



Public Hearing

before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

SENATE BILL No. 1118 and ASSEMBLY BILL No. 75

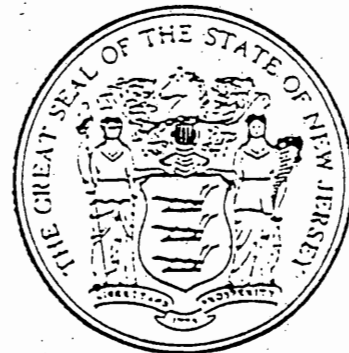
"The 'Higher Education Restructuring Act of 1994'"
Volume III
Appendix

LOCATION: Room 319
State House
Trenton, New Jersey

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

MEMBERS OF COMMITTEES PRESENT:

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



ALSO PRESENT:

Assemblyman Leonard Lance
District 23

Assemblyman Louis A. Romano
District 33

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

Hearing Recorded and Transcribed by

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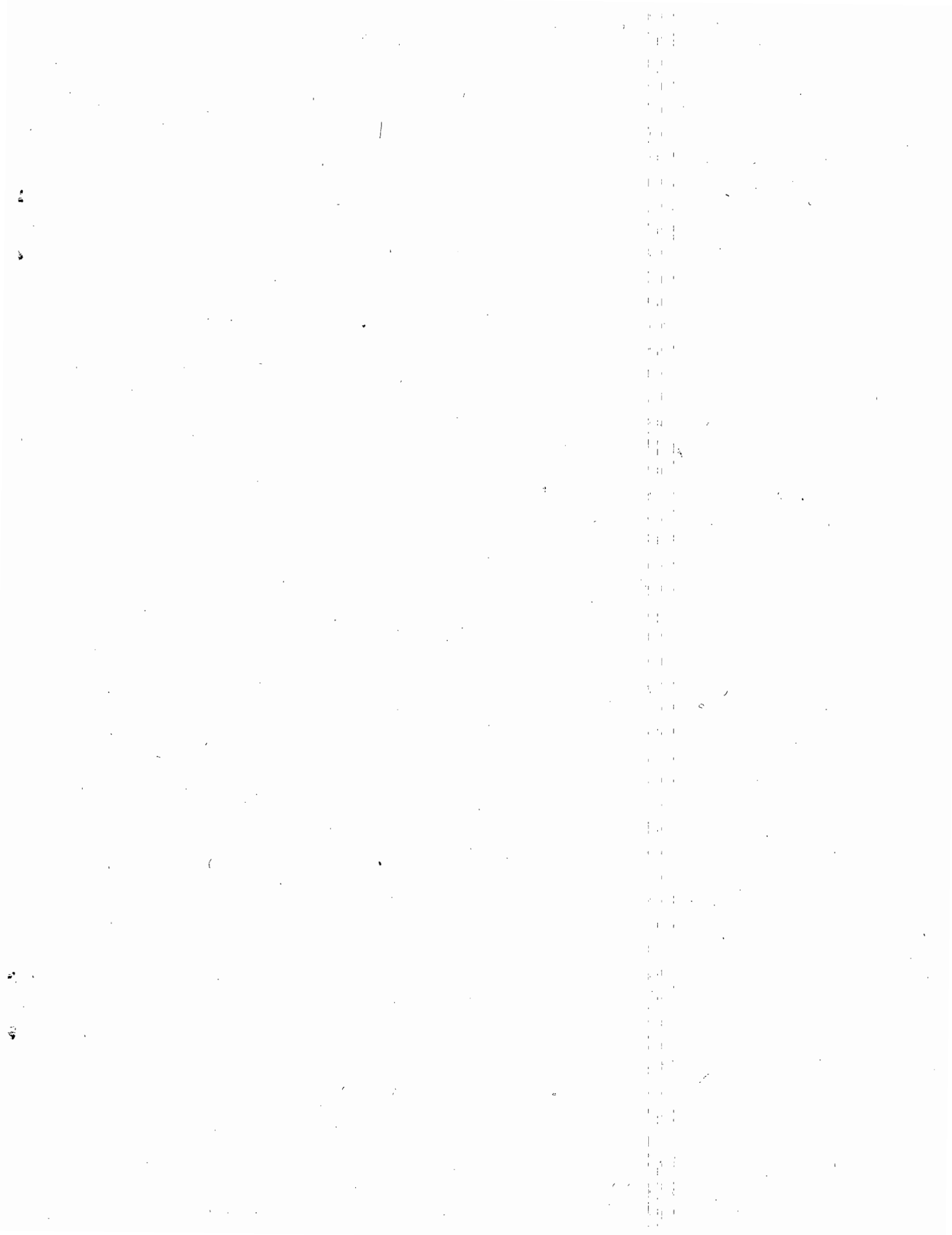
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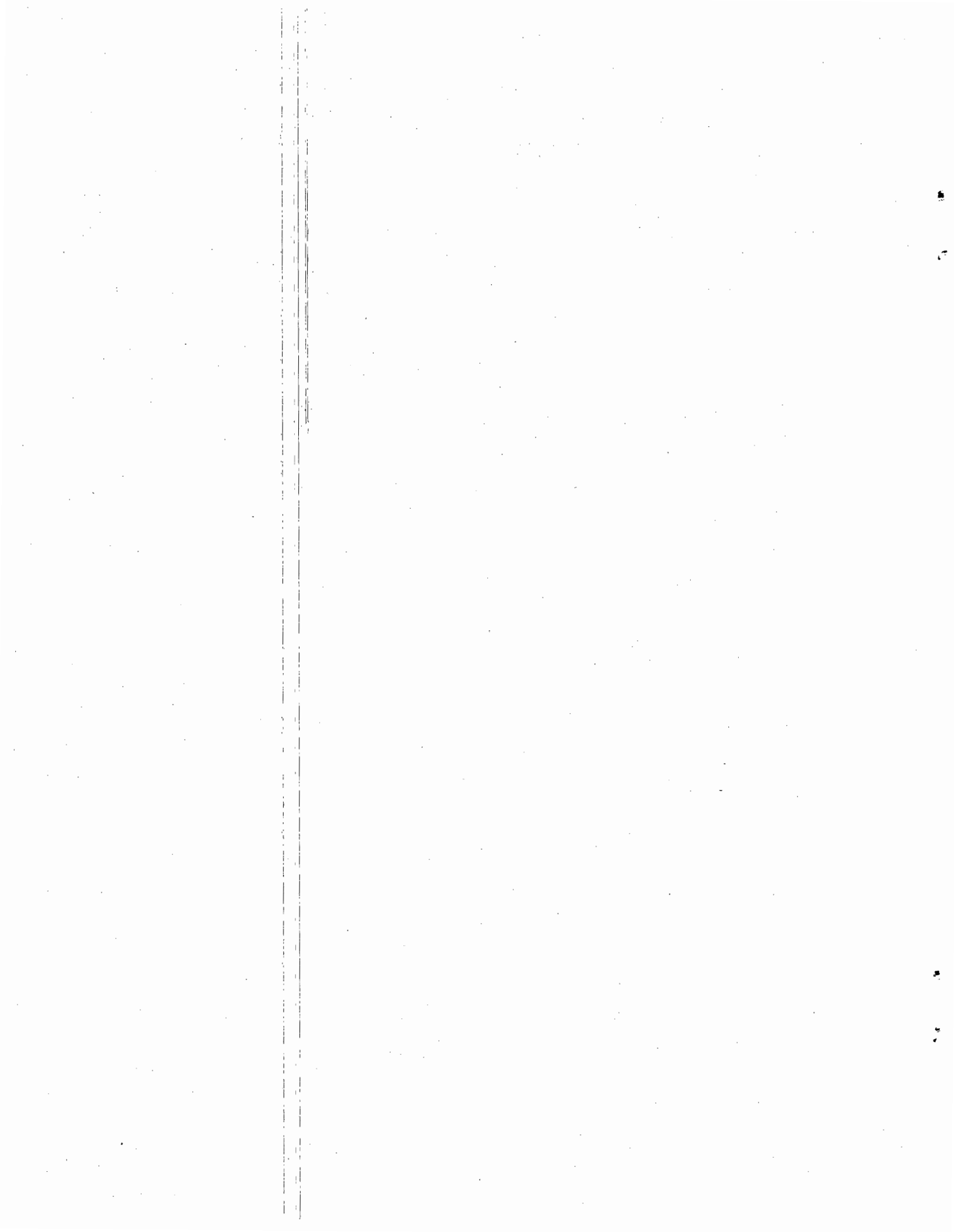
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APPENDIX



COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



AFT/AFL-CIO
420 CHESTNUT STREET
UNION, NEW JERSEY 07083
908-964-8476



May 26, 1994

DONALD SILBERMAN
President

TESTIMONY ON S-1118 BY DR. DONALD J. SILBERMAN, PRESIDENT OF THE COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS, AMERICAN FEDERATION OF TEACHERS, AFL-CIO, REPRESENTING 3,200 FACULTY AND PROFESSIONAL STAFF IN THE NINE STATE COLLEGES, BEFORE THE SENATE AND ASSEMBLY EDUCATION COMMITTEES

The restructuring of higher education is being touted as an example of downsizing government and eliminating bureaucracy. There is talk of cost savings and greater efficiency. In fact, there will be a growth of bureaucracy, increased expenditures for non-instructional purposes, and inevitable corruption.

In place of the staff of the Department of Higher Education we will have at least two staffs: the staff of the Council of Presidents and the staff of the Commission for Higher Education. They may be planned as small at first, but if our experience with the college administrations is any indication of what the future holds in store, the staff of the Council of Presidents will grow like a weed. On the campuses, as the size of the student body and the size of the faculty shrink, the size of management invariably grows. The less there is to manage, the more managers there are.

There will also be an expansion of the staffs of Treasury and the Department of State and the other Departments to which functions of the current Board and Department of Higher Education are assigned. But the greatest expansion of bureaucracy will be at the campus level. S-1118 permits the colleges (as well as the President's Council) to hire their own law firms instead of using the attorney general's office. Nine law firms

will serve nine colleges. Think of the billable hours! The legal costs will be astronomical.

Without the Board of Higher Education to develop a coordinated budget for the institutions and without the Chancellor to serve as the advocate for adequate funding for the state colleges, each of the colleges will hire its own lobbying firm to lobby for its budget. We already have the example of the State College Governing Boards Association, which represents the state college trustees and presidents, hiring an expensive lobbying firm using taxpayers money and student tuition to lobby for this bill. So we'll have nine law firms and nine lobbying firms where before we had the AG and the BHE. As you know, neither lobbyists nor lawyers come cheap, and those billable hours just pile up.

With the Governor's planned cuts in the college budgets, the colleges will hire new fundraisers to develop endowment money to replace the lost state funding. The fundraisers will all be expected to bring in that big one-hundred-million-dollar fish. They'll have staffs and offices and expenses and most of our colleges will spend more on the fundraisers than the fundraisers raise.

In addition to a great waste of the taxpayers' money, this bill will bring to New Jersey's institutions of higher learning what deregulation brought to the savings and loan industry: corruption and scandal. S&L deregulation resulted in a great loss of public confidence in our banking institutions and created a situation in which corrupt individuals discredited the reputation of bankers everywhere. Our Union does not want the same thing to happen to the colleges and universities of New Jersey, where we work.

This bill will give the state college presidents and trustees unchecked power at the institutional level, with no oversight and no accountability. I urge the legislature to provide some checks, some oversight, some accountability.

Giving the colleges the power to hire their own attorneys, rather than requiring them to use the Attorney General's office, will permit mismanagement and corruption to

proliferate. When a college is guilty of mismanagement or of corrupt practices, it will be able protect itself, at taxpayers expense, with a private law firm paid to say that the college administration has done no wrong. Instead of a lawyer from the AG's office, who will become aware of the extent of the administrative errors or wrongdoing and advise the college to cease and desist from its inept or unlawful ways, the college will have a mouthpiece paid to look the other way and defend the client, no matter what.

The bill transfers to the colleges thousands of acres of public land. Think of the possibilities for mistakes and corruption in this area! As college budgets are cut, the colleges will want to make "creative" use of their valuable real estate—by selling it, leasing it, mortgaging it, or developing condominiums or industrial parks. This giveaway of the people's land to presidents and trustees to sell off or trade for favors is simply astounding.

Think of the temptations! Corporation X needs some land to buy or lease. Trustee Y has a son or daughter who needs a corporate job. Or think of the fundraising possibilities. College Z needs corporate gifts to replace reduced state funding and has valuable land to trade for them. The corporation gives the gift or makes the grant. The college leases or sells the land in exchange at far less than market value. Everyone wins—except of course the taxpayers.

