

P U B L I C H E A R I N G
before
ASSEMBLY HIGHER EDUCATION AND REGULATED PROFESSIONS COMMITTEE
on
IMPACT OF CUTBACKS ON STUDENT TUITION AID ON
STUDENTS, FAMILIES, AND INSTITUTIONS ON HIGHER EDUCATION

Held:
May 21, 1982
Montclair State College
Montclair, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Joseph V. Doria, Jr. (Chairman)

ALSO PRESENT:

Kathleen Fazzari, Research Associate
Office of Legislative Services
Aide, Assembly Higher Education & Regulated
Professions Committee

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I N D E X

	<u>Page</u>
Dr. W.D. Dickson President Montclair State College	1
Dr. Jean M. Armstrong Dean of Students Montclair State College	6
Dr. Michelli Dean of Professional Studies Montclair State College	8
Dr. Merle Allshouse President Bloomfield College	10
Elizabeth Carr Hamlin Director of Financial Aid Upsala College	14
Dr. Richard Lynde Dean of Maths and Sciences Montclair State College	15
Carmen Hutchison Student Montclair State College	18
Professor Don McKee Upsala College	20
Sonjui Lal Student Representing N.J. Student Association	23
Loretta Redfurn Student Montclair State College	25

ALSO SUBMITTED:

The Proposed Cuts in Financial Aid to Individual Students Mean Disaster for Independent Colleges and Universities and Added Costs for the Taxpayers of New Jersey report. 1x

ASSEMBLYMAN JOSEPH V. DORIA JR. (Chairman): I would like to begin this public hearing at this point by first thanking Dr. Dickson, the President of Montclair State College, for allowing us to have this hearing here this morning, and also, thanking each of you for coming. As I said before, I apologize for being late, but I had a meeting at Jersey City State College which had been planned way before we had originally conceived of having the hearing on this date.

Let me introduce our Committee Staff person, Kathy Fazzari. She is responsible for the functioning of this Committee through the Office of Legislative Services, and we also have the Majority Staff here, Chris Simon.

The purpose of this hearing is to elicit from the citizens of the State of New Jersey -especially those involved in higher education- comments on the present situation in higher education and the projections for the future given the decreases in financial aid, and the other problems such as decreasing enrollments, that are facing higher education in the State of New Jersey.

All of us are aware that there no longer seems to be an emphasis on higher education as a priority item in the policies of the Administration in Washington. For this reason, there have been proposals to cut back financial aid for students, and at the same time, cut back programs for institutions. This will impact negatively on the students because the access to higher education will no longer be as equitable as it has been in the past. Also, it will impact on the institutions, in that a number of institutions, finding that students do not have the financial resources to attend college, will find that their enrollments are decreasing and will eventually find themselves in some financial straits.

So, today we are just trying to obtain comments, ideas, and suggestions from the higher education community in the State of New Jersey on what our future direction should be -how the State of New Jersey can provide for financial aid to students, and how it can help its institutions.

We are going to have a series of these hearings; this is the first of the series. We will be having hearings in Mercer County, Camden County, and hopefully, in one or two more counties in the State. At the end, we will then announce, hopefully, some plan of action which we can follow over the next year and a half - the remainder of this legislative session.

That is the purpose of the hearing. I will be here. One or two other members of the Committee said they will try to make it. Assemblyman Kelly, who is the Assemblyman from this area, also said he would try to make it. We will, as much as possible, try to get the input to the legislators. I can assure you that all of them will get copies of the record of this hearing so they can review it and discuss it with the Committee.

At this point, I would like to call the first witness, the President of Montclair State College, Dr. Dickson.

D R. W.D. D I C K S O N: Thank you, Assemblyman Doria. We are all delighted to welcome you, your Committee, and your staff to the college. If some of you have time, there are those who haven't had a chance to look about campus when it is handsome in its spring foliage, we will be glad to show you both some of the beauty spots and some of the places where we hope we might get some sort of help to improve the physical plan.

I am going to talk, as I think presidents usually should, within their competence, about some general things, and we hope there will be time for some folks from our Student Affairs Office, our Financial Aid Office, as well as a student or a dean or two who can speak in sort of a case-study way about their own perspectives of the problems and the promises we have these days.

I would like to stress two points which I think have some historical meaning and I hope some future significance. There were two things that marked the history of colleges like Montclair over the last 75 years, in a sense, because this college will be celebrating its 75th anniversary, beginning in the Spring of 1983, since we started on this knoll of what used to be called Montclair Heights about 1908, particularly under President Sprague, whose name was perpetuated here in both the library and interestingly enough, the football field, of a college which I think came to be known to folks here and abroad for two emphases: one was access - access to students who were promising, often gifted, and who were of limited means. What is always as important as access -- probably even more important -- is the ability even with living on sometimes slender fare, to seek for academic excellence. One without the other it seems does not serve a purpose. If you bring in youngsters, whatever their financial means are, and you can't give them a good education, you may, in a sense, be defrauding them unintentionally. If you have a great educational enterprise and don't make it available for the widest spread possible of our young folks, and a lot of our middle-aged people, I think you are not serving the public wheel.

