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PUBLIC HEARING

before

ASSEMBLY HIGHER EDUCATION AND REGULATED PROFESSIONS COMMITTEE

Meeting the Challenge of Rising Higher Education Costs
Final Draft Report of the Student Assistance
Committee of the Board of Higher Education

April 27, 1987
Room 411, Student Center
Montclair State College
Montclair, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Jeffrey W. Moran, Chairman
Assemblyman Jack Collins, Vice Chairman
Assemblywoman Dolores G. Cooper
Assemblyman Joseph V. Doria, Jr.
Assemblywoman Barbara Faith Kalik

ALSO PRESENT:

Kathleen Fazzari
Office of Legislative Services
Aide, Assembly Higher Education and
Regulated Professions Committee

Hearing Recorded and Transcribed by
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**ASSEMBLY HIGHER EDUCATION AND
REGULATED PROFESSIONS COMMITTEE**

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BARBARA FAITH KALIK

April 13, 1987

NOTICE OF PUBLIC HEARING

on

Meeting the Challenge of Rising Higher Education Costs

Final Draft Report of the Student Assistance Committee of the Board
of Higher Education.

The Assembly Higher Education and Regulated Professions Committee
will hold a public hearing on Monday, April 27, 1987 at 1:00 P.M. in Room 411
of the Student Center at Montclair State College.

Anyone wishing to testify should contact Kathleen Fazzari, aide to the
committee at (609) 984-6843 and should submit copies of their testimony to
the committee on the day of the hearing.

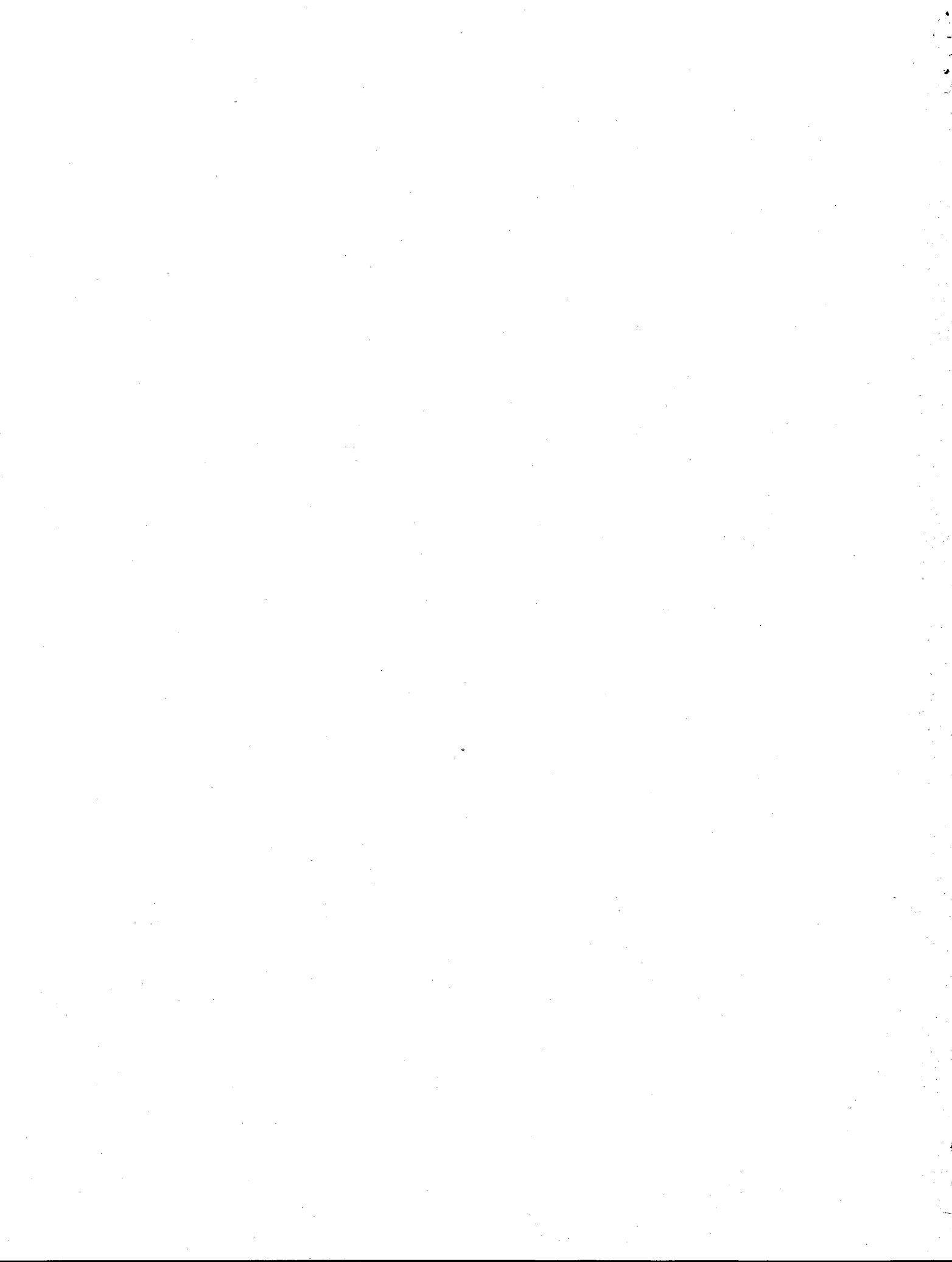


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ASSEMBLYMAN JEFFREY W. MORAN (Chairman): May I have everyone's attention, please? We are going to start the hearing now, but before I start I would like to introduce some people, and make a general statement.

First of all, the people on the Committee, and I will start from my right, your left: Assemblywoman Barbara Kalik; Assemblyman Joe Doria; the Committee Aide, Kathy Fazzari, from OLS; Vice Chairman of the Committee, Assemblyman Jack Collins; Assemblywoman Bo Derek -- Dolores Cooper; and Jim Harkness, from the Assembly Majority Staff. I want to thank them for the many, many miles and the traffic they went through to get here. Also, I would like to personally thank Dr. Walters for his hospitality and the parking arrangements he made. Usually one of the major problems we have whenever we are on the road is parking, and when I got here it was the first thing that was there. I thank Dr. Walters for that, and also for the hospitality he has provided. We appreciate it.

With that, Kathy will read us a brief statement as an introduction to today's hearing.

MS. FAZZARI: Well, the Committee is at Montclair State College today to take public testimony on the report issued by the Student Assistance Committee of the State Board of Higher Education, which was entitled, "Meeting the Challenge of Rising Higher Education Costs."

In February of 1986, the State Board established the Student Assistance Committee to study the adequacy of existing State financial aid programs, in light of declining Federal student financial assistance and continually rising college costs. After a year of study, the Committee released its final draft report on March 2, 1987. That Committee then held its own public hearing on March 25, to receive public comment, and is scheduled to present its final recommendations to the State Board of Higher Ed at the Board's May meeting, I believe.

The Committee is here today to listen to public testimony on that Committee's report, so it may make some suggestions to the State Board itself.

ASSEMBLYMAN MORAN: Okay. Is there anyone else here who would like to make an opening statement? (no response) If not, we will start right away with our first speaker, who will be Mr. Albert W. Merck, Chairman of the Student Assistance Committee of the State Board of Higher Education. Along with him is Dr. John F. Brugel, Assistant Chancellor of Student Assistance and Special Programs, Department of Higher Education. Welcome, gentlemen.

A L B E R T W. M E R C K: Thank you, Mr. Chairman. Members of the Assembly Higher Education and Regulated Professions Committee: I am particularly appreciative of the opportunity to appear before your Committee, on which I once had the opportunity to serve with Assemblywoman Fenwick, Assemblyman Ewing, and Assemblyman Weidel. I mention this not to imply that it entitles me to any special attention, but to express my appreciation as a member of the general public, and from someone who knows the time and effort it takes, and the attention it takes, to do the kind of a job that you are doing. I want to just say that I give you all credit, and I have some intimate knowledge of what you are up against and the pressures you are subjected to, especially in setting legislative priorities.

Ladies and gentlemen, the Committee was established, as you have heard, and we would like to let you know, in summary, what is in our report, which is going to be made available to you and to your staff.

On the one hand, college costs have been rising; on the other hand, Federal student aid has been declining. We have a chart which shows this. For instance, in 1981, New Jersey full-time undergraduates got about \$167 million in Federal funds. That represented 29% of their total college

costs of \$580 million. Four years later, when college costs rose to \$800 million, Federal aid funds had dropped to \$135 million, or only 17% of the total. In the coming year, the Department estimates total New Jersey undergraduate costs will approach a billion, while the Federal student aid funds are expected to fall below \$100 million.

The well-publicized budget proposals that make deep cuts in student aid programs have been rejected by Congress annually, but the decline has come about through a series of changes in Federal program legislation and administrative regulations, which restrict eligibility for the under-funded programs. For instance, Congress has not appropriated sufficient funds for the PELL Grant Program. Eligibility has been restricted to fewer and fewer students at lower and lower income levels. Five years ago, 27% of all freshmen were eligible for PELL; this year, it is about 17. The biggest drop occurred last fall, when about 4000 of our New Jersey students lost their PELL grant eligibility, and another 9000 saw their grants reduced by \$300, or more.

During the next few months, as students apply for guaranteed student loans, they will discover the adverse impact of the higher education amendments of '86. The Department estimates almost 16,000 of our undergraduates who borrowed a guaranteed student loan -- GSL -- this year, will no longer be eligible for this program. Loan funds will still be available to their parents through the PLUS Program, but whose will be at higher interest, and they must be paid while the student is in school.

Needless to say, the Board is concerned, and we are asking the State to do more in the area of student aid because, in the words of one experienced observer of Federal policy, we can only expect that the Feds are going to do less of the same.

Let me assure you, I am not only here as a concerned citizen, but as a concerned taxpayer. I don't lightly take the

task of asking you to accept recommendations that could cost the State around \$20 million annually. Even this large amount is going to only partially offset the erosion of Federal funds over the last five years. Most of the new State funds which we recommend are targeted to aid qualified, low-income students, and reverse the tragic decline in minority enrollments at our colleges. We fully recognize that New Jersey's middle-income, and especially low middle-income families, also need help. We have recommended the creation of State programs of tuition prepayment loans and student employment, to provide them with a wide variety of alternatives to finance their college costs.

Our Committee has made about 20 recommendations in this report. While some are for new programs, they are all within BHE -- Board of Higher Ed -- policies of access and excellence. Some require no new funds; some speak to administrative procedures and efficiencies, which require no legislation. Many are proposed as pilot projects, with limited budgets. All of them we consider to be important. I should add that all of them have received broad support from the higher education community.

However, I will only take time now to comment on some of the major recommendations that will require your legislative approval or additional appropriations, should you agree with them. The report emphasizes that our first priority is to continue to assure access to higher education for those who are going to benefit by it. In practical terms, this means we must continue to provide sufficient grant aid to low-income and disadvantaged students who could not afford to attend college without it.

One of the most important and most expensive recommendations in the report is to amend the legislation of the Tuition Aid Grant Program -- which we call TAG -- to allow awards to cover, for the first time, what are known as "required fees," as well as tuition. These fees used to be

very small, as many of you know -- \$10 or \$15. But now they are ranging from \$150 to \$580 at our public colleges, and they are a real burden to our neediest students.

The Tuition Aid Grant Program is the largest and most effective aid program we have in the State. And, thanks to your continuing support, nearly 30% of our full-time undergraduates already receive free or reduced tuition. It is a success story, I may say that. However, the TAG Program has not been extended to low-income students who cannot pursue a full-time program either because they need to work, or they need more preparation before they can take on a full load. Therefore, we are also recommending the funding of two pilot projects, to verify the belief that aid to part-time students will open college doors to many who cannot afford the time for, or are not yet able academically to get up to speed to carry a full load. We think this is a major change, and I personally happen to believe that there are large numbers of qualified students out there who could benefit by it, but, as you see, we want to make a pilot program before we launch into anything big.

