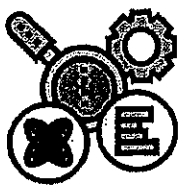
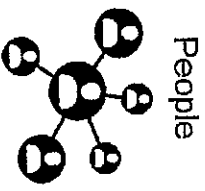
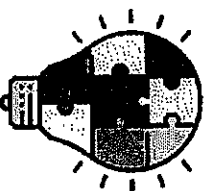


APPENDIX

Comparison of Effect of Fringe on Grant Proposals



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- The total grant budget is fixed.
- National Institutes of Health R01: \$500,000 per year
- \$2.5M (5-year) Grant Proposal

	BIG TEN	RUTGERS
Salary (\$200,000 per year)	1,000,000	1,000,000
Fringe	340,000	680,000
Total Personnel Cost	1,340,000	1,680,000
"Stuff" Reagents and Supplies	1,160,000	820,000
TOTAL Budget	2,500,000	2,500,000

Rutgers additional fringe: \$340,000

Rutgers reduced budget for experiments: -\$340,000

In general, additional funding for "stuff" makes your grant more competitive.

A high fringe rate makes New Jersey grants less competitive.

1. Peer review of your grant determines if you receive funding.
2. The experiments ("stuff") drive the review of your grant.
3. Grants with greater funding are typically judged more favorably.



2

New Jersey Institute of
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Newark, NJ 07102-1982
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New Jersey State Legislature's Special Meeting on Higher Education
Atam P. Dhawan, PhD
Interim Provost and Senior Executive Vice President
New Jersey Institute of Technology
May 1, 2023

Good morning Senator Zwicker, Assemblywoman Jasey and all the members of the committee. Thank you for this opportunity to testify at this Special Meeting on Higher Education on behalf of New Jersey Institute of Technology (NJIT), the State's public polytechnic research university. My name is Atam Dhawan and in addition to serving as the Interim Provost at NJIT, I also serve as the Senior Vice Provost for Research, and as such appreciate your interest in discussing the impact of the State's fringe benefit rate on the state's research universities and our sector generally.

The spirit of innovation drives what we do at NJIT and has been the catalyst for a research enterprise that has earned NJIT R1 status in the Carnegie classification, making us one of the most elite research universities in the nation and one of only three universities in New Jersey to attain that ranking. NJIT conducts more than \$165 million in applied research annually, solving real-world problems in areas that include civil infrastructure, advanced manufacturing, artificial intelligence, cybersecurity, transportation, medical devices, clean energy, national defense, health care, nanotechnology, and many other fields. That success is threatened, though, by the current fringe rate, which affects our ability to compete for grants and spur economic growth.

At present, each New Jersey's senior public colleges or universities remits to the State, each quarter, the value of fringe benefits paid on behalf of pension or health benefit eligible employees. The composite remission rate of 60.8% is based upon the New Jersey Department of the Treasury's rate for Fiscal Year 2023. Per *NJ OMB Circular 23-08*, this rate "is applicable to personnel who are members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Teachers' Alternate Benefit Plan (TABP), Defined



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Contribution Retirement Program (DCRP), and all employees who are not members of a pension plan, but are covered for health benefits.”

The fringe rate used, however, is not specific to employees at the State’s public colleges and universities, but rather to State employees in general. This creates a substantial burden for our institutions and results in inequities, because many State employees are enrolled in the PERS, a defined benefit plan, while many of those employed by the State’s public colleges and universities are enrolled in the Alternative Benefit Plan (ABP), a defined contribution plan.

Specifically, during Fiscal Year 2022, NJIT employee enrollments were 91% in the ABP and 9% in PERS. As a result, NJIT is projected to remit to the State approximately \$5.24M on an applicable salary pool of \$9.82M. The FY22 cost implications to NJIT mean that the university remitted \$2.57M more than its actual participation in the system. This differential has been exacerbated by the fact that, over the last five years, the State’s contribution to the PERS retirement system has increased the applicable fringe rate by 15.7% from FY19 to FY23, resulting in this component having more than doubled during this time. In effect, we are paying for a system in which the overwhelming majority of our employees do not participate.