Stop the giveaway of public land. Amend the bill.

If you think that this prediction of corruption as a consequence of the bill is just "doom and gloom," consider the Trenton State College housing scandal. Student tuition money was used to purchase and renovate expensive houses in which top administrators lived rent free, including the vice president in charge of the program. In response to a citizens' suit over the program, the Board of Higher Education stepped in and curbed the worst abuses. Eickhoff hired Jane Kenny's sister to defend him. He certainly got his money's worth. If this bill is enacted as is, he will never have to worry about anyone looking into his scandalous policies and practices again, whether the Board of Higher Education or the Attorney General's office.

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

In other words, the colleges will charge whatever the market will bear. The result will be that middle-income students will be hard hit with sharp increases in tuition. Because most middle-income students cannot afford to travel very far, they will be forced to pay what the presidents charge or not go to college. Since tuition is a user tax, escalating tuitions will undercut the Governor's promise to cut taxes. If you are committed to cutting taxes, you must assume responsibility in this area.

I urge the legislature to take the responsibility to establish tuition policies that are in the public interest—policies that provide the access and affordability that are consistent with a democratic society committed to keeping the door of higher educational opportunity open. Amend the bill to give the legislature the authority to oversee tuition policies.

Currently that responsibility belongs to the Board of Higher Education. The Board over the years has been committed to reasonable tuition in the interests of maintaining access, particularly for low and moderate-income citizens, who make up the majority of our state college students.

Keep in mind that part-time students are not covered by the Tuition Aid Grant program. Most of our adult students, those 25 years and older, go to college part-time and have to pay the full cost of tuition, without financial aid. Adult students are going to college in increasing numbers to retrain for the new high technology, information, service economy. Don't let our campuses shut them out. Amend the bill.

COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



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DONALD SILBERMAN
President

The attached amendments to S-1118 are respectfully submitted for consideration by the Council of New Jersey State College Locals, American Federation of Teachers, AFL-CIO, on behalf of the 3200 faculty and professional staff in the nine State colleges.

5X

Senate Committee Amendments

to

Senate Bill No. 1118

Amend:

Page	Sec.	Line	
2	6	21	After "institution" insert ", "
2	6	24	After "improvements" insert ", all"
2	6	41	After "Division" omit ";" and insert "." Add an additional sentence as follows: "This section shall not be construed to modify or limit the scope or effect of grievance procedures negotiated pursuant to the "New Jersey Employer-Employee Relations Act," P.L. 1941, c.100 (C.34:13a-1 et seq.);"
2	6	43-54	Omit entire subsection (h)
3	6	1-3	Omit entire subsection (h)
3	6	10-15	Omit "These powers and duties are in addition to and not a limitation of the specific powers and duties provided for the governing board of each public institution under chapters 64, 64A, 64C, or 64E of Title 18A of the New Jersey Statutes. If the provisions of this section are inconsistent with these specific powers and duties, the specific powers and duties shall govern."
7	15	25	After "policies;" omit "and"
7	15	27	After "year" insert "; i. qualifications for rank; j. concurrent academic rank; k. adjunct faculty and visiting specialists; and l. academic freedom
7	15	29-30	Omit "for a period of one year from the effective date of this act or"
7	15	30	Omit ", continued"

6X

Senate Committee Amendments

to

Senate Bill No. 1118

Amend:

Page	Sec.	Line	
7	15	31	Add an additional sentence as follows: "All functions, powers and duties vested in the Board of Higher Education by Chapter 6A of Title 9 of the New Jersey Administrative Code are transferred to and assumed by the Commission; all functions, powers and duties vested in the Chancellor by Chapter 6A of Title 9 of the New Jersey Administrative Code are transferred to and assumed by the Executive Director of the Commission."
7	16	32-36	Omit entire subsection and insert the following sentence: "16. (New Section) a. Nothing in this amendatory and supplementary act shall be construed or interpreted to contravene or modify the provisions of the "New Jersey Employer-Employee Relations Act," P.L. 1941, c.100 (C.34:13a-1 et seq.) or to limit or restrict the scope of negotiations as provided pursuant to that law."
12	33	52	Add an additional sentence as follows: "Notwithstanding the provisions of any law to the contrary, employees in public institutions of higher education who were determined by the board of higher education to be eligible to participate in the alternate benefit program shall continue to be eligible to participate in the alternate benefit program, and future employees employed in the titles of such eligible employees shall also be eligible to participate in the alternate benefit program."

7X

Senate Committee Amendments

to

Senate Bill No. 1118

Amend:

Page	Sec.	Line	
32	96	44	After "Education,] " insert " <u>, subject to the regulations of the Commission and in accordance with law,</u> "
32	96	47	After "Education,] " insert " <u>, subject to the regulations of the Commission and in accordance with law,</u> "
33	96	33	After "required and" insert " <u>, subject to the regulations of the Commission and the provisions of the "New Jersey Employer-Employee Relations Act," P.L. 1941, c.100 (C.34:13a-1 et seq.),</u> "
33	96	34-35	Omit "[adopted by the Board of Higher Education, and concurred in by the Governor,]" insert " <u>adopted by the [Board of Higher Education] Commission, and concurred in by the Governor,</u> "
33	96	36	Omit "[salary policies]" insert "salary policies"
34	96	37-38	Omit "and shall limit the percentage of the educational staff that may be in any given classification" insert "[and shall limit the percentage of the educational staff that may be in any given classification]"
35	97	7-9	Omit "[and within the general policies and guidelines set by the board of higher education]" insert "and within the [general policies and guidelines set by the board of higher education] <u>regulations of the Commission and in accordance with law</u> "
36	102	25-35	Omit entire section

8X

Senate Committee Amendments

to

Senate Bill No. 1118

Amend:

Page	Sec.	Line
134	305	11

Insert new section as follows:

"305. Section _____ of P.L. 1967, c.271

(C.18A:60-4) is amended to read as follows:

Whenever any civil action has been or shall be brought against any professor, associate professor, assistant professor, instructor, supervisor, registrar, teacher, or any other person employed in a teaching capacity[, by the state board or by the commissioner,] in any public institution of higher education or in Marie H. Katzenbach school for the deaf [or in any other educational institution under the control of the state board, or by the department of higher education, or by the board of trustees of a state college or of the Newark college of engineering, or, by any other institution of higher education, coordinated by the board of higher education,] for any act or omission arising out of and in the course of the performance of the duties of such office, position or employment, the state shall defray all costs of defending such action, including reasonable counsel fees and expenses, together with costs of appeal, if any, and shall save harmless and protect such person from any financial loss resulting therefrom; and the state may arrange for and maintain appropriate insurance to cover all such damages, losses and expenses.

136	305	11	Omit "305" insert "306"
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136	305	15	Omit "N.J.S. 18A:60-4"
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9X

STATEMENT

These amendments are necessary to preserve the academic freedom of state college faculty, to preserve collective bargaining rights of unions representing state college employees, and to assure that the statewide collective bargaining units in the state colleges will not be broken up.

10X

RESTRUCTURING HIGHER EDUCATION

Testimony by Darryl G. Greer
Executive Director
New Jersey State College Governing Boards Association

Presented Before the
Joint Assembly and Senate Education Committee
May 26, 1994

Thank you for the opportunity to address the joint committee today to discuss the position of New Jersey's nine state colleges with respect to A-75/S-1118 which will restructure higher education coordination. My name is Darryl Greer and I serve as Executive Director of the New Jersey State College Governing Boards Association (GBA), a nonprofit, nonpartisan body established by law to advocate and support the interests and needs of the state colleges.

Let me first share the Association's unequivocal support for the need to restructure state-level policy coordination of New Jersey's higher education system by assigning primary accountability for the visionary development of higher education to the campus governing boards.

Soon after the Governor's proposal was announced, New Jersey's nine state college presidents issued the attached press release (Attachment I) which affirmed their endorsement of the proposal's concept on its merits. These college leaders, many of whom will testify on this matter, remain firm in their position expounded March 22 on the proposed restructuring.

On March 31, the Executive Committee of the GBA adopted a resolution (Attachment II) endorsing an Association position to work cooperatively in a nonpartisan manner with the Governor's Advisory Panel on restructuring state-level and campus relationships based on principles of equal opportunity and excellence, inter-institutional cooperation, and achieving improved performance and accountability through maximum campus autonomy, with appropriate checks and balances. The entire Association affirmed this position on April 21. Another resolution strongly endorsing maintenance of access and equal educational opportunity programs was adopted by the Association on May 4 (Attachment III).

The GBA has been reviewing carefully the critical state-level policy issues that are addressed in the restructuring legislation before you. The pace of change has been quick, but that does not mean that it is in the wrong direction. Unfortunately, there has been an inordinate amount of misinformation generated by opponents to restructuring state-level coordination. For example, predictions of runaway tuition and unchecked sale of state property are extreme and unsupportable charges that cross the line of constructive public debate, to hyperbolic fear tactics. Rather than dismantle state-level and campus accountability for educational results, the bill clearly provides for substantial accountability as follows:

- Strong nonpartisan advocacy for higher education will rest with the Commission on Higher Education, as well as with boards of trustees. Similar to the current Board of Higher Education and consistent with other states' higher education coordinating boards, the Commission will consist of distinguished lay citizens.
- The Commission, aided by the Presidents' Council and its staff, and headed by an executive director, will be responsible for planning, research and data collection needed to provide for state-level accountability.
- Coordination and inter-institutional cooperation will be achieved for all institutions --- two-year and four-year, public and private --- through the Presidents' Council.
- Quality assurance, including review of certain programs and institutional missions, and licensure will rest with the Commission on Higher Education and the Presidents' Council.

- Access and equal opportunity programs will be maintained with a strengthened policy voice for the Educational Opportunity Fund in the new Commission. Student aid delivery will not be changed under the bill.

During the past months of review and deliberation on the future of New Jersey higher education, eight key principles have guided our Association's policy decisions. I offer them to you as you deliberate this important legislation.

- Higher education serves the public good;
- Equal opportunity, access and affordability must be driving goals within the new structure;
- Strategic vision for higher education to serve the public is more important than bureaucratic regulation, and redundant checks and balances, at this point in higher education development in New Jersey;
- Accountability is best achieved by maximum investment of responsibilities and trust in local campus governing boards (*i.e.*, greater self-governance);
- Minimal governmental interference must be exercised, recognizing the competence of colleges to define and achieve distinctive missions in service to New Jersey, while also recognizing maintenance of key state-level functions such as licensure and student aid;
- Vision and policy development must be nonpartisan; bipartisan governmental leadership is necessary to achieve the vision;

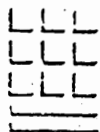
- Inter-institutional cooperation on peer evaluation of academic programs will make institutions more effective; and
- Integrated educational policy development (K-12 and higher) must be based on an overall state strategic approach to meeting the citizens' needs.

A-75/S-1118 should incorporate these principles as a means of providing for coordination of higher education which is modern, relevant to today's postsecondary environment, both affordable and accessible, free of bureaucratic controls and void of inappropriate political influences.

In closing, A-75/S-1118 speaks to the unique opportunity being presented to the state's colleges and universities. New Jersey's strategic need for an educated workforce that contributes to the state's economic and democratic development requires a vision and a plan that focuses on the value of investing in higher education, that determines our shared responsibilities for maintaining the investment, and that decides how, together, all stakeholders will be accountable for success. We have, together, a unique opportunity to forge a new "social contract" for New Jersey's citizens and their colleges and universities.

On behalf of the New Jersey State College Governing Boards Association and the nine colleges we serve, I offer our support in your efforts to enact the legislation required to achieve the orderly restructuring of the state's higher education enterprise.

Thank you.



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ROWAN COLLEGE OF NEW JERSEY
THOMAS EDISON STATE COLLEGE
TRENTON STATE COLLEGE
WILLIAM PATERSON COLLEGE OF NEW JERSEY

FOR IMMEDIATE RELEASE

CONTACT: Darryl G. Greer or Paul Shelly (609) 989-1100

March 22, 1994 -- The nine state college presidents yesterday held their regular monthly meeting. A significant item on the agenda was the Governor's budget proposal, which includes restructuring state-level policy coordination of New Jersey higher education by assigning primary accountability for visionary development of higher education to the campuses. The proposal creates new accountability structures and eliminates the Department and Board of Higher Education.