Several of our recommendations are specifically targeted at categories of low-income students, which include a high percentage of minority students who need special assistance, encouragement, and support to succeed in college. A major factor in the decline of minority enrollments at New Jersey colleges has been the sharp decrease in the enrollment of single women with children, many of whom are receiving welfare benefits. We are recommending the creation of a program of grants for economically disadvantaged single parents to provide for the expenses of child care while they pursue their studies. Since many of these students are receiving child welfare benefits, we are urging you to press for welfare reforms that recognize child care as a required educational expense of single-parent students. Parenthetically, you may know that many educational subsidies which are received by

women on Aid to Families with Dependent Children are counted as income, and may likely disqualify them from receiving welfare. This is something we think cries out for change.

In pursuit of the goal of excellence, you will also find that we are recommending the creation of an Urban Scholars Program that will provide \$1000 college scholarships to recognize and encourage the best seniors in the 66 public school districts which have been identified by the Department of Education as the most disadvantaged. Most, but not all, of these schools have a high percentage of minority students. We are also recommending that the Urban Scholars Program be administered as part of the existing Distinguished Scholars Program, and that both be funded by the State. We believe the Distinguished Scholars Program, which offers \$1000 scholarships on the basis of class rank and SAT scores, has a very positive effect in encouraging more of our best secondary school seniors to attend college in New Jersey. As you may know, most of our better academically successful students are still going out-of-state.

As a result of this program, nearly all of our four-year colleges -- public as well as independent -- have taken the initiative to raise matching scholarship funds, and to actively recruit students identified through the program. We really have to do more to keep our best students in the State. Funding for the Distinguished Scholars Program has been provided by the New Jersey Higher Education Assistance Authority only through next year. We strongly recommend that State funds be made available to continue this important and successful program.

Finally, I want to stress the State's important contribution in helping the next generation of parents and students to meet college costs, which are going to get larger and larger, with less borrowing and less financial stress than families are facing today. We must start now to develop

long-term solutions to ease the financial strain of college costs on families by providing incentives for their savings. A recent national survey found that only half of all parents who plan to send their children to college are actually able to save funds for education, but that the average actual amount saved is only about \$500.

Our report recommends the development of tuition prepayment and savings plans for students to attend college in New Jersey. A carefully designed plan which both guarantees future tuition levels to families, and limits the risks to our colleges and to the State, would provide a much needed public service. I understand, and I congratulate both the Assembly and the Senate for considering legislation on this important issue.

Lastly, we are determined to increase the efficiency of the delivery of our financial aid programs through simplified forms and through a computer network which we hope will integrate the financial aid services of the Department of Higher Education and our colleges, and will eventually -- we hope -- extend into the secondary schools to provide information to students and their parents as early as possible, having to do with aid. As you know, this is really quite a problem.

The Legislature's generous support of our financial aid programs has allowed us to make New Jersey a national leader in student assistance programs. We believe we can maintain that leadership with your help in adopting these recommendations through the necessary legislation and appropriations. Needless to say, Mr. Chairman, the Chancellor and his staff are ready to render whatever assistance they can to this Committee. I should tell you that we are very fortunate in having the kind of expertise we do have in the Department staff. As a public member who was appointed to the Board, I can say that we lean heavily on that staff. They are accurate; they are reliable.

If there is anything I can do to further this, I will be glad to do it, as well as to answer any of your questions that I can. Thank you very much, Mr. Chairman.

ASSEMBLYMAN MORAN: Thank you, Mr. Merck. Is there anyone who would like to direct a question to Mr. Merck?

ASSEMBLYMAN DORIA: Yes, I would.

ASSEMBLYMAN MORAN: Assemblyman Doria?

ASSEMBLYMAN DORIA: I just want to begin by congratulating Mr. Merck on an excellent study. I think you have hit some of the major points that will have to be discussed over the next few years to guarantee that New Jersey maintains its leadership in the area of financial aid.

MR. MERCK: Thank you.

ASSEMBLYMAN DORIA: I have just one or two points that I would like to make, and maybe ask questions about. The first would deal with the area of work study programs -- the programs where students work in gainful employment in the private sector, and use that money then to continue their education. As I see from having read the report, and from the various summaries, and so on, there is a recommendation there to develop programs, especially of summer employment, for students, to guarantee that they would then be able to use that money for their tuition assistance.

Presently, I have two bills in the Legislature that would do that. That would be for both the school year, as well as summertime, and would give incentives to private industry to hire these students as a tax credit for the private industry, at the same time providing some State money to match.

Just off the top of your head, is this the type of program you are talking about, or are you talking about other types of student employment programs?

MR. MERCK: I think this, Assemblyman, falls very much into the kind of thinking we have. We also, in our report, discuss cooperative education, which is somewhat similar.

Obviously, anything we can do to integrate a student's education with a work experience that is relevant to that student's career choice, is both a financial, as well as an academic plus. Yes, the answer is, we are very interested in it.

One exception I must point out though, that we have learned from our hearings. We cannot expect those few students who come from very, very low-income families to contribute very much towards their education, whether they work all summer or not. Their families are so much in need of what little they can bring in, that it really is a discouraging factor for that group. I don't think we are looking at big numbers there, but it does tell us we've got to do it carefully. But, yes, we feel very much in favor of the kind of thing you are talking about.

ASSEMBLYMAN DORIA: So, tax incentives, together with programs of funding?

MR. MERCK: Absolutely, yes.

ASSEMBLYMAN DORIA: The other question I have is, is there a dollar figure specifically, that we could start beginning to generate for the future?

MR. MERCK: I think there is a range of dollars in the report. These are, of course, quite tentative. That is why they are arranged. But we felt very much the way you do. We are talking about lots of money, and we think you should see what we think it is going to cost. We cannot really predict, for instance though, some of the financial savings, although if we are able to perform efficiently, or more efficiently, by an extended computer network, let us say, I would see the benefits there as being very substantial, maybe not totally in dollars, but certainly in the aiding of the access and the information and the handling of the enormous amount of paperwork. We would see very significant efficiency improvements there.

ASSEMBLYMAN DORIA: My final question is: In the past, we have used unique funding mechanisms, such as the Distinguished Scholars Program, to fund the programs. Do you see us being able to continue those mechanisms, developing them further, or do you see that all of the money would come directly through appropriations of the Legislature?

MR. MERCK: Assistant Chancellor Brugel has a good response, I think, on your point.

A S S T. C H A N C E L L O R J O H N F. B R U G E L: The Higher Ed Authority Discretionary Fund, right now, is fully committed in support of one existing program, which is the Minority Academic Program -- the MAC. There is no more left for the support of Distinguished Scholars or any other helpful endeavor.

ASSEMBLYMAN DORIA: So, what you're saying is, the flexibility that exists there has already been committed for the future, so all future appropriations in this area-- The money would have to come through appropriations of the Legislature, as you see it?

DR. BRUGEL: Yes, sir.

MR. MERCK: That's right.

ASSEMBLYMAN DORIA: Thank you.

ASSEMBLYMAN MORAN: Thank you. Assemblyman Collins?

ASSEMBLYMAN COLLINS: Yes. I, too, would like to commend you, Doctor, on not just the report--

MR. MERCK: It's Mister.

ASSEMBLYMAN COLLINS: We gave you an honorary degree.

MR. MERCK: You're giving me an honorary degree?

ASSEMBLYMAN COLLINS: Well, you know how we are in education. We figure there are doctors, and once we get them we just like to keep throwing them out.

MR. MERCK: Thank you anyway.

ASSEMBLYMAN COLLINS: Well, Mr. Merck, I would like to commend you not just on the report, but on your presentation.

It was very, very impressive. This, of course, is something that will go far beyond today and this Committee and the Senate Committees and so on.

I do have a few questions. One is, with the Urban Aid Scholars Program that is proposed -- 66 disadvantaged schools -- would those schools not really be disadvantaged-- When we use the term disadvantaged, are they economically disadvantaged and educationally disadvantaged, one or the other, or what are these 66 schools that are disadvantaged?

MR. MERCK: Usually both, and not confined all to urban areas, I may say. The words "urban scholars," I think, is a handy label for something we haven't got a better one for. We do have rural areas that--

ASSEMBLYMAN COLLINS: Well, where would this differ from our present EOF Program here in the State? I mean, if we have our EOF Program, which deals with educationally and economically disadvantaged students-- Here we are using the term "a \$1000 scholarship," but our EOF students are receiving a "scholarship." What really is this going to do that our EOF Program isn't already doing?

MR. MERCK: The essential difference I would describe as being the difference between emphasizing need-based, which is what most of our programs are -- need-based--

ASSEMBLYMAN COLLINS: Right.

MR. MERCK: --as contrasted to merit-based, not that many of our need-based people aren't meritorious, and they all must be qualified, obviously. But the emphasis here is to try to build a larger component of people -- students from disadvantaged schools-- Let's just say the schools are disadvantaged, or the environment is disadvantaged, to the point where it has adversely affected talented youngsters of identifiable and potential high academic, or pretty high academic achievement.

ASSEMBLYMAN COLLINS: But those individuals then would not have to be economically disadvantaged? Is that what the difference would be?

MR. MERCK: That's right.

ASSEMBLYMAN COLLINS: Okay, because--

MR. MERCK: But a lot of them are going to be.

ASSEMBLYMAN COLLINS: That is exactly right, but we have already taken care of them in the EOF Program. That is why I am wondering, you know, why a program like this is needed, other than just a statement that, yes, we are going into the urban areas and giving scholarships. We are already doing that.

MR. MERCK: Right. Chancellor?

DR. BRUGEL: I think that one very important distinction is that the students we would target for the Urban Scholars Program would be the highest achieving students in that high school. Granted, that high school itself is already classified as an A and B, and it is really not producing students with the kind of academic achievement as would be found in other parts of the State. But these youngsters have distinguished themselves by their ability to compete in that environment, and they have been tagged as being those who are most successful. Those are not the same students typically who would be targeted for an EOF award, unless they were going to Princeton or one of our other really demanding institutions. I am not sure if you can see the distinction we are making there.

An EOF student has an economic disadvantage and an academic disadvantage--

ASSEMBLYMAN COLLINS: Correct.

DR. BRUGEL: --the youngsters coming out of these schools-- The assumption is that they will have a higher academic profile, for the most part, than most of your EOF students.

ASSEMBLYMAN COLLINS: Will they be required to have an economic disadvantage, or are they all going to be--

DR. BRUGEL: They would not be required.

ASSEMBLYMAN COLLINS: They would not be, but they could be economically disadvantaged?

MR. MERCK: Most likely.

DR. BRUGEL: I might add, the program is also designed to try to stop the outflow of our most talented minority students who are going to other states and who are being very actively recruited.

MR. MERCK: They are being siphoned off.

ASSEMBLYMAN COLLINS: But now you have thrown in a new word, "minority." That had not entered in until this particular time.

DR. BRUGEL: Well, I think we are both aware, Assemblyman, that many of our A and B school districts--

ASSEMBLYMAN COLLINS: Right, and the 66 would be, but would we not also be in agreement that most of them would be economically disadvantaged? My question really is: Is this something we really need, or is this just another piece we are throwing into a program, which I think in some quarters may be negative? I think you made an excellent point, Mr. Merck. We use "urban," and it may be a misnomer.