At any rate, this college -- if I may be permitted just to introduce a little bit of history to those who aren't as familiar with it as we are -- in the 30's and 40's, developed, I think, a rather significant and perhaps an unusual reputation. When there were only about 500 students at this college -- in the late 40's and 50's -- something like 15% of them were valedictorians of their high school classes. A lot of other young folks who have become very splendid people didn't come with that kind of achievement, but profitted from the institution. The faculty was remarkably good. When there was a faculty of about 50, we had four Rhode Scholars. Some people have gone on to be very distinguished, like the gentleman who just died, who won Teacher's College and was responsible for the new math, but he really established his professional career here.

Without being too much of a praiser of things past and things local, I think it is interesting to note that then, as now, probably 85% or even 90% of the students who have come to this college have been students of limited means. Some of them used to come -- like Dr. Weiss, President of Kean -- on the bus, or in those days, the street car, which used to turn around just below the hill on Normal Avenue, and could only come to college because there was a public institution of high quality available to them -- these were the days before Rutgers was a public university with a low tuition.

Some of those folks have gone on in many walks of life through public beneficence and their own talents to be distinguished people -- the President of Southern Ohio Bell; the recently retired President of Bristol-Myers; the Senior Vice President, particularly with skill and statistics, which we could get in our good math department; the Vice President of Prudential; Marge Rocama,

of Bergen County, now in the Congress; Ed Hofgesang, who has always shown great objectivity in the role of the Director of the Budget, is a graduate of Montclair; people of distinction in the arts - John Rothberg, one of the most distinguished modern composers; Paul Pliska, the great basso of the Met; and, in popular music, one of our graduates, a representative of the minority of students who have grown here so splendidly, was, of course, Melba Moore.

Well, I am putting this in not merely to praise the college, but to indicate that the function of this college from the beginning has been to make access possible for students of limited means and to make sure they got not a limited, but a quality education.

We all know, I think, and you folks who sit in the Assembly and keep alert to what is happening, that both of these aspects of this college and of many colleges, and also the independent colleges - because many of the independent colleges also serve now, to a large degree, many times out of dwindling and dominant income, students of limited means, as well as providing a good education to the more affluent.

But, the cuts in Washington -- which will be detailed a bit for us by our Dean of Students -- the lack of opportunity for summer jobs or jobs during the school year -- the sense that minority youth, who are a very, very large part of a youthful population in the surrounding towns of East Orange, Paterson, and Newark -- just to name ones immediately adjacent to us -- are beginning to lose hope, and in a way, the American dream is getting more and more blurred. Therefore, I think if this State is to continue to put an investment in its best resource, which is its young, it may have to look earnestly and somewhat self-sacrificially at ways by which it can perhaps supplement the losses in funds, or diminish the margins which individuals will have to pay coming from the so-called "new Federalism."

I would not be bold enough to suggest what new revenues may be necessary even to achieve the Governor's budget, which, by the way, is \$1,600,000 less than the Board of Higher Education's budget, and which will lead this institution to have to, I think, limit the growth of some significant new programs, a road, I think, the strength of some existing ones, and what is more particularly disturbing, make it impossible for many of our students to continue in college - even though we are diverting as many funds as we have from our limited endowment and from distribution of the Federal funds to help the most needy.

I think all of us know, and some of us in our personal lives have appreciated the fact that what the old lady of Bedlow's Island beckoned meant to people was inextricably related to education -- certainly folks in Jersey City know that and a lot of us, and some of us, children of immigrants, who came here a large part not only to seek the dignity of freedom, but opportunities for their youngsters.

New Jersey is still that kind of State. I, therefore, would hope that when you gentlemen and ladies from the Higher Education Committee, and your friends in the Appropriations Committee begin to look at the revenues, which it seems may well be inadequate, even to keep things at an even keel, that you and the rest of us may be able to persuade the citizens of the State that though we need highways and we have aging bridges, and there are so many needs of people in this State, that a primary one is to serve our young. I am fond of the comments

which follow the metaphor of the light in the arm of the lady of Bedlow's Island, which metaphorically was used by a great statesman, who probably was never fulfilled for himself or for the country as much as he might have been - Adli Stevenson - who speaking, I think, one of the eulogies, or asked to comment on his thoughts at the death of Eleanor Roosevelt, said, "She was one of those who had set a curse in the darkness, lit a candle." It sounds a little fluffy, but it is significant. I think, as we all know, many college seals have the lamp of learning to symbolize the light which people let out from the darkness of ignorance to the light of knowledge, and we hope, to significant social service. That metaphor is a meaningful one. There are a lot of lights going out all over the world, even as in September of '39, or August of 1914.