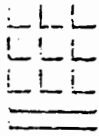
The presidents uniformly endorse the proposal's concept on its merits. By empowering each campus trustee governing board with the responsibility to achieve its institution's educational and public service missions to New Jerseyans, the presidents view it as implementation of self-governance granted by the state eight years ago.

Nevertheless, questions have arisen from campus constituencies regarding how the restructuring proposal might affect major policy issues that are the cornerstone of the state colleges: access, affordability, and excellence. The presidents emphasized that the proposal, in concept, strengthens the state colleges' long-standing commitment to equal opportunity to high-quality, affordable college education. While the presidents acknowledge that much work needs to be done to ensure that the transfer of key higher education functions supporting equal educational opportunity is accomplished in an orderly fashion, they are confident that the colleges' commitment to access and affordability will prevail.

In this regard, the presidents discussed their ongoing commitment to effective advocacy and administration of the state's EOF (Educational Opportunity Fund) programs and student financial assistance grants, scholarships, and loan programs -- all of which ensure so many New Jerseyans access to a college education. They asserted that, in helping the Governor, the legislature, and other parties to achieve the proposal, they will remain steadfastly committed to the principles guiding programs such as the EOF that have made New Jersey so successful in providing college opportunity. Furthermore, the presidents pledged to continue to communicate vigorously their position, in view of the broader campus community's natural concerns about how it is affected by the proposal.

The presidents contend that the restructuring proposal provides the higher education community with an opportunity to place the future of New Jersey colleges and universities and their service to the state on the "front burner" as a high priority public issue. They remain fully committed to working with the state's entire leadership in a nonpartisan manner to achieve bipartisan support for the proposal. Individually and collectively, the presidents are consulting with all concerned parties to ensure that the public's higher education agenda continues to be achieved in an effective manner.

The presidents' council is a group within the New Jersey State College Governing Boards Association (GBA), a nonprofit, nonpartisan, nongovernmental organization created by the state legislature in 1985 to advocate and support the nine state colleges: Jersey City, Kean, Montclair, Ramapo, Rowan, Richard Stockton, Thomas Edison, Trenton State, and William Paterson.



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RESOLUTION 94-03-01

A Resolution Adopting an Association Position on the Governor's Proposal to Restructure Higher Education

- WHEREAS:** On March 15, 1994, Governor Whitman submitted the administration's FY 1995 budget proposal to the legislature; and
- WHEREAS:** The budget proposal includes elimination of the Department of Higher Education (DHE) and the Board of Higher Education (BHE); and
- WHEREAS:** The Governor recommends a new structure for coordination of New Jersey higher education to replace the DHE/BHE; and
- WHEREAS:** Coordination, accountability, and the absence of partisan political interference are critical to maintain the public's trust and the integrity of New Jersey higher education; and
- WHEREAS:** On March 30, 1994, Governor Whitman promulgated *Executive Order #14* creating an advisory panel on higher education restructuring;

Now therefore be it

- RESOLVED:** That the GBA is committed to assisting the advisory panel in developing a restructuring plan to focus on the future of New Jersey higher education and how higher education service to New Jerseyans can be strengthened and improved; and, given the Governor's proposal, to restructuring state-level and campus relationships based on the principle of achieving improved performance and accountability through maximum campus autonomy with appropriate checks and balances; and *be it further*
- RESOLVED:** That in defining and advocating structures and processes to achieve this goal, the GBA will adhere to the principles of nonpartisan policy development and bipartisan support for higher education, to the principle of inter-institutional cooperation, and to principles of equal educational opportunity and excellence which are a strength of New Jersey higher education; and *be it further*

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RESOLVED: That the Association strongly advises that the transition from the current coordinating structure to any prospective structure coordinating New Jersey higher education be accomplished in a manner that does not disrupt the integrity or delivery of educational service to New Jerseyans; and that all of the current responsibilities of the DHE/BHE and other agencies continue until they are rescinded, revised or transferred; and *be it further*

RESOLVED: That the Association advocates FY 1995 state appropriations that provide funds adequate to support each state college mission, including the enhanced responsibilities included in the Governor's budget proposal; and *be it further*

RESOLVED: That the executive director is directed to take actions to achieve these goals and to keep the Association informed regarding progress toward both budget and restructuring goals, and to advise the Association regarding any future actions that need to be taken.

Adopted: March 31, 1994

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KIMMY COLLEGE OF NEW JERSEY
THOMAS EDISON STATE COLLEGE
TRENTON STATE COLLEGE
WILLIAM PATERSON COLLEGE OF NEW JERSEY

RESOLUTION 94-05-01

A Resolution Adopting an Association Position on Supporting Equal Opportunity, Access, Affordability and Achievement

- WHEREAS:** Equal opportunity, access, affordability and achievement are cornerstones of the missions of New Jersey's state colleges; and
- WHEREAS:** The state colleges, as a matter of public policy, are unequivocally committed to equal opportunity for all New Jersey citizens and to initiatives that support access and affordability, such as New Jersey's Educational Opportunity Fund (EOF) and Tuition Aid Grant (TAG) programs; and
- WHEREAS:** The state colleges advocate that Governor Whitman's restructuring proposal preserve and strengthen student aid and opportunity policy and programs; and
- WHEREAS:** The Governor's executive order creating an advisory commission on the restructuring proposal expresses a continuing commitment to opportunity and student financial aid programs;

Now therefore be it

- RESOLVED:** That the Association directs staff to ensure that GBA communicates vigorously its steadfast support for the state's EOF and other financial assistance programs, as well as GBA's support for incorporating a strong representative voice for policy advocacy of opportunity and student aid programs into the new structure; and *be it further*
- RESOLVED:** That this Resolution be sent to the Governor, legislative leaders, and the higher education community, and distributed to the state news media.

May 4, 1994

19X

TESTIMONY OF DR. ANA MARIA SCHUHMANN
TO THE JOINT LEGISLATIVE HEARINGS OF THE
EDUCATION COMMITTEES

My name is Ana Maria Schuhmann and I am the Dean of the School of Education at Kean College of New Jersey. I appreciate the opportunity to discuss with you Governor Whitman's proposal to restructure higher education.

The School of Education at Kean is the second largest producer of teachers in New Jersey. The School's graduate and undergraduate programs are fully accredited by the National Council for the Accreditation of Teacher Education (NCATE). Kean's School of Education recognized strengths are its commitment to diversity and its creative and innovative partnerships with the public schools, in addition to the quality of its academic offerings.

Kean's School of Education is at the cutting edge in the efforts to prepare school personnel. The faculty have designed and implemented new initiatives which create learning communities composed of public school teachers, college faculty, student teachers, administrators and parents. These partnerships have been nationally recognized and

partially funded by foundations and corporations such as the DeWitt Wallace-Reader's Digest Fund, Andrew Mellon, Geraldine Dodge, AT&T, Hoffman LaRoche, Prudential, Exxon, the U.S. Department of Education, etc. The collaborative programs include in addition to pre-service and in-service education of teachers, training for child care center staff, for paraprofessionals in the public schools, etc.

Through the years, the School of Education at Kean College has enjoyed very good relations with the New Jersey Department of Higher Education. Through collaborative efforts with the DHE, the School of Education at Kean has implemented numerous innovative programs designed to alleviate the high school drop-out rate of Latino students; to attract minorities into the teaching profession; and to increase the Mathematics and Science background of teachers.

Let me state at the outset that I endorse in principle the Governor's proposal with the understanding that we must all work together to insure that college students in New Jersey are provided the best quality education at an affordable cost.

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My colleagues at Kean College will talk about the advantages of the Governor's proposal in the area of new program development and program review; in the area of capital improvements; in the area of technology; and in the articulation with community colleges. These are areas that apply to all of our schools at Kean and are areas which stand to benefit from the Governor's proposal. My remarks will focus on College Bound programs (previously called pre-college programs).

The School of Education at Kean has administered and implemented a College Bound program which has been a very successful strategy for the recruitment of African American and Latinos into teacher education.

Kean's College Bound program, Project Adelante (Onward!), has received national recognition and many awards such as the prestigious Christa McAuliffe Award from the American Association of State Colleges and Universities (AASCU). Project Adelante is designed to encourage Latino students to graduate from high school and enter higher education. The program began at Kean in 1987 with the recruitment of

83 5th, 6th, and 7th graders from the Perth Amboy Middle Schools. It now serves close to 200 students from Perth Amboy, Elizabeth, and Passaic. A federal grant has allowed duplication of the program for the additional 100 middle school youngsters from the Newark public schools.

Adelante has been extremely successful in achieving its goals. The students who were in the 7th grade in 1987 completed high school in May 1993. A longitudinal study funded by the Andrew Mellon Foundation shows that 92% of that cohort completed or will complete high school this year (some are in the five year plan).

The Pre-College or College Bound programs in New Jersey are funded by the State and are partnerships between institutions of higher education and the public schools. These are critical academic programs addressing a tremendous concern: that of increasing the number of African American and Latino students in our institutions. College Bound programs have demonstrated significant results and have provided urban students with academic skills, motivation to continue learning, an

orientation to college and college careers, and perhaps most importantly hope for their future.

On behalf of the thousands of pre-college students who have benefitted from College Bound programs, I urge the legislature to continue the funding of these programs. Continuity and stability are of utmost importance to insure that African American and Latino students in urban schools graduate from high school and enter New Jersey colleges. I also urge you to see that oversight of the College Bound Program be given to the Commission of Higher Education and that it continue to be an independent program.

The central point in our concern is this: We know that the pre-college programs work. So we are now at a critical juncture: The opportunity to restructure higher education is also a key opportunity to look at how to make the pre-college programs work better, and to assure that the colleges, which must ultimately assume responsibility for undergraduate education of students, play a defining role in the structuring and implementation of the pre-college experience. For the

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sake of these students--and of our institution--our goal must be to make the pre-college to college transition as seamless and logical a progression as our talents and resources in education allow.

Let me say in closing that the School of Education at Kean College is committed to preparing the best teachers for our very diverse public education system. We are also committed to educational equity and to assisting the surrounding urban schools in their task of educating those young people who will become New Jersey's college students and the State's workforce. We welcome the challenge afforded to us by Governor Whitman's proposal and pledge our full cooperation to the restructuring of our higher education system.

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**TESTIMONY PRESENTED AT PUBLIC HEARINGS ON
GOVERNOR WHITMAN'S PROPOSAL TO
RESTRUCTURE THE DEPARTMENT OF
HIGHER EDUCATION**

**HEARINGS CONVENED BY NEW JERSEY STATE
SENATE EDUCATION COMMITTEE AND THE
ASSEMBLY EDUCATION COMMITTEE**

**TESTIMONY PRESENTED BY
DR. BETTY W. BARBER, DEAN
SCHOOL OF NATURAL SCIENCES,
NURSING AND MATHEMATICS
KEAN COLLEGE OF NEW JERSEY**

DATE: MAY 26, 1994

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**TESTIMONY OF DR. BETTY W. BARBER, DEAN
SCHOOL OF NATURAL SCIENCES, NURSING AND
MATHEMATICS**

KEAN COLLEGE OF NEW JERSEY

MAY 26, 1994

Senator Ewing, Assemblyman Rocco and members of the committee, I want to thank you for the opportunity to present my views on Governor Whitman's proposal to restructure Higher Education. As one on the front line in Higher Education for almost twenty years, my views have been shaped by personal experience in Higher Education at the University of Pittsburgh, Rutgers University and now at Kean College of New Jersey. I am Betty Barber and I am the Dean of the School of Natural Sciences, Nursing and

Mathematics. Senator Ewing, on a personal note, and as a resident of Somerset County for nearly 15 years, I want to personally commend you for your commitment to the cause of education, and your leadership in convening these hearings.

The focus of my testimony will basically deal with (3) areas and will concentrate on the positive impact the proposed restructuring of The Department of Higher Education will have on my school. The three areas I will address are:

- 1. Approval for new Programs**
- 2. Articulation agreements with other colleges including community colleges.**
- 3. Cooperative Education Partnerships**

First, I want to briefly share with you some information about my school -- its mission, goals and achievements. The School of Natural Sciences, Nursing and Mathematics consists of an array of programs in the sciences, including Mathematics and Computer Science and the Health Professions. The mission of our school is consistent with the overall college mission and includes a commitment to provide a quality education to a diverse student population in the sciences and health professions. Overall goals of the school include expanding and strengthening programs and activities that support access and persistence; improving faculty development and research support; fostering a more supportive environment for Adjunct Faculty and enhancing the availability and utilization of educational equipment including computers and computer labs. Programs housed

within the school are characterized by special needs for instructional support that result in high cost per student. Notwithstanding, tight budgetary constraints over the past few years, departments have realized a number of accomplishments.