I represent a district that has 39 communities in it. The largest one has 18,000 people in it. Okay? It is the same size as all of the other districts in the State, but we have no urban area. And, automatically, a program like this is not going to be available for any of the students in my district, because of the term "urban," which we have already eliminated, but-- See, I don't think the term urban is a plus in this. Even what you are trying to do, I think we are already doing or are close to doing, with EOF. How many students are going to qualify for this who are not going to qualify for EOF? That is a rhetorical question. I am not asking you to answer.

DR. BRUGEL: I want to agree with you. I think the observation that the program's title may be inappropriate is

one that we have just recently come to recognize. Although I do not know the distribution, I know that some of the school districts that would be eligible under this proposal are not urban school districts.

MR. MERCK: That's the point. It is the assessment of the school district, rather than whether it is urban or suburban or whatever.

ASSEMBLYMAN COLLINS: Okay. That leads me to the second question I have, Mr. Chairman. When I read the report, and thought about this weeks back, somehow or other I knew we were having trouble with our Garden State Scholars Program, or at least the numbers indicate we are having trouble. I don't know that it is a problem that we have had a reduction of approximately 500, or whatever it says there. Then as I read the report, it indicates that we are going to combine the Distinguished Scholars Program -- which I think has been an outstanding success -- and put it again with the urban program.

How is that going to happen, and what is it going to do to the plain old scholars, those who are not distinguished, and those who are not in the 66 urban areas? As I read the report, you are going to combine urban and distinguished, and what is going to happen to our plain, old, down-the-middle Garden State Scholars Program? That question is addressed to both of you, or either of you.

DR. BRUGEL: I don't believe we really have an answer. We want to turn this over to staff, and also to staff at our colleges, and ask for their assistance in rethinking these programs and how they can be coordinated and integrated. But our observation has been that the Garden State scholarship is one where we have been less successful for the last two years than we have been for the previous. The numbers are not very positive, and we have been discouraged by the yield in that program. It was designed to assist in the recruitment of outstanding students with financial need. We just don't feel

that it is being successful with that intent. That is why we are noticing in the Committee the intent to have staff look at the program. But we really don't have any plan yet to accomplish that.

ASSEMBLYMAN COLLINS: I appreciate the honesty there. It is something we will all keep an eye on.

MR. MERCK: I think another thing, too, Assemblyman, that can be mentioned, is that we have a fear of having too many discreet programs. We get so many out there that the parents get confused; the students don't know which way to turn. A need for some kind of consolidation after a period of so many new things may be indicated, but we want it to be an integrated consolidation. The key is really academic merit here. That is really what we are trying to-- We have the access. Now we are trying to balance it with the excellence. And, of course, it is a balancing act.

ASSEMBLYMAN COLLINS: Sure. Thank you both.

ASSEMBLYMAN MORAN: Assemblywoman Cooper?

ASSEMBLYWOMAN COOPER: Yes. Mr. Merck, my question is somewhat provincial, since I come from Atlantic City. Have you made, at any time, any contact with the casinos for support of a scholarship system, such as Golden Nugget has a Golden Nugget Scholarship Foundation?

MR. MERCK: That is a wonderful idea. I am not sure I would be overly welcome in the Golden Nugget.

ASSEMBLYWOMAN KALIK: Why, are you Frank Sinatra?
(laughter)

ASSEMBLYWOMAN COOPER: He's gone; he's back in Las Vegas. If you recall-- For those of you who are not aware, Elaine and Steve, who are no longer in Atlantic City, established, five years ago, the Golden Nugget Education Foundation, which awarded scholarships for four years. The student was selected by his high school. The scholarship ranged, I think, from \$1000 to \$3000, depending upon where the

student was going. Each year, for the freshman year -- because I was at the first dinner -- 30 some students were selected on their academic ability, as well as their school participation. In five years, only one was from Atlantic County. The rest were from all over the State. Each year that a student continued his performance, that much of the money was paid for by Golden Nugget out of the Foundation. Of course, in five years, over 150 students are now in college. Some are now going to graduate school because of the Golden Nugget money.

I wrote to Steve Wynn recently. He has returned to Las Vegas. In his letter to me, he did not mention the Foundation, although I had asked in the letter if they were going to continue it from Las Vegas or New Jersey, or just what the structure was. But now with 12 casinos and the changes that are taking place, I feel the time has come when the Higher Education Committee should meet with the Association to lay the groundwork to either perpetuate what Golden Nugget had initiated, or begin a new foundation for those casinos which are able to participate in higher education. I have a feeling -- I get a positive feeling -- that if it were presented, it could be perpetuated the same as Golden Nugget established.

MR. MERCK: That sounds like a very productive idea.

ASSEMBLYWOMAN COOPER: I would be very--

MR. MERCK: I think what we would need would be a liaison with someone who is there, such as yourself.

ASSEMBLYWOMAN COOPER: I would be very happy to, because it is needed desperately.

MR. MERCK: Right.

ASSEMBLYWOMAN COOPER: My heart broke this past month, ladies and gentlemen. I have four constituents whose children were denied these grants, you know, and they are all excellent students.

MR. MERCK: Sure.

ASSEMBLYWOMAN COOPER: Unfortunately, not everybody is a casino father or mother, and we have to resort to other areas for scholarship assistance, including summer jobs. I then can refer them to the casinos.

MR. MERCK: Right.

ASSEMBLYWOMAN COOPER: But, there is a terrible need, and it breaks my heart not to be able to find a solution. We've got to, because there are a lot of great kids out there, and I don't want to see them leave New Jersey.

MR. MERCK: Well, I think your suggestion is an excellent one. I will carry it back to the Board, and perhaps we can get a liaison going and see what happens.

ASSEMBLYWOMAN COOPER: Yes, please. I would like to work with you.

MR. MERCK: Thanks a lot.

ASSEMBLYWOMAN COOPER: Okay.

ASSEMBLYMAN MORAN: Thank you. Assemblywoman Kalik?

ASSEMBLYWOMAN KALIK: Thank you, Mr. Chairman. First I would like to congratulate you on the report and I, too, have read it. I do have a lot to say about financial assistance. I am a single parent. My oldest son, right now, is at the University of Kansas, doing his master's in geophysics. My youngest son is up at Brandeis doing his undergraduate work. I put one child through the Delaware School of Agriculture and Science, and I did it all with financial assistance. I am making out my thirteenth and fourteenth financial aid forms. I think I should get a special award for that, and I do indeed, because of my experience, have a lot of problems with what you are saying. I'm sorry.

I think, number one, we have to separate our great desire to keep New Jersey students in New Jersey, and I think that is a reasonable desire. I think it is a goal, and I think it is something we should reach to and for, but I think we have to separate it from financial assistance to students who live

in the State of New Jersey, or who are emigrating from the State of New Jersey to go to other schools. When you talk about Federal programs, those Federal programs are open to all. When you talk about State programs, those State programs are open to State students.

So, I really think we have to separate one from the other. Certainly, we should be assisting New Jersey students. We want the kids to stay here in New Jersey. If we can assist them enough, maybe they will. I also want to say, I think sometimes we may be hitting the wrong students by saying we want only those who are in the top three in the class, and whose SATs are 16 and better. Sure those are good students, and they are going to go to Princeton, and they are going to go to Harvard, and they are going to go to Yale. We are not going to convince them, no matter how much aid we put forth, to stay here, because those schools have scholarship programs far beyond our means to match them. We cannot. They are very heavily endowed schools, and they have tremendous, tremendous programs.

So now what are we going to do? It is a question of reaching our excellent students who may not be the top ranking or the second ranking or the third ranking, but who are somewhere in the top 10 or 12, who wind up getting nothing. I have sat through many a high school graduation and have seen the three top kids walk away with all of the money, and the next nine kids worrying how they are going to go to school. I'm telling you that that is fact, and I'm sure you are aware of it. I think we really ought to address that problem.

Several of my son's friends are not in school this year because they cannot afford it; not because they don't have the talent, not because they don't have the ability, not because they don't have the desire, but because they don't have the money. I have one kid out there doing waiter's work in a diner, who is so talented it is-- Oh, I cry every time I talk

to him that he is not in school. If I were wealthy, I would send the kid to school myself. I have another young lady working in my legislative office who has been accepted to Louisiana, but she cannot go. She does not have the money to even go down to the school for an interview. Top student; top student. These are the kinds of students that I really think we have to do something about.

I think we have to start thinking in terms of aid in terms of where these youngsters are going. Are they going to a four-year college? Are they going on after a four-year college to a graduate program? Are they going to a county college? Are they going to a technical school? I heard nothing about a separation of financial assistance. There is a different level and a different need of financial assistance to each one of those different levels of education desired. That does not mean that a youngster going to a county college doesn't need financial assistance. In fact, they may need it more than the kid going to a full-time college.

You did refer to the fact that summer jobs, you know, are looked at as income and, therefore, may make a kid ineligible for a scholarship because he is going to earn \$3000 over the summer. Well, as you said, he may, in fact, be giving that to his family to help out at home, or he may also be using that -- heaven forbid -- for a car, so he can go to school, because you can't go to school in New Jersey unless you have a car. Not necessarily up here in Montclair, where you may be able to use public transportation, but where I come from, and where I live, you cannot go to school if you don't have a car. You can't walk there; you can't bus there; you can't train there; and you can't fly there. So, you've got to drive there. If you earn \$3000 the first year you are out of high school, you are going to put it toward a car. If you pay \$1500 for the car, \$1000 for the insurance, and a couple of hundred dollars for gas, there is your \$3000, and it's gone. That

leaves you -- as you said -- without the \$150 application fees and SAT money to even make out the forms that are required.

So, we are talking about a whole range of problems that I think sometimes, you know, we get very far afield of. We forget that these are really basic needs.

I just wrote a couple of notes here. You talked about a consolidation of programs. I am not so sure that is really the direction we ought to be heading. I think maybe we ought to be heading in the other direction, and that is filling special needs with special programs. If those needs are urban, wonderful; if those needs are minority, great; if those needs are tech schools, good; if those needs are county college, fine. But, each one of those really requires a different look, and I don't think you can put them all into one pot and expect to be able, in fact, to help the people we are trying to help.

Let me just quickly take a look at my notes. I think you, as the financial assistance people in the State, need to get down to a high school level and try and provide our high school personnel with some ability to help young people through the requirement process. It is extremely difficult. If it is difficult in my middle-income municipality, it must be impossible in an urban area for any youngster to be able to understand what is available to him, what is available to his parents, what kinds of things they have to fill out or know. I mean, I read that form -- oh, my God. It is your responsibility to get that down to the high schools so they can help their students, so that when their students are ready, their students will know what to do.

Thank you for listening to me.

MR. MERCK: May I comment on that, Assemblywoman?

ASSEMBLYWOMAN KALIK: We've been through this before, you and I.

MR. MERCK: Every one of the points obviously bears on the importance of this whole thing. I should say, without

apology, we had to avoid, in this particular report, a number of outstanding, important problems, such as the one the Assemblywoman just brought up, or otherwise that wouldn't be 40 pages, it would be 400. We were somewhat limited, that is, as to our assignment. That is not an excuse, but just the realities.

We are very interested in getting this information to high school students. We don't know how to get it to the students -- the potential students -- who maybe find street life more desirable than college life. But, you know, New Jersey has found some very innovative solutions to some very tough problems. I think just the fact that you brought those things up is going to turn people on and get them thinking, "How do we do that thing?" And, whether I am on the Committee or not, I would forecast that we will get to those answers, and other people will copy us.

We want to see the administration of these programs consolidated, not that they are indiscreet and lump everybody in. I think you are very right. There are special students with special needs that must be addressed by a special program. The problem we have, of course, is trying to integrate these programs from an administrative level. Part of the difficulty, which you cite, in the administration, comes down to these complicated forms. I don't know how we are going to do it, but the very fact that there are people who want to do it-- I am going to advocate that we hire a systems firm from New York. How do the companies get these complicated forms simplified? Somebody seems to be able to do it.

