throughout the New York metropolitan area.

Students come to our campus from throughout the State to enroll in our undergraduate programs in broadcast communications, visual communications, social work, interior design, and theater. Our graduate programs such as school psychology, and business and industry counseling provide important opportunities for working adults to pursue advanced degrees in these much needed professional areas.

We are also in the process of developing new programs to remain current and to provide the State with important educational opportunities. The Kean College Board of Trustees recently approved the concept document for the development of a master's of social work program, which would be only the second in the State and which has been needed for many years to meet the demands of this profession.

After attempts more than a decade ago, the Department of Higher Education recently indicated interest in this program. However the College's recent attempts to receive State approval of other graduate programs have been slow and cumbersome.

The faculty and administration are prepared now to move quickly with this program. The restructuring of higher education could permit us to move more expeditiously to provide this program to the people of New Jersey as soon as possible.

Similarly, we are currently pursuing an innovative approach to providing students with the opportunity to develop skills using contemporary technologies, without encumbering the cost of equipment to the college or to the State. Our

nationally accredited music program is proposing a joint program with the Institute for Audio Technology in Manhattan to provide a bachelor's degree in music with a specialization in audio technology.

State approval in programs like this which involve another institution and another state has been difficult in the past and could be cumbersome again. This is the type of program which is currently attractive to many students and has been successfully undertaken within such an academic partnership at other campuses around the country.

These are just two examples which are indicative of programs which have attempted to make modifications or have been attempted to be developed to address the issues of accreditation and licensure.

For the past three years the Department of Higher Education has provided important support for the development and operation of the statewide Resource Center for Language Minority Students which is housed at Kean College. This was funded through their Ethnolinguistic Grants Program. The Center has provided analysis and guidance to numerous ESL programs at community colleges and four year institutions in the State. It has held several conferences to share information on educational advances and to train college faculty to teach English language skills to the growing number of students coming to our colleges and universities with limited English proficiency.

The future of the Resource Center for Language Minority Students is uncertain at this time. I would like to take this opportunity to strongly recommend that the Commission

on Higher Education have State oversight of this operation and that funding be continued.

Earlier, I mentioned facilities. There are several capital improvement projects which are pertinent to the School of Liberal Arts which are long in coming, in fact, which have not been accomplished during my five years as Dean. Funding of these improvements has been allocated and withdrawn more than once, as has authorization to proceed. I would hope the restructuring of higher education could more expeditiously address the accomplishments of these relatively minor projects, which would significantly improve the quality of the educational experience at Kean College.

A professor emeritus from Kean College often uses the expression that "matters of academics move along at glacial speed." It is our expectation that the plan to restructure higher education will provide for the expedient and efficient movement of academic matters.

Thank you.

**D E A N   A N A   M A R I A   S C H U H M A N N,   E d . D . :** I'm Ana Maria Schuhmann. I'm the Dean for the School of Education at Kean.

The School of Education at Kean is the second largest producer of teachers in New Jersey. The School of Education has recognized strengths, and they are: commitment to diversity, diversity of the faculty, diversity of the student body, diversity of the curriculum, creative and innovative partnerships with the K-12 sector, in addition to the quality of our academic offerings.

Through the years, the School of Education at Kean has enjoyed very good relations with the Department of Higher Education. Through collaborative efforts with the DHE, we have been able to implement programs designed to alleviate the high dropout rate of at-risk students from the public schools, to attract minorities into the teaching profession, and to increase the math and science background of elementary school teachers.

Let me say at the outset that I endorse in principle, as my colleagues, the proposed legislation with the understanding that both the Legislature, the Commission on Higher Education, the Presidents, the academic Deans, all of us must work to those issues that have been mentioned here at length, and those are: access, affordability, and quality.

My colleagues will talk about the advantages of the legislation as far as creating new programs, capital improvements, technology, and cooperation and collaboration with community colleges.

I thought I would take just a few minutes of your time to mention one program that has not been mentioned so far and those are the College Bound Programs that are funded by the Legislature and administered by the institutions of higher education. On behalf of my colleagues who implement College Bound Programs, I want to thank the Legislature for the past support for these-- You used to call them precollege academic programs. Now they are called College Bound Programs. Currently there are 19 of those College Bound Programs in New Jersey fronted by the Legislature, and they're partnerships between higher education and the public schools.

I have had the opportunity to administer, implement one of those programs since 1987. It's a partnership that started with the Perth Amboy public schools. It's for Latino students to encourage them to complete high school and enter higher education. We started with 83 children that were in the 5th, 6th, and 7th grades in 1987, funded by the Legislature. Now the program serves 300 students. One hundred are funded by the State. The other 200 are funded by the U.S. Department of Education, by private corporations like AT & T, by foundations.

Our program has the distinction of having 92 percent graduation rate from high school. The students that we recruited in 1987, who were 7th graders, have graduated from high school in May of 1993, actually some of them will graduate in 1994. They are sort of in the five year plan. But if you count the ones who graduated last year and the ones who are graduating this year, the graduation rate for these Latino students is 92 percent. That's a tremendous difference from-- The dropout rate for Latino students in urban areas is calculated at between 60 percent and 80 percent.

Just like our Program has been very successful, it has increased-- One of the outcomes of this Program is that it has increased the number of minority teachers that go into the profession. We recruit successful African-American and Latino students from the high school to tutor and mentor the younger students. The successful high school students have to say that they are interested in going into teaching.

It's a national concern that minority teachers are only 11 percent while the public school population of African-

American and Latino children is about 30 percent. So African-American and Latino teachers are highly underrepresented.

I just wanted to take this opportunity to thank the Legislature for funding these Programs. I urge you to continue the funding of these very important linkages between the public schools and the colleges. They increase the pipeline of minority youngsters in the college tremendously. I also urge you that the oversight of the College Bound Program or precollege programs be given to the Commission of Higher Education, and that it remain an independent program as it has been in the past. I also highly support the fact that EOF is going to be under the Commission as an independent program, as it should be.

Thank you.

D E A N B E T T Y W. B A R B E R, Ph.D.: Good afternoon. I want to first thank Chairman Ewing and this Committee for the opportunity to come before you this afternoon to present my views of Governor Whitman's proposal for restructuring higher education.

My name is Betty Barber. I am the Dean of the School of Natural Sciences, Nursing, and Mathematics at Kean College. As one on the front line of higher education for almost 20 years, my views have been shaped by personal experience in higher education at the University of Pittsburgh, Rutgers University, and now at Kean College.

I have prepared for testimony several pages of information about my school and about some of the concerns and issues that we feel are important and that will be addressed under the new structure. I will attempt to summarize them in

the interest of time. I will go straight to the focus of my testimony which will deal with the areas on: approval of new programs, articulation agreements with other colleges including community colleges, and cooperative education partnerships.

Several of the speakers before me addressed the need for more expeditious processes in addressing the implementation of new programs. I can speak specifically to that need from the perspective of programs in my school in the health profession. They have been submitted through the approval process under the current structure, namely the nursing program, occupational therapy, and physical therapy, which is a joint program between Kean College and the University of Medicine and Dentistry.

All three of these programs have gone through the approval process -- the local approval process at the college level and have been approved by our Board of Trustees. We have been working on these programs for a period of about three years to four years.

The nursing document, that is now at the status of the department, was submitted a couple of years ago with recommendations from the Board and from the Department of Higher Ed, along with their consultant. We have addressed those recommendations and have resubmitted the document. It is currently at the Department of Higher Education.

Likewise, our occupational therapy program, which was a proposal for a master's program, I believe was submitted to the Department of Higher Education two years ago. It was returned with recommendations which we have addressed, and that program is on hold at this time.

The physical therapy program, the joint program with Kean College and the University of Medicine and Dentistry, has also been approved through all the local levels of the College and is currently with the Department of Higher Education.

The nursing documents and the physical therapy documents were submitted this spring semester to the Board. The status of that disposition is that they're now waiting for Board approval, or whatever will be the approval process as a result of the new structuring.

I feel that the assistance and support that we have gotten with the current structure has been helpful. The recommendations that we have gotten have been very helpful in that we have been able to utilize those recommendations to strengthen the documents.

So this is not a finger pointing accusation against the Department of Education or the process. I do, however, believe that under the new structure the concerns, issues, and recommendations that have been recommended by the Board can be addressed in a more timely manner by our Board of Trustees. Under the new structure, I understand that this will be an opportunity -- with the autonomy that the local boards of the colleges will really have an opportunity to really review and to have final approval on new programs. So from that perspective, I think it will be very positive, very beneficial in implementing new programs in a more timely manner.

The second area I would like to address is articulation agreements with colleges, including community colleges. Several of the speakers before me have addressed this issue. Dean Quinless, immediately before me, had spoken to the

importance of the need to address and be able to look at more innovative ways of dealing with articulation agreements and collaborations. Just over the past year, all the science programs and the health programs in the School of Natural Sciences have been looking at current articulation agreements with community colleges. We are beginning to look in a more creative way as to how we might strengthen those articulation agreements.

I believe the restructuring of higher education will allow colleges to explore and negotiate more expanded innovative articulation arrangements with other colleges and universities.

Under the current new structure, I believe that decisions involving shared resources among and between institutions of higher education, including decisions on joint admission policies and the offering of joint degrees, can be made at the college level. This would be a great benefit in my school.

I would like to just site two examples to make my point: It is becoming increasingly difficult to find clinical placements for our medical technology students, as many of the hospitals are closing down these programs. We are currently in discussion with the University of Medicine and Dentistry regarding becoming a member institution in their consortium of programs offering a joint degree in medical technology and other related disciplines.

The new structure, as I understand it, will allow us to continue these discussions in a more vigorous way -- to be more creative in how we might join together with shared resources to consider joint degree offering. While that process

is available through the current structure, I think the timeliness, again, in which these kinds of discussions can proceed and be brought to closure will be more evident under the new structure.

Another example in our school is that our school is experiencing a tremendous strain on our financial and physical resources due to large numbers of students with developmental math requirements. The peer tutoring and laboratory support that these students require is very costly.

Exploring articulation agreements with community colleges that may include a joint admissions process that would allow students to complete their remedial requirements prior to matriculating at Kean could be an innovative approach to ease the strain on resources. This will be through innovative approaches for, again, joint admissions and joint degree offerings. It is not to say that we will be channeling students to community colleges and saying that certain students should be at a community college as opposed to a four year institution.

But I think more creative collaborations; whereby a joint admission process can be explored, students can be admitted into a system where their ultimate goal could be a four year degree, but there could be an arrangement where the remediation could take place at the community college level.

SENATOR EWING: Barbara, could you summarize the rest because we have many other people still waiting to come out.

DEAN BARBER: Okay, I'm sorry. The third point I wanted to speak to was cooperative educational partnerships. We are in the process of expanding on this area as well. Several

programs in the school have students involved in the cooperative education experiences.

These experiences we believe are important for students to prepare to enter the real workforce. I believe that the Governor's proposal gives the college the autonomy to explore a variety of innovative partnerships with private sector and to provide the educational experiences for our students that will bridge the gap between the classroom and the real world.

Formal collaboration agreements could include such things, again, as joint faculty/staff appointments and shared physical resources between and among the various private industries and the institutions.

I thank you for the opportunity to address you.

SENATOR EWING: Thank you.