I hope we can do all we can, each in our own way, even if it means taking more money out of the pockets of those who can afford it - whether it be gas taxes, an expanded, more progressive income tax, or other ways - to show that New Jersey might be able to supplement its TAG program, or otherwise provide for the operational expenses of all of its colleges, including its aid to independent institutions, so that the confidence can be kept and that the young can have hope and this great country can realize its own ideals, even as I hope this college can realize the ideals which were established so beautifully here by Dr. Sprague and others in the 30's.

I much appreciate the chance to make these few general remarks which I think represent the spirit, the mission, and the reason that gives all of us who sit in the hot kitchens of administration some reason for struggling. We appreciate your coming to us, and we think the folks who are here from a variety of places and backgrounds to speak to these issues will put on the record for the edification, the inspiration, and the information of people of their concerns in the same direction.

ASSEMBLYMAN DORIA: Thank you, Doctor. I just have one question, and that question relates specifically to the question of access, and the problem that seems to be developing. Do you see difficulty down the line in the next few years with creating an equality of access for all students, no matter what their economic backgrounds might be?

DR. DICKSON: Oh, very much so, because we don't have to worry about affluent students because there will be a pinching of the family budgets, but it is not going to pinch where it really hurts. That is only a small proportion of our youngsters. I am worried about what we call the middle-class youngsters, as well as the really poor youngsters. Middle-class students have been able to go to our college -- by middle-class and state college terms, that means-- You have to realize that a few years ago the average income for those students who sought financial aid of any sort, or filled out the form -- even if they weren't qualified to get it -- at Montclair State College was about \$17,000. It was probably a few thousand dollars more. The families making \$20,000 are what we call middle-class students at this college.

With the suggested increases in the interest payments for government-supported loans, with the denial of the SEOG grants, which have largely helped people in the same category to go into independent colleges, as well as the publics, with the fact that these students, as they tell us, are finding it even more difficult

to get jobs during term time or in the summer, many of them are going to find it hard to complete college.

The plight for our very poor youngsters who come in what we call the EOF category, which means that even if they have two grandmothers to support and ten kids to support, the total State -- the top financial means figure is about \$12,000. Many of those students at our college -- as I think will be mentioned by the folks here who are going to speak specifically about figures -- instead of having to scrounge together -- by loans or work -- a couple hundred dollars, may have to find as much as \$1,000 or \$1,800. I don't think many of them can do it. Then too, if you take -- One of the great problems as many of us know, for really poor families, is that if the youngster goes to college, that family is denied for three to five years the income which might be produced to feed the younger ones. That worries me. We are all for the work ethic, but where is the work to be for those who have the hope to use it for their own advancement when it isn't there?

This college is trying, by appeals I made to our alumni just Wednesday, and by what we are trying to do to take some of our limited, free and dominant income, to help that out as well as to redistribute Federal funds. But, both the middle-class youngsters and the really poor youngsters may not be able to finish college. I know the independent colleges -- which I happened to have graduated from, and which I know and respect as well as publics -- are straining themselves to keep faculty salaries at a level to keep good faculty who have opportunities to go into business, they are trying to keep their plants in some sort of repair, they are trying to distribute money they have to help students, and, the breaking point is very close. The publics may survive, but not at the level of either excellence or of the kind of access, which is not their particular function. So, I am worried about both classes of students.

ASSEMBLYMAN DORIA: One final question. The question relates to what you perceive as the commitment on the part of both the State government and the Federal government towards higher education, and if you perceive any changes in the past few years in the commitment that exists.

DR. DICKSON: I don't want to be seen partisan. I don't deny that the fact that there was no cap on the Guaranteed Student Loans led some people of great needs to borrow at federally-supported rates, while monies they could otherwise have expended for the education of their children was invested at high rates. That was an error. I am glad the Reagan Administration, or any administration, cut that off. But, if you listen to some of the comments made by people supporting the very large cuts which were projected in the President's budget, these are people who if they know it or not, would be denying literally -- as some Washington people point out -- hundreds of thousands of young people the opportunity to get a higher education. Frankly, without that, the health and wealth and security of this nation, as well as the opportunity for fulfillment of these individuals -- I think, there has been a turn in this country from a regard for the needy, the noble needy, the ambitious needy, as well as that great class of middle-class folks who, in their own ways, need Federal help. I hope in this State, that the inaugural address of the Governor, who himself knows something about higher education, though in a more affluent arena than most of us live in, will be demonstrated. He has said -- and he said this at some of the public meetings of educators I have attended --

that he realizes the need for institutional funds, as well as for aid funds to students, in the State of New Jersey at all kinds of institutions, is greater than his budget can afford right now. I think he is really giving us a call, and I think his heart and mind are in the right place, but he is asking all of us, legislators and citizens alike, to see if we can find ways to increase the revenues, and it is just a matter of where we put our priorities.

