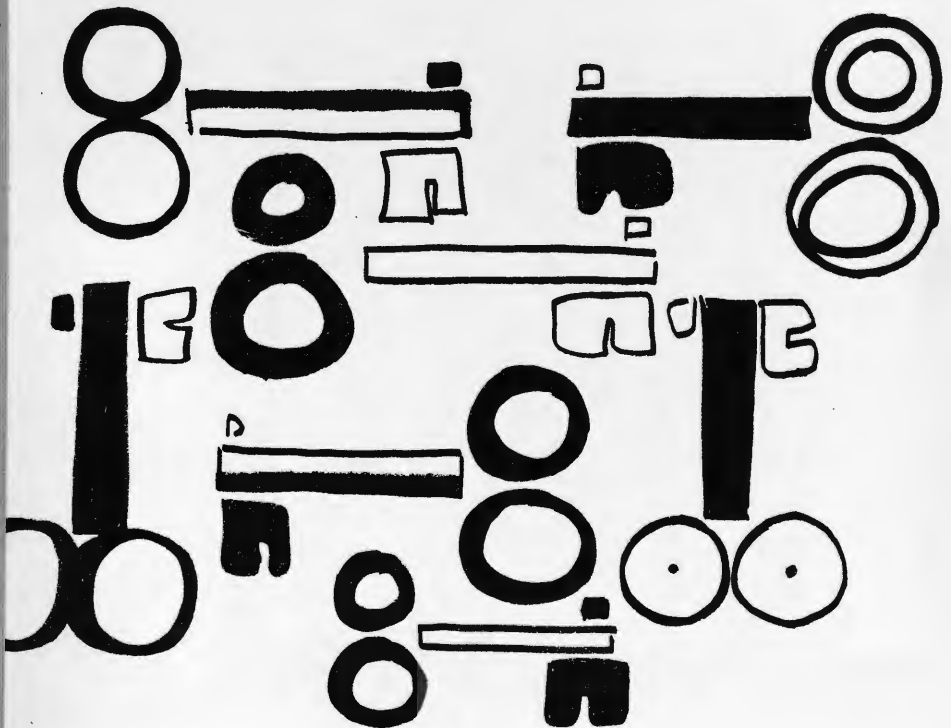


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**ASSISTANCE TO
NEW JERSEY INDEPENDENT
COLLEGES AND UNIVERSITIES**

MANUAL OF ADMINISTRATIVE PROCEDURE



MANUAL OF ADMINISTRATIVE PROCEDURES,
TO IMPLEMENT THE PROVISIONS
OF THE INDEPENDENT COLLEGES AND UNIVERSITIES
UTILIZATION ACT

Approved by the Board of Higher Education September 15, 1972

State of New Jersey.
DEPARTMENT OF HIGHER EDUCATION,
Ralph A. Dungan, Chancellor

NJ/KAB
H45/F4 C.2
1972

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TABLE OF CONTENTS

	Page
FOREWORD	4
SUBCHAPTER 1 - General Description of Manual	5
Policy and Intent	5
Revision Procedures	5
Definitions	5
SUBCHAPTER 2 - Cost of Education Grants	6
Contractual Arrangements	6
General Provisions	6
Student Accounting	6
Reporting the Number of Students Receiving Grants	7
Distribution and Payment	7
SUBCHAPTER 3 - State Program to Utilize Resources (SPUR)	7
Contractual Arrangements	7
Conditions to Entering into Contract	8
Optimum Enrollment	8
Alternate Methods for Establishing Optimum Enrollment	8
Reporting of Enrollments	8
Distribution of Funds	8
Payment of Funds	9
Contract Performance Standards	9
Lowering the Effective Cost	9
SUBCHAPTER 4 - Graduate and Professional Programs	10
Contractual Arrangements	10
Procedure	10
Contract Guidelines	10
Payment Procedures	11
SUBCHAPTER 5 - Computer, Library, and Other Services	11
General Provisions	11
Procedures	11
SUBCHAPTER 6 - Accounting and Auditing Procedures	11
General Provisions	11
Accounting	11
Auditing	12
APPENDIX - State Senate Bill No. 865	13-17