Dr. Anderson, could you be fairly brief because we've had four of you now from Kean College.

D E A N C H A R L E S E. A N D E R S O N, Ph.D.:  
Chairman Ewing, members of the Education Committee, I thank you for the opportunity to appear before you today.

I plan to comment positively on the Governor's proposal. As much of what I had to say has been covered by prior speakers, I will keep my remarks brief.

To begin, the chief benefit of the Governor's proposal to me is that it would allow my--

(portion of testimony lost due to electrical problem)  
--of higher learning to service the students and constituents now and in the future more creatively and with increased authority, deliberation, and with an enhanced mission centered focus--

(portion of testimony lost due to electrical problem)  
--Governor Whitman has put forth will allow me to implement needed changes in major programs expeditiously. (portion of testimony lost due to electrical problem)

On the whole, they cannot judge accurately the content and quality of the training they should receive in order to be competitive and productive in their chosen profession. (portion of testimony lost due to electrical problem)

--that offer degrees other than just the bachelor's and the master's degrees and that is drawing on a collective and cooperative strength. That is something that the Governor's proposal I expect would encourage further.

Finally, I just want to say a word about corporate partnerships and alliances. In the business sector, we train students for various positions. Partnerships among the business sector, the public sector, and higher education have increasingly focused on the training and provision of leadership, especially business leadership in our communities.

Second, they have focused on simulating and promoting entrepreneurial ventures in our communities. The reason for that is obvious, the world is changing very fast. The mood of the public is that we must transform the American political, social, and economic landscape into radically new frontiers of promise and opportunity. This responsibility has come to rest, continually, on business, government, and education interests.

I have a Small Business Development Center at Kean College. It assists numerous local businessmen to comprehend and solve momentous problems. Two weeks ago the Center sponsored, along with the Union County Chamber of Commerce and

the Kean College Business Council, a conference on health care reform prospects and issues. This conference was directed at the local business sector and health care providers. It's very necessary that these two get together, but I'm pointing out how these kinds of changes are forcing these types of alliances.

Two years ago, the Center made headlines when it published the findings of a survey conducted on Hispanic-owned businesses in Union and Hudson Counties. That was just very informative to everybody. It brought in numerous clients to our Small Business Development Center. Beyond that, the Center also assists the research of Kean College professors whose focus is small businesses.

These efforts must be strengthened and replicated. I assume -- I hope that the Governor's proposal will remove responsibly any bureaucratic obstacle that may hinder cooperative projects of this sort.

In sum, I support the Governor's proposal to reconfigure higher education administration. It would allow my school to focus more on its mission. It would allow my school to focus more on its students. (portion of testimony lost due to electrical problem) --community concerns more expediently and comprehensively. Thank you.

SENATOR EWING: Thank you very much. Any questions?  
Yes, Senator MacInnes.

SENATOR MacINNES: Excuse me for not remembering all the names, the Dean of the School of Education.

DEAN SCHUHMANN: Yes, sir.

SENATOR MacINNES: You said you ran a Program that's approved separately by the Legislature for--

DEAN SCHUHMANN: Precollege--

SENATOR MacINNES: --College Bound Program.

DEAN SCHUHMANN: Exactly.

SENATOR MacINNES: And that the success rate among Latino students was 92 percent in terms of their graduating in a five year--

DEAN SCHUHMANN: From high school.

SENATOR MacINNES: Oh, from high school.

DEAN SCHUHMANN: From high school.

SENATOR MacINNES: Not from college.

DEAN SCHUHMANN: These are College Bound Programs. They are designed to help both African-American and Latino children in the public schools graduate from high school and go into college.

SENATOR MacINNES: Are these Programs defined by race and ethnicity or by economic--

DEAN SCHUHMANN: No, not really. It's by urban area and economic needs. The majority of the students served are African-American and Latino.

SENATOR MacINNES: I understand. At what point do they start?

DEAN SCHUHMANN: Well, most of us determine the grade in which we started. With Latino students, we started them in the fifth grade -- completion of the fifth grade. Recruit them in the fifth grade when they start in the sixth because they generally have not only the highest dropout rate from the urban schools, but the earliest dropout rate.

SENATOR MacINNES: I understand.

This is not on the bill, Mr. Chairman. I'll try and connect later.

DEAN SCHUHMANN: But the Program is funded by the Legislature. Right now there are 19 programs that you fund.

SENATOR MacINNES: How much do you get annually from the Legislature for your Program?

DEAN SCHUHMANN: We get \$89,000.

SENATOR MacINNES: How many students do you deal with?

DEAN SCHUHMANN: That \$89,000 funds 100. We have 300 kids in the Program, but the rest are funded by either the schools, AT & T, The Greenwald Foundation, but the \$89,000 that you give us funds 100 students. Close to \$2000 per kid per year. They come every day in the summer and every Saturday.

SENATOR MacINNES: Sounds like \$890 per kid to me.

DEAN SCHUHMANN: Well, yes. The last time it was a little over 1000.

SENATOR EWING: Thank you very much.

DEAN SCHUHMANN: Maybe that includes the part that Kean College puts in.

SENATOR EWING: Chris Berzinski, and can Mary Gibson come with you or are you separate?

C H R I S T O P H E R E. B E R Z I N S K I: We can do it together.

M A R Y G I B S O N, P h . D . : I'm Mary Gibson. I want to thank the Education Committees for the opportunity to discuss the proposed restructuring of New Jersey higher education.

I'm the President of the Rutgers Council of Chapters of the American Association of University Professors which represents approximately 4200 teaching and research personnel at

Rutgers. I'm also the First Vice-President of the National American Association of University Professors which represents 42,000 faculty members nationwide.

Attached to my testimony is a press release and resolution recently passed by the National Council of AAUP. That's the policy making body of the National AAUP. The two paragraphs of the national resolution summarize concisely the reasons why Governor Whitman's proposal to abolish the Department of Higher Education and the Chancellor's Office is mistaken, at least in its present form.

I'd like to read the text of that resolution into the record: "The National Council of the American Association of University Professors is deeply concerned about the precipitous and unilateral nature of the decision by the newly elected Governor of New Jersey, Christine Todd Whitman, to abolish the Board, the Department, and the Office of Chancellor of Higher Education. Any decision fundamentally altering the structure of a statewide system of higher education demands consultation with and advice from the higher education community in order to guarantee that issues of quality and academic freedom are addressed. Governor Whitman's decision came without proper consultation with higher education and without comprehensive or systematic study or deliberation in an open process.

"The nature of Governor Whitman's decision violates the procedures fundamental to ensuring the quality and integrity of public higher education in a democratic society. Such a unilateral action appears to be a political intrusion that threatens the ability of educators to set policies and make decisions based on academic values. Neither educators nor the

public can feel confident that the quality of education will be protected when values basic to our institutions are ignored. In the interest of academic freedom, the quality of education, the right of educators to express dissenting views and the freedom to be innovative, creative, and diverse in the development of our institutions of higher education, the AAUP calls upon Governor Whitman to rescind her untimely and unstudied recommendation." That was passed by the National Council on April 24, 1994.

One of the most disturbing aspects of the Governor's proposal from an AAUP standpoint is the effect that the assertion of direct political control of higher education is already having on academic freedom and institutional decision making.

A number of college Presidents and Trustees are afraid to speak out other than anonymously in the press against the Governor's plan. Apparently it is accepted as fact by this group that dissent will invite budgetary retribution against their institutions.

Several faculty members have suggested to Rutgers AAUP, to me, that even though the decision making process and the restructuring plans spell potential disaster for higher education, we should not challenge the proposal because the Whitman administration could retaliate against our university.

I have to say that if I were representing a special interest here, I would probably not be here taking this position today. I'm here out of concern for the welfare of higher education in the State.

If some Presidents, Trustees, and faculty already feel that they cannot speak freely about an issue so central to their institutions, how will they react in the future to the demands of political figures that certain courses not be taught on their campuses? Will they be able to resist demands from powerful politicians that particular books be removed from college libraries, or that faculty with controversial viewpoints not be hired or tenured or that tenured ones be detenured, or that dissenting students be dismissed? In short, are academic freedom and sound educational decision making going to be sacrificed in order to please the politically powerful of the day? It seems that the answer is about to be yes.

Public education, including public higher education -- you won't find this on the text, I've just added -- public education, including public higher education, is a vitally important public good. I would hope that the Governor and Legislature of New Jersey would take great care to protect, preserve, and promote that good.

Regrettably, the process by which the Governor's proposal was developed was not a careful process. The haste with which the legislation has been developed is so far from careful as to be better termed reckless. Who knows, in fact, how many other potential disasters remain to be uncovered on a par with the land transfer that thankfully was exposed and eliminated.

The exchange between Senator MacInnes and Fran Lawrence, who was on the Governor's Panel, provides another example of the haste with which the legislation has been put forth and is being rushed through. There appears to be

substantial difference between what the Panel thinks it recommended and what the legislation actually says. This is a matter of very great concern.

The process has not been a careful one. It continues not to be a careful one, a free, open, thoughtful inquiry and discussion; in fact, in this room, with real respect, Senator Ewing, I have to say that we've seen in this room since 9:00 a.m. the consequences of attempting to cram all of the deliberations -- the important deliberations -- of these Committees into a couple of days.

Initially, we had the regrettable attempt--

SENATOR EWING: If you want to come down Saturday, I'll be here Saturday. If you want to come in Monday, I'll come here Monday.

DR. GIBSON: I say, regrettably we had initially the attempt to stifle what is important and necessary discussion, and now we have the loss of attention and presence of important participants. Not all of you, and I'm very grateful to you for being here, and I continue to be here out of my commitment, too.

SENATOR EWING: Fine.

DR. GIBSON: So I appreciate that very much, but I think that the process is rushed.

SENATOR EWING: Well, we can give you a list of names and addresses, and you can call those individuals who weren't here and talk to them on the phone to give them your point of view if you want to.

SENATOR MacINNES: A point of personal privilege, Mr. Chairman.

SENATOR EWING: No, it's going on--

SENATOR MacINNES: Really, I mean honestly the value of these witnesses and the exchange should be shared.

SENATOR EWING: Fine, I've heard you, Senator MacInnes, thank you very much.

Will you proceed, please.

DR. GIBSON: In support of careful, open deliberation and academic freedom, the right of educators and students to present and explore dissenting views, we renew our support for the appointment of an independent blue-ribbon panel to study the higher education coordination and oversight structure in New Jersey. I urge you to be careful.

Thank you.

MR. BERZINSKI: Mr. Chairman and members of the Committee, thank you for this opportunity. My name is Chris Berzinski. I, in addition to working for the AAUP, I also Chair the Challenge 2000 Higher Education Coalition, which is made up of seven higher education faculty and staff unions and a number of student organizations. We have a total represented membership of about 70,000 people.

Since the Governor proposed the restructuring of higher education, we have been in opposition to it. Our reasons for opposition remain the same. They remain the same because the proponents of the restructuring of higher education in New Jersey have yet to make a case for their position, in our view.

No convincing case has been made for the elimination of the Board, the Department, or the Office of the Chancellor. There has been no comprehensive or objective study to identify the flaws in the current system and how they should be remedied. The Governor's Advisory Panel on Restructuring Higher Education,

with all due respect to the members of it, basically recommended -- fleshed it out a bit, but recommended what was in the Executive Order that established the Panel.