I think everybody knows that the so-called "undeveloped" nations realize that development is not the development of sometimes unnecessary and wasteful consumer products -- as important as that is -- but the development of young and middle-aged people who have the skill, the dedication, the loyalty, and the psychological security to bring this country back to what it was-- the producer of the best goods for consumers here and abroad, on which I think our prosperity rests, and higher education is an absolute essential for that. I am worried about the national picture. I am worried, and I am a rather fulsome and wordy soul.

But, going back to the time when I was young, in the 30's and the 40's, when a kid of means could go to Yale or Harvard, though he had little motivation and didn't have great brains because he could be tutored at the Hun School for Princeton, at the Milford School for Yale, or at a variety of schools for Harvard. Even at Harvard, I am sorry to say, one of my alma maters, he could have papers written for him while he was at school and all of those schools around, and get through. The only youngsters of limited means who could go to the East to almost any college, because public education was very little developed -except in a few colleges like Montclair- was really to be a Phi Beta from the cradle. That is wonderful for those kids who jump the hurdles that well, but we need not only that minuscule number of the one million college students in '39. We need a much larger number of good, sound, bright folks of limited income to get to college, to get through college, and to produce in many ways for the culture. I see us turning back to a time when the very poor could get some help, but not enough. The very wealthy can get through, but we'll lose the resources of that middle group of this country which, frankly, has always been the strength of the nation. That is not an idle threat; to me, it is a grim fact, and it is the reason for the growing darkness.

ASSEMBLYMAN DORIA: Thank you very much. We appreciate your comments, and we thank you again for your hospitality.

DR. DICKSON: Thank you.

ASSEMBLYMAN DORIA: Our next witness will be Dr. Jean Armstrong, Dean of Students here at Montclair State College. Dr. Armstrong?

DR. JEAN M. ARMSTRONG: Thank you. I would like to tell the clerk that I am going to read a prepared statement, and I will be giving you a copy.

Mr. Chairman, it is a privilege to have the opportunity to express the views of Montclair State College before you this morning, since we, like our colleagues at colleges and universities throughout the State, are seriously concerned with the effects that reductions in federally-funded student financial aid programs will have on our students. We believe it is especially important at this time for members of the higher education community and the public to share these concerns with our elected representatives.

During 1981-1982, approximately 5,400 students, or 64% of the undergraduate population at Montclair State, received some type of financial aid. Let me add parenthetically that that is an increase from 1973-1974, when 16% of our students received financial aid, a total of 1,200, I believe. This year, total funds awarded were in excess of \$11 million. However, we have already experienced reductions in federal campus-based programs for 1982-1983. For example, two key sources of assistance have been reduced by more than 30%. Specific instances are as follows: -- these are the Federal programs --

College Work Study - the allocation for this year -- 1981-1982 - was \$350,000. Our allocation for the next academic year, 1982-1983, is \$229,000, and it is a percentage reduction of 35%.

Supplemental Educational Opportunity Grants - this year, were funded at \$163,000, next year, \$95,000, a reduction of 42%.

Furthermore, the PELL Grants, heretofore called the Basic Education Opportunity Grants, are also scheduled to decline. Two million, one hundred thousand were expended for our students in 1981-1982, and we expect a reduction to the figure of \$1,953,000 for next year, and this is a 7% reduction.

Thus, in these three programs, the College will lose \$335,000. It must also be noted that the federal regulations governing the Guaranteed Student Loan Program were changed effective October 1, 1981. Family income became a factor in determining eligibility. The vast majority of the College's loans -- this number is approximately \$4.5 million -- had been processed prior to the imposition of the October 1, 1981 rules. Since the new regulations will be continued into 1982-1983, a number of formerly eligible students will not qualify or will have their borrowing ability sharply reduced. And, the pending federal proposals for 1983-1984 present an even bleaker outlook.

In view of these stringencies, and noting also that the estimated budgets for both our commuter and residential students will rise significantly next year, it seems clear that our students will require additional assistance through State-funded financial aid programs. Since recent demographic projections tell us that we are entering a decade when the college-age population is declining, it is imperative that every effort be made to provide the education and training necessary for that smaller number. We cannot afford to permit our student talent to go undeveloped because it is underfunded. Therefore, we urge the Committee to look upon student assistance programs not only as a means of making higher education possible for thousands of deserving students who may otherwise be denied, but also as an investment in the future of our State.

Thank you. I will be happy to answer questions, or refer some of them to Dr. Richards, our Director of Financial Aid.

ASSEMBLYMAN DORIA: My first question, obviously, would be: You mentioned State programs of financial aid. In addition to the programs that the State presently has, such as the Tuition Aid Grant program, the Garden State Scholarships, what else do you see the State of New Jersey doing in the future in the area of financial aid for students?

DR. ARMSTRONG: I am hoping that the State will be able to increase the allocations in the TAG program, particularly, and also in the student assistance programs. Because the Federal College Work Study Funds are being cut so severely,

the State assistance is really what many, many of our students need so that they will not be incurring this enormous burden of loans. We now can project that even some of our poorest students will be graduating, if they were to start next year, with an encumbrance of anywhere up to \$10,000 worth of loans by the time they graduate.