FOREWORD

New Jersey independent institutions of higher education, like most of those elsewhere in the United States, have increasingly felt the impact of rising costs threatening their viability. To assure that these valuable segments of the State's system of higher education would continue to provide educational opportunities for New Jersey's youth, the Board of Higher Education on November 19, 1971 approved a plan for financial assistance to independent colleges and universities. This program was approved by the Legislature in the Independent Colleges and Universities Utilization Act, passed on May 18, 1972, and signed by the Governor on June 19, 1972.

The program will assist independent colleges and universities which enroll more than 500 full-time students and are accredited by the Middle States Association of Colleges and Secondary Schools. Theological schools are not eligible for assistance. The salient features of the program are:

- The Cost of Education Program (COG) encourages institutions to enroll students who need financial assistance.
- The State Program to Utilize Resources (SPUR) provides incentives to use resources more efficiently and effectively, to permit increased enrollment of New Jersey students, and to lower the effective cost of education to New Jersey students.
- The Graduate and Professional Programs provide opportunities for independent institutions to gain support for specialized graduate and professional programs that fulfill State needs.
- The Computer, Library and Other Services Program will permit independent institutions to share certain specialized services now available to public institutions.

The Manual of Administrative Procedures and Regulations to Implement the Provisions of the Independent Colleges and Universities Utilization Act has been developed with the cooperation of the New Jersey Association of Independent Colleges and Universities and was approved by the Board of Higher Education on September 15, 1972.

It is our expectation that this program of assistance for independent colleges and universities will provide more spaces for New Jersey students, will utilize existing facilities more fully, will help avoid duplication of facilities and programs, and will maintain diversity in New Jersey's system of higher education.

Ralph A. Dungan
Chancellor

SUBCHAPTER 1: GENERAL DESCRIPTION OF MANUAL OF ADMINISTRATIVE PROCEDURES AND REGULATIONS

9:15-1.1 Policy and Intent

This is a Manual of Administrative Procedures and Regulations to implement the provisions of the Independent Colleges and Universities Utilization Act. It reflects the policy and intent of the Board Resolution passed by the Board of Higher Education on November 19, 1971 and the State Senate Bill No. 865 adopted May 18, 1972, signed by Governor William Cahill on June 19, 1972 and effective July 1, 1972. The law is contained in Chapter 67, 1972 Public Laws of New Jersey.

9:15-1.2 Revision Procedures

This manual reflects administrative procedures and regulations effective July 1, 1972. It may be revised by the Board of Higher Education from time to time after consultation with the Association of Independent Colleges and Universities.

9:15-1.3 Definitions as Used in This Manual

- a. "Academic Year" means a twelve-month period ending June 30.
- b. "Board" means the Board of Higher Education.
- c. "Chancellor" means the Chancellor of Higher Education.
- d. "Department" means the Department of Higher Education.
- e. "Eligible Institution" or "Institution" means "only those private institutions of higher education located in New Jersey which, by virtue of law or charter or license, are non-profit educational institutions empowered to grant academic degrees and which provide a level of education which is equivalent to the education provided by the State's public institutions of higher education as attested by the receipt and continuation of regional accreditation by the Middle States Association of Colleges and Secondary Schools, and which normally enroll 500 or more full-time undergraduate students and are eligible to receive State aid under the provisions of the Constitution of the United States and the Constitution of the State of New Jersey." Accredited institutions which plan to attain an enrollment of 500 students within the terms of the contract written pursuant to these regulations shall also be eligible.

"Eligible Institution" does not include any educational institution dedicated primarily to the preparation or training of ministers, priests, rabbis, or other professional persons in the field of religion.