On summer help -- summer income-- I didn't mean to convey that this money would make them ineligible for a scholarship. I should have made it clear that I was referring to welfare regulations, which read, in effect, that if a welfare mother with Aid to Families with Dependent Children were to get student aid -- except for all but a specialized

number, of course-- Generally, if she gets student aid, it is counted as income to her, which may disqualify her from her aid. Now, which is she going to choose? There is no question about what she can do.

As far as picking out bright people, your examples are terrific. Here is a talented student working in a diner, or doing whatever. We think that these programs are going to extend our reach to levels of competence that have not been demonstrated by SATs, have not been demonstrated by high school scores, or rank in class. I am not sure how we are going to go about it, but once again, the effort is going to be made. Whether they are to go to a two-year college, part-time, full-time, without a car, or with a car, is something that I think is embraced in all of these things. Personally, I was horrified when some of our colleges -- county and State colleges -- were built, about where they were located. This was too bad. The price of admission was the price of an automobile. Then they could get to the gate.

So, we share that. You will be interested to know that Union County is thinking about a satellite in Elizabeth; also in Union -- in Plainfield, excuse me. Morris County is very interested in a satellite away from the remote campus. These are problems which embrace the overall, and I think one of the most perilous features of the year 2000, which is a higher and higher percentage of minorities, including a higher percentage of less well-prepared students, are going to be coming to our colleges. If we are not ready for them physically, or our faculties are not trained and ready to do the kind of teaching that is needed for those students, if we don't have the right kind of courses for those people, we are going to create an underclass of people whose adherence to the democratic way is going to be very tenuous, at best.

So what we are really talking about here-- I would like to talk about this, and then I will stop, Mr. Chairman.

We are looking ahead. I am delighted to be in a State bureau which isn't just trying to solve problems from 10 years ago. We are trying to say here, if we do these things, or something like them, and if you help us, we will be ready. We won't be caught short. This is where I have a great respect for my colleagues, for getting the thing going for the Chancellor to put this in motion. Needless to say, anything I can do to help, I will be glad to do.

Thank you, Mr. Chairman.

ASSEMBLYMAN MORAN: Okay, thank you. Assemblyman Collins?

ASSEMBLYMAN COLLINS: Thank you, Mr. Chairman. Just to go a little further with some of the outstanding points that Assemblywoman Kalik made-- As you said, we don't want to turn the report into 400 pages, or this into four hours of talking about educational theory tied to financial assistance. But I think the points, as you just said, Mr. Merck, were so much on target. As we move into the twenty-first century -- the Department of Education, the Department of Higher Education, and all of us -- the term excellence is just getting a little too carried away. This is a personal view. It is going to be carried away to where the top two or three people get all of the money. I would daresay -- and we ask not for identification in this room -- but as we look in this room right here at people at various levels of success, all of us feeling that we have accomplished something, how many of us were excellent when the time came to be accepted to a college or to receive financial aid? There is a whole group of people who I am very much afraid are going to be forgotten as we move toward this quest for excellence, which is the buzz word we use in all of our educational circles. If we can tie, as we lose-- To go again to my term of the plain, old Garden State Scholar, to lose that to Distinguished Scholar, which, as I say, is a very successful program-- I proudly, braggartly say

that my daughter is a recipient of a Distinguished State Scholarship, and it has been a great help to me personally, when it comes to paying her tuition. But I just don't want us to move too far afield from the plain, old, good people that Assemblywoman Kalik is referring to.

Also, something that I would not like to see us lose, as we talk about summer employment, and so on, to again use the Assemblywoman's example of the young man working in the diner with all of his skills-- It would seem to me that something that should always be kept in the forefront of our financial assistance programs is the College Work Study Program -- the institutional work -- that is not directly tied to need, but is tied to people being able to put gas in that car, and so on and so forth. It is great to give them the opportunity to work in the summer, but I think that the opportunities also should be very much available to them to work during the school year. So many of our young people through the high school years, mainly due to the fast food industry, are working as they go through high school. Not to drag it out, but with 168 hours in a week, 15 hours of classwork a week being used, and three hours study for that, when you add all that up, that still leaves 123 hours for every college student to sleep, eat, grow, play sports, be involved in activities, and work -- work at a fair job.

Something that just hit me when the Assemblywoman was speaking, maybe something -- I want to kick this around, I want to throw it out now -- I like the idea of different levels of financial aid. There is nothing wrong in my immediate knee-jerk to her comments that at a major institution it costs this much money, and maybe the Work Study would be this many dollars. As we move down the different financial strata to the lower priced schools, it may be a little less. It won't determine whether or not the student is admitted, but it could determine which ones go to each school. I think there would be a work ethic involved. The schools would be getting something

out of it. It would not be burdensome; you know, the loans would be there forever. I just think it is something that would go. As I said, I don't want to make it 400 pages, or me four hours, but I did want to make those comments.

MR. MERCK: That is a good reminder. You're really talking about the bulk of the students.

ASSEMBLYWOMAN KALIK: Yes.

MR. MERCK: We do tend to forget them; when we get into special programs, we do tend to forget them. We appreciate being reminded. I like to think of these hearings in a most productive sense, where you listen to us, but we listen to you.

ASSEMBLYMAN DORIA: I just want to follow up on what both Barbara said and what Jack said. I think we need to emphasize-- Now, obviously there are a lot of programs for the most economically and educationally disadvantaged. But, unfortunately, as you point out, with the changing Federal guidelines as relate to need, the middle-class student, especially the lower-income, middle-class student, is finding himself cut out of almost every type of program that exists. The best example is the one that you discussed here relating to the Guaranteed Student Loan Program and what is happening -- what has happened and what will be happening over the next year. I think there is a significant number of parents -- whether it be in my district, which is an urban district that is considered to be probably one of the poorest districts in the State, or whether it be in some of the wealthier districts -- parents of middle-income students, who just cannot afford the cost of tuition. Obviously, with the Tuition Aid Grant Program, it is a graduated system, depending on tuition. We can talk about that and all of the other aid programs, but at the same time, we should be coming up with something. We should be addressing -- and you have begun to do that in this report -- the problems of the lower-income, middle-class

parents, because those are the parents -- those are the people -- who are caught in-between -- the lowest income areas. Now, we have our programs for the educationally and economically disadvantaged -- our EOF programs, and so on -- and obviously the wealthier parents can afford to send their children to college directly from their out-of-pocket income. But those students in the middle are being cut out. Those are the ones, I think-- It is ironic -- I am not going to be partisan here -- that a President who continuously talks about the middle class has, in the last six years, destroyed almost all of the financial aid programs for that middle class. We have to try to come up with something for these people.

I just wanted to emphasize that, because that is what I think Assemblyman Collins was talking about, to a degree, and Assemblywoman Kalik. I think that is something we have to look at, because those people are being left out, and those students are not going to school.

MR. MERCK: A very tough, tough problem, and you bring it out. I know the private colleges -- the independent colleges -- are digging into their endowments to take care of exactly that kind of student. Some of them are not going to make it. It's obvious. If we want to talk about extending our benefits to a larger group, whether they are of high academic qualification or not, we are getting into very, very large dollars. I mean, not that you don't want to do it, or that I don't want to see it happen, but we do have our priorities; we do have our limitations.

But I have to tell you, if you move scholarships down just a few notches from the very top, you are looking at huge figures. That is the reality of life.

ASSEMBLYMAN MORAN: With that, Mr. Merck, I want to personally thank you for being here, and also Dr. Brugel for taking the time out to be here. Please relay the message back to the Chancellor that we missed him. We would have welcomed

him being here, although the two of you did an outstanding job. Again, thank you very much.

DR. BRUGEL: Mr. Chairman, before we leave, I would like to comment on the Assemblywoman's observation about public information and getting information to the high schools. The Department does take its responsibilities very seriously, and does, annually, conduct well over 100 workshops involving high schools. We participate in college nights, and we are looking for people with a good deal of experience in filling out these forms, who do actually assist us.

ASSEMBLYWOMAN KALIK: When I leave the Legislature, I am going to open a business filling out financial forms. (laughter)

DR. BRUGEL: Mr. Chairman, I want to leave a copy of the comments that were provided to the Board of Higher Education when they had their public hearing, for your record.

ASSEMBLYMAN MORAN: Very good. Thank you.

DR. BRUGEL: Thank you.

ASSEMBLYMAN MORAN: The next speakers will be the distinguished Dr. Donald E. Walters, President of Montclair State College, as well as Dr. Darryl G. Greer, Executive Director of the New Jersey State College Governing Boards Association.

D R. D O N A L D E. W A L T E R S: Thank you, Mr. Chairman. I have the same uneasy feelings, I think, that any second speaker has. First, that the first speaker just made a speech, and second, that the panel I face probably knows more about the subject than I do. But, with those declarations to hold me harmless, I would like to say a few words, I guess trying to highlight the report and its importance to all of higher education in New Jersey.

First of all, though, I would like to pause and welcome all of you again to our campus -- and all of our guests today. I can take credit for the availability of the parking

spaces, but I dare not take credit for either the beautiful sunshine or, frankly, even the condition of our grounds, which I think are very pretty. I hope you do, too. We are delighted that you are here. We are very honored that you thought to ask us to be the site of this additional hearing on such an important subject today. We feel it is very much within that third traditional function of any college, which is service to the community, and what better service than to air, openly here, the concerns and thoughts of an informed citizenry with an informed Legislature on a matter as important to all of us as the Student Assistance Committee's report, called "Meeting the Challenge of Rising Higher Education Costs."

Like many of you who have said so, I feel that the higher education community also owes a debt of gratitude to Mr. Merck and to his colleagues on the Committee. I am very deeply impressed by the discussion that just took place. While the document is good, and while, in my judgment, it is one of the most lucid, comprehensive, and thoughtful documents with some of the most helpful recommendations that I have seen in about three years issued from the Department -- and I have seen many that have impressed me -- it is certainly not perfect. It is not yet complete perhaps. There are areas -- which some of you pointed out -- which still need attention. There are forgotten holes, if you will, in the text of the document, that need to be filled up and supplied.

But I am also impressed that it is precisely out of this kind of public discussion that such changes can, and I have no doubt will, occur, to even further strengthen an already very strong and good document.

As you all know, better perhaps than I do, and as the report articulates very eloquently, the role of the Federal government has, in the past five or six years, attempted to shift fundamentally away from the support of the human services in the Federal budget, and particularly away from the Title IV

collection, if you will, of student aid provisions in the Higher Education Act of 1965, as amended and reauthorized. The Administration, for reasons of its own, has sought every single year to present to Congress, as you know, a budget, which if enacted upon and passed, would virtually decimate the programs that support the most needy, and even the middle-class students, who have a right, I think, to seek an opportunity for higher education at some institution in our land.

Each year, as you also know, the Congress has beaten back those provisions that would cut deeply into the bone of student aid programs, on the theory, I'm sure, that not to do so would slam the schoolhouse door all across this country to young men and women, and some middle-aged men and women, who could not otherwise even think of attending college, unless it was for the student aid provisions now available.