In addition to the pension remission concerns caused by the OMB fringe rate, NJIT also remits to the State the full fringe reimbursement rate of 60.8% for the following programs in which we also do not participate, but have no recourse:

- **Workers’ Compensation:** NJIT procures private Workers’ Compensation insurance each year, and the premium for FY23 was \$1,353,146, meaning we are effectively purchasing workers’ compensation coverage twice.
- **Health Insurance for certain out-of-state employees:** NJIT employs 10 FTE at our Big Bear Solar Observatory (BBSO) in California for which we assume the employer cost of a Kaiser Permanente plan for employees who, by nature of being located in California, are wholly ineligible to participate in the State Health Benefits program.
- **Unused Sick Leave:** NJIT has paid out this benefit to eligible State employees upon retirement for many years. The State used to pay this benefit for the



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institutions, but no longer does; however, the fringe rate imposed upon us still includes a component attributable to unused sick leave.

While we would advocate for charging the senior public institutions based on our actual participation in all programs assumed in the State's fringe rate calculation, fixing even the pension portion of the OMB rate policy would go a long way toward addressing our concerns.

Finally, perhaps most significantly, the current OMB fringe benefit rate of 60.8% places New Jersey's public research universities, particularly its Carnegie Classification R1 rated public research universities—NJIT and Rutgers—at a significant disadvantage when competing to attract external grant funding to our state, hampering our ability to spur economic growth. And while the annual State budget provides some relief against that rate, that offset is subject to annual appropriation and not consistent. In contrast, many of the research universities that NJIT competes against for Federal and other research grants have fringe rates that average 33.6%, which allows those Universities to dedicate a larger portion of a grant award to the intended purpose of the grant. This is considered negatively by funding agencies and organizations, which desire for a greater percentage of the total grant award to go toward the grant's intended research purpose rather than the support of fringe benefits. Indeed, given that our institution's current Carnegie Classification is a relatively recent achievement, the state's fringe rate literally jeopardizes our R1 status given that remaining in this elite category depends, in part, on our research productivity relative to our peers. If we are not competitive in securing grants due to the State's high fringe rate, our very status as an R1 institution is at risk.

Thank you, again, for affording NJIT the opportunity to provide testimony on this issue today. Should you have any questions, I would be happy to answer them now or at your convenience.

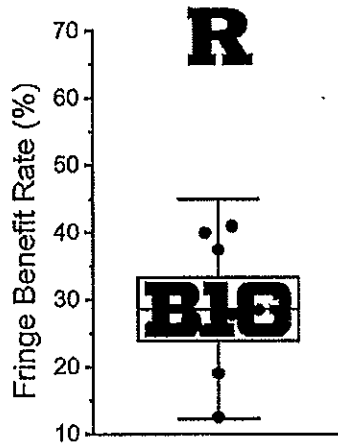
Respectfully submitted,

Atam P. Dhawan, PhD
Interim Provost and Senior Executive Vice President
New Jersey Institute of Technology

Testimony in front of Joint Committee on Higher Education

May 1, 2023

Michael P. Matise, PhD



Good morning and thank you all for giving me the opportunity to testify before this committee to explain why I think it is critical to the future of research in New Jersey that the Fringe Relief bill introduced by Senator Zwicker is passed into law in this legislative session.

My name is Michael Matise, and I am a biomedical researcher at Rutgers who has run a lab in the Department of Neuroscience & Cell Biology at Robert Wood Johnson Medical School in Piscataway since 2000.

New Jersey has a long and proud history as the home of countless scientific advances over the past decades deriving from diverse fields of study including biomedical sciences, material sciences, physics, chemistry, engineering, computer science, to name just a few.

However, these scientific advancements, and the huge economic benefits that flow from them, require significant investments of both monetary and human resources.

As most of you know, the funding for research is largely provided by grants from outside agencies such as the NIH, NSF, and numerous national and state foundations. These awards are extremely competitive and are generally only given to a small percentage of applicants in each cycle.

Rutgers is the state's leading public research institution, as measured by the total dollar amount of grants awarded each year. We received an impressive \$570 million in federal research grants and contracts in this last fiscal year alone. As you can appreciate, this annual influx of money into our state drives a significant amount of economic activity. Research is thus an important and critical driver of the state economy.

However, in order to continue making these innovations, the maximum amount of hard-won research grant dollars must be invested directly into research activities as possible.

Unfortunately, New Jersey's ability to compete for grant awards and talented young faculty is under serious threat by outdated rules that siphon off millions of federal dollars that should be going to support research projects and staff but instead are being diverted to pay fringe benefit costs for non-research associated state employees.

When investigators like me receive a highly competitive award, a significant portion of the budget is allocated to pay for so-called "fringe costs" that fund retirement plan and health insurance benefits on top of the salaries for research personnel supported by grant money.