A. The Sciences: The Biology Department recently implemented a new Biotechnology Option to keep pace with rapid changes in molecular biology and genetic engineering. The Chemistry-Physics department offers an excellent program accredited by the American Chemical Society. The Geology/Meteorology department supports a National Award winning student weather forecasting team. Mathematics/Computer Science has computerized all calculus courses through a

grant which provided support for this project. They also received a grant to strengthen programs to help students succeed in Algebra and Pre-Calculus through implementation of the "Triesman Model" of instruction. In addition, our Computer Science Program continues to experience a level of success with their Cooperative Education Programs. A recent survey of computer science alumni revealed that many of them are holding lucrative positions throughout New Jersey.

B. Health Professions - Kean College is widely recognized as flagship for the health professions. Our Medical Technology Program is the largest in the state and supplies Medical Technologists to a large number of New Jersey hospitals, clinics, and

pharmaceutical houses. The Department of Medical Record Administration offers the only accredited program in the state leading to a bachelor's degree. Occupational Therapy, like Medical Record Administration, is the only program in the state and its faculty are nationally and internationally recognized. Physical Therapy is a highly competitive program operated jointly with the University of Medicine and Dentistry. Finally, our Nursing Program is an upper division program leading to a BSN. Recently the department received a three year grant from Robert Wood Johnson in collaboration with three other institutions to increase the number of minority nurses with a bachelor's degree.

The Governor's proposal to restructure Higher Education, thereby, giving the college presidents along with their respective Board of Trustees total autonomy to operate and manage their institutions has many positive benefits. In my view, greater autonomy will permit each institution the opportunity to explore more creative and innovative ways to carry out its unique mission in the most efficient, cost-effective manner to assure its graduates a relevant quality education. The challenge for the School of Natural Sciences, Nursing and Mathematics is to assure that graduates of disciplines in the sciences and health professions are prepared to perform in a complex high-tech environment as we move into the 21st century. The proposed restructuring will afford the school a better opportunity to meet this challenge in the following ways:

1. Approval Process for New Programs

Three programs in the health professions (Nursing, Occupational Therapy and Physical Therapy) over the past 3-4 years have submitted Program Approval Documents (PAD) for Master of Science Programs. Each of these masters' proposals has received approval by our Board of Trustees over this period of time, but have not received final approval from DHE.

The need for a more expeditious process for program approval is supported by the Governor's proposal. I want to acknowledge that the support provided by DHE in the current structure has been helpful by identifying areas of concern and offering recommendations to assure quality relevant programs. However, I believe the final evaluation

and scrutiny of new programs can be effectively performed by our Board of Trustees in a more timely and responsive manner.

2. Articulation Agreements with other Colleges, including Community Colleges.

Over this past year, programs in the sciences and health professions have begun the process of reviewing and updating current articulation agreements with the various New Jersey Community Colleges. The need for new and creative approaches to maximize the effectiveness of our educational resources is imperative. The restructuring of Higher Education would allow colleges to explore and negotiate more expanded innovative articulation arrangements with other colleges and universities. Under the

new structure, decisions involving shared resources among and between institutions of higher education including decisions on joint admissions policies, and the offering of joint degrees can be made at the college level.

It is becoming increasingly difficult to find clinical placements for our Medical Technology students as many hospitals are closing these programs. We are currently in discussion with UMDNJ regarding becoming a member institution in their consortium of programs offering a joint degree in Medical Technology and other related disciplines. Also, our school is experiencing a tremendous strain on our financial and physical resources due to the large number of students with developmental mathematics requirements. Peer Tutoring and laboratory support for these students are

very costly. Exploring articulation agreements with community colleges that may include a joint admission process that would allow students to complete their remedial requirements prior to matriculating at Kean could be an innovative approach to pursue. The Governor's proposal gives the colleges the authority to explore and make decisions on these types of collaborative arrangements.

3. Cooperative Education Partnerships

Several programs in the school have students involved in a Cooperative Education experience. These experiences are an important part of the students preparation to enter the work force. Expanding corporate relationships will enable our students to remain on the "cutting edge" of new research and technology and not be by-passed by the "super information

highway" due to obsolete equipment and yesterday's technology.

The Governor's proposal gives the colleges the autonomy to explore a variety of innovative partnerships with the private sector and provide educational experiences for our students that will bridge the gap between the classroom and the real world. Formal collaboration agreements could include such things as joint faculty/staff appointments and shared physical and equipment resources.

Rutgers Council of AAUP Chapters

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STATEMENT OF MARY GIBSON
PRESIDENT OF THE
RUTGERS COUNCIL OF AAUP CHAPTERS
BEFORE THE JOINT EDUCATION COMMITTEES
MAY 26, 1994

I want to thank the Education Committees for the opportunity to discuss the proposed restructuring of New Jersey higher education.

I am the President of the Rutgers Council of AAUP Chapters, which represents approximately 4,200 teaching and research personnel at Rutgers. I am also the first vice president of the National American Association of University Professors, which represents 42,000 faculty members throughout the country.

Attached to my testimony is a press release and resolution recently passed by the National Council of AAUP. The two paragraphs of the national AAUP resolution summarize concisely the reasons why Governor Whitman's proposal to abolish the Board and Department of Higher Education, and the Chancellor's office, is mistaken. I would like to read the text of the resolution into the record.

(Resolution text)

One of the most disturbing aspects of the Governor's proposal, from an AAUP standpoint, is the effect that the assertion of

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direct political control of higher education is already having on academic freedom and institutional decision making.

A large number of college presidents and trustees are afraid to speak out, other than anonymously in the press, against the Governor's plan. Apparently it is accepted as fact by this group that dissent will invite budgetary retribution against their institutions.

Several faculty members have suggested to Rutgers AAUP that even though the decision making process and restructuring plan spell disaster for higher education, we should not challenge the proposal because the Whitman Administration could retaliate against our university.

If some presidents, trustees and faculty already feel that they cannot speak freely about an issue so central to their institutions, how will they react in the future to the demands of political figures that certain courses not be taught on their campus? Will they be able to resist demands from powerful politicians that particular books be removed from college libraries, or that faculty with controversial viewpoints not be hired or tenured? In short -- are academic freedom and sound educational decision making going to be sacrificed in order to please the political leaders of the day? It seems that the answer is yes.

As supporters of academic freedom and the right of educators to present dissenting views, we renew our support for the appointment of an independent blue-ribbon panel to study the higher education coordination and oversight structure in New Jersey.

Thank you for your time today.

FOR IMMEDIATE RELEASE : May 3, 1994

AMERICAN
ASSOCIATION
OF
UNIVERSITY PROFESSORS

AAUP

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NEWS RELEASE

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AAUP Asks Governor of New Jersey to Rescind Order Abolishing
Board, Department, and Office of Chancellor of Higher Education

Washington, D.C. — The American Association of University Professors (AAUP) has called upon New Jersey Governor Christine Todd Whitman to rescind her action to abolish by July 1 the Board, the Department, and the office of Chancellor of Higher Education.

In a letter sent to the governor on May 2, AAUP President Linda Ray Pratt wrote, "I urge you to...reconsider whether the nature of your recent recommendations can produce the cooperation and wisdom needed to enhance the quality of higher education in your state." "Democratic processes of government are perhaps more complex and time consuming than unilateral pronouncements," President Pratt observed, "but they are how our leaders govern instead of rule."

A resolution opposing Whitman's action adopted by the National Council of the AAUP on April 24 was sent with the letter. (A copy of the resolution is attached). It expresses the Association's concern with the "precipitous and unilateral nature of the decision" to abolish the higher education structures. Governor Whitman's decision was made, in the words of the resolution, "without proper consultation with higher education and without comprehensive or systematic study or deliberation in an open process." This action, according to the Association, "violates the procedures fundamental to insuring the quality and integrity of public higher education in a democratic society."

The AAUP in its resolution says the governor's unilateral action has the "appearance of political intrusion that threatens the ability of educators to set policies and make decisions based on

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academic values. Neither educators nor the public can feel confident that the quality of education will be protected when values basic to our institutions are ignored."

The resolution urges the governor to proceed more slowly and seek advice and comments from the academic community. "In the interest of academic freedom, the quality of education, and the right of educators to express dissenting views, and the freedom to be innovative, creative, and diverse in the development of our institutions of higher education," the resolution concludes, "the AAUP calls on Governor Whitman to rescind her untimely and unstudied recommendation."

AAUP, founded in 1915, is the only national organization exclusively representing college and university faculty members. The Association is dedicated to defending the principles of academic freedom and tenure and to establishing sound academic standards ensuring due process. AAUP represents more than 42,000 faculty members at colleges and universities throughout the country. For more information, contact Iris Molotsky, 202-737-5900, Ext. 3008.

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AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

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LINDA RAY PRATT
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General Secretary:

ERNEST BENJAMIN

RESOLUTION

Passed by the National Council of the American Association of University Professors
April 24, 1994

The National Council of the American Association of University Professors is deeply concerned about the precipitous and unilateral nature of the decision by the newly elected governor of New Jersey, Christine Todd Whitman, to abolish the Board, the Department, and the office of Chancellor of Higher Education. Any decision fundamentally altering the structure of a statewide system of higher education demands consultation with and advice from the higher education community in order to guarantee that issues of quality and academic freedom are addressed. Governor Whitman's decision came without proper consultation with higher education and without comprehensive or systematic study or deliberation in an open process.

The nature of Governor Whitman's decision violates the procedures fundamental to insuring the quality and integrity of public higher education in a democratic society. Such a unilateral action appears to be a political intrusion that threatens the ability of educators to set policies and make decisions based on academic values. Neither educators nor the public can feel confident that the quality of education will be protected when values basic to our institutions are ignored. In the interest of academic freedom, the quality of education, the right of educators to express dissenting views, and the freedom to be innovative, creative, and diverse in the development of our institutions of higher education, the AAUP calls on Governor Whitman to rescind her untimely and unstudied recommendation.

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LOCAL 1031, AFL-CIO Communications Workers of America

4 Culver Road □ Monmouth Junction, NJ 08852 □ (908) 274-2171 □ Fax (908) 274-0154

May 27, 1994

Good morning members of the Senate and Assesmbly Education Committee. My name is Abby Demel-Brown and I am President of CWA Local 1031 representing the non-academic support staff at the Department of Higher Education, the nine state colleges and the supervisory staff at the University of Medicine and Dentistry.

I am also the Treasurer of Challenge 2000, a coalition group of faculty, and support staff of over 20,000 and 50,000 students. It is in this capacity that I would like to present the Committee with our Challenge 2000 white paper in response to the Governor's Advisory Panel's Restructuring Report.

Our report is entitled "If It Ain't Broke . . . Don't Replace it." This is a factual, well documented, 19 page study which concludes "that there are no good budget or policy reasons to abolish the Board, Department and Chancellor of Higher Education. Rather, the Governor's objective is to clear the way for radical cuts in the State support for Higher Education in future budget years and to minimize the political damage when these cuts occur."

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I also want to point out that in Appendix A. on page 18 from 1985 through 1990, 27 states conducted major studies of their higher education systems. Actual changes were made in less than half, and in only six states were major changes made after several months and sometimes years of debate.

Our report refers to several studies that have been conducted over the past ten years.

. . . In 1984 John Millet found that institutional autonomy was threatened by a lack of financial support and not by statewide coordinating bodies.

. . . In 1986 Frederick Volkwein found that the answer to high quality programs was "state financial support and campus size." States with good public financial support scored at the top in regard to faculty accomplishment, student achievement and research funding.

. . . In 1991, the Association of Governing Boards of Universities and Colleges endorsed statewide coordinating boards similar to the New Jersey Department of Higher Education as the best system to balance institutional and systemwide demands.

What our study could not come up with was any shred of evidence that the Board of Higher Education or the Department of Higher Education was a dysfunctional, outdated, bureaucracy that needed to be abolished.

I think you will find our white paper informative and disturbing. Please feel free to use this report as you wish.

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In reviewing Senate Bill #1118, we find several problems. Page 2, Section h. "To retain legal counsel of the institutions choosing." We believe that legal disputes will be exacerbated by hiring private attorneys. Attorneys incomes are determined by their billing hours and it is to their advantage to prolong litigation as much as possible. We believe it would be far more cost efficient to utilize the Attorney Generals Office.

On Page 5, Section 13 states that the New Jersey Commission on Higher Education shall consist of 8 public members and the Chairperson of the New Jersey Presidents Council. Fairness would dictate that a labor and student representative appointed respectively by labor and students have a seat on this commission. We would like to see specific language to this effect as an amendment to S1118.