The Congress has succeeded, at best, in keeping us even with each passing year and, in some ways, even their stalwart efforts, as you well know, have not prevented some reductions and cuts. I heard Assemblyman Doria and others refer to the damage that has now been done to the GSL loan program. We know, at Montclair, just to illustrate this in a homey way, if you will, that of all of the students who applied here last year and received the GSL, fully one-third of those students will be ineligible next year under the provisions recently enacted for eligibility for the GSL. That is particularly painful for those of us in the State college sector, because, as you know, the State colleges, collectively, educate more citizens of this State at the baccalaureate level than any other single sector. We have 70,000 New Jersey citizens who are now studying at these essentially undergraduate institutions in a baccalaureate program. So many of these students, which I heard you comment on before, are students who are from needy and middle-income families. They do not have the wherewithal to make up the differences that

would occur if the administrative proposals in Washington were ever adopted. They hardly can keep pace with what is happening even with the strong and defensive Congress these days. Fully 60%, or perhaps a little more, of all of those students, on the average, are on some form of financial aid, either Federal, or State, or some combination thereof.

It is for that reason that the four policy goals which are set forth in the Committee report -- which Mr. Merck earlier presented to you-- It is for that reason -- our deep concern about what will happen to these students caught in the middle of this great squeeze -- that we endorse so strongly the four goals, or objectives, of the report, which, as you well know, are: improvement of access; the strengthening, if you will, of the fabric of excellence which goes on in our programs and our classrooms here; hopefully the expansion of the variety of programs that are available; and lastly, and certainly not uniquely unimportant, as Assemblywoman Kalik pointed out, the improvement, somehow, of the way in which these programs are administered.

So many people these days are left out of the financial aid cycle, if you will, because of the intimidation they have about the forms and the process of getting approval. We need to do something about all of those things, and I think the report presents them clearly and well, and I trust that we will do something.

The policy goals dealing with access, the ones that I think are most attractive to the State colleges and to their presidents, on whose behalf I have been asked to speak to you today, include the ones that would expand the opportunities for part-time students, and co-jointly with that, the provisions to improve the rights of single-parent families. There is just simply no doubt in any of our minds -- and I know you have seen the demographic data on this, too -- that the population -- the character of the population in New Jersey and, indeed, the

whole Northeast, is changing. It is becoming "more minority," and will, by the turn of the century-- You may recall the statistic that one out of three citizens in this area will be a minority person, and the character of those who are going to college is changing as well. As you know, and I have heard it said before, more part-time people are simply going to be turning to these institutions for an opportunity to be certified, if you will, at the baccalaureate level.

So, those two aspects of the Committee's report on access are important to us, I think, throughout higher education in the State, but particularly in the State colleges.

I have a particular anxiety over the excellence portion of the report -- an anxiety to see the recommendations implemented, because we have struggled here on this campus mightily to try to attract the most talented students to stay here, and to come to an institution like Montclair. To do that, we have brought literally hundreds of the Distinguished Scholars to this campus early enough in the year so that if they got excited about this campus, we might have a chance to keep them. I know other campuses are doing this.

We had about 300 mothers and fathers and sons and daughters who were the Distinguished Scholars for lunch here early in December -- in this building downstairs. We treated them to a day of exposure to Montclair. They heard encouraging comments from the President, the Deans, and so on. They met our faculty; they toured the campus. We even offered them \$750, the most we could get up out of some private money we have through the Foundation. We offered them an additional \$750 to match their \$1000 grant, and I don't think we got more than 2% or 3% of the students, for the reasons that Assemblywoman Kalik spoke about before.

I sat at lunch with a talented, young, black man who said he was glad to be here at Montclair to be recognized for his achievement -- which we did -- but he thanked me all the

same, and said he was on his way to MIT. That was the story we heard all around the room that day. So, anything that can be done at different levels, both for the very, very talented, to try to keep them at home, and for the middle-income student, to try to keep them in school, and out of the workplace, when they don't belong there, seems to me is worth supporting, and we do support the proposals with regard to excellence.

If I may just make a comment about the problem of rising costs, which we all know has gotten national newspaper and video coverage in the last couple of months, thanks to the initiative of our Secretary of Education in Washington, Mr. Bennett, I would not, for a moment, depreciate the importance of the issue involved in reexamining the pricing structure in higher education. And, as the father of six children, three of whom seem to be perpetually in a college somewhere, I can tell you that I have a personal anxiety about such rising costs. But I also have some confidence about rising income. I remember when I was first married -- as some of you will -- that when I got my first \$10,000 a year job, I asked the person hiring me if I had a future there. He said he thought I did. I said, "Well, do you think I could ever make \$18,000?" He said, pausing, "Well, maybe by the time you retire you can." The level of expectation in those days -- that was the very early '60s-- My level of expectation didn't go beyond the next year or two. I had no idea that while the cost of living would go up, so, of course, would salaries go up somewhat commensurately -- not exactly; they have gone up unevenly, to be sure. But I am confident that my daughter, who gave birth to my first granddaughter two years ago, and who is worried sick about how they are going to afford those \$60,000 a year costs -- or \$60,000 for four years in the public, and significantly higher in the private-- She is worried about how they are going to do that. I keep telling her that her architect husband will see to it that the income is going to match it.

But, at the same time, we are aware that those couples who have just married, and who face a very uncertain future, to be sure, have a right to worry about rising costs. You, as the Legislature, have a right to force us to face the issue. I would only suggest that we differentiate, as we do that, between institutions which may have outpriced themselves in the marketplace, and institutions which still represent an awfully good buy by today's standards, and I have no doubt will by tomorrow's. They include, in my view, certainly the public colleges in New Jersey, where a student -- a young man or woman -- can still get a first-rate education at the baccalaureate level for \$600 a semester, if they commute, and for about \$2500 a semester if they live on campus.

Now, that is not a well-kept secret, but it is certainly something we have to get people to understand; that we are opportunity colleges, and there is access within the reach of most people, particularly if we continue to support the financial aid programs now in place.

In conclusion, I guess I would just like to echo what Assemblyman Doria said a little earlier about the astonishing impact that the leadership exercised in New Jersey has had around the country in higher education. We have become, in effect, a bellwether. We are written about in The Chronicle. The New York Times is not hesitant to point at what we are doing. I travel some in higher education circles, as some of you do, and I know that when I go to the meeting of the American Council on Education or the Educational Commission of the States, as Assemblyman Doria has, I hear New Jersey being talked about on the lips of people who, four or five years ago, would never have thought of us. We are breaking significant new ground here. As we look toward this uncertain future, it seems to me that, imperfect and limited as it is, the report before us all today charts out for us a path worth taking, because it will keep us, I'm sure, in the leadership in the future as well.

I thank you all very much for permitting this discussion today, as you have in other parts of the State, and for allowing us to serve as your host. Thank you, Mr. Chairman.

ASSEMBLYMAN MORAN: Okay. Thank you, Dr. Walters. I applaud you for your outstanding presentation. I have just a few comments to make, and then I will call on others.

First of all, you brought up -- as Mr. Merck brought up -- the exodus of New Jersey students out-of-state, and you mentioned that you have three perpetual youngsters who attend school. I am not going to ask you the question about whether they attend school in New Jersey--

DR. WALTERS: Oh, go ahead.

ASSEMBLYMAN MORAN: But I will tell you that my own youngsters-- I cannot seem to keep them in New Jersey. I say this with egg on my face, being Chairman of this Committee. My daughter is continually looking outside of New Jersey. They are typical youngsters. They are not gifted or talented where they are receiving scholarships, but they are fortunate enough that dad can pay for them to go outside of New Jersey, or in New Jersey, or wherever they choose.

I have spoken to many people -- many college presidents such as yourself -- about this particular problem, and many guidance counselors and guidance directors at public high schools, and I have read many reports, the most recent one put out by the Independent Colleges of New Jersey, which I believe Joe Doria made available to me. There doesn't seem to be an answer to this particular problem. I am faced with it at home, and I have tried to figure it out over the last year and a half. I can't figure it out, and I consider myself a fairly smart person when it comes to the logistics of those kinds of things.

When we look at our population in New Jersey, I think we are servicing them, and I think we are doing a darned good job of it. I think that many of those youngsters who leave, do

not leave-- For example, the youngster you were talking about who you were trying to persuade with another \$750, and he chose to go to MIT. God be with him; I hope he does extremely well at MIT, and I hope he comes back and makes New Jersey extremely proud of the fact that he did go to MIT. Maybe if he did go to Montclair State College he wouldn't be as successful five years from now as he will be when he returns to New Jersey from MIT.

So, I don't think we should look at youngsters who leave New Jersey and go to out-of-state colleges as a deterrent, because the major thing we have in New Jersey is, every one of our seats in our county and our State colleges has been filled. So, we are not turning youngsters away, where, in fact, we have seats being left vacant. I think the level of acceptance has to be reduced in some institutions, to some extent, to fill up that gap, which gives us the opportunity in New Jersey to let those less advantaged, academically talented students attend our State colleges. I think that is a good point, to some extent.

The time and the effort we put in in higher education to try to figure out why students leave-- I think there are 101 different reasons, and if we had 101 different people in a room to discuss it, we would have different opinions.

The second point I want to make, which you made, is the cost of college. It was just recently that I met with the student body at Rutgers -- The State University and the Alumni Association and some of its staff members, to go over some of the financial impact and problems that exist with the State University with the anticipated increase in tuition. With that, unfortunately, I had the out-of-state rates handy from my daughter, and even with the increases at Rutgers -- The State University, as well as at some of our other State colleges -- Glassboro, Montclair, Trenton State -- we are still much cheaper for State residents, than some of our neighboring colleges, such as Delaware, Maryland, New York, and Pennsylvania.

So, I do think that we are going over and above the opportunity line for youngsters in New Jersey. But I think, as the report stated -- and I think how everyone on the Committee has stated with the previous speaker -- the opportunities have to be there for youngsters, and not just minority youngsters, but youngsters who are in need. I do not represent an urban community. I do not represent a minority community in my legislative district. But what I do see when I go around the State of New Jersey, is that youngsters in urban communities are not being given the opportunities that youngsters in suburbia, where I live, are being given. The school atmosphere is much different. The intent of learning, and the desire for learning, are much different in urban communities than in suburban communities. I think we have to put the initiative out there. We have to put the opportunity out there, so that youngsters -- and they don't necessarily have to be minority youngsters, but youngsters from urban communities -- who have been deprived over the years will have the opportunities to attend institutions such as Montclair. We have to have it out there so they will be given that opportunity. They have to try a little bit harder to be eligible for that opportunity.

I think that when we do that -- and I think this report does exactly that; it gives you that extra inch of energy, that extra inch of insight -- the possibility will be there to be given that free ride, or a portion of that ride, to be paid for by the taxpayer. I think it is a beginning, and I think it is something that everyone on this Committee has looked at; I think something the Chancellor and everyone on the State Board has looked at. It is going to be there. I think that with the efforts of this particular report, and with the efforts of people like yourselves, and the people on this Committee, that it will be forthcoming very soon.

DR. WALTERS: Amen.

ASSEMBLYMAN MORAN: Amen. Anyone else? Yes,
Assemblywoman Kalik?

ASSEMBLYWOMAN KALIK: I don't want to be misunderstood. I think we should seek out our excellent students -- first place, second place, and third place. I think we should try to persuade them to stay in New Jersey. I think that is a good idea. I think there are some that we can, in fact, persuade to stay in New Jersey, depending upon what they want to do with the rest of their lives and what kinds of things they are interested in. I did, in fact-- My oldest son graduated from Rutgers and achieved an academic level that permitted him to get an internship at Kansas to do his master's. I want to say that so that you will understand that I think the schools in New Jersey are doing a fantastic job. I did not mean to convey that they weren't, and that they should not continue to do that. I just want to make sure that that is only one of the things we have to pay attention to.

ASSEMBLYMAN MORAN: First of all, I did not interpret that--

ASSEMBLYWOMAN KALIK: Oh, okay.

ASSEMBLYMAN MORAN: --and I don't think anyone else interpreted it that way.

ASSEMBLYWOMAN KALIK: Okay.

ASSEMBLYMAN MORAN: Assemblyman Doria?