ASSEMBLYMAN DORIA: Do you see the State getting involved in a workstudy type of program funded through the State?

DR. ARMSTRONG: I think that is a wonderful idea.

ASSEMBLYMAN DORIA: You do think it would be worthwhile?

DR. ARMSTRONG: Yes, absolutely.

ASSEMBLYMAN DORIA: What about the State becoming involved in loan programs?

DR. ARMSTRONG: I think anything that can be done with loan programs that would permit students to be able to continue their education without having -- as some of these loan programs do now -- loan programs that have to be repaid within two months. If they can be loan programs that are not payable and they have low interest-- Some of them also, I think, the State might make available that are forgiven loans, if students, after they graduate, go into certain professions or into State service of some kind.

ASSEMBLYMAN DORIA: Similar to what was done back in the 60's and 70's, under the NDSL, National Defense Student Loans.

DR. ARMSTRONG: Yes. Right.

ASSEMBLYMAN DORIA: Where if you were teaching in certain areas you would then be forgiven for part of the loan. Okay. I have no other questions, unless you have further comments.

DR. ARMSTRONG: You will be hearing, I think, from some of our students. Thank you for letting me speak.

ASSEMBLYMAN DORIA: Thank you very much. Our next witness is Dr. Michelli, who cannot stay, he has another appointment. I would like him to be our next witness. He is Dean here, at Montclair State College. And then we will have Dr. Allshouse.

D R. M I C H E L L I: Thank you. I appreciate your changing the schedule. I am Dean of Professional Studies here at Montclair, and I would like to just share just a few brief personal perspectives, if I may.

I am a graduate of Montclair State College. I grew up in Paterson. I, in fact, am the first in my family to have graduated from high school, let alone college. I have a great deal of empathy for the kinds of barriers that many of the young people in Paterson, and Hudson County, and Newark, and elsewhere, are facing and looking at today. I couldn't have attended Montclair had I not had financial aid at that point in my life.

Many of them, I think, face the same kind of barrier that I did. A part of that barrier extends beyond even the question of a minimum amount of aid. It has to do with, in part, a sense of the understanding and the expectation and the values of the parents of some of the students who come to Montclair and who are involved here.

My father is presently about 75 years old and still, thank God, active and healthy. I believe that deep in his heart, he still hopes that some

day I will see the light and join him in the butcher business. That kind of a perspective--

ASSEMBLYMAN DORIA: You would make more money.

DR. MICHELLI: I would probably make more money. (laughter) That kind of a perspective, that kind of a lack of understanding of what higher education is about, I think is something that many of our young people face in looking to their parents even for some sort of support.

We spend a great deal of time working in the Newark high schools, as well as in the high schools of Paterson and some of the other major cities, and I can tell you that it is more and more difficult to inspire the students who are in their early years in high school, and this is, perhaps, what I am most concerned about. I find students who are sophomores and who are juniors are giving up hope of the possibility of higher education, because the consensus among the teachers and among the counselors-- be it true or not-- is that there will be little or no financial aid for students. This lack of hope, this lack of expectation that begins among students who are at the beginning of their high school year is something that we may not be able to correct unless we do it quickly.

One of the things I would urge is that when we reach the point of hopefully resolving and improving the expectation for support for student aid for higher education, that there be a massive publicity campaign so that these hopes can perhaps again be rekindled. It just seems to me -- as I am sure that it is clear to you -- that there is no greater investment than we can make in these young people who really represent the future of this society.

My experience in Newark and elsewhere, as I say, leads me to believe that we have already done some damage to that great resource, and I do hope that can be corrected and that we can get back on track.

ASSEMBLYMAN DORIA: You mentioned something just before in passing, which I think is extremely important, and that is the question of publicity. The question of informing the public, both to the students of what is available and information to the parents of what is available, and at the same time telling them the importance of higher education. Do you have any ideas of what we can do in that area - any examples? We have hearings such as this, or we have various attempts on the part of, whether it be State government or various institutions, to do something. But yet, the newspapers do not want to print that. They only want to print the sensational stories that sell newspapers.

DR. MICHELLI: Yes, and I am afraid that the perception may even be worse than the reality. I would suggest that there be some direct communication with the public high schools - with the counselors, with the principals, or with the teachers, because the kids who have questions about financial aid often turn to these people rather than to their parents. I find that even among the individuals who are professionals, it is difficult to get accurate, up-to-date information. I would suggest that that be a target group.

ASSEMBLYMAN DORIA: So you are saying bypass the mass media because there is no--

DR. MICHELLI: I would say both.

ASSEMBLYMAN DORIA: (continuing) and try to go directly to the high schools, which is important.

DR. MICHELLI: I would say both.

ASSEMBLYMAN DORIA: We thank you.

DR. MICHELLI: I thank you.

ASSEMBLYMAN DORIA: Next, we will have Dr. Merle Allshouse, who is the President of Bloomfield College. Dr. Allshouse?