- f. "Full-time" means a student carrying credits or pursuing a program equal to at least seventy-five percent of the normal load.
- g. "Instructional Space" means those categories defined in the HEW Higher Education Facilities Classification and Inventory Procedures Manual categories No. 100 through No. 235, i.e., classroom, class laboratory, study laboratory. These categories do not include space dedicated primarily to the preparation or training of ministers, priests, rabbis or other professional persons in the field of religion.
- h. "Normal Load" means the number of credit hours or program required for graduation divided

by the number of semesters or terms (exclusive of summer session) normally required for graduation. For example, in a credit system requiring 128 credit hours, normally taken in 8 semesters, the normal load would be 16 hours ($128/8 = 16$).

- i. "Lower Division Student" means a student who at the opening of any semester has accumulated less than forty-five percent (45%) of the credits or equivalent requirements for the bachelors degree. All students in two-year degree programs shall be considered lower-division students.
- j. "New Jersey Student" means "any person who is a graduate of a New Jersey secondary school or whose parents were domiciled in New Jersey at the beginning of the academic year, and who is matriculated in an eligible institution on a full-time basis and so reported by the institution to the Department of Higher Education in the annual Higher Education General Information Survey (HEGIS), but such terms do not mean or include any such person majoring in theology or divinity."
- k. "Undergraduate Student" means a full-time student who has not earned a bachelors degree and is enrolled in an eligible institution.

SUBCHAPTER 2: COST OF EDUCATION GRANTS

9:15-2.1 Contractual Arrangements

The Act provides for contracts between the Board and eligible institutions to provide educational services to students needing financial assistance. The assistance awarded to permit institutions to provide such services shall be known as Cost of Education Grant Program or "COG."

9:15-2.2 General Provisions

In order to encourage and assist eligible independent institutions in the recruitment and education of students, who are New Jersey residents and who have been determined as needing financial assistance, the Board of Higher Education, subject to the availability of appropriations, is authorized to contract with eligible institutions to provide educational services to such New Jersey undergraduate students and to pay to such eligible institutions a sum of up to \$300 annually (depending upon the total dollars available and the number of eligible requests) for each New Jersey student who was enrolled in the previous academic year and was a recipient of State financial aid, exclusive of loans, or of aid administered by such institutions totaling \$1,000 or more exclusive of loans.

9:15-2.3 Student Accounting

The Board shall allocate funds to contracting institutions under the COG Program on the basis only of those full-time New Jersey undergraduate students who during the preceding academic year received either:

- a. State financial aid, which resulted in lowering the effective cost of education to New Jersey students, including but not limited to the following programs:

- State Competitive Scholarships
- Tuition Aid Grants
- Educational Opportunity Fund Grants

New Jersey Rehabilitation Commission Grants
War Orphans Educational Assistance
Clean Air and Water Scholarships

or

- b. Financial aid grants administered by the institution totaling \$1,000 or more, exclusive of loans to New Jersey students, including but not limited to the following programs:

Federal Educational Opportunity Grants
Federal College Work-Study Awards
Student Grants Funded from the State Cost of Education Grant (COG) Program*
Student Grants Funded from State Program to Utilize Resources (SPUR) Program*
Scholarships and Grants of the Eligible Institution

Aid administered by the institution includes funds appearing on institutional financial aid accounts which are disbursed as aid to students.

9:15-2.4 Reporting the Number of Students Receiving Grants

The Department of Higher Education will provide each eligible college and university a list of students who received State financial aid under the State Competitive Scholarships, Tuition Aid Grant, and Educational Opportunity Fund Grants exclusive of loans, during the preceding academic year. The institutions shall add to the list such other students who received aid of at least \$1,000 administered by the institution or other State programs. The completed list shall be available upon request of the Department of Higher Education.

9:15-2.5 Distribution and Payment

The Department, after review of the required reporting forms, shall authorize payment to each eligible institution. In the event that the appropriations available for contracts under this section are not sufficient to provide the maximum per student amount allowed under this section, amounts paid to each eligible institution shall be in the same ratio to the total funds available as the number of eligible students at the institution bears to the total number of eligible students at all institutions.