We would also like to ensure in this bill that any support staff employed by the Commission or Council be placed in a State worker bargaining unit.

In reference to Page 7, Section 16 B. 2, we are opposed to the privatization of student loan administration because we believe experienced state workers are more cost efficient long term than outside private contractors.

We are also greatly concerned about Section 16 A, on Page 7 that the Commission will report within six months to the legislature and Governor on recommendations concerning the collective bargaining process and the Civil Service

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classification of certain institutional employees. We would like to see this section removed in its entirety. We believe that this review of our collective bargaining rights is just a prelude to removing classified workers from Civil Service coverage.

The 137 pages of Senate Bill #1118 will have such a major impact on families, students, workers and tax payers that it should not be rushed through for the sake of expediency. Thoughtful consideration and long term study will prevent a higher education disaster that is waiting to happen.

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If It Ain't Broke...Don't Replace It

**Why We Need the Department and
Board of Higher Education**

**Challenge 2000
- May 1994**

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I. Why We Need the Department of Higher Education and the Board of Higher Education

New Jersey citizens and policymakers have long recognized our state's responsibility in promoting a first-rate system of higher education. In today's global economy, this responsibility is more important than ever. Higher education is central to the economic future of our state and to economic opportunity for New Jersey residents. Increasingly, good jobs require post-secondary education.

The importance of a college education can be captured in this one statistic: the average earnings of people without a college education trail those of the college-educated by 55 percent.¹

Despite the growing importance of higher education, New Jersey ranks 48th in the nation in state expenditure on higher education as a percent of personal income. On a per capita basis, New Jersey ranks 44th.² More than in most other states, New Jersey relies on private institutions of higher education to supplement our public system.

The state's relatively low spending on higher education, high tuition and fees³, and a complex system of support to public and independent institutions place a special responsibility on the state to make best use of state resources, to avoid duplication and waste, and to manage student assistance programs to ensure affordable access to all our residents.

For over 27 years, the New Jersey Board of Higher Education (BHE) and the New Jersey Department of Higher Education (DHE) have been responsible for these complex tasks. With a \$1 billion a year budget and oversight of 31 public and 25 independent institutions, the Board and Department of Higher Education have built a comprehensive, high quality, relatively affordable post-secondary education system that is highly regarded throughout the nation. Programs such as the Educational Opportunity Fund are national models providing affordable access to higher education.

Now Governor Whitman proposes to turn the clock back on this progress by abolishing the Board and Department of Higher Education. She proposes to turn some of its responsibilities over to the Department of Treasury, others to a new Presidents' Council, still others to a

¹ Lawrence Mishel and Jared Bernstein, The State of Working America, 1992-93, Armonk, NY: M.E. Sharpe, Inc., 1993, p. 165.

² Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism. Revenues and Expenditures, Volume 2, Washington, D.C., September, 1993, p.201.

³ Annual tuition and fees at N.J. public universities is 54.6% above the national average (\$4,387 compared to \$2,838), 45.7% above the national average at public state colleges/universities (\$3,320 compared to \$2,280), and 34.0% above the national average at county colleges (\$1,651 compared to \$1,232). Source: N.J. Department of Higher Education.

- Implement policy goals through budgetary coordination.
- Ensure accountability of public monies while protecting the autonomy of institutions.
- Accord higher education high standing in state government.

The New Jersey Department of Higher Education effectively and efficiently performs these critical functions. In contrast, abolishing the DHE as Governor Whitman's proposes would:

- Put politics before education.
- Fragment and add bureaucratic layers to what is now a unified governance system.
- Separate budget and policy functions, making consistent policy implementation difficult.
- Generate few, if any, cost savings in the short-run.
- Increase inefficiencies and duplication in the system, raising costs in the long-run.
- Ordinary students from low- and middle-income families will either be forced out entirely or forced into the institutions which are losers in the competition for affluent students and state funds.
- Remove state level oversight and accountability.

This report details these arguments. We begin with an overview of what the DHE and BHE do, followed by a critique of Governor Whitman's proposed changes in the system. We then review the literature on state higher education governance, including case studies of three states the Governor holds as models for New Jersey: Michigan, Washington, and Virginia. Finally, we conclude with our analysis of what's really behind Governor Whitman's proposal -- a strategy to undermine state support for quality, affordable higher education in the state of New Jersey.

II. What the Board of Higher Education and Department of Higher Education Do

What, exactly, are the functions of the Board, Department, and Chancellor of Higher Education?

- The Board is, by statute, required to "receive all budget requests from institutions [public colleges and universities], coordinate and balance such requests, and submit a combined request for appropriations annually to the Governor." Thus the Board provides a mechanism for resolving differences among institutions and for establishing budget priorities consistent with overall educational policy.
- The Board, Chancellor, and Department serve as advocates for higher education and higher education funding with the Governor, the Legislature, and the public at large.
- The Board and the Chancellor initiate and generate political support for bond issues and other capital funding mechanisms and determine the distribution of these resources among the various institutions.
- The Board establishes public policy concerning such matters as tuition levels, enrollments, minimum admissions standards, student financial aid, affirmative action, remediation, university status, academic freedom, fiscal reporting and auditing requirements, purchasing procedures, institutional governance, administration of auxiliary corporations, requirements for faculty tenure and promotion, personnel management, ethical standards, fiscal exigencies, and a myriad of other matters. The Board issues regulations which define the limits within which the college and university administrations and boards of trustees exercise their discretion regarding these matters.
- The Board establishes new colleges, schools, units, divisions, institutes, departments, branches, and campuses, provided funding is appropriated by the Legislature.
- The Board is required by statute to develop and maintain a comprehensive master plan which shall be long range in nature and regularly revised and updated. The Board also reviews and approves the institutional plans of each State college.
- The Board licenses institutions to grant degrees, establishes minimum standards for degree granting, approves new programs and degrees and approves discontinuance of degrees and educational programs, determines the standards and procedures required for such approval, and tries to prevent undue programmatic competition and duplication.
- The Board approves major campus construction projects and determines the standards and procedures required for such approval.

- The Board, with the approval of the Governor, hires the Chancellor, who administers the Department of Higher Education, appoints its staff, and represents the Department and the public higher education community in the Governor's cabinet.
- The Board screens and, with the approval of the Governor, appoints the trustees which govern the state colleges.
- The Department administers student financial aid and loan programs, both federal and state, provides a conduit for federal funds to the institutions, and provides the quality certifications and oversight which many federally funded programs require.
- The Department conducts research on higher educational needs, collects and analyzes data concerning the operation of the institutions and the progress of students, and prepares reports analyzing and interpreting this data.
- The Board and the Department are responsible for assuring compliance of the institutions with law and regulation and investigate allegations of impropriety.
- The Chancellor and the Board, through representatives on management negotiating teams, participate in the negotiation of terms and conditions of employment for employees of the senior public institutions of higher education. The Board establishes general managerial personnel policies for the state colleges.
- The Chancellor and the Board provide initiative and leadership for new statewide policies and programs, which, in the past, have included the Economic Opportunity Fund Program (EOF), Tuition Assistance Grants (TAG), a minority career development program, faculty development programs, curriculum revision projects, competitive grant programs, urban education initiatives, the Commission on Science and Technology, computer networks, and many other programs.
- The Department provides a place in state government where the boards which govern the EOF program and advise on student financial aid policy are housed and can function effectively.
- The Board, Chancellor, and Department encourage harmonious and cooperative relationships between public and private institutions of higher education, mediate disputes among institutions and sectors and provide assistance -- sometimes formal, sometimes informal -- in resolving difficulties which, in some cases, have threatened certain institutions' very survival.
- The Chancellor and the Board act as a court of first jurisdiction in hearing and deciding appeals from actions of state and county college board of trustees, including dismissals of tenured faculty.

The Board and Department perform these functions and oversee the distribution of \$1 billion of the New Jersey's \$15 billion budget with an exceptionally small workforce. Although the Department has 284 employees, 164 of them are in federally funded positions. Of the remaining 120 employees, 52 administer student aid programs or are supported by "dedicated," special purpose funds. That leaves 68 employees to administer all of the other functions listed above.

The Department's small size and the fact that policy formulation and execution are combined in a single organizational structure have made the Department particularly efficient and effective. The staff is exceptionally dedicated and knowledgeable. In addition, successive budget cuts over the last six years have already eliminated all superfluous personnel and all nonessential functions.

III. If it ain't broke ...

Governor Whitman's decision to eliminate the Board, Department and Chancellor of Higher Education was a "bolt from the blue." While certain college presidents had expressed dissatisfaction with some of the Board's policies and complained about their alleged "lack of autonomy," there was no public hint that elimination of the Board was on anyone's agenda, and certainly no public outcry demanding such elimination.

Indeed, the funding approach and governance structure of higher education in New Jersey is nationally recognized and was recently cited as a model for the 1990s in a study commissioned by the Education Commission of the States.

Nor will there be any significant savings from eliminating the Department. The Governor's Office has made it clear that nearly all the functions of the Department will be transferred to other agencies in state government, who will either utilize transferred DHE personnel or hire new personnel to do their jobs. The Chancellor has estimated a maximum savings of less than \$1 million.

The old adage seems highly appropriate: "If it ain't broke, don't fix it."

The Governor intends to establish a Presidents' Council, consisting of the presidents of all colleges and universities, public and private, and a Commission for Higher Education consisting of "influential individuals" appointed by the Governor. Both panels would be advisory to the Governor. The core functions of the Department and Board of Higher Education would be transferred to one of these entities or to the Department of Treasury, as indicated in the chart on the next page. (Note that a "??" indicates that she has not yet indicated where these functions will be placed.)

BHE Function

Budget review and oversight

Advocacy

Bond issues and capital funding

Higher education policy formulation

Regulatory authority

New campuses, schools, branches

New programs

Master plan

Degree licensure

Campus construction

Cabinet representation

Trustee appointment

Student financial aid

Educational Opportunity Fund

Grant administration & review

Data collection and research

Enforcement of law and regulation

Employee contract negotiations

Managerial personnel policies

New systemwide initiative

Whitman Proposal

Treasury

Governor, Commission

Treasury, Governor (??)

Commission, Governor

???

Presidents' Council, Commission

Presidents' Council, Commission

Presidents' Council, Commission (??)

Presidents' Council, Commission

Institutional Trustees

None

Governor, Institutional Trustees

Higher Education Student Assistance
Authority

Commission, Higher Ed Student
Assist Authority

???

Commission, Institutions

???

Governor (???)

Commission (??)

Commission

- The Board and Chancellor have taken the lead in developing and implementing strategies to meet the needs of underprepared students, such as basic skills programs, EOF summer programs, and EOF counselling. Without central policy direction, these efforts will flounder.
- The Board and Chancellor have the authority to prevent mismanagement and corruption. They forced Trenton State to stop using student funds to buy residential property and give its vice presidents free housing. They were instrumental turning around Hudson County Community College, which had been a morass of political influence and an academic fraud. No entity will have this authority under the Governor's proposed structure.
- The new structure will be implemented July 1. Hundreds of pages of statute will have to be rewritten in less than six weeks. Given this time frame, major issues will be decided by the technicians in the Governor's and Attorney General's offices, who are even now drafting statutory language, and who have no experience with higher education.
- The Governor's Advisory Panel on Higher Education was a sham. Its charge requires it to stay within the framework already specified by the Governor. It had only one month to draft its recommendations. The real decisions are being made by those drafting the new statutes.

IV. State-of-the Art in State Coordination of Higher Education

The Governor's proposal flies in the face of more than forty years of experience and research on effective state governance of higher education. In fact, across the United States, states have found a need for a strong coordinating body to promote higher education and to coordinate effective use of state resources.

In the 1960s and 1970s, a reform movement swept across the states, replacing voluntary council of presidents-type boards or fragmented systems with non-partisan coordinating boards that put the interests of states before institutional interests. Today, 49 of the 50 states have some form of statewide coordinating body for higher education.⁵ (Wyoming, with only one state university, has no need for a coordinating agency.)

Virtually every state has some system of statewide coordination and governance for higher education. Governor Whitman is wrong when she argues that Michigan operates a voluntary coordinating system under a Council of Presidents. In fact, as we shall see below, the Michigan Board of Education serves as the coordinating agency for higher education in the state.