D R. M E R L E F. A L L S H O U S E: I have a prepared statement. Thank you very much, Assemblyman Doria. On behalf of my colleagues in the independent sector, I would like to especially thank you and the members of your Committee for taking the time and effort to consider this issue, which is really paramount for our State and also for our nation. I would also like to thank you for the work you have done with the staff of the Student Assistance Board, in trying to think through some of the future alternatives that we might develop for funding State programs as alternatives to Federal programs.

I am not going to read this entire statement, but refer to pieces of it, because I think it is important to understand the real impact this has, particularly upon middle and low-income students in our State and upon, ultimately, the State budget.

On March 1, a delegation of Bloomfield students joined several thousands of their colleagues to let their representatives in Washington know the impact that projected student financial aid cutbacks would have upon their lives and careers. Their concern and fear is real. For hundreds of thousands of students across our nation, these cuts would require able students to drop out and others would be forced into the public sector, ultimately at a much higher cost to the State taxpayer.

Following is a summary of the Actual and Projected funding levels for Federal Student Aid programs at Bloomfield for 1981-1982 and 1982-1983. When we talk about the impact of the Federal budget upon our students in the State, it is very difficult to know what we are talking about because it shifts from day to day. These figures indicate the actual '81-'82, and the actual '82-'83, with the acceptance of PELL and Guaranteed Student Loan, which we are not really entirely sure about yet. The others will reflect actual.

The impact upon our students for Fiscal Year '82 in the Federal budget will be serious. We estimate that about 100 students would be forced to drop out with a total loss in funding of \$320,161. If in fact the Federal projection for '83 of the Reagan Budget goes through, that number of 100 could go up as high as 600. So, when I say 100 students probably will not return, and that we know that we are short \$320,000, those are actual, conservative numbers. This is not a projection to what might occur, this is the actual allocation which we have. In addition to this loss, the prolonged period of uncertainty regarding the Federal budget has forced many students and their parents to apply only within the public sector. With sharp application increases at many of the public institutions and serious declines at the independent institutions, we may be facing a severe dislocation of traditional enrollment patterns which afforded students both access and choice in our State. For many students, 1982-1983 will mean access but limited to the public sector. I think this has very serious planning implications for how we allocate budgets and how we allocate student enrollment patterns within the State of New Jersey.

If you look at our student profile at Bloomfield College, one would find that 99% of our students are from New Jersey, that the average family income is less than \$18,000, considerably under that of Rutgers and considerably under that of many of the public State colleges. Ninety-nine percent of our students are citizens of this State and families of very modest income.

The bottom line of the financial aid problem is represented in our projection of the unmet financial need for the "full-need" student. To me, that is the critical indicia of the severity of the problem.

If you look at the table at the top of page 3, one finds that for a full-need student, in 1981-82, we had a total unmet need of \$335.00, projected 9% to 10% inflation. That unmet need will go up \$1,303 by 1983-84. I think the results are fairly clear of this in terms of the implications for students. If the student is expected to provide \$900.00 net from summer earnings -- assuming they have a job -- where are they going to come up with an additional \$1,303 to meet their tuition in the fall? They have one choice - the public sector or not go to school at all. That is the severity of our problem.

Over a two-year period, we are increasing the unmet need of the full-need student by almost 300%. I would be the first to argue that our economy is in trouble. And, I would be the first to argue that higher education should take its share of the cuts. We took 12% last year. If every sector of our economy would take the same percentage of cut that we took in higher education, perhaps we would have a balanced Federal budget.

The cost of the Federal cutbacks to our State have not even begun to have been projected. For students who have to drop out of college, what is the cost in welfare? What is the cost in prison? What is the cost of alternative kinds of social aid to these students? At Bloomfield College, approximately ten percent of our graduating classes for the past two years were the first in their family generations to break the poverty cycle. I know of absolutely no program in our nation that is more efficient in making productive economic citizens than higher education. For a total combined State and Federal investment of approximately \$15,000, you can break the poverty cycle. I don't know of any other program that is as efficient.

Maintaining the present Federal student aid programs in roughly their present form is conservative both politically and financially. Students attending independent institutions in New Jersey are not, for the most part, children of the wealthy. On average, they come from less prosperous families than their counterparts at the State colleges or at Rutgers. Taxpayers will pay less to provide the modest Federal aid than they would if the State was forced to assume the enormous burden of educating thousands of students who have been driven out of the independent sector by radical aid cuts. Not including amortization on capital, it costs us about \$4,500 a year to educate a student at Rutgers University. It costs the State \$488.00 at a private institution.

Finally, I would like to bring to your attention a broad perception among professional student financial aid administrator that the Department of Education is actively attempting to subvert the administration of the student aid programs. There is concern about an increasing pattern of delays, disruptions, and confusion in the Federal student aid delivery system. Several years ago, the Department mounted

a national campaign involving brochures, posters and T.V. ads, to disseminate knowledge about the programs. Not only have these efforts been abandoned, but there seems to be a very low priority on simply making the programs function. I have detailed on the next page a number of very serious problems which have led many of us to believe that there is an active and conscious effort to not only delay, but subvert the delivery system of the Federal programs.