In the limited time that I have, I would like to address and revisit the tuition issue and put some personal observations and some historical observations into it. We've heard about -- earlier today, much earlier -- the difference of philosophy that was elected last November and the different ideological approach. One of the ways that is translated into this proposal is the free market approach to tuition. I think all we need to do is to look at the past to see what will happen in the future if we take that approach to tuition and fee guidelines. The only rule that remains is charge the maximum that you can.

When I was a student at Rutgers University, we had a three year tuition freeze which ended in 1979. In 1979, annual undergraduate tuition at Rutgers was \$760. You can fast forward it to 1994, 15 years later, tuition is just over \$3400 annually. This is an increase of 350 percent in 15 years. The really important point with that is that the tuition increased 350 percent despite low inflation during most of that time, during most of the 1980s and certainly into the 1990s. Despite in the 1980s dramatic increase in State appropriations, which several of you are responsible for and we appreciate; despite the Board of Higher Education's guidelines on tuition being no more than 30 percent of educational cost; despite two years of tuition stabilization incentives which, I'll admit, had their flaws but did bring down college tuition, the experience at the State colleges has been much the same. Increasing slowly in the early

1980s, tuition escalated steadily once the colleges gained increased autonomy. But going back to 1979, State college tuition has increased more than 200 percent, from \$704 to an average of over \$2200 as of 1993.

It should, therefore, not come as a surprise that New Jersey public institutions boast the dubious distinction of having the sixth highest average tuition and fees in the country as of the 1992-1993 school year.

It shouldn't require a genius to figure out that without the minimal guidelines and controls in place during the last 15 years, tuition and fees would probably have increased even more dramatically than they did. There was always pressure from the institutions for more of a tuition increase than they got. Indeed an argument could be made that stronger controls should have been implemented in the 1980s when it was obvious that the existing guidelines were not working well.

It finally took student protests and the BHE- and DHE-supported tuition stabilization incentive program in the early 1990s to bring tuition increase down to the 4 percent to 5 percent level. The very people now assuring us that abolishing all controls will keep tuition lower are the same ones who drove tuition up by 200 percent to 350 percent while they supposedly chafed under State regulation.

If the Governor's plan passes, as it stands now, and I know there has been discussion of amendments to it in relation to accessibility and affordability, but if it passes as it stands, it will be the middle-income families who will pay the price. The most impoverished students, as we know, will probably continue to receive financial aid. The most affluent

students will have even less financial incentive to attend New Jersey institutions and will go out of state in larger numbers. The middle-income families who find it a struggle right now to pay for college and rarely qualify for aid will be priced out of the market.

The middle-class families who pay the bulk of the \$1 billion in tax money that supports higher education will find that our colleges and universities are not affordable or accessible for their children.

The Governor's proposal is a major problem for affordability and access to public colleges and universities. The bill before you is the problem. There are problems that have been delineated at length in other areas.

That is why Challenge 2000 renews its support for a full and independent study of higher education coordination and oversight and calls on the Legislature not to act on legislation eliminating the Board or Department until such a study is completed. I believe that's embodied best in S-1119 that was introduced the other day by Senator MacInnes.

Thank you.

SENATOR EWING: Thank you.

Questions.

ASSEMBLYMAN WOLFE: Senator.

SENATOR EWING: Yes.

ASSEMBLYMAN WOLFE: I have questions for both the speakers. The last speaker, I didn't get your name.

MR. BERZINSKI: Chris Berzinski.

ASSEMBLYMAN WOLFE: Chris. And the first speaker?

DR. GIBSON: Mary Gibson.

ASSEMBLYMAN WOLFE: Mary, okay. Chris let me ask you, first of all, what is Challenge 2000?

MR. BERZINSKI: It's an organization-- I could read you the names of the people that are in it, the organizations that are in it: The AAUP at NJIT; the New Jersey State Conference of AAUP; AAUP at Rutgers; UMDNJ; Union County College; also, AFSCME; the Campaign for an Affordable Rutgers Education; CWA Local 1031, who is waiting yet to speak, their President; the Council of New Jersey State College Locals; Local 195 of the Public Employees Union; NJEA Higher Education; United Students of New Jersey.

ASSEMBLYMAN WOLFE: What do you espouse? What is the purpose of your organization?

MR. BERZINSKI: We have sent you some documents in the past on this. Its purpose is to both support affordable tuition -- it's a double-barreled approach -- affordable tuition and increased funding for higher education from the Governor and Legislature.

ASSEMBLYMAN WOLFE: That ties into my second question. You seem to be utilizing a tactic which many people have, which is a scare tactic on middle-income families. How do you come to the conclusion that the middle-income families will be hurt by this proposal? What's the rationale? What do you have to back up your assertion?

MR. BERZINSKI: The middle-income families are those least likely to qualify for financial aid. I went through that myself. A lot of this is, originally, based on my own perception and then going back through the figures of the last few years as to what's happened.

There were some studies that I'm aware of in the late 1980s out of Rutgers, including the late President Ed Bloustein, who is quoted on a number of occasions saying that the studies showed that when tuition went up by a double digit, as we've seen in the past -- 10 percent, 13 percent, 15 percent -- that a certain portion of people in the middle tended to get squeezed out as you moved along. That's the data and the intuitive information that I'm referring to. That it tends to happen--

ASSEMBLYMAN WOLFE: Okay, I deal with research on a regular basis, and you can cite anything you want to. You're saying, "studies have shown." My concern is what is the data that shows that Governor Whitman's proposal is going to impact negatively on middle-income families. That's all I'm asking. You're telling me that a study was done in -- 10 years ago. I mean, what study? Who did it? What was it based on? That's the first question.

MR. BERZINSKI: What--

ASSEMBLYMAN WOLFE: The second question is to the first speaker. In what way will this proposal lead to student dismissal and denial of tenure? I mean, there are -- I'm a professor in college, and you're throwing out catch words. You're throwing out words that sound good in the press, but I think you need to back these up.

DR. GIBSON: I would like to respond initially to your challenge to Mr. Berzinski, because we are saying that a study needs to be done now. Where is the study that shows that it won't hurt?

ASSEMBLYMAN WOLFE: Excuse me, I'm sorry. He said a study was done, and I'm asking what study is he talking about

that supports the fact that Governor Whitman's proposal is going to cause college tuition costs to skyrocket for middle-income students. That's all I'm asking.

DR. GIBSON: The point is, Assemblyman Wolfe, the study has not been done that needs to be done in order to support the proposal that is embodied in this legislation. That study has not been done. That is our point.

ASSEMBLYMAN WOLFE: And further, how is this proposal going to lead to student dismissals and denial of tenure?

DR. GIBSON: The fact of raw political intervention in the educational structure and decision making of the State of New Jersey is going to lead to the ability of any powerful person who has that kind of legislative ability to threaten, to destroy an institution of higher education by influencing and withholding the funding that it needs to survive -- is going to have enormous power to coerce administrations and faculties and students into towing whatever line that powerful political pressure wants towed. That is not freedom. That is not education. That is not sound educational decision making. That is what we are threatened with. I'm not saying--

ASSEMBLYMAN WOLFE: Where is this threat coming from? Who is the source of this threat? What is the body that is exhorting the threat?

DR. GIBSON: I would say that the very process that we are going through right now is evidence of the beginning of this process. That is, the Governor making a decision without consultation with the higher education community in the State of New Jersey, with no consultation with faculty who do the education in this State, with no consultation with students, no

consultation with educational support staff to come out with a proposal and a decision.

Then, to appoint a panel of people who are told what their results should be, not to study the matter but who are told to flesh out the decision that has already been made. Then, to cram it through the legislature with this hastily put together legislation, which who knows what is in there, in addition to what has already been found that is horrendous.

That is a process that is being politically motivated, and the potential for damaging the public good of higher education in this State is enormous. The care that needs to be taken in order to promote that public good, and if you as an educator can't see that, more care needs to be taken than is being taken in this process, and that this process is politically motivated-- That should not be the way to make decisions about the structure and the running of higher education.

ASSEMBLYMAN WOLFE: Again, I'm sure there's other people, and I don't want to engage in a debate, but I don't really see how this is politically motivated or people were not given a chance to have their input. There were over a 100 people towards the Advisory Panel. I'm sure we're going to have 20 or 30 people tomorrow -- I guess 20 people tomorrow testifying, in addition, to the 40 people today.

I don't understand how you're saying there was no input. The students who testified today also testified at Rowan College, and their testimony was taken into account by the Advisory Panel. The lady from CWA testified at Rowan College, and her concerns about the staff workers in higher education who

dealt with financial aid was taken into account by the Advisory Panel. So to have a blanket condemnation that this was a done deal and that, you know, there was no input I think is totally erroneous. I don't understand where you're basing your--

DR. GIBSON: It was a done deal since March 15.

ASSEMBLYMAN WOLFE: Thank you.

SENATOR MacINNES: Chairman.

SENATOR EWING: Yes, sure.

SENATOR MacINNES: Yes, I think, Assemblyman Wolfe, with all due respect, I think it's rather extraordinary that a matter of this complexity is put on the schedule it's been put on.

I've had private conversations with colleagues in the Legislature on both sides. Everyone seems to agree that this is extraordinary. But the truth is that this has been made a matter of -- through the sponsorship of the legislation, I think a clear signal has been sent that this is a matter of party loyalty. That is fine if your interest is in getting a pelt on your belt early in the administration, but this particular enterprise has enjoyed a different spirit when the Legislature has considered it over the years.

That spirit has been one of bipartisanship and one of deliberation. I think it's fair to continue to remind this group, this joint Committee of the Legislature, that there have been-- Yes, there has been testimony and there has been a good exchange today. It's highlighted still additional questions which need to be answered and which may not be answerable in the two days which have been set down for public hearings on this issue.

I think they reveal instead not so much the answers to the questions, but they reveal instead the need for continued dialogue on these questions. So I say this sadly. I don't say this for advantage, I say it sadly. I would prefer, vastly, a proposal that allowed us to retain the spirit of bipartisanship on the issue of higher education, particularly when we are talking about how it's going to be organized in the future. This is not a simple question, it's a complicated one.

I don't want a two year study. I don't want a 100 year study as Mr. McGuinness suggested I might. I would like to have an eight month study by a blue-ribbon commission report next March. I don't think that's asking too much, particularly for retaining this idea that higher education deserves not only our deliberative attention, but it also deserves, it also deserves the care that Dr. Gibson talked about.

I fear that this process, which is I think very apparent from the schedule that has been set down by the Chairman, that we're going to be out of this question by early June, from what I understand. I think that is asking much too much. I would hope that in light of what we have learned today that the Chairmen of both Committees would entertain the prospect of, first, continued public hearings -- because we're obviously not going to get to everybody in a timely way -- to ensure that the deliberation of the bill itself will be given whatever time is required to ensure that it's the best possible bill.

Finally, to consider, as a simultaneous alternative, the bill that has the 1119 designation as a Senate bill, even if it were released without recommendation. It would be available

for consideration of the floor of the Senate should a change of mind occur along the way.

SENATOR EWING: That's an interesting thought.

Senator Martin.

SENATOR MARTIN: I'd like to ask Mr. Berzinski and it's Mary -- I'm sorry.

DR. GIBSON: Gibson.