Typical fringe benefit rates at peer institutions in other states are between 30—40% of annual salary.

In contrast, the fringe rate for New Jersey researchers has been rising dramatically, going from ~45% in 2020 to a stated 68% for this fiscal year.

Adding insult to injury, this excessive rate is far higher than the actual cost of providing fringe benefits to university employees. The problem as I understand it is that the existing, outdated state fringe rate formula lumps all state employees together even though our benefit plans differ.

Non-academic employees receive a state pension, whose costs have ballooned over the past few years, while most or all higher education employees are enrolled in an Alternate Benefit Plan, a defined-contribution plan where employee payments are matched by a contribution from the state.

This means that millions of federal research dollars flowing into New Jersey are being diverted away from research to shore up a pension system that does not apply to state researchers or their staff.

As I'm sure you can understand, this excise tax on research grants puts New Jersey schools and universities at a huge disadvantage compared to those in other states.

You only need to glance at the chart above to see that Rutgers is an outlier in the Big Ten. Simply put, researchers in these other schools have more significantly more funds to directly invest in research activities than we do, putting us at a clear competitive disadvantage to nearly every other school in the country.

For the sake of future research in New Jersey, it is vital that this bill is passed in this legislative session. We cannot wait for another budget cycle to protect New Jersey's status as a leader in scientific research.

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This simple legislative fix is vital for preserving our competitiveness and growing our economy and driving scientific research and innovation into the future.

Senator Zwicker's bill will allow New Jersey researchers to pay only the actual fringe costs that apply to their employees. This is the best way to permanently fix this problem and relieve state researchers from the albatross of excessive fringe rates that hangs around all of our necks.

We thus call on you, our state representatives, to act immediately to repair this self-inflicted wound before its negative impacts permanently and irreversibly cripple research in our great state.

So in closing I am here in Trenton this morning on May Day to deliver the message that today should not be thought of as a celebration of spring but rather a distress call for Fringe Relief.

7x



Robert Wood Johnson
Medical School

Professor Martha Soto, Ph.D.
Robert Wood Johnson Medical School
Department of Pathology & Laboratory Medicine
Rutgers, The State University of New Jersey
675 Hoes Lane, Research Tower, Room 231
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Testimony in front of Joint Committee on Higher Education
May 1, 2023
Martha Soto, Ph.D.

Thank you for allowing me to speak with this Committee on the impact of the increased fringe rate on my lab and lab members.

My name is Martha Soto. I am a Professor in the Department of Pathology and Laboratory Medicine at RWJMS. The work my team has done has uncovered the fundamental role of cell migration proteins implicated in human cancers and in neuronal development. Since I arrived at Rutgers almost 20 years ago I have obtained grants from outside entities totaling over 14 million dollars. These funds allowed me to hire and train over 70 people in my own lab. These include 9 postdoctoral fellows, 5 graduate students, a dozen technicians and over 40 undergraduate students. The Training grants I secured have funded over 50 postdoctoral trainees in other Rutgers labs. My trainees are now faculty, doctors, dentists, lawyers, teachers and workers in New Jersey's Pharmaceutical industry. Nobody paid on my research grants is eligible to receive a pension.

Research faculty like me are like small business people. We have to raise our own funds if we wish to hire people.

None of the people working in my lab are paid for by Rutgers or by the state of New Jersey. Their salaries are paid for by the research grants I compete for.

I have successfully secured research Funds, which mainly cover salaries, from the NIH, NSF, ACS, AHA and the NJCRR.

In recent years the fringe rate has gone up significantly. My understanding is that the rate was increased so as to close the shortfall in pension funding. But note that none of people who are paying the fringe rate are eligible for a pension.

The Fringe rate is essentially a tax on research dollars. My grants do not increase when the fringe rate goes up. If the fringe rate is 40%, and I pay a technician \$50K in salary, the state of New Jersey charges another \$20k, and the grant is charged 70K. If the rate goes up to 68.8% fringe, that technician being paid \$50K will cost my grants over 84K, a loss of 14K, that would normally cover research supplies and salaries for summer students. The problem is more serious for senior lab members. An experienced research technician being paid 70K at 40% fringe costs the grant 98K, but at 68.8% fringe, that is 118K, a loss of 20K in research funds.

Raising the fringe rate reduces the level of funds available for research and research jobs. I have had to warn students I no longer have funds for summer salaries for undergraduates. I have had to postpone making new hires as I try to stretch my funding and predict what I will have left for salaries and supplies as I watch the fringe keep rising.