ASSEMBLYMAN DORIA: Yeah. I just want to thank President Walters for having us here today, and for his comments, because I think they really hit at the heart of the matter; that is, how do we attract students -- good students -- and keep them in the State? It is not easy. Kathy and I (referring to Ms. Fazzari) just had a quick comment, and one of the reasons students leave New Jersey is because they want to leave home. They want to get away from the nest. Unfortunately, New Jersey is not big enough that they can travel from one end of the State to the other and necessarily stay away from home.

DR. WALTERS: Yes, that is pretty true.

ASSEMBLYMAN DORIA: I think that is a big part of the problem, because comparably-- Our programs are comparable to any of the state colleges in Pennsylvania, or even the University of Delaware. The thing is, the students want to go there. Many times they get frustrated. I talk to students. I don't have children old enough, or have children who would go to college, but I am dealing with students on a continuing basis -- friends and relatives -- and counseling them, and the big thing is they want to get away. They don't look at the programs; they don't look at the quality of the school. In almost every instance, they are just looking for a place where they can go, or where their friends are going.

I think that is something that is going to be difficult for us to compete with. I think what we have to do then is create an atmosphere where our programs are so outstanding that they are forced to look at them and seriously review them in comparison. The money situation is important, too. As long as the economy is booming -- I hate to say this -- parents will be sending their students out-of-state. When things begin to tighten up, you will see-- Rutgers has become more attractive in the last year or two, and as things tighten up a little bit more, you will see the State colleges become more attractive, because it is much simpler to spend \$5000 to send your child to, let's say, Montclair, than it is to spend \$10,000 to send him or her to the University of Delaware, where the programs are almost comparable.

I think this is something we have to look at. Again, I want to emphasize that unless we provide proper financial aid -- and I think the question of guaranteed student loans is an important one -- unless we come up with some means to allow parents to borrow that money, not through the PLUS loan program, because that is going to bankrupt them -- and I hate to say that-- I wouldn't want to have two students in college and have to take out loans and be paying them back, while at

the same time I am taking the money out every year. I mean, not through that program. I don't know who ever thought of it, but whoever thought of it should be forced to use it for a while, and then they could see how effective it is.

You know, I think we have to deal with that problem. I think this report deals with some of the questions, but I think most of all that the colleges have to begin to look at some means of financing, either through private sector endowment or through prepaid tuition programs, and we have some legislation in, in the State, to at least look at that. If we don't have those things available in the future, we are going to have to deal with the problem.

You are saying that hopefully everyone will be able to afford the college tuition 10 years from now, 15 years from now, but I am not as optimistic as you are. I see more and more younger people having a more difficult time maintaining a middle-class, or upper middle-class lifestyle, than their parents or their grandparents before them.

DR. WALTERS: Yes.

ASSEMBLYMAN DORIA: I think we are going to see more of that problem, because of the demands that society puts upon us and the costs that are thus engendered. I mean, to buy a home 10 years ago, and to buy a home today, is very different. We see a lot of our middle-class people not being able to buy a home any more because the cost has become prohibitive, even for houses in areas where at one time-- For example, in my district in Jersey City, at one time people didn't want to live in Jersey City. People didn't want to buy a house in Jersey City. You could get a house in part of my district for \$20,000. That same house will cost you \$120,000 less than 10 years later. So that just says something about the entire cost to the family. Then, also, at the same time, how is the family going to fund the cost of education for their children in the future?

ASSEMBLYMAN MORAN: Anyone else? (no response)

DR. WALTERS: Thank you, Mr. Chairman, and members of the Committee.

ASSEMBLYMAN MORAN: Okay, thank you again. Dr. Greer, do you have anything?

D R. D A R R Y L G. G R E E R: Thank you.

ASSEMBLYMAN MORAN: Thank you for attending. We appreciate your being here.

ASSEMBLYMAN COLLINS: Well stated, Darryl.

DR. GREER: Thank you very much.

ASSEMBLYMAN MORAN: Okay, thank you. The next speaker will be Dr. Randall Richards, Director of Financial Aid, Montclair State College. Right up our alley here.

D R. R A N D A L L R I C H A R D S: Thank you. I would like to preface my remarks by stating that we did have a staff member from Financial Aid present a series of comments at the public hearing that the Committee held down at New Brunswick a little over a month ago, in anticipation of today's hearing. I would like to make some additional comments and reiterate a few comments that were made at that particular session.

Mr. Chairman, on behalf of Montclair State College, we sincerely appreciate the opportunity to appear before you and the members of the Assembly Higher Education and Regulated Professions Committee to comment on the draft report of the Student Assistance Committee of the Board of Higher Education. That report is also referred to as, "Meeting the Challenge of Rising Higher Education Costs."

We at Montclair share the Department's commitment to allowing students the opportunity to select academic programs on the basis of quality and suitability, not just cost. With that thought in mind, we believe that the report clearly addresses the genuine challenges facing higher education in New Jersey.

The four priorities outlined in the document -- assuring access, meeting the goal of excellence, providing financing alternatives, and improving program efficiency -- focus attention on important issues. The first priority, as noted, is assuring access. We find each of the six specific proposals in that section to be worthy of support and endorsement. In particular, we hope the TAG awards will be increased to include required fees, and will also be extended to new constituencies. The proposals concerning disadvantaged students, especially TAG eligibility for part-time students, and establishing additional assistance for single-parent families, address current problems of retention and recruitment among the students.

Meeting the goal of excellence is the second priority listed. We believe the State has already taken new initiatives in its programs designed to stem the out-migration of very able students. These programs recognize need, merit, or both. However, the College is vigorously opposed to major restructuring of the Garden State Scholarship Program. Our experience with the program has been very positive. It has played a significant part in our active and successful recruiting efforts. For example, over 450 Garden State Scholarship students are enrolled at Montclair this year. Given our positive GSS experience, we recommend that the program be continued and awards increased. The program is very effective in attracting students from the shrinking pool of academically able or needy students.

We would also urge the Department of Higher Education to permit an institution to use up to 25% of its GSS allocation for awards to "no need, but academically eligible students." We also endorse the continuation of the Distinguished Scholars Program. It is recommended that State awards to this group be increased from \$1000 to \$2000 a year. Competition from out-of-state schools for these extremely able students is very

keen. Higher education award levels will make a difference in the student's decision-making process.

This section of the Committee's report also deals with the Urban Scholars Program. We support that concept, but recommend that the program be combined with the existing Distinguished Scholars Program.

Lastly, we agree with the recommendation to expand the Graduate Fellowship Program. As the State continues its high-tech growth, the need and opportunity for graduate study will be significantly increased. It is important that incentives be provided for outstanding graduate students to pursue their studies at New Jersey institutions. These incentives will accomplish three objectives: One, encourage students to study at our best institutions; two, enhance the academic environment at New Jersey schools with graduate programs; and three, reenforce the thinking of corporate decision-makers as they continue to recognize New Jersey as the State with a desirable location and a well-trained and highly educated labor force.

The report's third priority is providing financing alternatives. We know that retrenchment on the Federal level has already begun to adversely affect New Jersey's college students. Each alternative in this section offers a promise for relief. The three recommendations concerning employment and learning/career opportunities are very timely. Making the learning and earning connection part of a student's college experience will pay personal growth and financial dividends. The small investment required for these programs makes them very attractive. Suggested prepayment and savings plans deserve careful consideration. They appear to offer realistic incentives to families which want to plan for their children's future.

Another recommendation concerns a State supplemental loan program for parents and students. This type of innovation

is desperately needed, as the Guaranteed Student Loan Program becomes less accessible. Furthermore, we strongly endorse the establishment of a State Work Study Program for students who are unable to find suitable summer employment. However, the program should not be need-based nor administered by college financial aid offices.

The college experience with cooperative education has been very successful. This year, over 600 students are earning and learning in the real world as co-op students. Employers are particularly enthusiastic about the quality, maturity, and commitment of our students. The co-op option should be expanded.

Lastly, we agree that institutions should expand and improve job opportunities for students. There is evidence that limited-time employment is a factor in reducing attrition, and thus can be seen as another tool to improve our retention efforts. We intend to establish a new office on our campus, assuming funding is available, to capitalize on this possibility.

The last priority in the group, number four, addresses the problem of increasing program efficiency. We believe that program efficiency is critical. This aspect of financial aid administration must receive a high priority. Families are faced with a bewildering array of programs. Aid officers are confronted with the difficult task of orchestrating the timely processing of loans, grant and employment assistance in a constantly changing regulatory environment. Automation and simplification are essential to maintaining order and efficiency.

Each of the five particular proposals in this section deserve comment. We encourage the State to improve the dissemination of financial aid information through a marketing plan targeted to minority students. New and creative efforts should be made in this area. In addition, student financial

aid application procedures should be simplified. The forms are very complex for most families. Also, the linking of institutions and the Office of Student Assistance via a common computer network should be accomplished. The Montclair experience with a computer link has dramatically improved service to students and has increased reporting efficiency. Thus, sufficient data processing capability for the Office of Student Assistance should be provided.

We applaud the suggestion to reduce borrowing by lower division students. However, that objective can only be achieved by an increase in funding for grant programs.

In summary, we are enthusiastic about the report's content and presentation. We also respectfully request that consideration be given to the exceptions that we have noted.

We conclude our comments by saying that student financial aid has become a critical element in the higher education equation. It is touching the lives of more students each year. The issues addressed in this report have helped us to focus on a new and challenging set of circumstances. We honestly believe that New Jersey has a rare opportunity to seize new initiatives and chart the course for remarkable higher education accomplishments in the twenty-first century.

Thank you.

ASSEMBLYMAN MORAN: Okay. Any questions?

ASSEMBLYMAN COLLINS: I have one, Mr. Chairman.

ASSEMBLYMAN MORAN: Assemblywoman Kalik, first.

ASSEMBLYWOMAN KALIK: Just a comment. You mentioned the timeliness of the payments for the tuition aid grants. That is one thing that has really not been addressed. A lot of the money that comes, comes after the bills are due at the colleges, which means either you have to go out and borrow the money, and then pay it back, if you can, or that you have to pay late payments, or that your child stands the chance -- the risk -- of being taken off as a potential candidate for that

particular school, because you don't have the money in hand and you can't pay that bill in a timely fashion. It particularly, by the way-- It was brought to my attention by a veteran that the vets' TAG Program is really the worst of all of them, because that money does not come through until some time in January for bills that are due in November.

I know it is a terrible problem getting the forms in and processing them. You know, usually they have to go back six times to be redone and reworked and so forth and so on. But, the timeliness of that money is extremely important to a youngster attempting to go to school.

DR. RICHARDS: May I comment? We at Montclair believe we operate a conservative fiscal environment. However, we do extend full credit to students at term-time billing for tuition aid grant, PELL grant, NDSL, SCOG, and other need-based awards. There is some risk in that, because on occasion information comes to our attention after the fact which causes us to make a revision in the aid package. However, students who have filed on a timely basis are given credit in advance against the term-time bill. Disbursement of funds, however, will not take place until after they have actually enrolled and are on campus.

We are aware of the difficulties in the delivery system. We do take advantage of the State's 75% advance of anticipated TAG awards, so we can begin our disbursements as early as possible. So, at least on our campus, we have tried to mitigate the difficulties experienced by students and parents faced with coming up with cash on the barrelhead by operating this credit type arrangement. When I say credit, what we are doing is advancing them credit against the term-time bill based on anticipated financial aid from those sources.

ASSEMBLYWOMAN KALIK: You know, just to give you an example, the Guaranteed Student Loan applications for 1987 are

not available at the bank until May. You can't get them; they are not available. If anyone can tell me differently, I will be more than happy to-- They are not available at the bank until May. Okay? By the time you get that in, your fall tuition payment is due, in some cases, as early as June 7. Well, you know, there is just no way those two dates can meet. Those are some of the problems you face.