An early study of higher education governance before the days of statewide coordination is particularly relevant to the present debate in New Jersey. In 1959, in the first

⁵ Education Commission for the States, "State Postsecondary Education Structures Handbook, 1991."

comprehensive study of higher education governance, Lyman Glenny of the University of California critiqued the then-predominant system of voluntary coordination among college presidents. He found that

Voluntary cooperation resulted in domination by the largest and oldest institutions, maintenance of the status quo, and inadequate representation of the public interest in planning; moreover it was an ineffective means of coordinating any large number of institutions.⁶

Twelve years later, another pathbreaking study sponsored by the American Council on Education reached similar conclusions:

"...presidents can and will press only for the interests of their own institutions. Putting presidents on a council would be, in the words (of one legislator we interviewed), like 'asking the thieves to divide up the loot.'"⁷

A 1991 study by the Association of Governing Boards of Universities and Colleges confirms these earlier assessments, noting that "informal associations of institutional presidents which thrashed out issues of mutual concern were unable to handle the pressures of competing aspirations. They tended to gridlock or to resort to logrolling as the only way to maintain consensus."⁸

It was to overcome these problems that states adopted statewide coordinating agencies. New Jersey was a pioneer in this effort. In 1965, the Citizens Committee for Higher Education in New Jersey, known as the "Goheen Commission" after its chair Robert Goheen, then president of Princeton University, issued a report designed to stimulate the expansion and to improve the quality of higher education in New Jersey. To implement the findings of this report, the legislature in 1966 created the Department of Higher Education, governed by a non-partisan Board of Higher Education.

Other states have structured their coordinating bodies to meet their unique needs and traditions. About half the states--primarily Western states with small populations, relatively homogeneous sets of institutions, and small independent sectors--have adopted what are called "consolidated governing boards" structures. These boards typically have governance responsibility for public colleges and universities in addition to their statewide coordinating and planning roles.

⁶ Quoted in John D. Millett, Conflict in Higher Education: State Coordination Versus Institutional Independence, San Francisco: Jossey-Bass Publishers, 1984, p.37.

⁷ Robert Berdahl, Statewide Coordination of Higher Education, Washington, D.C.: American Council on Education, 1971, p. 63.

⁸ Patrick M. Callan, "Perspectives on the Current Status of and Emerging Policy Issues for State Coordinating Boards," Association of Governing Boards of Universities and Colleges, AGB Occasional Paper No. 2, p 6.

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The other structure--the one we have in New Jersey--is a statewide coordinating board. States with coordinating boards tend to be located in the East or Midwest, with larger populations, more complex systems of state universities, colleges, and community colleges, and with a highly developed independent sector. Coordinating boards have no authority over individual campus governance and thus allow for greater campus autonomy.

The chart on the next page, prepared by the Education Commission of the States, details the different governance structures in the states. As the chart indicates, Virginia and Washington--two states Governor Whitman holds out as models--have coordinating board structures as we do in New Jersey, with authority for program approval and budget recommendation.

Since the 1970s, study commissions and academics have debated the pros and cons of coordinating boards versus governing boards. From 1985 to 1990 alone, at least 27 states had blue ribbon study commissions studying their higher education systems. **Virtually no study commission concluded that a statewide system should be scrapped for a voluntary association, nor that budget and policy functions should be split among various state agencies.**

Rather, according to a 1991 study by the Education Commission of the States, the trend among those states that implemented major changes from 1985 through 1990 was to adopt or to strengthen the role of its coordinating board. All but one state cited in this report--including Arkansas, Colorado, Washington, Texas, Maryland, Nebraska, New Mexico, Oregon, South Carolina, and North Dakota--moved in this direction.⁹ (See Appendix A for a summary of their recommendations.)

In comparing statewide higher governance structures, most researchers conclude that statewide coordinating boards, such as the Board of Higher Education in New Jersey provide the following benefits:¹⁰

- **They are comprehensive in scope.** Authority for policy formulation and budgetary oversight over the entire system of public colleges and universities, community colleges,

⁹ In West Virginia, a single consolidated governing board was replaced by two governing boards--one for the universities and the other for all other public institutions. A cabinet-level position was established to provide overall coordination of the system.

¹⁰ See for example, Robert Berdahl, *op cit.*; John D. Millett, *op cit.*; Patrick M. Callan, *op cit.*; Edward R. Hines, Higher Education and State Governments: Renewed Partnership, Cooperation, or Competition?, ASHE-ERIC Higher Education Report No. 5, Washington, D.C.: Association for the Study of Higher Education, 1988; James Mingle, "Effective Statewide Coordination: What is It?", paper prepared for the Legislative Advisory Council of the Southern Regional Education Board, Nov. 5, 1987; Aims C. McGuinness, Jr., "State Coordination and Governance of Higher Education -- 1991," in State Postsecondary Education Structures Handbook, 1991, Denver: Education Commission of the States;

AUTHORITY OF STATE BOARDS OF HIGHER EDUCATION
1990

Consolidated Governing Board		Coordinating Boards						Planning Agencies
		With Program Approval Authority			With Program Review and Recommendation Authority Only			
		Consolidated or Aggregated Budget (d)	Budget Review and Recommendation (f)	No Statutory Budget Role	Consolidated or Aggregated Budget (d)	Budget Review and Recommendation	No Statutory Budget Role or Program Approval	
Board for All Public Institutions	Board for All Senior Institutions. Separate Agency for Community Colleges							
Alaska Georgia Hawaii Idaho (a) Maine (c) Massachusetts Montana (a) Nevada North Dakota Rhode Island South Dakota Utah Puerto Rico	Arizona Florida (a) Iowa Kansas Mississippi New Hampshire (b) North Carolina Oregon Wyoming Wisconsin (e)	Alabama Arkansas Connecticut Illinois Maryland New Jersey Ohio Oklahoma South Carolina	Colorado (f) Indiana Kentucky Louisiana Missouri Pennsylvania (a) Tennessee Texas (f) Virginia Washington	New York (a)	Florida (a,b)	Alaska (b) California Minnesota New Mexico (g) Oregon (b)	New Hampshire (b)	Delaware Michigan (a) Nebraska Vermont District of Columbia West Virginia (h)

Notes:

- (a) States with agency responsible for all levels of education.
- (b) Separate statutory coordinating agency.
- (c) Maine Maritime Academy and Vocational-Technical institutes are under other boards.
- (d) Separate institutional budgets may be included in consolidated or aggregated budgets.
- (e) State Board of Vocational, Technical and Adult Education is separate from Board of Regents.
- (f) Boards develop the formula on the basis of which allocations are made to institutions.
- (g) Statutory authority related to programs provides only for approval of new graduate programs.
- (h) West Virginia Secretary of Education and the Arts has authority to coordinate rule-making by the state's two multi-campus boards.

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proprietary schools, and private colleges and universities creates a rational statewide system.

This is particularly important in a state like New Jersey with a complex system including Rutgers University, 9 state colleges, 19 community colleges, the New Jersey Institute of Technology, the University of Medicine and Dentistry and 25 independent institutions, with a total enrollment of over 332,000 students. Each of these institutions has a separate governing board. The statewide coordinating board creates a rational, non-duplicative system.

There is a further complicating factor in New Jersey that heightens the need for statewide coordination. New Jersey is one of only nine states in the nation that provides general support to independent colleges and universities. The rationale is that private colleges and universities offset the need to expand public institutions. Last year this allocation came to \$23.5 million or 2.3 percent of the higher education budget. States such as New Jersey that support public and private institutions require a comprehensive coordinating board structure; without this, there would be no way to ensure accountability, especially among the private institutions, for taxpayers' money.¹¹

- They mediate between the interests of individual institutions and the interests of the state for rational planning.
- They provide a buffer between partisan political interests and the larger public interest.
- They strike a good balance between the taxpayers' need for accountability and individual institutions' need for academic autonomy.

Contrary to the complaint of many college presidents, coordinating boards actually provide a great deal of autonomy to individual institutions. Within their overall budget allocation, campus presidents and boards of trustees are free to allocate funds according to institutional priorities. Institutional boards of trustees appoint campus presidents and together with the president establish rules, hire faculty, and oversee the day-to-day operation of their schools. This frees the coordinating board to focus on statewide issues.

In fact, researchers find that statewide coordinating boards actually enhance the autonomy of individual schools. In his 1984 landmark study of statewide coordination and institutional independence in 25 states, John Millett, former chancellor of the Ohio Board of Regents and former president of Miami University, found that coordinating boards actually "sought to

¹¹ A recent national survey found that of the eight other states with similar programs of state assistance to independent colleges and universities, six have coordinating board governance systems.

protect, and on occasion, even to enhance the autonomy of multicampus systems and individual institutions."¹²

■ They facilitate implementation of policy goals by concentrating long-range master planning, program review, and budget setting in one agency.

Millett found this combination of master planning, program review, and budget authority to be a major strength of the coordinating board structure.

"This study found the program review and budget authority of coordinating boards to be vital factors in the implementation of state master plans and to be conducive to their careful preparation...I have no hesitancy in stating my preference for the coordinating board."¹³

A 1991 report by the Association of Governing Boards of Universities and Colleges endorsed statewide coordinating boards such as the New Jersey Department of Higher Education as the best system to balance competing institutional and systemwide demands. The report notes that statewide coordinating boards

"are a testimony to the desire of some states to have it both ways -- to protect both institutional autonomy and purposeful development of state higher education systems, to maintain institutional and system identity and initiative while preserving the principle that the whole is greater than the sum of the parts, and to provide a vehicle for the articulation of broad statewide interests while insulating colleges and universities from the exigencies of partisan politics...The underlying assumption is that the price that is paid in tension and in conflict produces a better and more responsive system of higher education than the alternatives of centralized bureaucracy, laissez faire or partisan political control."¹⁴

All states must find a happy medium between accountability and autonomy in higher education. National studies find New Jersey falls right in the middle in comparison to other states in the amount of regulatory oversight over higher education.¹⁵

Governor Whitman has criticized the Board of Higher Education for impeding innovation in higher education through over-regulation, although she cites no evidence. Researchers who examine the purposes served by regulation find that **there is absolutely no correlation**

¹² Millett, op. cit., p. 233.

¹³ Millett, op. cit., p. 248.

¹⁴ Patrick Callan, op. cit. pp. 30-31.

¹⁵ J. Fredericks Volkwein, "Changes in Quality among Public Universities," Journal of Higher Education, Vol. 60, No. 2 (march/April 1989), p.140.

between the amount of state regulation of higher education and the cost or quality of the higher education system.

In a 1986 study, Frederick Volkwein collected national data on state higher education governance systems, and then controlling for relevant variables, found that "academic and financial autonomy did not make significant, unique contributions to the explained variance in faculty reputational quality, in student quality as rated in various guidebooks, nor in government grants per FTE."

Rather, Volkwein found that the key to high quality programs was "state financial support and campus size." States with generous state funding and large, flagship universities scored at the top on national measures of faculty accomplishment, student achievement, and research funding.¹⁶

John Millett, in his 1984 study of higher education governance, reached a similar conclusion. Institutional autonomy, he found, was most threatened by lack of financial support, not by statewide coordinating boards. And his advice was quite blunt:

"Institutions of higher education -- in multicampus systems or singly -- would do well to address these basic causes in the winter of their discontent rather than to seek scapegoats by attacking the essentials of state coordination."¹⁷

V. Case Studies

Governor Whitman's proposal for "Restructuring Higher Education in New Jersey" cites Michigan, Washington, and Virginia as models. However, she misrepresents the facts about each state system. Virginia is a national model for higher education governance--and closely resembles the system in New Jersey. Washington, too, has a statewide coordinating board with policy, program, and budget review authority. Michigan places most of these functions in a state Board of Education; the major weakness in its system is its fragmentation and voluntary, weak system of program review.

Michigan

Contrary to Governor Whitman's representation, the state of Michigan does have a statewide agency for higher education--the State Board of Education. This agency is responsible for policy, licensing of proprietary institutions, approval of new public and private institutions and degree programs, community colleges, student loans, and serves as the State Postsecondary Review Entity. Because it also has oversight for K-12 education, this system in theory allows for coordination among all levels of education.

¹⁶ Volkwein, op. cit., p. 142.

¹⁷ Millett, op. cit., p. 234.

However, the Michigan system has many weaknesses. First, the Michigan Council of Presidents, which Governor Whitman holds as a model for our state, is an unofficial, voluntary association. It has no binding authority over program review or policy.

There is no on-going system for master planning and coordination in Michigan. Master planning takes place at the Governor's discretion; no master plan has been prepared in decades.

There is no mechanism to control for duplication in the system. The Council of Presidents do not tell each other what to do; as a result competition among institutions for students and programs results in redundancies. For example, Central Michigan University and Western Michigan University established campuses in Detroit in direct competition with Wayne State University which is located there. Contrary to rhetoric, competition has not spurred innovation--it has led to wasteful duplication.