I have seen the faculty on my floor cut the hours of some of their lab members because they can't afford to pay them full time salaries. These lab members are looking for new jobs. I know faculty who have diverted parts of their own salaries to cover the increased fringe rate, so they do not have to lay off their lab members. I know research faculty consider leaving the State of New Jersey due to the increased fringe rate. The New Jersey workers adversely affected by the high fringe rate being charged to grants do not have pension plans.



Martha Soto Testimony, continued.

If these workers leave New Jersey, ironically this will reduce funds available to shore up the depleted pension funds.

Please vote to lower the fringe rate, by removing the excess charges for pensions. If you don't, we will lose jobs in the State of New Jersey, discourage young people from going into biomedical research, and drive promising young researchers to accept jobs in other States with much smaller fringe rates.

Please support Senator Zwicker's bill to restore a reasonable fringe rate to support jobs, education and research in the State of New Jersey.

Thank you and I am happy to answer any questions.

Martha Soto, Ph.D.

Professor of Pathology and Laboratory Medicine

Rutgers –Robert Wood Johnson Medical School

<https://rwjms.rutgers.edu/labs/soto-lab/welcome>

PI and Co-Director, INSPIRE Program (NIH IRACDA Postdoctoral Training Program):

<http://rwjms.rutgers.edu/research/postdoc/inspire/>

9x



3

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Alexis Bailey
Vice President

Althea Ford
Vice President

Kyle Sullender
Director of Economic
Policy Research

To: Senator Andrew Zwicker, Assemblywoman Mila Jasey, and Members of the Legislature

From: Kyle Sullender, Director of Economic Policy Research & Althea Ford, Vic President, Government Affairs

Date: May 1, 2023

RE: Higher Education and Workforce Development in the State of New Jersey

On behalf of NJBIA, the largest and most influential business association in New Jersey, we appreciate Senator Zwicker and Assemblywoman Jasey for inviting us to testify this morning regarding New Jersey's higher education and workforce development ecosystem.

These issues are of significant concern for NJBIA, as the sustainability of New Jersey's businesses, both today and as we look to the future, relies upon the availability of well-trained workers to fill new and existing positions.

These issues are even more relevant today as our state continues to recover from the economic shocks of the pandemic, but it is not only because of recent events that our state must pay close attention to the structure of its workforce development and education ecosystem.

Today, critical industries such as health care and manufacturing face labor shortages. Despite a 3.5% unemployment rate, the most recent estimates from the Bureau of Labor Statistics suggest that there remain 268,000 job openings in the state of New Jersey. While these figures fluctuate naturally with economic and business cycles, broader trends related to the retirement of aging workers threaten to expose critical industries to further shortages.

As a result, it is critical that New Jersey's workers have access to education and training that will fill the needs of industry and allow job seekers to connect with employers in search of their abilities. As we prepare for the challenges mentioned above, we must recognize that the responsibility for ensuring that these workers have the proper training will fall on our state's higher education and workforce development institutions.

For these institutions to continue successfully preparing students to enter the workforce, we must continue to find ways to support their collaboration and alignment over common goals. One such program already underway to achieve this mission, the NJ Pathways to Career Opportunities Program, was launched by NJBIA and the state's community colleges in 2022, thanks to funding made available in FY 2022 budget.

The Pathways Program brings together New Jersey's 18 community colleges with other training providers and industry leaders to collaboratively determine not only where there are in-demand jobs and opportunities for growth in the state, but what skills and

10x

credentials are valued by employers to inform the creation of curricula at our education institutions.

Central to the program's mission is furthering the ability of students in New Jersey to enter and exit the higher education system throughout their career. This is important because many of our students will not take the traditional route of attending a two- or four-year institution upon graduating from high school. Many will start and stop their education throughout their career, seeking new credentials or training as their industry demands that they acquire new skills to advance or sustain their position. For these students, it is imperative that a system be in place which ensures that on-ramps and off-ramps make possible their continued progress towards industry-recognized skills, credentials, and degrees.

The Pathways program has already been successful in bringing together partners throughout the state ecosystem to establish new credit and noncredit programs intended to align training with industry needs, as well as new transfer agreements and partnerships which will ensure that students face fewer hurdles when advancing their education at multiple institutions.

As we look more broadly at the higher education ecosystem, there are three components that can enhance the success of the innovative model established by the Pathways Program: effective integration and collaboration of educational and workforce partners, a fresh look at credentialing, and access to funding for all learners.