SENATOR MARTIN: Gibson, I'm sorry. The exchanges are so long I forget people's names in between.

You expressed concerns, and I think you articulated them fairly clearly, at least to me, regarding tuition and also funding generally to the various institutions of higher learning. The other part of the proposal the Governor has provided deals with the general issue of greater independence for the colleges and universities.

While that may sound a little contradictory as far as dealing with the tuition, there are other areas, such as developing programs and perhaps sort of defining their mission or furthering their mission along those lines-- That part of it and the aspect which has been talked about as far as too much bureaucracy, as far as the extensive length of time for review and maybe unnecessary review by the Department of Higher Education: do those two areas, apart from the tuition and the amount of State funding, the issue of independence, at least in some areas for the colleges, and the reduction of unnecessary bureaucracy, is that appealing to you in this legislation?

MR. BERZINSKI: I think there is a lot the colleges can do now that they have claimed that they can't under the current system.

To answer the other part or another part of your question: If there are problems with bureaucracy or delays, I think it's a far more sensible approach instead of taking the entire system, throwing it out, and jumping, in many cases, into the unknown to tinker with it.

It sounds like a tinkering question. If we put the funding and the tuition questions aside for a moment, I think we're talking in large measure about making some adjustments to the current system, not what has been proposed, with all of the problems that then come back in as to how they do budgets and what happens with tuition and so on. It's far too radical and sweeping a proposal and move to make I think without knowing what you're getting into.

DR. GIBSON: I actually have serious concerns about the-- Some of the concerns that Senator MacInnes raised earlier in his conversation with Fran Lawrence that the Commission that is proposed will be a less effective and less independent advocate for higher education in a systematic way than what the current Board and Department of Higher Education have been-- We know that they have been inadequately effective as it is in terms of funding. So I'm concerned about that.

I'm also very concerned that there doesn't appear that there will be a body that really takes as its primary concern the focus and attention on the needs of students. I don't see that in this bill, in the proposal anywhere. Governor Whitman uses the rhetoric that students are what she's really aiming to serve here. She didn't consult with students. I don't see anything in here that is going to make the institutions take

seriously -- take more seriously the needs of students, especially undergraduate students in their decision making.

The students are not involved. They are not empowered in the processes, in the institutions, and there is no one being put in place by this proposal to really promote the interests of the students and the taxpayers. So I have those concerns as well. So that makes my concern about the process all the more intense because I fear also the consequences.

SENATOR EWING: Thank you very much.

Abby Demel-Brown, President of the CWA.

A B B Y D E M E L - B R O W N: My testimony starts off with good morning, then it changed to good afternoon. In any event, good evening members of the Senate and Assembly Education Committees.

My name is Abby Demel-Brown, and I am President of the CWA Local 1031 representing the nonacademic support staff at the Department of Higher Education, the nine State colleges, and the supervisory staff at the University of Medicine and Dentistry.

I am also the Treasurer of Challenge 2000, a coalition group of faculty and support staff of over 20,000 and 50,000 students. It is in this capacity-- (portion of testimony lost due to electrical problem) --present the Committee with our Challenge 2000 white paper in response to the Governor's Advisory Panel's Restructuring Report. Our report is entitled, "If It Ain't Broke...Don't Replace It."

As an aside from my testimony, we also represent several libraries around the State. I was in negotiations yesterday. The chief spokesperson for management was a corporate executive, a Republican, who said to me -- he knows

I've been very much involved in this issue because we do represent higher education people -- and he said at no time during the Governor's campaign did he ever hear that there was a problem with higher education. He said, "What's the rush? Where's the fire?" Well, maybe the sequel to, "If It Ain't Broke...Don't Replace It" should be, "Where's the fire?"

The report that I handed out to you is a factual, well documented 19 page study which concludes that there are no good budget or policy reasons to abolish the Board, Department, and Chancellor of Higher Education. Rather, the Governor's objective is to clear the way for radical cuts in the State support for higher education in future budget years and to minimize the political damage when these cuts occur.

I also want to point out that in Appendix A on page 18, from 1985 through 1990, 27 states conducted major studies of their higher education systems. Actually, changes were made in less than half, and in only six states were major changes made after several months and sometimes years of debate.

Our report refers to several studies that have been conducted over the past 10 years.

In 1984, John Millet found that institutional autonomy was threatened by a lack of financial support and not by statewide coordinating bodies.

In 1986, Frederick Volkweim found that the answer to high quality programs was State financial support and campus size. States with good financial support scored at the top in regard to faculty accomplishment, student achievement, and research funding.

In 1991, the Association of Governing Boards of Universities and Colleges endorsed statewide coordinating boards similar to the New Jersey Department of Higher Education as the best system to balance institutional and system wide demands.

What our study could not come up with was any shred of evidence that the Board of Higher Education or the Department of Higher Education was a dysfunctional, outdated bureaucracy that needed to be abolished.

I think you will find our white paper informative and disturbing. Please feel free to use it as you wish.

Now, in regard to reviewing Senate Bill No. 1118, we find several problems. Page 2, Section h. "To retain legal counsel of the institution's choosing." We believe that legal disputes will be exasperated by hiring private attorneys. Attorneys' incomes are determined by their billing hours. It is to their advantage to prolong litigation as much as possible. We believe it would be far more cost efficient to utilize the Attorney General's Office.

On Page 5, Section 13, it states that the New Jersey Commission on Higher Education shall consist of eight public members and the Chairperson of the New Jersey Presidents' Council. Fairness would dictate that a labor and student representative, appointed respectively by labor and students, have a seat on this Commission. We would like to see specific language to this effect as an amendment to S-1118.

We would also like to ensure in this bill that any support staff employed by the Commission or Council be placed in a State worker bargaining unit.

In reference to Page 7, Section 16.b.(2), we are opposed to the privatization of student loan administration because we believe experienced State workers are more cost efficient, long term, than outside private contractors.

We are also greatly concerned about Section 16.a on Page 7 that the Commission will report within six months to the Legislature and Governor "on recommendations concerning the collecting bargaining process and the Civil Service Classification of certain institutional employees." We would like to see the section removed in its entirety. We believe that this review of our collective bargaining rights is just a prelude to removing classified workers from Civil Service coverage.

Now, as I've been sitting here since 8:30 this morning, I've been listening to a lot of testimony. I jotted down a few notes. This is not in my written testimony. But I did hear someone say that the Department of Higher Education and the Board of Higher Education were no longer needed, it outlived its purpose and its usefulness. Well, are we going to reach the same conclusion about other departments that have been around for many, many years? Are we going to get rid of the Department of Education? Are we going to get rid of the Treasury Department? How about the IRS? They've been around for a long time. That's probably a department that a lot of people would like to get rid of.

I've heard reference to children. That, you know, what is happening here, it's going to be much better for the children who attend the institutions. Well, I graduated from Kean College in 1978, I was 38 years old. My concern is that

the State colleges remain affordable and accessible to women, minorities, and people of all ages.

I heard the word, again and again, bureaucracy. I don't understand. Three agencies are going to be replacing an agency that was cited by an independent auditing firm as being understaffed and being one of the smallest departments in State government.

I've also heard that those who oppose this restructuring bill, they couldn't possibly trust the Presidents or the Boards of Trustees. Well, let me tell you something, I have six children and I have a grandchild, and over and over again, I have heard from them, "Trust me, don't you trust me? Don't you think I can do this? I don't need you, you're old fashioned, you're outdated." I've said the same thing to them that I would say to the college Presidents and the Boards of Trustees, "I support you, I care about you, but you still need oversight and you still need rules and you still need regulations."

I've also heard the Presidents talk about how they get together and they meet monthly in a coalition and how well they work together and they're going to continue to do that. At another time, not today, but at some other hearing, I heard President Connors of Sussex County Community College testify that when they get together, they not only argue about who sits at the table, but the shape of the table they're sitting at.

The 137 pages of Senate Bill No. 1118 will have such a major impact on families, students, workers, and taxpayers that it should not be rushed through for the sake of expediency.

Thoughtful consideration and long term study will prevent a higher education disaster that is waiting to happen.

SENATOR EWING: Thank you. Any questions?

SENATOR MARTIN: Well said.

SENATOR EWING: What?

SENATOR MARTIN: I just said I thought it was well said, well spoken.

SENATOR EWING: Thank you.

MS. DEMEL-BROWN: Thank you.

SENATOR EWING: Mariela, she's a student from Hudson County College, is she here? (no response)

Dr. Harvey Kesselman, Vice-President of Student Services at Richard Stockton State College, is he here? (no response)

Moving right along, Dr. Thomas Sepe, Mercer County Community College.

**T H O M A S D. S E P E, Ph.D.:** Mr. Chairman, in the interest of time, we'd like to ask the other Community College Presidents here to just do it all in one fell swoop. Would that be acceptable?

SENATOR EWING: Well, do they have one statement to make, or are each one going to do a separate one?

DR. SEPE: Tiny, little separate statements.

SENATOR EWING: You guarantee that? (laughter) If you want other bills in the Committee in the future, you know-- We have Dr. Sepe, Mr.--

**L A W R E N C E A. N E S P O L I, Ph.D.:** Tom Sepe from Mercer, Don Loff had to leave. This is Dr. John May, our newest Community College President from Atlantic County

Community College, and Dr. Richard Parrish is an Assistant Dean here on behalf of the President of Ocean County College.

The most productive thing that I can do and certainly the most popular would be to yield my time. I have written testimony. I will take no more of your time other than to say, by way of introduction, that the Council of County Colleges is the State Association for 38 individuals, 19 community college Presidents, and 19 community college Board Chairs. Are they of one mind about this bill? Of course not. I've worked for them for three years, they're not of one mind about anything frankly that I can recall, but I am here to tell you--

SENATOR MARTIN: What about the shape of the table?

(laughter)

DR. NESPOLI: Pardon me?

DR. SEPE: That we agree on.

DR. NESPOLI: Most recently, I think it's rectangular. So there's no controversy there.

But I do want you to know factually that a very strong majority of the community college presidents and a very strong majority of the community college trustees, some 230 of them, have deliberately and slowly and intelligently reviewed this bill and support it. You heard from some of our members this morning, now you'll hear from a few more right now.

So without any further introduction, first Dr. Tom Sepe, President of Mercer County College, and you heard the Chairman's call for brevity.

DR. SEPE: Thank you for this opportunity. As you know we serve the capitol district in which you're in. I've

been President at Mercer for two years, and I've been in higher education for nearly 25.

First, let me say from my experience, I think the Board of Higher Education and the Department of Higher Education and the Chancellor have served an important function. I don't think there's any argument that higher education needs coordination and planning and some structure to provide accountability.

The current organization has provided that in a very traditional and bureaucratic way. You could superimpose this structure of higher education as it exists right now into a number of states, including my former state of Maryland. So if you cut through all the rhetoric, this is simply -- what we are seeing here I think is a proposal to do the essential things that we must do as a system of higher education in New Jersey but in a different way. To do away with the unnecessary, the redundant, and the outdated requirements but not to dismiss or avoid our professional responsibilities or our accountability to the public, the Legislature, and the Governor.