In addition, the State Board of Education is highly partisan. Politics dominate decision-making. Board of Education commissioners are nominated by political parties and elected every eight years. There is no buffer to shield higher education from partisan politics.

The three large universities (University of Michigan, Wayne State University, and Michigan State University) lobby the governor and legislature for their budget allocation. The 13 smaller state universities get their money based on formula funding. The result is that clout wins out over educational priorities; large schools and elite institutions such as the University of Michigan tend to win out over smaller, less affluent schools.

In the 1980s, there were two major state study commissions to examine what is widely acknowledged as the weak higher education governance system in Michigan, but there has not been the political will to change it.

The Michigan model "is not likely to work" in New Jersey, according to former University of Michigan president and one-time chair of the Michigan Council of Presidents Harold Shapiro, who is now president at Princeton University. He points out that the two states have very different systems, particularly regarding state assistance to private institutions, and that the New Jersey system does a much better job keeping politics out of education and ensuring equitable resources among all institutions.¹⁸

Virginia

Virginia has a statewide coordinating board with many of the same responsibilities as the New Jersey Board of Higher Education. Like New Jersey, Virginia has a complex system of higher education including 14 public colleges and universities and 23 community colleges,

¹⁸ Robert J. Braun, "Educator faults Whitman college plan, Shapiro says Michigan model is not likely to work in Jersey," The Star-Ledger, March 23, 1994.

each with their own board of trustees. The Virginia State Council of Higher Education weaves their institutional needs into one rational system.

The Virginia State Council of Higher Education combines policy, program review, and budgetary review within one agency, just as in New Jersey. It has a strong role in budget preparation. The Council of Higher Education establishes the formula for institutional funding, reviews institutional budget requests, and submits a recommended consolidated budget to the governor and legislature based on the formula. The agency's recommendation serves much as the consolidated budget recommendation in the New Jersey system. As in New Jersey, the legislature retains final authority over the budget.

Formula funding in Virginia, which we don't have in New Jersey, minimizes institutional dogfighting for funds. Without formula funding, the New Jersey Board of Higher Education role in preparing a consolidated budget serves the important function of coordinating institutional needs with statewide priorities.

The Virginia State Council of Higher Education also has authority for planning, coordination, program approval for public senior and junior institutions, student loans, and administers a number of programs including several pertaining to affirmative action.

Washington

Washington also has a coordinating board governance system, with responsibility for master planning over senior and junior higher education systems, and programmatic and budget oversight over four-year public universities. A separate state board provides programmatic and budget oversight over junior colleges.

Like New Jersey, the Washington system places policy, program, and budget within one agency. The Washington Higher Education Coordinating Board has authority for master planning, review of existing programs and approval of new public senior programs, recommendations on policy issues such as tuition, student aid, and merger, closing, or adding of institutions.

It's important to note the differences in Washington and New Jersey's higher education systems and their governance structures. The New Jersey Board of Higher Education has oversight over 25 public and 31 private institutions; the Washington Higher Education Coordinating Board has program authority over six four-year institutions.

Thus, its role in budget preparation is different. Institutions submit budget requests to the governor and the Higher Education Coordinating Board simultaneously; the Higher Education Coordinating Board reviews the requests and submits its recommendations.

Individual institutional lobbying is intense in the state. Until recently, the two flagship research universities--with stronger lobbying resources--tended to dominate the budget

process. Since 1986, however, when a new master plan called for establishing branch campuses in under-served urban areas, funding has been more balanced. The Higher Education Coordinating Board role in budget recommendations has played a large role in ensuring that annual budget appropriations reflect the long-term policy goals. Today, in an era of budget cutting, the Higher Education Coordinating Board plays an important role in mobilizing resources toward statewide priorities to expand financial assistance and enrollment.

VI. Conclusion

Given that there are no good budget or policy reasons to abolish the Board, Department and Chancellor of Higher Education, what is the real agenda?

From the evidence available, it seems fair to conclude that the critical issue involved is indeed financial, but not related to the few dollars which might be saved by "cutting bureaucracy."

RATHER, THE GOVERNOR'S OBJECTIVE IS TO CLEAR THE WAY FOR RADICAL CUTS IN STATE SUPPORT FOR HIGHER EDUCATION IN FUTURE BUDGET YEARS AND TO MINIMIZE THE POLITICAL DAMAGE WHEN THESE CUTS OCCUR

This will be accomplished by cutting the colleges and universities loose to fight among themselves for an ever-shrinking pie. At the same time, the power to appoint Trustees and direct control over statewide policymaking and budget priorities will give the Governor indirect control over any aspect of the institutions that may interest her/him, including budgets, tuitions, enrollments, construction, controversial speakers, outspoken faculty, or even personnel.

Some colleges will be "privatized" -- that is, turned into essentially private colleges supported in part by public funds. They will charge high tuition and cater to affluent students, including students from out-of state.

The rest will be squeezed: forced by declining state support and tuition capped by "market forces" to slash programs and personnel.

ORDINARY STUDENTS FROM LOW- AND MIDDLE-INCOME FAMILIES WILL EITHER BE FORCED OUT ENTIRELY OR FORCED INTO THE INSTITUTIONS WHICH ARE LOSERS IN THE COMPETITION FOR AFFLUENT STUDENTS AND STATE FUNDS.

"Autonomy" and Independence," then, are slogans which only thinly disguise the real agenda -- to destroy the ability of the higher education community to resist the State's abandonment of the twin principles of excellence and access -- principles which, if not always realized in practice, have inspired our best efforts for over twenty-four years.

Appendix A.

Changes from 1985 through 1990. From 1985 through 1990, at least 27 states conducted major studies of their higher education systems through a blue-ribbon commission, consultant's study or special legislative task force. In the same period 26 states seriously debated changes in structure ranging from relatively minor changes in state board authority to major restructuring of the total system. Actual changes were made in 14 states.²¹ The following is a summary of these changes.

- Major restructuring. Six states completed major restructuring of their systems. In each case, the changes were the culmination of several months -- and sometimes years -- of study and debate.
 - In Colorado and Washington, the existing coordinating boards were replaced by similar but strengthened coordinating bodies. In both cases, a range of alternatives was debated, including a single statewide "super board" and realignment of institutional boards under segmental boards -- boards with responsibility for several institutions.
 - In Texas, as the result of recommendations of the Select Committee on Higher Education, the Coordinating Board, Texas College and University System, was replaced by the Texas Higher Education Coordinating Board. The new board's authority was expanded to give it power to set enrollment limits and to create a realistic and effective master plan for higher education.
 - In Maryland, all but two of the state's public four-year institutions were consolidated under the Board of Regents for the University of Maryland System and the internal policies and structure of that system were significantly altered. At the same time, the state's coordinating board was replaced by a new agency, the Maryland Higher Education Commission.
 - In Nebraska, a planning commission with limited authority was replaced by a new statutory coordinating board with broad planning and regulatory authority for the total public higher education system.
 - In West Virginia, the single consolidated governing board for all public higher education was abolished and two new governing boards were established -- one for the universities and the other for the state colleges, community colleges and vocational/technical institutions. At the same time, a cabinet-level position of secretary of education and the arts was established to provide for overall coordination of the system.
- Changes in state board authority. In addition to the changes in state board authority mentioned above, five other states strengthened the role of coordinating agencies in significant yet less sweeping ways.

- In Arkansas, the existing coordinating board was given authority for program approval and its role in carrying out quality improvement initiatives was greatly strengthened.
- In New Mexico, the name of the coordinating board was changed from the Board of Education Finance to the Commission on Higher Education, with accompanying expectations that the agency should play stronger roles in policy leadership and planning.
- In Oregon, the Oregon Education Coordinating Commission was abolished and the agency's functions were continued under the Oregon Office of Educational Policy and Planning in the governor's office.
- In South Carolina, the existing coordinating board's membership was restructured and the agency was given greater authority to carry out quality improvement initiatives.
- In North Dakota, the Board of Higher Education acted to change the system's executive officer title from Commissioner to Chancellor, and give the public higher education system more of a sense of cohesiveness through the new name of North Dakota University System.

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Testimony at the Joint Hearing of Senate and Assembly

Education Committees

May 26, 1994

Dr. Thomas D. Sepe
President, Mercer County Community College

Good morning. I thank you for the opportunity to briefly share by thoughts with you in support of the reorganization of higher education in New Jersey.

First, let me say that from my experience, the Board of Higher Education, The Department of Higher Education and the Chancellor have served an important function. Higher education in every state needs coordination, planning and a structure to provide accountability to the public, the legislature and the Governor. And the current organization provided that in a very traditional and bureaucratic way. The Governor's proposal will provide the same functions but in a different, creative and progressive way. So, when you cut through all the rhetoric, this is simply a proposal to do the essential things we must do as a system of higher education in New Jersey in a different way. . . to do away with unessential, redundant and outdated requirements, but not to dismiss or avoid our professional responsibilities, or our accountability to the public and the legislature and the Governor.

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Anyone who is observing the changes going on in American business and industry today. . . the dramatic shift in the way companies are managing their operations, would not be surprised or alarmed by the Governor's proposal. Changing management philosophy and the pressure of tight economic times are motivating American business to reconsider its traditional ways. Heavily layered, often duplicative systems are being replaced with flat organizations which demand more independent responsibility, teamwork and communication within and among systems of their organizations.

Unless I am totally misreading the Governor's proposed new structure for higher education, I see it right in line with the clear trends in the private sector.

We as presidents, along with our boards, are being challenged to take on more responsibility, to be more accountable, and to work more closely than ever before. From my experience with my colleagues, and knowing my Board of Trustees, what we are being asked to do under this proposal is not only doable, but a reasonable expectation.

If you go back to the inception of the current organization of higher education in New Jersey, there were clear factors which caused the creation. The Strayer Report in 1962 predicted the rapid growth in higher education

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populations and outlined the many unmet needs in higher education at the time. With Governor Hughes taking up the issue, and the Goheen's Report providing a call to action, the current structure was designed to provide oversight for the planned construction of campuses and the development of new programs. While this structure has served the purpose in "boom times," a simpler more direct and responsive system is needed for today's "do more with less" times. The Governor's plans fit today's needs.

There has been much said about accountability. It is important that a balance between autonomy and accountability be found. I am confident that the Council of Presidents and the Commission for Higher Education will, by working together, create the checks and balances to serve the public interest while stimulating the collective energy of the higher education leadership to improve our system of higher education.

Let me use an example. A dual admissions agreement is an agreement between two colleges, usually a county college and a senior institution, that, under specified conditions, admits a student simultaneously to both colleges at the time of enrollment at the county college. Today, Mercer County Community College and the other 18 county colleges have such agreements with Rutgers. This was not mandated by a state agency or board. No financial or political pressure was

applied to make this happen. Dr. Fran Lawrence and his staff undertook this wonderful initiative because it was the right thing to do. By this fall, I expect to be signing similar agreements with Trenton State College and Rider University. Why? Because Dr. Harold Eickhoff and Dr. Bart Luedeke and I have agreed this makes good sense for our colleges, our students and our state.

In closing, let me say that this structure being proposed is not perfect. . . but it is a start. . . a direction that we can work with and make work. It requires some trust and the opportunity.

If you were to listen to the members of the current higher education structure and read the headlines they are making you would think that I, as a college president, am the educational equivalent of Attila the Hun. Without the Board of Higher Education, the chancellor and his staff, my goal, along with the other presidents, is to rape and pillage the State and all of higher education. . . the only thing standing between you and the fall of Rome are these defenders of the status quo.

It simply is not so! The absence of the Board of Higher Education, the chancellor and the department will not reduce my intelligence, my values, principles nor my integrity. I will use the same talents I have, and my 25

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years of experience in higher education, to work with this new organizational structure, to make my college and higher education in New Jersey the best it can be. With your help, sufficient financial support, and your trust, we will make it so.

**TESTIMONY TO JOINT HEARING
SENATE AND ASSEMBLY EDUCATION COMMITTEES
S-1118/A-75 - THE HIGHER EDUCATION RESTRUCTURING ACT OF 1994
MAY 26, 1994**

**Dr. Lawrence A. Nespoli
Executive Director
New Jersey Council of County Colleges**

Perhaps the most important thing that can be said about S-1118/A-74 is that it proposes a very balanced approach for New Jersey's higher education system. It will create a structure that will provide New Jersey's colleges with the autonomy they need while at the same time protecting the State's interest in its higher education system. As someone who has worked in several states and who has studied and written about state higher education systems, I can tell you that this bill will give New Jersey the best of what has worked well in other states.