The Pathways Program demonstrates that there is capacity within our State and successful outcomes within reach when all the necessary stakeholders are engaged. There is ripe opportunity to scale this model to include the entire education/workforce continuum by engaging the K-12 system (both traditional and vocational/technical) and our higher education partners (community college, public and private 4-year colleges, and private career schools), as well as Workforce Investment Boards and One-Stop Centers, and organized labor and their apprenticeships. As demonstrated with the Pathways Program, NJBIA is committed to working with stakeholders to reimagine our education/workforce development pipeline to improve outcomes for learners, educational institutions, employers and the State.

New Jersey can also benefit from a renewed look at the credentialing model. Stakeholders can work to create more fluidity between the credential and degree models, creating formal on-ramps to a degree path and off-ramps to valuable credentials to offer flexibility and maximize access to increased educational opportunities over the course of a learner's lifetime.

New Jersey can also realize a true return on investment by rethinking how the State currently invests in its learners. The productive, contributing members of our state's workforce ecosystem come from all educational backgrounds and pathways and financial support should be made available to all learners, regardless of their elected educational pathway.

TAG, EOF, CCOG and other higher education assistance programs provide a valuable benefit to learners completing degree programs. The State's investment in these programs demonstrates its commitment to educational access. We believe the State can do more to augment its investment in learners by creating additional financial assistance opportunities for learners completing credential or non-credit programs which equip them with a trade or other credential with direct access to gainful employment. Financial barriers exist for learners regardless of the degree and/or credential they seek. The current financial assistance model sends an unintended message that there is a specific type of education worthy of State

investment. Stakeholders should re-evaluate this position and prioritize investments in the education of learners who are seeking the degree and/or credential necessary to enter in-demand fields of industry.

A stronger, fairer New Jersey and its promotion of affordability and access can be realized through this innovative take on engaging all stakeholders within the education/workforce continuum and re-evaluating how we invest in New Jersey's learners and effectively deploy them across the entire workforce spectrum.

NJBIA thanks you all for consideration of our perspective on this matter. Please feel free to email Kyle Sullender, Director of Policy Research at ksullender@njbias.org or Althea Ford, Vice President, Government Affairs at aford@njbias.org if you have questions about our position on this or any piece of legislation.



MEMORANDUM

TO: Joint Members of the Special Meeting on Higher Education

FROM: Hilary Chebra, Manager, Government Affairs, CCSNJ

RE: Special Meeting on Higher Education

DATE: May 1, 2023

The Chamber of Commerce Southern New Jersey (CCSNJ) is the region's largest and most influential business association with 1,100 members of varying sizes and industry types, including approximately 100 nonprofit and community organizations within its membership from the seven most southern counties of South Jersey. We are proud to call every institution of higher education at the university and county-level in South Jersey an active member. Thank you for the opportunity to speak today about our work with county colleges on workforce development.

The CCSNJ is proud of the strong partnerships we have with the South Jersey county colleges. In addition to highlighting the campuses of the 5 county colleges at multiple events during the year, the CCSNJ has connected countless members with the county colleges to bring together businesses looking to hire entry level candidates with students, and partner on employee training and certification programs.

The South Jersey region faces unique challenges. Even prior to the pandemic, South Jersey has historically experienced higher unemployment than the rest of the state. The pandemic severely impacted some of the region's leading industries; tourism, gaming, entertainment, and hospitality. Many workers were forced to shift careers and the county colleges have provided opportunities for these workers to reskill or upskill, while transitioning to a new career.

Additionally, the South Jersey economic landscape has seen several new industries enter the region. One such industry, offshore wind, offers exciting opportunities for workers and students of all skill levels to train and secure high-growth, high-wage jobs in this emerging energy sector that will also spur economic growth in New Jersey. The New Jersey Wind Port, which will be located at the Paulsboro Marine Terminal in Gloucester County, is estimated to create 1,500 jobs and approximately \$500 million of new economic activity every year in the state.

The county colleges in the region recognized the need to ensure a trained workforce from the region is important to the success of this industry. The CCSNJ was proud to support Rowan College of South Jersey (RCSJ) in their application and eventual grant of the NJ Wind Turbine Tech Training Challenge. The CCSNJ pledged to collaborate with the community college, business partners and others to assist in developing innovative career pathways and training aligned with employer needs.