The Department may pay up to 80% of the funds tentatively allotted to each institution under this section pending final audited reports, such payments to be made as soon as reasonably possible. The final audited report of qualified students shall be submitted to the Department on or about October 15th of each year for the previous academic year, and the Department shall pay the balance of the funds due to the institution as soon as reasonably possible after receipt of the final audited reports from all contracting institutions. Payment pursuant to this section is independent of payment eligibility for other sections of the Act.

SUBCHAPTER 3: STATE PROGRAM TO UTILIZE RESOURCES (SPUR)

9:15-3.1 Contractual Arrangements

The Board of Higher Education, under certain conditions, may contract with eligible institutions to

**This information is to be collected from the immediately preceding academic year.*

provide educational services to New Jersey students. Contracts will normally be for a term of five years, and will require that participating institutions achieve and/or maintain an optimum level of full-time undergraduate enrollments during the term of the contract. This program shall be known as the State Program to Utilize Resources (SPUR).

9:15-3.2 Conditions to Entering into Contract

The Board of Higher Education may enter into contract with eligible institutions only after receipt from an institution and approval by the Board of a five year enrollment projection committing the institution to achieve and/or maintain an optimum level of full-time undergraduate enrollments. The projection of enrollment will be submitted on Form IC:SPUR 1, and will contain annual projections of New Jersey enrollments and total enrollments. This form shall be made a part of the contract.

9:15-3.3 Optimum Enrollment

An eligible institution will be considered to have achieved optimum enrollment if at any time during the term of the contract its net assignable square feet of Instructional Space (NASF) per full-time student (graduate and undergraduate) is equal to or less than the following:

- a. For institutions without a graduate program (less than or equal to 150 full-time students in graduate programs) 24 NASF/Full-Time Student;
- b. For institutions with a graduate program (more than 150 full-time students in graduate programs) 29 NASF/FTS;
- c. For schools of engineering 62 NASF/FTS;
- d. For national universities with at least four doctoral programs (Ph.D. or Ed.D.) 39 NASF/FTS.

Facilities space measurements shall be taken from the 1970 Heller Inventory Report (excluding space used primarily for the preparation or training of ministers, etc. until changed by appropriate additions, alterations, and removal of buildings or usable space, which changes shall be reported to the Department by the annual HEGIS facilities report).

9:15-3.4 Alternate Methods for Establishing Optimum Enrollment

An eligible institution may request that its optimum enrollment be considered by the Board of Higher Education at a level different than that set in 9:15-3.3 in light of economics, physical plant constraints, and the character or purpose of the institution. Such a request should be accompanied by a full explanation and a complete analysis of space utilization at the institution using the Educational Facilities Information System (EFIS), a facilities inventory data processing system.

9:15-3.5 Reporting of Enrollments

Institutions shall report their enrollments in the fall and the spring, to be averaged as per the instructions in Form IC:SPUR 2.

9:15-3.6 Distribution of Funds

Contracting institutions shall receive funds as follows:

- a. For cumulative enrollment increases from the base year an amount each year not to exceed \$600 for every additional enrollment of a New Jersey full-time undergraduate student over the

previous year's enrollment, providing the full-time enrollment of non-New Jersey undergraduate students does not decline. If there is a decline in non-New Jersey enrollment, the fundable increase will be based on the additional enrollment of New Jersey students less the decline.

- b. An amount each year not to exceed \$175 for each full-time New Jersey lower division student enrolled in the previous academic year, and an amount each year not to exceed \$225 for each full-time New Jersey upper division student enrolled the previous year, with aid based upon the average enrollment as defined in 9:15-3.5.
- c. In the event that appropriations available for contracts under this section are not sufficient to provide the maximum payments allowed under this section, funds will be paid to each eligible institution in the same ratio to the total available as the number of eligible students at the institution bears to the total number of eligible students at all institutions.