S-1118/A-75 does not recommend complete autonomy for colleges - nor should it. True, it creates a new Presidents Council to encourage cooperation and communication throughout the higher education community. But the bill also creates a new Commission on Higher Education that will, among other things, coordinate important statewide functions and thereby protect the legitimate interests of the State and the public in general.

Early critics of the Governor's proposal said that too much power was being given to college presidents. Now, some are suggesting the bill creates something that looks a lot like the Board of Higher Education. The latter suggestion misses completely a very important fact that has been overlooked in the debate about this legislation.

What has been overlooked is that New Jersey's current system - its Board of Higher Education and the Department of Higher Education - is not typical to what exists in other states. In fact, the New Jersey model has been quite atypical - in two very important ways.

First, while most states do have state higher education agencies of some kind, most have very small staffs. In New Jersey, the Department of Higher Education has at various points in its history had over 200 employees. Even with recent staff cuts, the Department remains one of the largest state higher education staffs in the country. This has resulted in less autonomy for New Jersey's colleges.

Second, most state higher education agencies promulgate few regulations. They regulate only those essential areas requiring state oversight. In contrast, New Jersey higher education has suffered from overregulation. Regulations promulgated by the Department of Higher Education (Title 9 of the New Jersey Administrative Code) now number in the hundreds of pages. Again, less autonomy for New Jersey's colleges has been the result.

Testimony to the Joint Hearing of the Senate and Assembly Education Committees

Dr. Lawrence A. Nespoli

May 26, 1994

Page 2

In an era when the former Soviet Union and most of the Eastern Bloc countries are now recognizing the limitations of their highly centralized governmental structures, it is somehow strange to hear the critics of the Governor's higher education proposal calling for more government . . . more regulation . . . more control. Most states do not excessively regulate and control their higher education systems. New Jersey should not either.

For New Jersey's 19 community colleges - colleges that now enroll over half of the undergraduates in the State - SB 1118/A-75 is especially important and helpful. It is no accident that the word "community" is used in the names of our colleges. We are community colleges, and our number one goal is to be responsive to the communities in which our colleges are located. To do that well requires local autonomy. It seems to us this is precisely what this legislation proposes.

Community colleges are governed by lay trustees who live and make their livings in their local communities. These local leaders, along with the presidents they hire, know best what is needed at the local level. They know and understand the needs of their communities in ways that state employees in Trenton cannot, no matter how well intentioned those state employees might be.

In short, S-1118/A-75 offers a bold new vision for New Jersey higher education. Yes, there will be more campus autonomy. And, as the American corporate world has learned, good things will happen as responsibility is placed closer to where the services are being provided. At the same time, there are public interests that go beyond the campus level. These must be protected, and will be protected by the new Commission on Higher Education.

Community colleges and all of higher education will thrive in the new structure proposed by this legislation. As the colleges thrive, so too will the State through a stronger economy and better higher education services for all of her citizens.

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Did not speak

STATEMENT OF Tom Auch, V.P. ADMIN & Finance
Montclair State University
5/26/94

LADIES AND GENTLEMEN OF THE SENATE AND ASSEMBLY EDUCATION COMMITTEES.

MY NAME IS TOM AUCH AND I AM VICE PRESIDENT FOR ADMINISTRATION AND FINANCE AT MONTCLAIR STATE UNIVERSITY, NEW JERSEY'S NEWEST PUBLIC UNIVERSITY, AND VERY PROUD TO BE A LONG TIME MEMBER OF THE RANKS OF OUTSTANDING COLLEGES AND UNIVERSITIES IN THIS WONDERFUL STATE.

I KNOW THAT MANY OF YOU, AND I PARTICULARLY CITE ASSEMBLYMAN ROCCO, HAVE CREATED THE IMPETUS WHICH HAS LED TO GREAT INSTITUTIONS SUCH AS MONTCLAIR STATE BECOMING IN NAME WHAT WE HAVE BEEN IN FACT FOR MANY YEARS - A UNIVERSITY DEDICATED TO EDUCATING AND TRAINING NEW JERSEY'S CITIZENS FOR THE WORKFORCE AND LIVING IN AN INCREASINGLY TECHNICAL AND COMPLEX SOCIETY. IRV REID, OUR PRESIDENT, AND ALL OF US AT MONTCLAIR STATE THANK YOU FOR YOUR SUPPORT AND SALUTE YOU FOR YOUR COURAGE.

I ALSO WANT TO THANK YOU, ON BEHALF OF MONTCLAIR STATE AND ALL THE COLLEGES AND UNIVERSITIES, FOR TAKING SUCH STRONG LEADERSHIP IN LEGISLATION WHICH BROUGHT ABOUT THE EQUIPMENT LEASING POOL AND THE HIGHER EDUCATION FACILITIES TRUST FUND. IF FUNDED, THESE BILLS WILL ENABLE HIGHER EDUCATION IN NEW JERSEY TO GO A LONG WAY TOWARD ACCOMPLISHING THE GOVERNOR'S VISION AS EMBODIED IN HER RESTRUCTURING PLAN AND IN PROTECTING THE PUBLIC INVESTMENT IN NEW JERSEY'S FUTURE. I CANNOT RESIST THIS OPPORTUNITY TO REQUEST YOUR CONTINUED SUPPORT FOR THESE BILLS AND FOR FINDING SOME FUNDING MECHANISM TO MAKE THEM A REALITY IN FISCAL YEAR 1995.

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I HAVE BEEN IN HIGHER EDUCATION IN NEW JERSEY FOR 26 YEARS, 21 WITH AN OUTSTANDING COMMUNITY COLLEGE IN MONMOUTH COUNTY - BROOKDALE, AS SENATOR PALAIA KNOWS, AND THE LAST ALMOST 5 YEARS AT MONTCLAIR STATE. MY JOB, BY AND LARGE, HAS BEEN AS CHIEF FINANCIAL OFFICER AT BOTH INSTITUTIONS WITH BRIEF STINTS AT BROOKDALE AS ACTING PRESIDENT WHEN THE PRESIDENT LEFT AND BEFORE THE NEW PRESIDENT TOOK CHARGE.

IN ALL THOSE YEARS, I HAVE WORKED CLOSELY WITH THE DEPARTMENT OF HIGHER EDUCATION, FROM CHANCELLOR RALPH DUNGAN, THROUGH FRANKLYN JENNIFER, CHANCELLOR HOLLANDER, THE LATE VICE CHANCELLOR PHILIP WHITE, AND VICE CHANCELLOR, THEN CHANCELLOR ED GOLDBERG. THESE HAVE BEEN PERSONS OF INTEGRITY AND FORESIGHT, WITH STRONG FEELINGS FOR NEW JERSEY'S YOUTH AND HIGHER EDUCATION SYSTEM.

ONE OF MY CLOSE FRIENDS, INDEED PERHAPS MY MENTOR WHEN I CAME TO NEW JERSEY AS A BOY (OF 36) WAS A GENTLEMAN WHOM MANY OF YOU MAY REMEMBER, DR. JOSEPH CLAYTON, THEN ACTING COMMISSIONER OF EDUCATION AND LATER A MEMBER OF BROOKDALE'S BOARD OF TRUSTEES. JOE HELPED WRITE THE HIGHER EDUCATION LAWS OF 1966. AT THAT TIME, WE HAD APPROXIMATELY 6 OR 7 COMMUNITY COLLEGES, 6 STATE COLLEGES, AND THE THREE OTHER SENIOR PUBLICS - RUTGERS, THE STATE UNIVERSITY, NEWARK COLLEGE OF ENGINEERING, NOW NJIT, AND THE COLLEGE OF MEDICINE AND DENTISTRY, NOW UMDNJ.

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THESE INSTITUTIONS ENROLLED SOME 150,000 TO 175,000 STUDENTS. THE PRIVATE COLLEGES WERE BASICALLY IN TACT. BUT THERE WAS REALLY NO SUCH THING AS AN OVERALL PLAN FOR THE STATE OF NEW JERSEY. WE WERE IN AN INFANCY, EACH STRUGGLING FOR OUR PLACE, EACH TRYING TO BECOME COMPREHENSIVE, FULL SERVICE INSTITUTIONS ATTRACTING AND SERVICING OUR UNKNOWN CONSTITUENCIES. THE COMMON DESCRIPTION APPLIED TO MOST OF THE PUBLIC COLLEGES WHICH EXISTED AT THAT TIME, PARTICULARLY FOR THE COMMUNITY COLLEGES, WAS THAT THEY WERE "DEVELOPING" OR "EMERGING" INSTITUTIONS. LET'S LOOK AT WHAT HAPPENED TO THEM.

TODAY THERE ARE 19 COMMUNITIES AND 12 SENIOR PUBLIC INSTITUTIONS ENROLLING 340,000 STUDENTS, 95 PERCENT OF WHOM LIVE IN NEW JERSEY AND MOST OF WHOM WILL CONTINUE TO LIVE AND CONTRIBUTE TO NEW JERSEY'S FUTURE HEALTH. THERE ARE FEW "DEVELOPING" INSTITUTIONS LEFT - THEY ARE STILL HERE, BUT THEY HAVE "DEVELOPED." EACH INSTITUTION HAS ITS OWN PERSONALITY AND ITS OWN MISSION AS PART OF AN OVERALL PLAN WHICH HAS BEEN SHAPED INTO A SYNERGISTIC WHOLE. THE FIRST GENERATION PRESIDENTS AND TRUSTEES USED TO COMPETE FOR RESOURCES, PROGRAMS, AND PUBLIC ATTENTION, BUT THEIR SUCCESSORS, PERHAPS NOW IN THE THIRD GENERATION, HAVE MATURED AND HAVE DEVELOPED CLOSE BONDS AND CONSISTENT GOALS. WHERE THE EARLIER FOUNDERS NEEDED THE STRONG LEADERSHIP OF A RALPH DUNGAN, TED HOLLANDER, OR JOE CLAYTON IN THE PAST, THE CURRENT GENERATION NO LONGER NEEDS THIS STRONG INFLUENCE AND CENTRALIZED OVERSIGHT IN ORDER TO WORK TOGETHER TO PROVIDE NEW JERSEY WITH ITS HIGHER EDUCATIONAL NEEDS.

IT SEEMS TO ME THAT MEMBERS OF THE LEGISLATURE HAVE AN EXCELLENT SENSE OF WHAT THE CITIZENS OF NEW JERSEY WANT AND NEED. THEIR (YOUR) VERY EXISTENCE AS LEGISLATORS DEPENDS ON YOUR SENSITIVITY AND RESPONSE TO THESE DESIRES AND NEEDS.

WHAT IS LACKING IN THE CURRENT STRUCTURE IS DIRECT INTERACTION BETWEEN AND AMONG THE LEGISLATURE, THE ADMINISTRATION AND THE HIGHER EDUCATION COMMUNITY - OPPORTUNITIES FOR YOU TO CONVEY DIRECTLY TO US WHAT YOU KNOW ABOUT ~~WHAT~~ THE PEOPLE WANT AND FOR US TO HEAR THESE PRIORITIES AND BE ABLE TO MOVE RAPIDLY TO RESPOND TO THEM. OUR PRIORITIES SHOULD REFLECT WHAT YOUR CONSTITUENCIES TELL YOU THEY NEED AND WANT.

UNDER THE CURRENT STRUCTURE, DHE OFTEN GOT INTO MINUTIA - HOW TO ENFORCE, HOW TO CONTROL AND DIRECT - AND SPENT TOO LITTLE TIME AND EFFORT DEALING WITH OVERARCHING POLICY ISSUES AND MATTERS WHICH ENABLED US AT THE CAMPUSES TO IMPLEMENT NEEDED PROGRAMS.

EVERYONE IN THIS STATE CAN BENEFIT BY MORE DIRECT CONTACT BETWEEN THE LEGISLATURE, THE ADMINISTRATION AND THE HIGHER EDUCATION COMMUNITY. I FEEL IT IS TIME, AS INSTITUTIONS WITH MATURITY, EXPERTISE, AND SERIOUSNESS OF PURPOSE, THAT WE BE GRANTED THE AUTONOMY OF HOME RULE, THE RIGHT TO FUNCTION AS SEASONED LEADERS, AND THE AUTHORITY AS ENVISIONED IN THE GOVERNOR'S PLAN TO BRING HIGHER EDUCATION IN NEW JERSEY INTO THE 21ST CENTURY AND INTO THE REAL WORLD.

THANK YOU.

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