Additionally, the CCSNJ supported Atlantic Cape Community College's submission and grant of the New Jersey Offshore Wind Safety Training Challenge. Atlantic Cape was awarded \$2.9M for the Wind Training



**CHAMBER OF COMMERCE
SOUTHERN NEW JERSEY**
Connecting the region since 1873

Center facility located at the Charles D. Worthington Atlantic City campus. The Wind Training Center will provide the Global Wind Organization (GWO) Basic Safety Training w/Sea Survival.

The CCSNJ has worked with county colleges to help bring manufacturing back to South Jersey. The eight southern counties in New Jersey are home to more manufacturing companies than 20 different states across the country. Additionally, although employment in manufacturing is highly concentrated in the state's more populated areas, the southern region of New Jersey makes up a larger percentage of total private sector employment in the industry. In order to keep the industry growing, a trained workforce is vital. The CCSNJ has partnered with the county colleges to ensure students can be trained in and qualify for these careers.

As mentioned before, county colleges have provided a life-line for both young adults and those further along in their careers that are looking to improve their employment opportunities. As a leader in the region's business community, the CCSNJ is proud of the work that these institutions accomplish.

4

**Joint Legislative Committee on Higher Education
Adjunct Faculty Issues**

**Presented by: William Lipkin
President, UAFNJ**

Good morning. Thank you for the opportunity to address adjunct faculty concerns. My name is Bill Lipkin and I am president of United Adjunct Faculty of New Jersey, representing over 5000 adjunct faculty in 11 of the 2-year colleges in the state.

I will specifically focus on the negative impact the lack of health care coverage has had on many of our adjunct faculty in NJ by recanting the plight of a few representative cases.

Joel Hanson is one of many adjunct faculty who teach at multiple schools—two- and four-year. He puts in as many as 80 hours a week between teaching, travelling, preparing, and grading. He has purchased health care through the Marketplace for him and his wife. It gives him minimal coverage with high deductibles and co-pays. In 2022 he made \$10,000.00 more than 2021 and ended up paying \$5300.00 in tax penalties for not getting better coverage. Last year he earned \$65,000.00 by working multiple adjunct faculty jobs, which averaged out to \$16.25 per hour. Students working at fast food chains frequently earn over \$20.00 an hour and receive health care benefits. He and his wife have medical problems but delay going to the doctor because they cannot afford the additional cost.

Nchima Kapoma, a 31-year-old male from Africa. He came to America with a dream of being part of the American dream just when COVID19 was starting. He was part of a mentorship program that allowed him to receive his Master of Fine Arts at NYU with a stipend and health care coverage. Once he graduated, he lost his coverage. He got a job as an adjunct faculty at Union College, teaching 6 credits a semester and earning \$5000.00 total. He cannot afford health care and has a disability classification of ADHD. He cannot afford the medication and has missed some classes as a result. He is trying to get public assistance but is having problems due to his immigration status.

Francis Ziegler is a 43-year-old male, teaching as an adjunct faculty for 12 years. He teaches at Middlesex College, and sometimes at Union College. Every year since 2013 he has applied through the Federal website for free healthcare and has been found eligible. However, every year since 2019 the state has denied him

coverage, even though the Federal government has approved him. This year he finally did get coverage and is catching up on his doctor visits.

Will Somers makes \$600.00 a month teaching as an adjunct. He and his wife go through the marketplace for coverage. They pay \$600.00 per month with a \$5000.00 deductible and high co-pay. They are reluctant to go to a doctor since they cannot afford it but want coverage in case of catastrophic illnesses. When they can afford much needed medication, they take half the required dosage each day to make the medicine last longer.

Students' learning conditions are related to teachers' working conditions. Adjunct faculty are professionals who have dedicated their lives to teaching our students in NJ. At two-year schools adjunct faculty earn less than half of what adjunct faculty earn in four-year schools. Adjunct faculty deserve equal pay for equal work. Every NJ worker deserves to have healthcare protections. No one should be forced to choose between their health and finances.

On behalf of the adjunct faculty in our state, I respectfully request your support for S2963 sponsored by Senator Cryan, and A4398 sponsored by Assembly speaker Coughlin; legislation providing adjunct faculty the opportunity to enroll in two plans offered by the State Health Benefits Program. I also urge our legislators to propose legislation that will eliminate the pay disparities among adjunct faculty in our state.

Thank you for your time and consideration.

Bill Lipkin

Email: [REDACTED]

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**Joint Legislative Committee on Higher Education
Adjunct Faculty Issues**

**Presented by: Karen Guancione
Adjunct Faculty**

Good afternoon. I am grateful for the opportunity to express adjunct faculty issues and concerns and relay my own personal experiences as a long-standing adjunct faculty member in the state of NJ.