9:15-3.7 Payment of Funds

Each eligible institution shall submit the initial enrollment report prescribed for this section on or about October 15th of each year. The Department may pay up to 80% of the funds tentatively allotted to each institution under this section as soon as reasonably possible after receipt of initial enrollment reports from all contracting institutions. Final student enrollment forms shall be submitted to the Department on or about March 1 of each year. The Department will pay the balance of the funds due to each institution as soon as reasonably possible after receipt of the audited enrollment reports from all contracting institutions.

9:15-3.8 Contract Performance Standards

An institution whose enrollment of full-time undergraduate students at any time falls below (a) its optimum enrollment or (b) its projected contractual enrollment (whichever is lower) will have its contract reviewed by the Board of Higher Education. If the figure falls 15% below the contracted figures or if the effective cost of education to a significant proportion of New Jersey students has not been lowered relative to the academic year prior to the signing of the contracts (adjusted for inflation), the contract will terminate. The Board may, at its option, choose to renegotiate such a contract.

9:15-3.9 Lowering the Effective Cost

No less than 50% of the funds paid to an institution pursuant to 9:15-3.6 nor less than 75% of the funds provided pursuant to 9:15-3.6b, whichever is greater, must be employed to reduce the effective cost of education to New Jersey students, relative to the costs in the academic year prior to the first year of the contract (adjusted for inflation). While the institution itself has the responsibility of determining the manner in which this shall be done, each must clearly differentiate between New Jersey and non-New Jersey students.

Each New Jersey student who benefits from this assistance must be notified by the institution of the source.

The institution must report to the Board of Higher Education the method employed to comply with these requirements.

SUBCHAPTER 4: GRADUATE AND PROFESSIONAL PROGRAMS

9:15-4.1 Contractual Arrangements

The Board of Higher Education is "authorized to contract with eligible institutions for the provision of specialized graduate and professional programs where to do so would employ special resources of the independent institutions and would reduce or eliminate the need for the State to create or expand such programs at public institutions to meet an existing demand."

The Board of Trustees of independent colleges and universities may submit proposals for contract support of specialized graduate and professional programs for which, in the opinion of the Board of Higher Education there is a State need. The State will pay a negotiated amount for specific services rendered to New Jersey residents or for those programs which are judged to be appropriate and fulfill a State need.

9:15-4.2 Procedure

Interested institutions are encouraged to submit a concept letter clearly stating the purpose, goals, and projected time period of the proposed program together with relevant long range fiscal and academic projections. Only those existing or new programs which employ the particular resources of an institution and fulfill a State need will be considered. The following procedure will be used for the expansion of existing programs or the creation of new ones:

- a. The institution will draft a preliminary proposal for review by the Department of Higher Education.
- b. After appropriate review by the Department, the institution will submit a full proposal for the Council of Graduate Education, which will provide a complete academic analysis.
- c. If the number of prospective proposals exceeds the number that can be funded, the Department may appoint a committee of independent college and university representatives who will assist in providing recommendations for the selection of programs to be funded.
- d. The committee and council reports, together with the recommendations of the Department, will be forwarded to the Board of Higher Education for action.

9:15-4.3 Contract Guidelines

- a. Where appropriate, the contract will specify:
 1. The total number of new student places to be provided as well as the number of New Jersey residents to be served.

Programs that include a substantial proportion of New Jersey residents will receive special consideration.
 2. The cost of operating the program including non-instructional costs and provisions for meeting the needs of financially disadvantaged New Jersey residents.
 3. Provisions for financing new equipment and required facilities.
 4. Short-term costs which may result from underutilization of facilities during the start-up phase of the program's operation.
- b. Proposals including format and deadlines must conform to the normal requirements of Program Approval Procedures of the Department of Higher Education.

- c. Multiple year contracts, contingent upon appropriations, as well as one year start-up grants are eligible for consideration.
- d. Existing programs may be funded for continuation or expansion if research and planning indicate a State need.

9:15-4.4 Payment Procedures

Payments under this section will be made in accordance with funding agreements made for such funded programs.