I would like to make a parallel with the business community right now. If anyone is observing the changes going on in our business sector, the dramatic shifts, the way companies are managing today away from the way they have done in the past, you wouldn't be surprised I don't think by or alarmed by what you are seeing the Governor propose. Driven by a change in management philosophy and the pressure to reduce because of economic times, American businesses are reconsidering the traditional ways of operating. Heavily layered, often duplicated systems are being replaced with flat organizations

which demand more independent responsibility, teamwork, and communication within and among systems of their organizations. I see absolutely no difference between that model and what the Governor is presenting.

We, as Presidents, along with our Boards are being challenged to be more responsible. I think it is time well taken that we do this.

If you go back to the inception of current organization of higher education in New Jersey, there were clear factors which caused the creation. The Strayer Report in 1962, predicted the rapid growth in higher education. At that period of time, if you remember, across the nation one community college a week was being developed. Population changes, population growth, and the unmet needs were outlined in the Strayer Report. When Governor Hughes took up this issue and the Goheen Report provided a call for action, the current structure was designed to provide "oversight" for the planned construction of campuses and the development of new programs. While this structure served that purpose in boom times, a simpler and more direct, responsive system is needed today in our "do more with less" environment. The Governor's plans fit those needs.

Much is said about accountability. This plan is not perfect in all of its factors for accountability. As I read it, it gives the system that's being developed a year to come up with accountability measures which make, in full, the kinds of needs that we have as presidents and that you need as legislators.

One of the advantages of this system is not only the attempt to simplify, but it has the possibility I think of

giving us a great deal of dramatic interaction. Let me give you an example of some of the collective energy that already is going on right now. Some of you have heard the word articulation, but a dual admissions agreement is something different than that. That is when a student, particularly enrolled in a community college, is admitted simultaneously to the community college and to a four year institution.

Today, Mercer and the 18 other community colleges in this State have dual admission agreements with Rutgers. This was not mandated by a State agency or Board. No financial or political pressure was applied for this to happen. Dr. Fran Lawrence and his staff undertook this initiative because it was the right thing to do.

By this fall, I expect to be signing similar agreements with Trenton State College and Rider University. Why? Because it's the right thing to do. When Harold Eickhoff and I and Bart Luedeke and I sat down over lunch, we talked about this possibility, and it will become a reality by the fall. It makes good sense to do this. Talk about access. That's access to our colleges and universities across the State. It also will provide a bachelor's degree for the students who participate in this program at half the cost if they had gone directly to the four year institution.

There has been a lot of talk about trust, so let me focus on that for a second. If you listen to the members of the current higher education structure and read the headlines they have been making, you would think that I, as a college President, am the educational equivalent to Attila the Hun. Without the Board of Higher Education, the Chancellor and his

staff, my goal in this new organization, along with the other presidents, is to rape and pillage the State and all of higher education. The only thing standing between you and the sacking of Rome are the defenders of the status quo. It simply is not so.

The absence of the Board of Higher Education, the Chancellor, and the Department will not reduce my intelligence, my values, principles nor my integrity. I will use the same talents I've had for the last 25 years in higher education to work with this new organization to make the colleges and my college in particular the best it can be. With your help, sufficient financial support, and your trust we will make it so.

There has been some comment about tuition also. I'd also like to show you what we do at our institution. Before we increase our tuition, I meet with our Student Government Association in a large auditorium and field questions for as long as they want to talk about it. I show them the charts, the graphs, and our budget. They know exactly what we're up against. I did that before we raised our tuition this last time.

Yes, our State funding has been a problem. We're down to 22 percent support. If you track county support, State support tuition, you'll watch the line for county support being a flat line over the years. The decline in State support is compensated by the increase in tuition one for one. For every dollar that State funding goes down, tuition had to go up, and that's they way that operates.

So if we're talking about access, if we're talking about tuition, then we've got to solve that equation for all of

us. We're not here, as I said, to sack Rome. We're here because we care about our students. We want to do a good job. I think we're professional enough to do it. I'm beginning to feel very upset about the kinds of comments that are being made about college presidents and their staffs who really work very hard to get this job done.

Thank you.

SENATOR EWING: On the tuition, how much did it go up last year to this year?

DR. SEPE: We went up 4.5 percent last year. We are predicting--

SENATOR EWING: No, but in dollars and cents.

DR. SEPE: Two dollars and fifty cents a credit.

SENATOR EWING: What was the reaction from the student body when you talked to them?

DR. SEPE: This past year, they were-- This past month, when I talked to them about our current projected increase for next year -- right? -- they were concerned that it was growing faster than they could keep up with it, even in that small amount. We have students who have to make choices between taking a course or putting tires on their car. Those are real issues that we have to face on a daily basis, and we're not insensitive to them, at all. I had a young lady stand up and say, "My father is unemployed, my mother works full-time, and I work full-time. You can't continue to raise tuition."

SENATOR EWING: What are you contemplating this coming year?

DR. SEPE: Five percent.

SENATOR EWING: In dollars and cents. I don't understand, you know, what 4 percent, 10 percent--

DR. SEPE: About \$2.50 per credit hour, which is \$7.50 per course.

SENATOR EWING: How does that put you out as far as the other county colleges go per course, per credit?

DR. SEPE: We are in the lower third in the rank order of tuition.

SENATOR EWING: Thank you very much.

DR. SEPE: All right.

J O H N T. M A Y, Ph.D.: Thank you, sir. I appreciate the opportunity to share with you. My statement, it is a brief one, let me read that.

Among the goals Governor Whitman addressed in her initial statement on restructuring higher education in New Jersey were these: enabling colleges and universities to chart their own paths to increased excellence through greater independence and improving the accountability of individual institutions.

I support these goals, and I support the proposed legislation designed to achieve them. While the legislation may not be perfect, and it's certainly not complete, I'm referring to the fact that significant elements of a complete restructuring are left to further study during the first year. I'm persuaded that the legislation represents a significant step in allowing the State's colleges and universities to progress more rapidly along the path to excellence envisioned by the Governor.

In particular, I offer this observation: business, industry, and now, education are realizing the advantages of total quality management. The goals which I cited: achieving excellence through greater independence and improving the accountability of individual institutions are central to the application of total quality management to education.

Those who object to this legislation on philosophical grounds are likely to do so because of a preference for strong central control. Certainly maintaining central control will reduce certain risks. For instance, the authorization to deliver new programs can be controlled so strictly that failure of a program is virtually impossible. But, by controlling with such a heavy hand, other programs will never progress to the point where they will even be tried. The greatest progress comes only with the acceptance of some risk. The legislation now being considered will give greater latitude to colleges and universities to make decisions based on their own assessments of risk and benefit and will result in a more responsive system in meeting the educational needs of our citizens.

One of the more reckless accusations made by some opposed to the legislation is that moving powers from a central board of Higher Education to individual colleges is unwise because college Presidents and Boards cannot be trusted. Frequently, those making this accusation will attempt to lend creditability to it by asserting, as an example, the belief that without central control, the colleges would escalate tuition.

For the Trustees at Atlantic Community College, for our former President, Dr. Orth, and for me, this speculation has a particularly false ring. In the present academic year and in

the preceding one as well, tuition increases were effectively capped by the Tuition Stabilization Incentive Grant. For both of those years -- two consecutive years -- Atlantic Community College's President and its Board held tuition increases to zero. I repeat that. For two consecutive years -- last year and the current year that we are in, our President and Board held tuition increases to zero when the cap would have allowed increases of 4.5 percent each year.

The President and Board made the decision that for those years, the best use of the college's resources would be to hold the line on tuition. We will not always be able to make the same decision, but as professionals committed to the best for our students -- as we have with our Board and with our staff -- we will remain diligent in pursuing the goal of delivering education of the highest quality while providing affordable access. Passage of the legislation before you will bring us even closer to attaining those goals.

Thank you.

SENATOR EWING: Thank you.

DR. NESPOLI: Last, but not least, Dr. Parrish from Ocean.

R I C H A R D M. P A R R I S H, Ed.D.: I bring you greetings from Ocean County College. If you're not busy this weekend, come on down to the shore. You'll be amongst 100,000 or 200,000 people. Dave had to go teach a class tonight, so I said goodbye to him and I'll see you at the beach. So you're welcome.

Once, a long time ago, I saw a movie with Sean Connery in it, and he said, "Revolution is good every once in a while."

I think in this particular case, although it's not a revolution, it certainly brings to focus the issue of higher education in New Jersey and a number of issues, and a number of good speakers have spoken to you. I commend you for having these sessions and allowing us to present.

I also bring you greetings from former Senator William Hiering, from our Board of Trustees. He's our Chairman of our Board of Trustees. He was the Chairperson of the Senate Education Committee years ago when they were looking at the establishment of the Board of Higher Education.

I want to let it be read into the record that Ocean County College Board of Trustees, this Monday, passed a resolution supporting Governor Whitman's proposal unanimously.

There are a couple of items, as a data person across New Jersey, which I am responsible for data collection, which I think should be mentioned here. There is a component in the bill mentioning data collection. I think it's a strong component. We need to continue that. We need to even increase it.

The Federal government requires higher education institutions to submit tremendous amounts of data. We coordinate it currently through the State Board of Higher Education and the State Department. I urge that we continue that. It's called IPEDS: Intergovernmental Post Secondary Education Data Systems.

The other component of research that you need to be concerned about is what are known-- (portion of testimony lost due to electrical problem) I'm sure you're aware of that. It's part of the legislation. That's a Federal government mandate

for State postsecondary review entities. That's another component.

The research staff in the Department of Higher Education has been a good one for a number of years, and you're losing some good people. Personally, I know them all. I would hope that in some way or another, they could be retained as some component of a new research system. They have been trained for many, many years, and I support them personally.

Another component that I've heard Governor Whitman talk about potential for replication is the high school graduation test and the New Jersey College Basic Skills Placement Test. They are not the same test. They are two different tests. They measure different things.

Most of the community colleges I know, in New Jersey, are going to be continuing those Basic Skills Placement Tests this fall. They cannot not do that because all the placement into the remediation is based upon that. I think the Legislature and the Governor would be wise if they appointed some type of a study commission with experts in measurement to take a look at those two tests to see if there is any way of meshing the results of the tests together. But you just cannot dispense with the New Jersey Basic Skills Placement Test. The colleges will be taking on this responsibility themselves.

I also have a concern for tuition. I'll stand up with my pockets out, too bad they're not white. (laughter) I had a college graduation from Georgian Court College, a private, independent school two weeks ago -- my daughter. Last Thursday -- I just saw Fran Lawrence and I congratulated him -- my son graduated from Rutgers University. Next Thursday my twin

daughters will graduate from Ocean County College and go to Montclair State College. I mentioned to Tom Auch, over here, who's my friend-- He's the Vice-President for Finance over at Montclair, "Don't raise your tuition too much." I don't think there is anybody in this room who can say they had four graduations within a two week period. So I too have a concern for tuition in New Jersey.

DR. NESPOLI: Thank you very much.

SENATOR EWING: Don't they have courtesy among college presidents the way doctors do? (laughter) You get a free tuition.

DR. PARRISH: I wish they did have that courtesy, but that's not the case in New Jersey. Thank you.

SENATOR EWING: Doctor, there was a suggestion -- you were talking about meshing the tests and everything. Have you had any people looking at that? Have you thought of how we could do this and who would administer it?

DR. PARRISH: There has been discussion about eliminating the Basic Skills Placement Test, but we cannot depend upon the results of the High School Placement Test. First of all, in New Jersey the community college students primarily are older students.