Summing up decades of injustice, indignity seems impossible. I know that my testimony will be taken more seriously than I have been for the past thirty years as an adjunct professor.

I am a member of the working poor, engaged in work I love while facing exploitation and poverty in an intellectual sweatshop with turn-of-the-century slave labor-like treatment. Despair, hopelessness and disrespect are grinding forces but when I'm in the classroom, I am filled with joy and a sense of community that only happens when one is truly serving in a meaningful way. I have never spoken publicly about the plight of adjunct faculty, and I would like to believe that my words can help make change.

The following are typical issues adjunct faculty in NJ face:

- Each semester is newly assigned with no seniority rights. Work experience is not considered.
- Courses are often cancelled or reassigned to full-time faculty just before the beginning of the semester.
- Teaching at only ONE College/University is pensionable.
- Each fall and spring semester some adjunct faculty work for a month before receiving any Pay. Summer courses are often paid only when the session is complete
- While many adjunct faculty have 10 or more years of teaching experience, the average salary for a 3-credit course at a Community college in NJ is \$2600. Considering hours beyond classroom time including class preparation time, assisting students outside of the classroom, and writing letters of recommendation, an adjunct faculty's real hourly rate is less than minimum wage for a position that requires an advanced degree..
- Most adjunct faculty have student loans that they cannot afford to repay because of low income earnings. For some, accruing interest has practically doubled the initial cost of the loan.

For almost thirty years I have seen my small earnings decrease disproportionately while inflation ballooned. I draft reports, write referrals and letters of recommendation. I correspond with students and administrators. I work with special needs students and their counselors. I learned how to teach remotely and prepare lessons online, which involves paying for expensive computer equipment that costs more than I earn. I take mandatory training courses, for which I am not compensated.

My health has declined from too much stress. I have glaucoma and am fighting not to go blind; yet during the pandemic I taught and worked on the computer for fifteen hours a day. The glaucoma worsened and this year I had a series of intensive eye surgeries and could not drive without the help of loyal friends providing rides. Students and staff never knew that I had any health problems.

I have taught undergraduate and graduate level courses at Rutgers, Montclair State, The State University of New York, Middlesex College, and others. Yet, I have applied for food stamps benefits, home energy assistance, and aid from other state programs. I have been rejected repeatedly, even though my income is below the eligibility level. The process was arduous because of the irregular way I am paid. It takes months and sometimes years of reapplying to receive benefits from systems that do not understand the nature of contract work. On several occasions, the agencies did not even believe that my adjunct employment contract was a credible document.

After paying into unemployment and not being eligible to collect, Governor Murphy and you, the legislators, passed a law giving adjuncts the right to unemployment benefits. I applied and received state and extra federal pandemic benefits for four months. When I applied for unemployment the next year, I became enmeshed in a complicated bureaucratic maze that lasted 6 months. The state said that as an adjunct I was ineligible for benefits and ordered I return all past unemployment earnings which totaled more than my yearly earnings thanks to the additional federal pandemic benefits. I engaged the services of a pro bono lawyer and sought help from my union. Countless hours were spent in a nightmare of hearings, briefs, letters, phone calls, and thousands of emails to every Unemployment Insurance employee over a two+ month period. I contacted my state legislators. To this day, I dread the arrival of the mail, fearful of unexpected legal notices.

Regardless of the new law, adjunct faculty in NJ are still considered ineligible for unemployment benefits in the summer. They have difficulty collecting NJ unemployment within the fall and spring semesters because of the federal application of "reasonable assurance of employment." Please understand that adjunct faculty are contingency faculty which means that they have no guarantee of employment from semester to semester, and no seniority. In the current financial climate of many colleges/universities, adjunct faculty have no reasonable assurance of employment.

Classes have been taken from me and given to inexperienced former students. This is a frequent occurrence particularly with women over fifty. Cronyism and ageism are rampant, Adjuncts have absolutely no rights despite loyalty to students, job, and institution. I am not even considered worthy of being let go, fired, or receiving unemployment. Adjuncts are an exploited nonentity in

a lopsided system. I contributed to my state pension for over twenty years. Although exceedingly small, I count on it. I was horrified to learn there are substantial accounting errors—years of service and contributions are missing—unaccounted for. Correcting my employer's errors will require an audit and negotiating with my employer. The State warned that I need to start the procedure at least two years before retirement but retirement is not on the horizon. I have no savings, and limited Social Security and pension amounts make retirement impossible. When I was days away from being vested in the pension, hiring personnel chose not to assign me any classes after I had been teaching more than a dozen courses over ten years. With significant effort, I found another course on a Saturday, saving my job and pension. A complete stranger had the power to change the trajectory of my final days in retirement for the worse.