SUBCHAPTER 5: COMPUTER, LIBRARY, AND OTHER SERVICES

9:15-5.1 General Provisions

The Board of Higher Education is authorized to provide eligible institutions with computer, library and other services which are available to public institutions of higher education.

9:15-5.2 Procedures

The Department shall supply eligible institutions with a list or inventory of available services and their costs on or about January 1.

Eligible institutions should submit their requests for such services for the upcoming academic year by May 1.

The Department shall evaluate the requests, select those to be funded, and advise the institutions by July 15.

For the first year of participation (1972-73), the Department of Higher Education will provide eligible institutions with special instructions, detailing available services and request procedures, as soon as reasonably possible.

SUBCHAPTER 6: ACCOUNTING AND AUDITING PROCEDURES

9:15-6.1 General Provisions

“Funds received by an institution pursuant to this Act shall be maintained in a separate account and shall not be commingled with other funds of the institution. Each institution shall cause an audit of such account and of enrollment figures to be made annually by a certified public accountant which audit shall indicate the manner in which such funds have been expended as the same related to the enrollment requirements of this Act. The certified financial statement shall be forwarded to the Board of Higher Education.”

9:15-6.2 Accounting

Each institution receiving funds pursuant to Chapter 67, 1972 Public Laws of New Jersey shall maintain a separate account for all funds received. The account shall be maintained in such a way as to clearly reflect the income and expenditures of funds received under Chapter 67.

9:15-6.3 Auditing

Each certified public accountant employed by a college receiving aid under Chapter 67 shall employ such procedures as may be required to certify that the financial information required to be submitted is accurate and that enrollments reported have been verified. Each certified public accountant employed shall also employ such procedures as may be required to certify that the law, rules, and regulations promulgated by the Board of Higher Education and administrative directives of the Department of Higher Education in effect for the audit year in regard to the financial and enrollment requirements have been met by the college and that accurate accounts have been maintained to reflect income and expenditures of funds received pursuant to Chapter 67.

The annual audit of the data required for the implementation of this Act shall be forwarded to the Department of Higher Education not later than November 1.

APPENDIX

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 865

STATE OF NEW JERSEY

INTRODUCED APRIL 6, 1972

By Senators DUMONT, MUSTO, MARAZITI, CRABIEL, STOUT, HOLLENBECK, CAFIERO, WALLWORK, LIPMAN, McDERMOTT, BATE, DODD, MERLINO, DUGAN, LYNCH, AZZOLINA and TANZMAN

Referred to Committee on Education

AN ACT authorizing the Board of Higher Education to contract with or make grants to eligible independent colleges and universities for educational services to the State of New Jersey and making an appropriation.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "Independent
2 Colleges and Universities Utilization Act."

1 2. The Legislature finds and determines that:

2 a. The State of New Jersey is committed by law and public
3 policy to the development and preservation of a planned and
4 diverse system of higher education which encompasses both public
5 and independent institutions. Independent institutions make an
6 important contribution to higher education in the State and it is in
7 the public interest to facilitate optimum utilization of all higher
8 education resources in the State.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

9 b. Many independent institutions of higher education in the
10 State of New Jersey are presently faced with serious financial
11 difficulties. These difficulties inhibit or reduce the ability of such
12 institutions to provide higher education to New Jersey students,
13 thereby impairing the provision of higher education in this State
14 and increasing the burden on public institutions of higher educa-
15 tion.