I encourage our State legislators to take an active role in asking our Federal legislators, what is going on? We cannot assume that the bureaucracy is following the mandate of Congress - it is not.

We at Bloomfield College sincerely appreciate your concern in this serious national problem. When compared with the social costs of unemployment, crime and welfare, the investment in student financial aid may well rank as one of our nation's most sensible investments. Where else does one find a more efficient and successful instrument for upward social and financial mobility than higher education? The future stability and productivity of our region and State depends upon a commitment to the process of financial support to higher education. Further abandonment of the national commitment to student aid would render a long-term social and economic harm to New Jersey.

ASSEMBLYMAN DORIA: Thank you very much, Dr. Allshouse. I have just a few questions. You had mentioned that given the cutbacks in financial aid that will be taking place for the upcoming academic year, that at least 100 students will not be able to continue on. Academically -- I know, obviously, you don't have the statistics here -- are these students who are doing well? Are these students who would otherwise be continuing and have no difficulty?

DR. ALLSHOUSE: I think it is a false assumption to assume that low-income students are low performers academically. It is not the case at all. I would say in many cases it is quite the opposite. It is not that these students are going to drop out; these students are going to transfer by and large to the public sector.

ASSEMBLYMAN DORIA: So, they will be going on, continuing their education, but they will be going into the public sector--

DR. ALLSHOUSE: At a much higher cost. Any student who receives financial aid at our institution must fill out a financial aid form. A student who goes to Rutgers University gets aid instantly, when they step on the campus, although there is no financial aid form.

ASSEMBLYMAN DORIA: There is no financial aid form?

DR. ALLSHOUSE: Of course not, because of the differential between price and cost.

ASSEMBLYMAN DORIA: Okay, you are talking about the differential. I see what you are saying. Okay, in addition to the financial aid program is the State subsidy for the cost of education.

DR. ALLSHOUSE: That is the cost to the State.

ASSEMBLYMAN DORIA: The next question would deal with your discussion on the problems of the Department of Education promulgating of regulations and there may seemingly be a procrastination. Do you think this is definitely a concerted effort on their part to try to discourage people from trying to obtain financial aid?

DR. ALLSHOUSE: Yes.

ASSEMBLYMAN DORIA: You do?

DR. ALLSHOUSE: Yes.

ASSEMBLYMAN DORIA: Okay. Do you think it is working?

DR. ALLSHOUSE: Yes. I think the prolongation unnecessarily of the confusion and the lack of the Department of Education to really cooperate with the National Association of Student Financial Aid officers and the American Council on Education to try and get relief to the problem indicates not only an uncooperative effort, but an effort 180 degrees away from the delivery of services to students.

ASSEMBLYMAN DORIA: So, this is a concerted effort on the part of the Reagan Administration, through Secretary Bell, to accomplish their goals to get the cuts.

DR. ALLSHOUSE: That's right, the cuts-- because there will be less money spent if in fact students don't apply.

ASSEMBLYMAN DORIA: And if the money comes too late, then it cannot be spent because you don't have enough time to spend it - the usual method of trying to hold money back.

DR. ALLSHOUSE: That's right.

ASSEMBLYMAN DORIA: Okay. The final thing, Dr. Allshouse, would be in reference to State programs, in the area of financial aid and in the area of aid. Do you have any specific ideas? We have mentioned the work study, we have mentioned loans. Do you want to elaborate on that, or do you have anything to add to it?

DR. ALLSHOUSE: I think, first of all, the public should be more informed about the fact that this State, largely with the efforts of your Committee and the Department of Higher Education, in many ways has built a model program. Our State system of delivery and our budget commitment to financial aid I think is exemplary. I think you and those associated with it are really to be commended. We can do some positive PR for our own State, often that we don't do.

I think it is very important to stand firm on Governor Kean's budget recommendation. It is a solid recommendation for the Student Assistance Board allocation of funds this year. I think we need to look at possibilities in the work study area. We also need to look at sponsorship of tax exempt bond legislation to make it possible, perhaps, for independent institutions to go into the bond market to float loans for students. I think we need to fight any Federal effort to block legislation that would make tax exempt bonding possible.

ASSEMBLYMAN DORIA: Thank you very much, Dr. Allshouse, we appreciate your comments.

DR. ALLSHOUSE: Thank you.

ASSEMBLYMAN DORIA: Next, we will hear from the representative of Upsala College, Elizabeth Hamlin, who is the Director of Financial Aid. If anyone else wishes to testify and haven't given their names yet to the Committee Aide, please do so, especially, there are a number of students here. We would appreciate it, and we will get to you next.

Dean Hamlin?