ASSEMBLYMAN MORAN: Assemblyman Collins, did you have a question?

ASSEMBLYMAN COLLINS: Yes. Just one question, Doctor. You indicated that this year you have 450 Garden State Scholars on campus.

DR. RICHARDS: That is correct.

ASSEMBLYMAN COLLINS: Is that more or less than you had last year?

DR. RICHARDS: That is less than we had last year.

ASSEMBLYMAN COLLINS: By how many, roughly?

DR. RICHARDS: Roughly, about 80 students.

ASSEMBLYMAN COLLINS: Eighty?

DR. RICHARDS: Now, we have studied -- gone through -- our financial aid forms for the class coming in in September. It appears that the students are equal or better with respect to their academic achievement, as indicated by the Academic Index, one of the factors for the Garden State eligibility. However, with the needs analysis procedure, which is a second hurdle that a student must cross in order to be eligible for the Garden State Scholarship, students in our particular area are less financially eligible, not because the families are making substantially more money, but because of the cost of housing in this area, and what I would consider the inflated value of homes -- relatively small homes. When the assets of a family are taken into account, the asset factor is precluding many students from being financially eligible for the Garden State Scholarship Program.

We have institutionally committed to an attempt to encourage these students to enroll by offering them employment through the State Student Assistance Program, which was alluded to earlier. However, our recommendation that some discretion be provided to institutions to use at least a portion of the GSS money for "no need students," we feel, would be an appropriate incentive to encourage these students who are just over the edge with respect to family contributions. These are not students from high-income families; these are usually students -- household size four to six, with two parents working. Maybe they own a small home in Clifton or Nutley. Unfortunately, the home value may be \$250,000. The parents may have, over the last 18 years, paid off a substantial amount of the mortgage, but the high value of that property, when put through the Federal formula, generates a very high "EFC," which puts them out of the running for the Garden State Scholarship Program. I am not trying to bore you, ladies and gentlemen, with details, but we have carefully looked at what has caused us to make less use of the GSS Program -- we are proud of our past achievements over the past couple of years -- but the federally mandated assessment formula is what is causing us severe difficulty at this point in time.

ASSEMBLYMAN COLLINS: Thank you.

ASSEMBLYWOMAN KALIK: You're absolutely right, by the way.

ASSEMBLYMAN MORAN: Yeah, I know, I'm facing that.

DR. RICHARDS: If I may, we have several copies of these comments which we would like to leave with the Committee for future reference.

ASSEMBLYMAN MORAN: Doctor, thank you very much. We appreciate your testimony.

The next speaker will be Dr. Patricia Kenschaft -- I hope I am pronouncing that correctly -- Professor of Mathematics and Computer Science, Montclair State College, if you would be so kind.

D R. P A T R I C I A C L A R K K E N S C H A F T: Thank you. I am on the front lines here, working with the students. Last month, I was elected President -- and I don't think you have mentioned this -- of the American Association of University Professors, New Jersey Conference.

ASSEMBLYMAN MORAN: Excuse me. I would have if it was on the introduction sheet, but it was not.

DR. KENSCHAFT: Oh, somehow that got slipped between me and you.

ASSEMBLYMAN MORAN: I apologize for that.

DR. KENSCHAFT: I would like to be on your mailing list. It turns out I did not discover the existence of this hearing until I was informed by the Montclair State administration last Wednesday. It is due to the very prompt cooperation of the President's office that I was able to get a copy of this excellent report, and reflect upon three things I want to say. I have not had time to talk with the Executive Committee of the AAUP, so I will be speaking somewhat personally. However, I do think that my own beliefs, as far as I know, reflect AAUP Executive Board opinions, and also those of many faculty members throughout the State.

My first of my three comments will not be a surprise to you. The second and third may be a bit more new. We are competing internationally in an economy that is not doing well the last few years, as we all know. We are competing with countries where except, I believe, for the Union of South Africa, the other major economic countries in this world pay automatic college scholarships and living expenses to any student deemed worthy of attending college. Other countries believe that young people should put in the work to learn to prepare for taking the reins of society, and it is the responsibility of the middle-aged people to pay the bills. In other countries you don't find as many young people working in McDonalds as we do here, whiling away some of the best learning hours of their youth to pay bills.

Now the fact of the matter is, of course, that this is considered somewhat un-American, and we don't talk about this a lot -- things like this. But if we recognize that we are competing internationally, we should give attention to the fact that, yes, it costs big bucks, as Assemblyman Doria was told, to pay substantially for college for many young people. But if we are going to continue our leadership role in the world, it is not for their sake that we pay these big bucks; it is because they are our future, and we care about the future of our country, and we care about the future of our State.

Well, I am also a parent, and when I conceived these two kids about two decades ago, I did it with the social understanding that it would be my responsibility to pay for their way through college, hopefully with the help of some man, but I did not consider being female a reason to get out of my hat. This perhaps was somewhat unusual. But now my two progeny are college age, and my husband says fondly, "We are supporting the Commonwealth of Pennsylvania."

Now, why didn't we come to New Jersey? I did some mathematical -- some basic math today, and I took the budget of Montclair State and divided it by the number of students here, and realized that, depending upon how you do it, the per-student budget is less than half, or maybe less than a third, of the parental contribution at the schools that my children attend. Got it? The total budget that President Walters is working with, that he has to divide up, is less than half per student of what my husband and I are paying -- quite apart from all other people's contributions -- to my children's education.

Now we, as college professors, are very devoted to our children's education -- the idea of education. We saved over the years; we will borrow; and most important, we have this book called, "Voluntary Simplicity," sitting conspicuously in our living room, and we are always looking for ways that we can

live in this culture and spend less. Looking to other parts of the world and how people live in other parts of the world helps us to constantly cut our standard of living so we will be able to meet these bills, which will, incidentally, total about \$150,000 for the two.

You talk in terms of \$1000 here, \$750 there. It is such a small part of the kind of education that my own flesh and blood are being provided with. Now, I do my best here at Montclair State. I really try, but with 35 students a class typically, I cannot provide the kind of education for my students that my youngsters are getting in classes of 20, or down to four. I see no waste on this campus at all. I quibble with President Walters about different ways of separating the pie, but from the President down to the custodian, I see such hard-working people on this campus, people who care about education, people who are devoted. We are not wasting money here. We are terribly, terribly underfunded, and the reason many parents are willing to send their children out-of-state is because they want to have their own children, some American children, some young people, get the kind of education which we believe the next generation deserves. That is point one.

Point two, the last statement in this report-- Most of the report is truly excellent. I think I could quibble at various places, but I am so appreciative of that report, both meanings of appreciation. I appreciate the work. I understand the work that went into the report. And I am grateful for the people in positions of leadership taking the time to look at the young people and our position.

The last page talks about the College Outcome Evaluation Program. You better put in another test to see what we are doing. Now, I am going to squander a minute or two of your time to boast about how good I am at test gaming -- the game of taking tests, so you know it is not bitterness, not selfish bitterness, but concern for how -- other concerns that make me object to yet one more test.

I have a Ph.D. in pure mathematics from an Ivy League institution. Not many women of my generation did that, and that is because I am really good at taking tests myself. That is not the only reason, but that was important. Secondly, when I was in college, I could tutor high school students four or five hours -- different hours -- and I would raise their SATs 100 points. I can teach other people the game of taking those SATs -- the game -- those SATs that are supposed to measure ability. They measure your ability to play the game of test taking.

Right now I am a parent. Oh, boy, I tell my kids the games. My son did considerably better than I did in the SATs. He said, rightly, that he could go to any college he wanted to. My daughter, according to the Montclair High School Guidance Department, got the highest joint SATs of any person in the history of Montclair High School. I really taught them that game. She said to me yesterday, in a different context, "The SATs just measure what kind of an environment you have. That is all it is, just environmental." SATs.

All right, this semester -- this year actually -- in my abstract algebra course, I have two really good black students -- two good black teachers -- and I watch them in class, and it is exciting, because they love mathematics the way I do, and their minds create and ask, and I see people with sympatico, mental ability to mine. I suggested that they get Ph.D.s in mathematics and become college math professors. They both got very excited -- and I think they will be some day -- but they both said, "Oh, my GREs are low." I said, "Let's talk about it." GREs, you know, are like SATs. They are supposed to measure your ability. We talked about it for a half hour over dinner one night, the three of us. Their joint GREs-- I told them -- this was a month before they took them -- ideas on study, ideas on taking them. Both of them, their GREs jumped 200 points -- 200 points.

Okay. If you put another test game in at the sophomore level, I will figure out how to do that, and I can teach the students here at Montclair how to beat that test, if you want me to. Is that what you are hiring me to do? Is that what Montclair State is for? Let me tell you why I am going into the low-income profession of teaching. It is not to teach gamesmanship. Number one, and most important, it is to teach these -- give these young people some idea of why they are alive and what they are living for.

Numbers two and three are equally important. Number two, I want educated citizens in my country. I want them to know when we say we spend-- I have that teacher's way of doing things. When we say we spend twice as much for alcohol in this country as we do for education at all levels, that is not irrelevant mathematics. That is citizen knowledge -- citizen mathematics we should all know.

Thirdly, I want them to be prepared to compete in the economy. I don't want my country to constantly be getting behind in its balance of payments. I don't want us to have to put on artificial import levies because we can't compete. I want my young people -- our young people -- to be as good as the young people in the rest of the world; to know their mathematics, and their English, and their foreign languages, and their history, and their science, so they can keep up legitimately, the way the United States has in the past.

This takes us to the third problem, and that is graduate fellowships. The highest numbers in this report are the \$6000 for graduate fellowships. When I was young a generation ago, I had \$2000 as a graduate fellowship. There has been a lot of inflation since then. My husband, in his 30s, went to NJIT. In the early '70s, he had \$3000 for a fellowship, and then a \$3300. In 1973-4, we paid \$3000 at Montclair State for our graduate fellowships. The people getting \$3000 now have the same responsibilities, or more

time-consuming ones than I had in 1961-62, when I got \$2000. You speak of inflation. Now they are going to tax that \$3000. If we are going to look to the future, who are going to be our college professors in the future?

I try not to be racist, but last year at the NJIT graduation, only about a tenth of the master's degree recipients were either black or white -- either black or white. And every time one black or white walked across the NJIT board over there, the whole audience whooped and clapped. Racism personified. I think it is nice to have other parts of the world coming to our schools, but when we are not preparing our blacks or our whites for graduate education, we are not bringing them in. Are we really doing what we want to for 1995? It is not that far away -- 10 years from now -- and many present faculty will have retired. Who is going to replace them?

If you graduate from Montclair State College with a bachelor's in mathematics this year, and you go into teaching, you get about \$18,500, as you all know. If you choose not to go into teaching -- I have been doing a lot of nice surveys -- you will get around \$25,000. If you choose to go to graduate school at Montclair State College, you will get \$3000. What kind of person is going to choose to go to graduate school in New Jersey under these circumstances?

Okay, I have these two very gifted black students. One of them got a fellowship offer three weeks ago from the university that Harvard -- the only university that Harvard ever rated number one in math, except Harvard. I was walking on air, just absolutely on air. I could hardly reach ground for several days. Then the written statement came through. Oh, yes, all this is pending incredible invasions in her privacy; her '86 tax form, for example, and her parents' '86 tax form.

She is now 27, her parents have not claimed her as a dependent since she was 18. She grew up in Plainfield. I believe -- because I also studied black mathematicians of New Jersey; written definitive things on that -- that she will be the first black person to grow up in New Jersey to get a Ph.D. in mathematics. And her parents who deserve so much credit for this, in order to get out from subsidizing this, must have one of her friends write a statement that they are refusing to contribute to her graduate education. I've never met her parents, but my heart has gone out to them this week. Yes she will probably get that fellowship, but such humiliation to that family. That family that has achieved so much.