16 c. The provisions of this act will serve the cause of higher
17 education in the State of New Jersey by

18 (1) assuring maximum educational choice by young people re-
19 garding college and university by preserving the vitality and
20 quality of independent institutions of higher education in New
21 Jersey;

22 (2) moderating effective operating costs per student in inde-
23 pendent institutions of higher education through increased utiliza-
24 tion of resources, thereby contributing to the long-term financial
25 strength of such institutions and thereby fostering the maintenance
26 of their vigor and quality;

27 (3) moderating educational costs to New Jersey students in such
28 institutions, thereby assisting the students and increasing the
29 potential number of applicants;

30 (4) encouraging the enrollment by institutions of students from
31 lower income families;

32 (5) increasing the number of spaces available to New Jersey
33 students in such institutions, thereby alleviating the burden of
34 capital costs for public education facilities;

35 (6) utilizing fully the capacity of independent institutions to
36 provide graduate and professional education; and

37 (7) obtaining long-term commitments from such institutions as
38 to the educational services they will provide to the State of New
39 Jersey, thereby improving the State's capacity to plan for its
40 system of public higher education.

1 3. As used in this act:

2 "Eligible institution" means only those private institutions of
3 higher education located in New Jersey which, by virtue of law or
4 charter or license, are nonprofit educational institutions empowered
5 to grant academic degrees, and which provide a level of education
6 which is equivalent to the education provided by the State's public
7 institutions of higher education as attested by the receipt and con-
8 tinuation of regional accreditation by the Middle States Associa-
9 tion of Colleges and Secondary Schools*, and which normally enroll
10 500 or more full-time undergraduate students* and are eligible to
11 receive State aid under the provisions of the Constitution of the
12 United States and the Constitution of the State of New Jersey.

13 "Eligible institution" does not include any educational institution
14 dedicated primarily to the preparation or training of ministers,
15 priests, rabbis or other professional persons in the field of religion.

16 "New Jersey student" **[or "New Jersey full-time student"
17 means any New Jersey resident]** ****means any person who is a*
18 *graduate of a New Jersey secondary school or whose parents were*
19 *domiciled in New Jersey at the beginning of the academic year and*
20 *who is*** matriculated in an eligible institution on a full-time basis
21 and so reported by the institution to the Department of Higher
22 Education in the annual Higher Education General Information
23 Survey (H.E.G.I.S.) *[in accordance with the regulations of the
24 United States Office of Education]*, but such terms do not mean or
25 include any such person majoring in theology*[,] *or* divinity
26 *[or religious studies]*.

27 **[*"New Jersey resident" means any person who is a graduate*
28 *of a New Jersey secondary school or whose parents were domiciled*
29 *in New Jersey at the beginning of the academic year.**]**

1 4. In order to encourage and assist eligible independent institu-
2 tions in the recruitment and education of students, who are New
3 Jersey residents and who have been determined as needing financial
4 assistance, the Board of Higher Education, subject to the avail-
5 ability of appropriations, is authorized to contract with eligible
6 institutions to provide educational services to such New Jersey

7 undergraduate students and to pay to such eligible institutions a
8 sum of \$300.00 annually for each New Jersey student who was
9 enrolled ***[on November 1 of]*** **in** the previous academic year and
10 was a recipient of State financial aid, exclusive of loans, or of aid
11 administered by such institution of \$1,000.00 or more exclusive of
12 loans.

1 5. The Board of Higher Education, subject to the availability
2 of appropriations, is authorized to contract with eligible institu-
3 tions to provide educational services to New Jersey students by
4 payment of:

5 a. \$600.00 for each additional New Jersey undergraduate stu-
6 dent enrolled in excess of the total ****[New Jersey]**** undergrad-
7 uate student enrollment ***[as of November 1 of]*** **in** the previous
8 academic year, provided that such payments shall be available only
9 for the year of the enrollment increase; and

10 b. \$175.00 for each freshman and sophomore and \$225.00 for
11 each junior and senior New Jersey undergraduate student enrolled
12 ***[on November 1 of]*** **in** the previous academic year; provided
13 that 50% of all funds paid to an eligible institution pursuant to this
14 entire section 5, or 75% of the funds provided pursuant to this sub-
15 section b., whichever is the greater, shall be employed by the institu-
16 tion to lower the effective costs of education to New Jersey students
17 in a manner to be determined by the institution, subject to the
18 approval of its governing board.