The average age being 26 or 27. The results won't be available until 1995. You can't eliminate it entirely, but I think what you need to do is to look at potentials for using the results of the high school graduation perhaps in lieu of the basic skills test for some students but certainly not all. I mean, the woman who just testified here didn't graduate until she was 38 years old. We have people who are graduating who are

65 years old. They certainly don't have New Jersey High School Placement Test results.

SENATOR EWING: Could you give it some more thought and give us some suggestions?

DR. PARRISH: I would welcome that certainly.

SENATOR EWING: We'd appreciate it -- or your whole association or something. I think it would be very interesting to see what you come up with.

DR. NESPOLI: Thank you. Any other questions they would be glad to field. Let me just put a wrap on it just by saying you've got a good product in this bill. I worked in several other states. Not too many years ago I headed up a national, Ford Foundation funded study of state higher education systems. As Ames McGuinness said to you, this bill borrows much of what's been found to work well in other states. We think it will serve New Jersey well and community colleges especially well.

SENATOR EWING: Thank you.

Any questions?

SENATOR PALAIA: I want to thank all of you, especially Attila. I want to thank you, Attila. (laughter)

DR. PARRISH: Again, come on down.

SENATOR PALAIA: Attila the Hun.

SENATOR EWING: You won't hurry back.

Dr. Leonard Parrino -- is he here? President New Jersey Association of County Colleges, constituent of Senator Palaia.

L E O N A R D P A R R I N O, Ph.D.: Good evening. Let me introduce myself. I'm Dr. Leonard Parrino. I'm a Professor of

Computer and Information Sciences and a Professor of Mathematics at Essex County College in Newark. I live in Middlesex County, in East Brunswick.

I have completed my obligations for my contract, and so I have elected not to teach during summer 1 term so that I could devote my time to my elected, unpaid position as the President of the Association of New Jersey County College Faculties representing 3500 county college faculty members, including Assemblyman Wolfe, at the community colleges in the State of New Jersey.

I have a written document. I listened carefully for the last seven-plus hours to a lot of things. So I will try to, if you will allow me, interject some things here and there that relate to the commentary you've heard and try to make this thing as clean and-- With your indulgence, for all your patience this many hours.

My original statement was three strikes and you're out. The 1981 legislation provided for a 43 percent to 50 percent State funding for county colleges. The appropriations have never met this level of funding. Don't blame the Chancellor. Don't blame the Board of Higher Education. The Legislature hasn't come up with the bucks. So we certainly are underfunded.

Since 1990, county colleges have had enrollment growths averaging 7.3 percent each year. Funding levels from the State after inflation and increased costs have been level or reduced requiring county colleges to do more with less. You've heard me on numerous occasions in past legislative hearings come and beg for bucks for the budgets for county colleges because,

as you've heard on several other pieces of testimony, we educate the majority of those students who are in higher education in the State of New Jersey. We do it on the smallest portion of the State budget.

Now proposed S-1118 legislation throws county colleges a simultaneous double strike: removal of the State Board of Higher Education and the removal of the Department of Higher Education and the Chancellor's office. Access, equity, financial and other accountability issues are in grave danger. You might say, why do I say that? Everybody seems to feel that there's no problem. Well, the Board, which is comprised of a broad cross section of respected professionals from both the private and public sector, establishes policies relating to the type and number of programs colleges may offer; academic standards that institutions must maintain; programs to ensure access and equity; financial and accountability guidelines which must be met. That's what the Board of Higher Education does. If they go away, then those things are in jeopardy.

The Board's actions, through the implementation arm, the Department of Higher Education, promotes economies in the operations of institutions of higher education by facilitating articulation and joint enrollment agreements. You've just heard several Presidents testifying for this legislation about how well that works. That's fostered by the current Department of Higher Education and has been for some long time preventing costly duplication and promoting administrative productivity through numerous incentives and initiatives.

You might note one of the really strong ones which nobody here mentioned, which I thought was kind of interesting,

is the computer integrated manufacturing degree. Which, by mandate, must have the first two years dealt with at the community college level and only the last two years dealt with at the New Jersey Institute of Technology. An outstanding program which certainly allows us for better productivity and allows us to compress the need for facilities in all of our institutions.

Financial and other irregularities, when detected, have been dealt with swiftly. Thereby justifying the State's modest annual outlays for the Board and the Department's operations. These are the things which my colleagues have been referring to, not whether or not our Boards are going to be raping the system or plundering. We're talking about situations where we have facts showing that in the past, when there have been irregularities, and we'll be gentle about those, when there has been political intrusion on the Boards, when there have been appointments of people to administrations in community colleges which were not well founded, we had recourse to the Department of Higher Education which stepped in and swiftly corrected the problems.

At numerous other hearings that you've had, you've heard about the things that happened at Hudson; you've heard about the things that happened at Essex: you've heard about the things that have happened at numerous colleges in the State -- Jersey City -- where it has been the function of Department of Higher Education to step in when something has gone awry.

We're not saying that all the Boards are corrupt, nor are the Presidents corrupt; we applaud them for their work, but certainly with no oversight and no recourse on those instances

where there is some foul play, an error, or an irregularity, or nepotism, we can have someone to recourse to.

The current or the proposed legislation does not provide that. We asked to have some means of recourse. There is serious concern regarding the probable politicalization of the funding process of higher education. The S-1118 bill would require institutions to individually submit their proposed budgets directly to the OMB for review and decision. Apparently appropriations would be negotiated rather than be based on objective criteria such as credit hours generated, a procedure that would be to the detriment of those colleges whose constituencies lack the political clout to influence decision making.

I was gratified to hear Saul Fenster talk about the tremendous growth that NJIT has made. As an alumnus of Newark College of Engineering back in those days and having taken graduate work there under New Jersey Institute of Technology's banner, I'm pleased that they have been able to function so well. But you might recall that they have one of the strongest alumni associations in the country. Their people sit on the boards of every major corporation in the country. Certainly they've got the kind of political clout and the support mechanisms to get funding both external and through their effects on legislative districts. A small community college like Essex County College hardly has the opportunity to put forth that kind of power structure to get its funding.

The complex nature of higher education in New Jersey requires strong, effective, centralized statewide coordination. The substitution of the Board's proven coordinating and

adjudicative functions with a Presidents' Council, which is, stated specifically, only an advisory body, which would undoubtedly lack convincing regulatory authority, will invite significant and perpetual problems.

The proponents of the legislation obviously have not read the details of the legislation. They're relying more on the specifics that were implied in the Hartman Report which is distinctly different from the legislation. That has been apparent from the various testimony all afternoon. People are confused between the intent of the Hartman Report and the actual statements in the legislation.

We concur with Senator MacInnes, "We are being asked to do much too soon on the basis of much too little information. What's the rush to judgement." S-1118 is too massive. It raises too many unanswered questions. Passage at this point would be a grave error to our State, our institutions, and to our most precious resource, our students.

I have some particulars. I'll just run through them because you really don't want to get the whole deal. On page 18, it eliminates tenure appeal to the Chancellor. Tenure is now -- it resides solely in the local board. All issues relating to employees will relate totally to your local board. You have no recourse, except to Superior Court. The same things that happen to students. If students are producing a newspaper on campus and that somehow discloses something the administration doesn't want, the administration can close it down and there is no recourse. The students would have to then go to Superior Court. The same thing would be true of a faculty member who wanted to exercise free speech. If he mentions

something that was in opposition to his local board, he now has no recourse. You can't go to the Chancellor, you can't go to the Board of Higher Education. You go to court.

Page 26, it deletes the Board of Higher Education's defining of a faculty member. Now there are very specific regulations defining who a faculty member can be and how you can attain various positions. I took me 23 years to attain the position of full professor at my institution having had my doctorate for some 12 years prior to that date. This elimination of the definition means that anybody the board cares to can be appointed to any position without regard to credentials. That's hardly beneficial for the students in this State. It further eliminates the developing of professional staff guidelines.

On pages 44 to 49, it substitutes the Treasurer and the Commission for the Board of Higher Education relating to the formation of county colleges. What does the Treasurer know about the formation of county colleges?

On page 65 through 68 -- one of them is really cute, I think it's on page 64 -- private institutions and/or postsecondary institution or voc ed may form a county college prior to 7/1/94 without the approval of the Board of Higher Education. Is somebody special in mind here? That by 7/1/94 they can create themselves into a county college without anybody's approval. What is that doing in there? I'm sorry I'm a little emotional, I've been here all day.

Repealed statutes: one that's really dear to my heart, competitive scholarships for State colleges. Currently, they're required to be a portion in a ratio of population based on

county population to State population. That's been repealed. Which means instead of having the resources of the State equitably distributed across the State, now they can be distributed according to whomever is politically appointed to control that area of scholarships. I think it's supposed to go-- I forgot where it's supposed to go. It goes somewhere.

SENATOR MARTIN: What section is that?

DR. PARRINO: It's on-- I'm sorry. It's one of the repeal statutes. I'm having so much trouble now because this thing deals with over 200 different things. I don't really have all the details, but I'll dig it up for you and I'll let you know, I promise. Most of the things I had listed, but in trying to go through it and be prepared I missed that.

Another one is the Governor's teaching scholars loan program has been repealed, gone. No longer there. That's something that helped several of my colleagues become teachers. That loan is gone.

Those things are bothersome to me. They had nothing to do with the Hartman Report. They had nothing to do with the Governor's-- They are things in this legislation. We just haven't had the time to really look through this legislation and find what's really in there and why it's there.

Please, set aside S-1118 and enact S-1119 to give the people of New Jersey the time to properly deliberate this very important issue. I don't know any better way to do it for you. If I had a way and I could go through this thing quickly, I'd be happy to lay it all out for you. It's just too much. Every page requires you to reach for some legal reference book. I've had Title 18A in front of me almost all week to make some sense

out of the pages that refer directly to it. Everything refers to law -- 138 pages and 200 laws -- and you see what I'm about. It's impossible for us to do justice to this piece of legislation which is so broadly cast.

Mary Hartman, herself, in giving her remarks on the report from her committees, stated that the reason she felt she was capable of accomplishing the task was that she was not required to restructure higher education, only to restructure the way it's administered. That's what the Committee took its time on. This bill goes so far beyond that and gets into so many nooks and crannies I don't see how you people with all you have to do could possibly absorb and really define what's in that 138 page document in the limited time that you have. Please give us the time to help you look at this more carefully. Thank you.

SENATOR PALAIA: Thanks, Dr. Parrino.

Dorothy Dunfee.

I apologize to all of you, and I give you credit for hanging in there with us. What can I tell you. We've had so many, and we'll be back here at 9:00 a.m. tomorrow morning. So it's difficult.

Ms. Dunfee.

D O R O T H Y D U N F E E: Hello. I'm Dorothy Dunfee, Advocacy Vice-President for the League of Women Voters of New Jersey. I represent 62 local Leagues throughout the State. The League of Women Voters is known for enjoying studying issues I've certainly had a lot of time today to hear all the various viewpoints.

In our earlier testimony before the Advisory Panel, the League opposed the elimination of the Department and Board of Higher Education unless and until a plan was devised which assures the continuation of the good government principles that the League has upheld for almost 75 years. We have since reviewed both the recommendations of the Advisory Board and S-1118, the Higher Education Restructuring Act.