They have younger children to put through college, and they have a retirement coming up. She's 27. When I was young, graduate fellowships were appointed on merit. Now, I think we should broaden merit. Those GREs don't measure what I want to measure.

If you grow up in Plainfield -- I don't know your district -- but if it's a low--

ASSEMBLYMAN DORIA: It's much further south.
(laughter)

DR. KENSCHAFT: But it's rural. If you grow up in a district where not many people go to college, and you're accepted by one of the greatest universities in the United States, you have merit. If you are black, and fighting the racism of this land which is everywhere, and you are accepted at one of the great universities of the land, or even Montclair State College, you have merit. This young woman who grew up in Plainfield, to reach essentially where I have, when I grew up in Nutley, has overcome many more hurdles than I overcame.

I think we should be expanding our graduate fellowship now. We should not do it by prying into people's financial backgrounds. And we can use other criteria. It doesn't have to be GREs, it doesn't have to be just grades -- should be grades -- some recommendations.

But we need college professors by the year 2000, and now is the time to take the spirit of this report -- this good report; this fine report -- and look at expanding our graduate program, taking our best young people and preparing them to be good college professors a decade from now. Because, no matter what we have in the way of financial aid a decade from now, if we don't have some American-born, well-trained college professors, some of whom are from our top present students, a college education in this country is no longer going to mean what it currently means.

Thank you.

ASSEMBLYMAN MORAN: Thank you, you're very enlightening. Assemblyman Collins?

ASSEMBLYMAN COLLINS: I agree. Very enlightening and very well presented. We could discuss these, quote, "educational issues" for hour upon hour. But, I do have a question for you. The basis of your argument is spinning off of the report, which makes it financial, other than the tangential argument of testing and test taking and whether or not it's a fair way to do it, you basically stayed on the issue of there should be moneys available for all of the--

DR. KENSCHAFT: Have the courage to ask for lots. You may get voted down. You will get voted down somewhat. But ask. Shoot for much higher than now.

ASSEMBLYMAN COLLINS: And that's what I'm shooting for now. Do you have any ideas how we can get all this money into these programs? I mean, any suggestions in that area?

DR. KENSCHAFT: The reason I accepted this position -- which is taking me today, for example, from preparing my abstract algebra lesson on Wednesday -- is that I hope that the many people in this State that do care about higher education can work in a more coordinated way. I am really terribly upset that the underlying idea of this new competitive exam, that it would pit me against my friends at Morris County College, and

Kean, and Rutgers. They share, as you do, my concern for higher education. They are working as hard as they can at relatively low wages. Every time the garbage collectors in New York go on strike I discover that their current income is higher than mine. And I'm not going to go collect garbage, don't worry about it.

But I think that working through the AAUP, the AFT, your constituents who write you supporting letters, the college administrations, if we all work together, and pressure-- You know better than we do what the pressure points are and when this should be done. We have some coordination -- some more people around. I think that working together is one way to do it. The other is how do we get a change in the media thrust? The media is so oriented now-- I mean, people who think they can afford color TV -- my husband and I have decided we can't yet -- but they are being really pummeled to buy things that look to me like you don't really need. I think we really need to have education for our children.

How do we do this? Trenton State has had wonderful publicity recently. They have eight people on their publicity; eight people in their PR. We have only two here at Montclair State, and it's had such a difference in the way Trenton State is perceived. And I am not an expert on how you-- You people have all been elected and you know more about--

ASSEMBLYMAN COLLINS: Through the media.

DR. KENSCHAFT: Through the media thrust. You know better than I do how to reach the American public, that our children are our future. Not our vacations, not our liquor, not our designer clothes, but our children are our future. How do we reach them? I think if this were pointed out, more of them would agree.

ASSEMBLYMAN COLLINS: Well, that could well be true. I'm involved in education myself, and I think that often those of us in education -- we get living in our own arena. And that

media thrust to which you refer, I think you find -- many of us find -- when we move away from the protections of the ivory towers of education and move out to all those other people, no matter how we reach them, whatever mode of media thrust we use, you find that they don't agree with us. And we have to slowly change it in general in many areas. But it's pretty difficult for me-- Sometimes when I go to -- I'll just pick one of my 39 communities where a great number of the people don't have electricity or running water -- to tell them that they should give a little more so we can have somebody get a fellowship to get a doctorate in mathematics to be able to compete at the world level -- and I think that that's true, and my wife's into mathematics, and so on, so I get lobbied along this line -- but there are problems there.

And I think your ideas, to use the Chairman's term, are enlightening. I think there are things that we have to set up there. I liked your comment, ask for all and see what you can get. But when we do move into that, quote, "media thrust" into the 7 1/2 million New Jerseyans, the battle will be a long one. And your children's children will still be dealing with some of the frustrations that you deal with, but it doesn't mean we can't try.

DR. KENSCHAFT: Right. I recognize this. But why, when other parts of the world are doing what I suggest, more to the extent than we are--

ASSEMBLYMAN COLLINS: Yes, they are, and they have more people without electricity and running water than we do. It's all what you want to trade off, and in this society, rightly or wrongly, you are in the minority, not just with some of your educational thoughts -- which doesn't mean you're wrong -- but you are definitely in the minority when it comes to color TV. (laughter) And this society has decided that color TVs are more important. In other societies, they haven't. And, as I say, I think your comments are enlightening, and I enjoyed them very much.

ASSEMBLYMAN MORAN: Yes, so did I. I just returned from China, and it was interesting.

DR. KENSCHAFT: And there you don't even need a car.

ASSEMBLYMAN MORAN: But you need a Schwinn.

DR. KENSCHAFT: You need a bike. But I commute, usually, to Montclair State, when I'm not dressed like this, on my bike. And I think more bikes around here would be highly advisable. And this is one thing we can do is point out alternatives of enjoying life.

ASSEMBLYMAN MORAN: Those of us from South Jersey do not have mass transportation such as you know of it here. If I see a bus go through my district, it's usually on its way to Atlantic City. If you stood out there on a corner waiting for it to pick you up, it would take you six months to a year.

DR. KENSCHAFT: My grandfather was a supervising principal in Cape May County, and my father had no running water or electricity for the first ten years of his life.

ASSEMBLYMAN MORAN: Well they have it now. They've--

ASSEMBLYMAN DORIA: Just barely. (laughter)

ASSEMBLYMAN MORAN: We are running out of time. Assemblyman?

DR. KENSCHAFT: I'm not against electricity and running water, by the way.

ASSEMBLYMAN DORIA: I just want to make a quick comment. I agree with a lot of what Professor Kenschaft has said, and I think I support a lot of it. Having gone through a graduate fellowship in 1969, at \$2200 a year, I can see what you're saying about--

DR. KENSCHAFT: Well, \$3000 this year.

ASSEMBLYMAN DORIA: --\$3000 today. I don't know. I don't think I-- At \$2200 it was difficult in '69. I don't think today you could probably do it. Rents were much lower then, and everything was much lower.

My only problem is, and I agree with what you're saying, but I think the thrust of what you're saying is difficult, because our society is one that is totally geared to a whole other point of view. And that point of view is inculcated in our children, not only from our homes or from TV, but in our schools. And I think that part of the problem is not only is this inculcation taking place, let's say, in elementary and secondary school, but in college. If you look at the direction your majors are going into, I'll make a bet your number of business majors here at Montclair State here today is at least two or three times as great as it was five years ago. And I have no idea if it is, but I'm just saying, just knowing what is going on--

DR. KENSCHAFT: Make it ten.

ASSEMBLYMAN DORIA: Okay, ten times.

DR. KENSCHAFT: No, ten years ago.

ASSEMBLYMAN DORIA: Okay, ten years ago. But the point being that unfortunately it's hard to change the society unless we change it with the children at the educational level of the beginning of their education in elementary school and throughout. We haven't been successful. Unfortunately our teachers are inculcating the same values that society as a whole is inculcating.

DR. KENSCHAFT: I must respond to this.

ASSEMBLYMAN DORIA: And that's the problem.

DR. KENSCHAFT: Who is letting and encouraging our young people to go into business -- so many at such numbers -- when we have them come out of college with the kinds of debts they do? Does it-- I am now tutoring teachers in Newark, in Newark public schools at elementary level -- (inaudible) in this semester in a State grant -- and they are idealistic people. They really care about their students, and they see the world very much the way I do. Their problem is that no one has ever taught them mathematics. And I hope by the end of

this semester that they will understand why and how you find the area of a triangle.

ASSEMBLYMAN MORAN: Base times height divided by--

DR. KENSCHAFT: Very good. That is correct, and that's what I'd like them to learn.

ASSEMBLYMAN MORAN: I learned that at Montclair State College, by the way.

DR. KENSCHAFT: See, we're doing things. But these people claim they were never taught that before, to a one. And they're smart people. And they're highly motivated people, and they have values like yours and mine. They are not inculcating the wrong values. They need our help in learning mathematics, so they can teach mathematics correctly to their young people, so they can compete with the rest of the world, and make the things that -- manufacture the things that will enable them to have some of the goodies, that take electricity and running water by.

ASSEMBLYMAN MORAN: Okay. Thank you very much.

ASSEMBLYWOMAN COOPER: I have one comment.

ASSEMBLYMAN MORAN: Oh, sure. Assemblywoman Cooper.

ASSEMBLYWOMAN COOPER: I'd like you to solve one mystery for me. I was a mathematical failure in high school -- I was a disaster. Fortunately I got a college scholarship in spite of my math.

DR. KENSCHAFT: Good.

ASSEMBLYWOMAN COOPER: But what happened after World War II that caused the mathematical failures that we have today? Who permitted the system to disintegrate where math is such a disaster? And who is responsible?

ASSEMBLYMAN MORAN: We could debate and discuss that issue for six months to a year.

DR. KENSCHAFT: Yes. However, the math community now has it down to one sentence for our-- This is not just me, this is the whole math community. We have decided that the

United States, unlike every other country in the world, has bought the idea that mathematical competence depends upon ability, whereas most countries in the world say that mathematical competence depends upon hard work. If you put in hard work, if you teach these teachers -- I tell you, these teachers are learning math, and they're learning fast, and they're learning how to teach it-- If you put in some work, you learn math. This is true around the world. And our country, with all its talk about equal opportunity, believes that if you don't have the math gene -- let's leave out the sexism -- you don't learn math. And that's just not true in other countries; why should it be true here?

ASSEMBLYWOMAN COOPER: And you have the computer world that's destroying math, as I remember it.

DR. KENSCHAFT: Only because the resources are being taken away from math, perhaps, and used to buy machines, and use that as an excuse for not financing math and math ed, and higher education in mathematics. We used to graduate from this college, in 1973, 136 teachers certified to teach high school mathematics. This semester, for the first time, we had not a single applicant for teacher education in mathematics. Going from 136 in 1973, which was the second largest in the country -- second only to University of Michigan -- down to zero is something that I think all of you should perhaps look for.

ASSEMBLYMAN MORAN: Okay. Again, thank you very much. On behalf of the Committee, I'd like to personally thank each and every one of you for being here, especially for the hospitality provided to us by you Dr. Walters, as well as your staff and your board of directors. And if you would extend our appreciation to them at your next board meeting, we'd appreciate it very much. Okay. With that, we will close this portion of the meeting, if it's okay with my Vice Chairman, who is standing back there. We will take a five minute recess, if

it's okay with everyone, and we will move on with the two bills that we have on the agenda, and hopefully they will move very fast.

(HEARING CONCLUDED)