19 Each New Jersey student whose costs of education **have** been
20 reduced by this section shall be notified by the institution as to the
21 source of such assistance. No institution shall receive funds pur-
22 suant to this section unless such institution agrees to increase its
23 acceptance for enrollment of New Jersey students to the extent
24 feasible in light of economics, physical plant constraints, and the
25 character or purpose of the institution, as determined by its govern-
26 ing board. However, if such institution in the opinion of its govern-
27 ing board and of the Board of Higher Education has or shall have
28 attained optimum enrollment, it shall be eligible to receive funds
29 pursuant to this section upon agreement to maintain such enroll-
30 ment.

1 6. The Board of Higher Education is further authorized to con-
2 tract with eligible institutions for the provision of specialized grad-
3 uate and professional programs where to do so would employ
4 special resources of the independent institutions and would reduce
5 or eliminate the need for the State to create or expand such pro-
6 grams at public institutions to meet an existing demand.

1 7. The Board of Higher Education is authorized to provide
2 eligible institutions with computer, library and other services which
3 are available to public institutions of higher education by or
4 through the board.

1 8. Funds paid to any institution pursuant to this act shall not
2 be used for sectarian instruction, the construction or maintenance
3 of sectarian facilities, or for any other sectarian purpose or activity.

1 9. Funds received by an institution pursuant to this act shall be
2 maintained in a separate account and shall not be commingled with
3 other funds of the institution. Each institution shall cause an audit
4 of such account and of enrollment figures to be made annually by a
5 certified public accountant which audit shall indicate the manner in
6 which such funds have been expended as the same relates to the
7 enrollment requirements of this act. The certified financial state-
8 ment shall be forwarded to the Board of Higher Education.

1 10. In the event any institution shall expend such funds in
2 violation of the provisions of this act, or rules or regulations of the
3 board, the Board of Higher Education may suspend further aid
4 to such institution and institute appropriate proceedings to recover
5 any such funds theretofore misspent.

1 11. The provisions of N. J. S. 18A:62-2 shall not be applicable
2 to this act.

1 12. The Board of Higher Education shall promulgate rules and
2 adopt policies and make all determinations necessary for the
3 proper administration and enforcement of the provisions of this act
4 ***and shall report and make recommendations concerning the effec-*
5 *tiveness of the various provisions of this act to the Governor and*
6 *Legislature annually on the second Tuesday in January and at such*
7 *other times as it deems necessary or desirable**.*

1 **[13. In the event that in any fiscal year the amount appropri-
2 ated is sufficient to carry out in full the purposes of this act the
3 chancellor shall, first, pay the cost of administration of this act; and
4 second, distribute the remaining funds pursuant to sections 4, 5, 6
5 and 7 in amounts to be determined by the chancellor and approved
6 by the Board of Higher Education.]***

1 **13. Moneys appropriated for the purposes of this act shall be
2 distributed in the following manner: The Board of Higher Educa-
3 tion shall pay first its cost of administration, thereafter shall allo-
4 cate among the programs authorized in sections 4, 5, 6 and 7 herein
5 funds appropriated in any fiscal year to effect the purposes of this
6 act; provided, however, that in the first fiscal year of operation
7 under this act the Board of Higher Education, after paying its cost
8 of administration, shall allocate not more than 22%, 65%, 10% and
9 3% of the remaining funds to programs authorized by sections 4, 5,
10 6 and 7 respectively of this act.**

1 *[13.]* *14.* If any part of this act shall be held invalid, such
2 holding shall not affect the validity of the remaining parts of this
3 act. If a part of this act is invalid in one or more of its applications,
4 the remaining parts of this act shall remain in effect in all valid
5 applications that are severable from the invalid application.

1 *[14.]* *15.* From the amounts appropriated to the Department
2 of Higher Education for the purposes of this act for the fiscal year
3 ending June 30, 1973, an amount not to exceed \$50,000.00 may be
4 used for the cost of administering this act.

1 *[15.]* *16.* This act shall take effect **[immediately]****
2 **July 1, 1972**.