The League continues to oppose the dismantling of the Department and Board of Higher Education. We think it is clear from the enabling legislation, which fails to reorganize much of the present structure, that there was insufficient time to complete the task and carry out the goals enunciated by the administration and, concomitantly, standards of good governance supported by the League. The proposed structure is fragmented in comparison to the present structure and increases, rather than streamlines, bureaucracy by creating additional entities. The new structure fails to meet League principles -- which we had cited earlier -- of clear assignment of responsibility and efficient, economical government; oversight and accountability; safeguards against political influence; and citizen participation.

I'd like to take just a few minutes to go through each of those four points in turn.

SENATOR PALAIA: Ms. Dunfee, take as much time as you want.

MS. DUNFEE: Thank you.

SENATOR PALAIA: Believe me when I tell you because you've been patient waiting here, and the least we can do is hear you out.

MS. DUNFEE: Thank you very much.

1) Clear assignment of responsibility and efficient, economical government. The functions, powers, and duties of the present Department and Board of Higher Education will now be divided among 7 different entities. None of these is an integral part of any State department. Two, the Commission on Higher Education and the Educational Opportunity Fund Board, are in but not of the Department of State. Four, the Office of Student Assistance, the Student Assistance Board, the Higher Education Assistance Authority, and the Educational Facilities Authority, are in but not of the Department of Treasury. One, the New Jersey Presidents' Council, is attached to no other structure but is described as a body corporate and politic.

Fragmentation replaces a unified, coherent departmental structure. Despite the claim that the new structure is reinventing government and reducing bureaucracy, a very large proportion of the responsibilities assigned to the Department and Board of Higher Education are replicated under the new system. However, where there used to be a single focus for all higher education, there are now several bureaucracies.

2) Oversight and accountability. The proposal assigns responsibility to these new entities, but in most cases, it mandates over advisory status. In a situation like that, responsibility does not necessarily equate with power and authority. In fact, the focus for responsibility for action, which would be embodied in the power to make and enforce regulations and to assure compliance with statewide goals and public policy, is not specified. The responsibility does not

appear to rest with the State departments involved since the new entities are in but not of those departments.

I think the fundamental question maybe that we have been wrestling with all day is, what does responsibility actually mean in this structure and where does the authority actually reside? I'd like to just make a side comment that the League of Women Voters makes no statements or implications about the integrity of our -- or the competency of our college presidents. I don't think that's the point here at all. The point here is, how do you have an overall structure that's accountable to the State as a whole, in that kind of a system, no matter how good the various individuals might happen to be?

3) Safeguards against political influence. This ambiguity regarding authority may well result in a huge number of decisions being made by the most powerful political figure in New Jersey, the Governor. Other features of the plan clearly increase the power and influence of the Governor, who will have the authority to select every member of the new commission. At present, the Board of Higher Education recommends new members who must be approved by the Governor and agreed to by the Senate. The Governor will appoint the Chairperson of the Commission who will serve at the Governor's pleasure. At present, Board of Higher Education members select their own leader who may not be removed by the Governor.

The proposed structure also provides less insulation in the budget process. Each college and university will submit its budget request to the Office of Management and Budget in the Department of Treasury, as well as to the Commission. Previously, the Board and Department of Higher Education

submitted a unified budget request for all sectors and institutions; thus, insulating colleges and universities from the need for each to fight for its individual budget in the executive and legislative branches.

Lastly, the League of Women Voters is very concerned about citizen participation and about the citizens' right to know what is going on. Compared to the present system, the power of citizen members of the new commission is diluted. The citizen members of the Board of Higher Education, who possess the authority to enact and enforce policy and regulation, will be replaced by citizen members of the Commission on Higher Education, whose role is mainly advisory to the Governor and/or Legislature.

The present Board members select their own leadership, and only they may remove it. The Governor will designate the Chairperson of the Commission and may remove that individual at will. The present Board recommends new members who are appointed by the Governor with the approval of the Senate. The Commission members will be selected by the Governor without any Senate action. At present, the Governor has no control over the decisions of the Student Assistance Board. If folded into an authority, their decisions could be voided by the Governor by vetoing the minutes of the Authority. It appears that the number of citizen members in decision making positions will be further reduced if the recommendation of the Advisory Panel is heeded and the Higher Education Assistance Authority and the Student Assistance Board are folded into a single authority.

The League believes that the 27 years of citizen controlled boards in higher education has been a positive one.

Citizen members, without vested interests in any specific institution and no political agenda, have focused on the expansion and empowerment of higher education to meet the needs of individuals of all races and classes, as well as the overall needs of our State. The proposed structure reduces the power of these citizen members. The only exception is the continuation of the present powers of the Educational Opportunity Fund Board. Even that Board could flounder in its "in but not of" relationship to the Department of State.

The League's position calls for broad public participation and opportunity for input at every stage of rule making. Since it is unclear who will have the power to make rules and regulations, it is also unclear where citizens will go to obtain information, to have input into the process, or to seek redress for problems.

In conclusion, the 138 pages of legislation to restructure higher education do not reveal a significant reduction in the kinds of tasks which need to be performed to keep the system functioning. It is more of a reshuffling than a reinvention, with the effect of removing and replacing dedicated citizens and experienced personnel presently involved. It creates new bureaucracies, fragmentation, and increased susceptibility to political influence.

The League of Women Voters respectfully requests that you not vote this bill out of Committee. The present proposal is flawed. A thorough review and examination is required to determine how to build upon the strengths of the present system, eliminate or reduce weaknesses, and devise a system which is the most efficient, cost effective, responsible and responsive.

Take the time needed to ensure that New Jersey's system of higher education is one to which its citizens can point with not only pride, but with confidence.

Thank you.

SENATOR PALAIA: Thanks, Ms. Dunfee.

SENATOR EWING: Thank you.

Any questions?

SENATOR MARTIN: Can I ask a quick question? You asked a question about the reading of this bill does not make it clear whether there is rule making authority for the Commission. Is that what you're suggesting?

MS. DUNFEE: No, I think I'm suggesting that the bill makes it clear that in most cases the Commission does not have that authority. It's advisory primarily.

SENATOR EWING: Dr. Arnold Speert.

**A R N O L D S P E E R T, Ph.D.:** Mr Chairman, members of the Senate and Assembly Education Committee, I am Arnold Speert, President of the William Paterson College of New Jersey. I appreciate the opportunity to appear before you and testify in favor of S-1118 and A-75, the Higher Education Restructuring Act of 1994.

I have served as President for the past nine years and am completing my 24th year at William Paterson College. As part of the large cohort of faculty hired after the legislation of the late sixties created the system of State college from what were largely single purpose teaching institutions, I have had the privilege of seeing William Paterson evolve to its present strength. That evolution took place under policies enacted by the Board of Higher Education and was overseen by three

Chancellors, Ralph Dungan, Ted Hollander, and Ed Goldberg, and a Department of Higher Education.

In 1986, the State college Presidents came before you to urge the passage of legislation which granted substantial fiscal autonomy and permitted the colleges to develop as separate accountable entities with individual missions. Local Boards of Trustees were given the responsibility to review purchase, payroll, audit, and other financial systems. For the past eight years we have shown that we were capable of assuming further responsibility and could utilize our resources to improve the quality of higher education available to the citizens of New Jersey. The boards have continued to develop as have our institutions.

My presence before you today is in support of legislation which is an outgrowth of the successes bred by your legislation of 1986. The colleges are capable of assuming greater responsibility through their respective Boards of Trustees. The colleges should be encouraged to continue and to expand local, collaborative initiatives to support greater economic development of their regions and of our State. Under local policy direction of their board, the colleges should have the unencumbered latitude and flexibility to employ their energies in cooperation with associated businesses, governments, organizations, and communities to respond to the immense social problems that face us all today.

The legislation recognizes the capabilities of our Boards to provide oversight on behalf of the citizens whose trust they hold. It further recognizes the potential of the presidents of all institutions, senior public colleges and

universities, community colleges, independent colleges and universities, and proprietary institutions to come together and cooperate and coordinate program advances at all levels. It also recognizes the importance of access and affordability as cornerstones of our system and ensures the prominence of the Educational Opportunity Fund Program and the Tuition Aid Grant Program.

The Board of Higher Education had over almost three decades brought forth substantial and effective policies. Efforts by the Board and the Department of Higher Education in support of greater diversity of students and staff, the EOF Program, full faith and credit in transfer from the community colleges to the State colleges, outcomes evaluation, and many other areas were essential to the progress made by the colleges. I would contend, however, that there has been little, if any, new policy development in the past few years and that the institutions have continued to evolve.

Some have argued that the Board of Higher Education is needed to provide a buffer to partisan politics for the colleges. Some, including me, would suggest that there has always been and may always be the possibility of politicization. In some instances, politics has directed or slowed policy. If you share that concern, you recognize that no structure can adequately safeguard against it. I ask you, instead, to share with us adherence to the principle that we will work together to resist inappropriate partisan interference.

Some have argued that a Board of Higher Education is needed to see that small institutions are not overwhelmed by larger institutions. I assure you that I am encouraged by the

presence and strength of Rutgers University, not frightened by it, and that the growth and development of the community colleges in northern New Jersey contributes to the strength of William Paterson College. If, however, you believe that there might be some disadvantage to smaller institutions, then I would hope that your Committees and the Appropriations Committees would continue to review our activities and budgets with an eye to the issue of symbiotic growth and not destructive competition.

The last five years have been devastating financially, yet we have maintained our institutions and in some instances, for each institution, have made amazing advances. I hope you will recognize that higher education needs greater fiscal support, and that the enterprise is one of which the State and its citizens can be proud.

We do not need a big brother. We do not need a group of well-intentioned uncles and aunts. We can work together as sisters and brothers; however, we do need the framework defined by the legislation and, as always, your oversight and support.

Thank you.

SENATOR EWING: Thank you, Doctor.

Any questions? Senator Martin.

SENATOR MARTIN: Just one point. You were talking about I guess the cooperation, particularly among the State colleges. That's intriguing to me, because that's been a question. William Paterson sits in the northeast sector of the State. I know you draw from other areas including, particularly the northwest, but you're only miles away from Montclair State; Ramapo isn't far; Kean is within driving distance; and so is

Jersey City State. So how would you respond to the concern that -- at least some people have addressed, perhaps, before you were here but certainly also while you were here, that this is going to lead to duplication of programs in a very competitive environment? Sort of a dog-eat-dog world among the State colleges.

DR. SPEERT: If we were in a time of great fiscal growth, I would say it might be a concern. It would be a concern I think that you would have to look to in terms of defining and defending the public concern. On the other hand, where resources are not plentiful, institutions are not going to be able to enter into competitions with other institutions unless they can really compete and use their resources wisely.

The five institutions in the north, the State colleges, have been meeting periodically amongst ourselves. The five Presidents have and have established in the past a research dig at Ramapo, that was supported by the rest of us, library exchanges, and some other programs of exchange. We've again come together.

It seems to me, though, that this legislation suggests greater involvement, and that is the involvement of the independent sector and the community colleges in the same region. As the region strengthens the institutions strengthen. I would point out in early discussion someone raised the issue -- I think it was a community college individual who raised the issue of the Basic Skills Test. I think that if the funding of the Basic Skills Test rating is not forthcoming, and it doesn't appear to be, we will be offering the Basic Skills Test independently.