Being an adjunct has been compared to remaining in an abusive relationship. Fortunately, I consider my relationships with people as a great sustaining gift in my life, but I must admit that years of being in a dysfunctional adjunct relationship brings internalized shame that only justice and fair working conditions can cure. Thank you.

Karen Guancione

Email: [REDACTED]

Brief Biography

Karen Guancione has been awarded a Mid-Atlantic Arts Foundation Artists and Communities Grant, four New Jersey State Council on the Arts Fellowships, a Ford Foundation Grant, a Puffin Foundation Grant and an Arts and Culture Exhibition Grant from the Nathan Cummings Foundation. Her work has been exhibited worldwide and is in numerous public and private collections. Her interdisciplinary art includes large scale installations, performance, sculpture, printmaking, papermaking, book arts and video. She has curated many exhibitions, is an adjunct professor of art at Middlesex College and has been a visiting artist and lecturer at numerous schools and institutions in the United States and abroad. For over two decades she has served as artistic director / guest curator of the annual New Jersey Book Arts Symposium and Exhibition. She is the first-time recipient of the Erena Rae Award for Art and Social Justice



**New Jersey State Conference of the
American Association of University Professors**

- Bloomfield College ▪ Georgian Court University ▪ Monmouth University
- New Jersey Institute of Technology ▪ Rider University ▪ Rutgers University
- Saint Peter's University ▪ Seton Hall University ▪ Union County College

Testimony before the New Jersey Legislative Special Committee on Higher Education

Testimony from: Diane K. Campbell, President, New Jersey State Conference of the AAUP¹

Thank you for the opportunity to address issues important to our members and to the future of higher education in New Jersey. Our Chapters are located at Bloomfield College, Drew University, Georgian Court University, Monmouth University, New Jersey Institute of Technology, Rider University, Rutgers University, St. Peter's University, and Union County College. The AAUP State Conference represents the professional interests of teachers, researchers, and professional staff who work at these institutions of higher education. Our institutions are diverse and include both public and private institutions as well as collective bargaining and non-collective bargaining chapters.

NJAAUP is pleased to support the focus and issues addressed at your March 16th session by David Rousseau, Vice President of the Independent Colleges and Universities in New Jersey (ICUNJ). New Jersey's higher education institutions are facing challenges unlike any that have confronted them in the past as they grapple with a decline in students, post-COVID disruption, and elimination of the need for a college degree for particular jobs. Today, NJAAUP is focusing on the private institutions with an emphasis on several core issues.

First, as noted in the ICUNJ report, New Jersey has a statutory funding formula for its qualified private higher education institutions. This formula has been ignored and underfunded over many years. We encourage you to fully fund the private colleges and universities by allocating the formula's \$23 million to them for the next fiscal year. We also ask that you support such statutory funding in future years. This funding can aid in helping those institutions raise the salaries of part-time, adjunct faculty and provide them with appropriate benefits.

Second, the NJAAUP asks that you recognize the important role the private institutions have in educating New Jersey' diverse population and how that provides for economic growth in our State. The 14 ICUNJ intuitions educate one in five undergraduates in NJ with 40% of that enrollment being minority students. This

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reinforces the need to provide full statutory funding for the private colleges and universities so our students can be representative of New Jersey residents.

Third, retribution can be swift at many New Jersey private institutions when faculty speak publicly on academic issues confronting them and their students. Those faculty are not permitted to engage in collective bargaining due to a Supreme Court decision over four decades ago which defined private college faculty as a part of management. This case, the Yeshiva Ruling, declared that private colleges who had not already unionized, could no longer do so after 1980. Rider University, for example, had collective bargaining prior to that date so they were able to continue as a unionized faculty. We ask here that you request the Office of Legislative Services to prepare information on this topic since faculty should not fear their administrations or Board of Trustees when addressing academic concerns. This needs examination today since current private faculty do not share in management decisions. We have had cases where tenured faculty who spoke out were fired, with others denied tenure, and still others who were threatened for speaking out. This initiative can set a national model based on New Jersey's leadership. We welcome working with you on this important endeavor.

Thank you again for this opportunity to address this Legislative Special Committee on Higher Education.