What is needed is some sort of cooperation. I think that is a perfect example of where the Presidents' Council can bring about some sort of collective collaboration in dealing with a placement exam that might be utilized within and between institutions. I think there are many aspects in which we really do cooperate.

SENATOR MARTIN: Let me-- Maybe it's the same question but slightly different, at least in my mind, so I'll ask it a different way. Do you see among the five State colleges in the northeast sector winners and losers, or do you foresee this as a win--

DR. SPEERT: No, I think we're all winners. I think that we all become winners because we all have, first of all, I think we all have the ability -- I'm commenting on my colleagues-- I'll let you comment or them comment on me.

We have our individual abilities. We have Boards of Trustees dedicated to the public good and to the growth and development of our individual institutions. We have a very rich and fine faculty, and we have a student body that is fairly highly motivated. That's true for all five of us. No institution, I think of the ones suggested, is in eminent danger of fiscal exigency.

In addition, I think, as a community, we are helpful to one another, and we can be further helpful to one another. I'm not suggesting that we'll take money from one institution and give it to another institution. But there are ways that we can help each other. One case in point, the nine State colleges joined together and hired a risk manager, rather than each individual institution getting involved with making a decision

about insurance. We hired a single person that we fund collectively. There are many examples that I can show you for the nine State colleges.

I think that what this legislation suggests is that we can do that in a greater collection of institutions. I'm not sure that we'll ever do it with 53 institutions, but I'm certain that there can be greater cooperation.

SENATOR EWING: Thank you very much.

DR. SPEERT: Thank you.

SENATOR EWING: Mr. Donald Loff, Mercer County Community College. (no response)

Linda Epps (phonetic spelling), Bloomfield. (no response)

Moving right along, Haskell Rhett. Oh, he left.

Andrea.

I might announce to the people remaining that this slip was marked "late as possible."

SENATOR PALAIA: He's getting weak.

SENATOR EWING: So we like to comply with people's requests. Is it late enough, Andrea?

A N D R E A W. A U G H E N B A U G H, MSN, RN, CS: Thank you, Senator, yes. I'm Andrea Aughenbaugh of the New Jersey State Nurses Association. The Association supports the Governor's plan to restructure higher education in the State of New Jersey.

With over 40 institutions in New Jersey offering professional nursing education, we applaud the new endeavor as one that will allow adequate and appropriate educational programs to meet the changing health care needs of the citizens

of New Jersey. You heard a director and a dean come before you today to tell you about that. Employers and the public are asking where advanced practice nurses are educated and working. Many of New Jersey's colleges and universities with baccalaureate programs are poised to open MSN programs for APN's. All they lack is Higher Ed's approval and the process is tedious. With no program in South Jersey, for instance, the University of Pennsylvania supplies most of the APN's in the south. Jersey has the talent to educate its own, and the new structure will facilitate that.

We also see this new structure as opening new opportunities for many qualified citizens to serve the State on Boards of Trustees of the colleges and universities. We would like to say that nursing has excellent people ready to serve in any capacity. We feel that our voice would bring to the table the concerns of New Jersey's citizens for maintaining the appropriate supply of adequately prepared professional nurses and other health care workers. We think that's lacking right now in the way the system is. There are very few of us that sit on any of those boards.

We also think that the New Jersey Commission and the advisory committees to the Commission would be enriched if the Governor would chose nurses to serve on them.

Now finally, on the bill, Senator, I don't know whether this is -- in what your purpose of this bill was, but I would like to raise this point with you and ask you to at least consider taking a look at the way the bill discusses graduate medical education on pages 77 through 79. I only bring this now because, nationally, Medicare is realizing that its graduate

professional education moneys should be allocated differently to reflect the need for primary care professionals. The medical profession alone will not be able to turn around their mix of primary care/specialty care until well into the 21st century. I don't remember if it's 2030 or 2050; it makes no difference to me because I'll be dead by the time they do this.

Only if the Legislature acknowledges now the need for nurses to be educated as primary care givers can you hope to meet society's need for primary care. So I was hoping that you might consider amending this bill now. When you refer to graduate medical education that you include graduate nursing education. You would say GME/GNE. Then you would also say that the Advisory Graduate Medical Education Council of New Jersey would become the Advisory Graduate Medical and Nursing Education Council, and then that would begin this process of allocating these mystery moneys that are out there for graduate medical education to be allocated to the primary care people that you are going to need in the coming century.

The Council, we would like to ask you also to think about adding one ex-officio member. If you see in there, they have the President of the Hospital Association, the President of the Medical Society, so we would like to see the President of the New Jersey State Nurses Association naturally on that. That's page 78.

In New Jersey, reform of higher education is happening together with reform of the State and nation's health care. So we ask that you amend the bill now to avoid complications in the future.

We do commend you on your initiative. I have to say, reading this bill, this is amazing and your staff is to be commended. This must have been a lot of work.

As a profession, we are open to the new and innovative, and that's what this is.

Thank you.

I hope you're open to at least thinking about that, Senator.

SENATOR EWING: What would you think of a separate bill dealing with the part you asked about adding graduate nursing education?

MS. AUGHENBAUGH: That would be great.

SENATOR EWING: What?

MS. AUGHENBAUGH: That would be fine.

SENATOR PALAIA: That would suffice for you?

MS. AUGHENBAUGH: Yes, that would. I would appreciate that.

SENATOR PALAIA: I think it's a better route to go.

SENATOR EWING: We'll work on that, then.

MS. AUGHENBAUGH: Thank you very much.

SENATOR EWING: Now, who else in the audience would like to talk? Dave Hespny, do you want to talk? (laughter)

SENATOR MacINNES: Mr. Chairman, are we going to have the opportunity of additional days of public hearings beyond tomorrow? Tomorrow is the Friday before Memorial Day. I think it's not a terrific day--

SENATOR EWING: Well, we've got quite a few. If necessary, I'll do it Tuesday and Wednesday for you.

SENATOR MacINNES: Okay. Now, will we be hearing from a representative from the administration tomorrow?

SENATOR EWING: I don't know whether they're on the list or not.

SENATOR MacINNES: Have you requested that somebody--

SENATOR EWING: No.

SENATOR MacINNES: You don't need to hear from the administration on this bill? This is an administration bill, is it not?

SENATOR EWING: It's got my name on it, what do you mean? I thought it all up. (laughter)

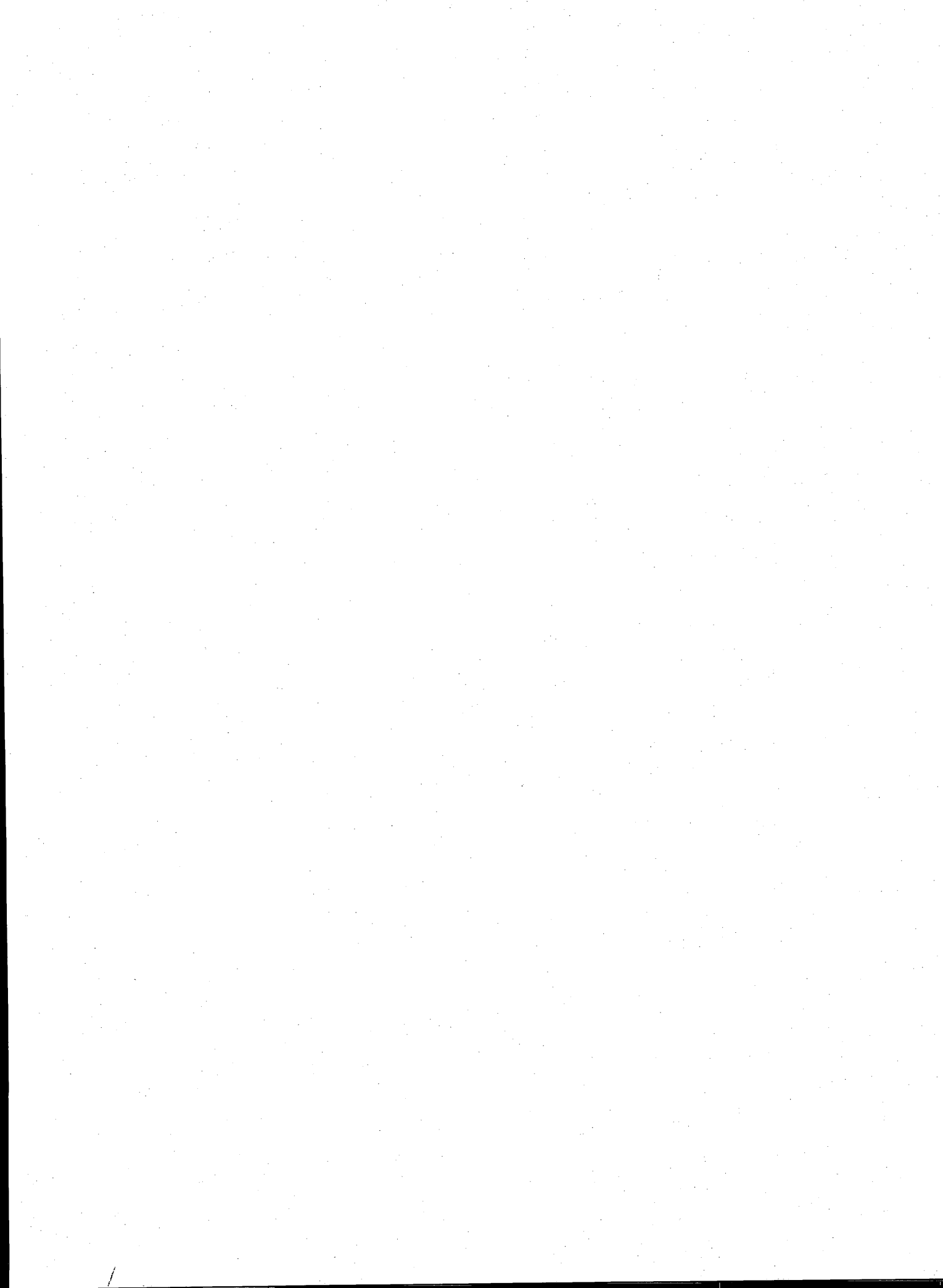
SENATOR MacINNES: Well, I understand that this bill is supported by the administration. I was hoping, therefore, on a bill of this magnitude that we might at least just hear from the administration and have the opportunity for discussion with the administration about their thinking behind some of the things which are frankly quite, certainly mysterious to me. That's possibly because I'm slow.

SENATOR EWING: You're a nice fellow, but slow.

SENATOR MacINNES: That's right, I accept that characterization. But I would hope that we would be afforded the courtesy of somebody from the administration who will be here and available for questioning on--

SENATOR EWING: Well, I don't think we have people from the administration on all the bills that the administration does put in.

SENATOR MacINNES: No, I know, but this is not your typical bill, Mr. Chairman. This is, I would say, the most important bill on the question of higher education that has been



considered by any Legislature in 28 years. On that basis, it would seem to me, since it is being requested by the administration, I would certainly want to have the opportunity--

SENATOR EWING: We'll see if somebody appears tomorrow.

SENATOR MacINNES: Okay, let's see. So we'll wait and see.

SENATOR EWING: Thank you all very much. I appreciate the recording clerks -- their time they put in.

**(HEARING CONCLUDED)**

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