ELIZABETH CARR HAMLIN: Thank you. I would like to speak to you today as a representative of Upsala College students. Upsala students have chosen to begin their educations at a small, independent institution. Today, there is considerable fear among many undergraduates that they will have to stop or interrupt their educations, or transfer and continue their educations at a State-supported institution.

As you know, that fear is not groundless. These are the specifics: direct student financial aid at Upsala, including State, Federal, institutional, and Social Security Education programs totals approximately \$4.7 million in 1981-82. For 1982-83, despite a 25% increase in Upsala scholarships and an estimated 7% increase in New Jersey State grants, I expect direct student aid to total only \$4.25 million, a loss of \$450,000, or almost 10%. Educational costs at Upsala will increase 12% next year. For just our financial aid recipients, who total a full 75% of our student body, this means a gross increase in costs of more than \$650,000. The total of the loss in funding and increased costs is thus \$1.1 million.

How this gap will be closed will determine the educational futures of hundreds of our students. In some cases, parents will make additional sacrifices and increase their contributions. In most of our families, however, additional funds are not there: both incomes and savings have been too eroded by inflation and past sacrifices for contributions to increase. In other cases, students will take on additional part-time or even full-time employment. Over 75% of our students now work at least 10 hours per week; many work 20, 30, or 40 hours per week. Combining those work schedules with a full-time college education is hardship enough - additional work hours will be difficult to assume, and will not go far in closing the gap. It is therefore unfortunately true that many of our students will not have the funds they need to continue at Upsala.

This "gap" in funding -- over \$1 million -- is just the difference between available aid and increased costs for 1981-82 and 1982-83. The best we can hope for in Federal funding for the near future is a continuation at 1982-83 levels: since we can expect costs to continue to rise, the gap will grow larger every year.

Almost every day I speak to students and parents who until very recently were confident of their ability to attend the college of their choice. Middle-income families had expected their own resources, with perhaps some loan assistance, to be sufficient to cover college costs. The increase in these costs, at least in the independent sector, combined with the loss of buying-power in the family income has made that expectation unrealistic. Lower middle-income families had expected that their own resources combined with Federal, State, and institutional aid programs would cover college costs. This, for many families, is now unrealistic.

I hope you will understand the gravity of the situation facing our students. Your efforts on their behalf will be most welcome.

ASSEMBLYMAN DORIA: I have a couple of questions. One of the things we speak about, and Dr. Allshouse spoke about and you also spoke about, was the entire question of students leaving the private sector and moving to the public sector, and the public sector not having the space for them, number one, and number two, the increased cost, and also the impact on the private sector. What impact do you see on Upsala College with the problems that are resulting from decreasing financial aid?

MS. HAMLIN: I think next year's funding drop will probably mean 75 to 90 students just won't be able to continue. I think that is conservative.

ASSEMBLYMAN DORIA: You are saying 75 to 90 students will not be able to continue. If this trend continues in the future, what do you see happening to a school like Upsala?

MS. HAMLIN: It would certainly be that number or greater each year for several years. If the college can survive on a much smaller number of students, it would certainly change our student profile around completely.

ASSEMBLYMAN DORIA: It is a question of survival, of course, and whether or not they will be able to continue to exist if enrollments go down - tuition income goes down. Do you know what percentage of your operating budget comes from student tuition?

MS. HAMLIN: About 40%. From student tuition?

ASSEMBLYMAN DORIA: Yes.

MS. HAMLIN: I'm sorry. About 80%.

ASSEMBLYMAN DORIA: Eighty percent. So, you are very dependent upon student tuition, obviously.

MS. HAMLIN: Absolutely.

ASSEMBLYMAN DORIA: You are not a large endowed institution. The other thing is, you talk about your students working 20, 30, or 40 hours per week. Do you think this is very common amongst many of the students in order to pay their fees?

MS. HAMLIN: Yes, absolutely.

ASSEMBLYMAN DORIA: And this is in addition to the financial aid that they are receiving?

MS. HAMLIN: Part of that is their work study employment.

ASSEMBLYMAN DORIA: Okay, part is the workstudy?

MS. HAMLIN: (continuing) but many students have jobs in addition to the workstudy. We could certainly use more workstudy dollars. One of the things we do there is keep more students closer to campus, at least cut down on the extra time that would take.

ASSEMBLYMAN DORIA: The workstudy also provides a benefit to the campuses in a way, because it means that these students are providing services that otherwise would have to be paid out of salary line items of the institution, which would have to either increase the expenditures and would have to come from tuition money. I think a lot of people don't realize that work study is a double-edged sword. It helps the students and the institutions. That is very important.

MS. HAMLIN: It can help the community.

ASSEMBLYMAN DORIA: And the community, right, through the non-profit agencies where they are working. That is very true. Okay, thank you very much. Okay, our next witness is Dr. Richard Lynde, Dean of Math and Sciences here at Montclair State. Dr. Lynde?

D R. R I C H A R D L Y N D E: First of all, I would like to welcome you back to the campus. If you want, I can arrange another tour of the animal facility, after we are finished (laughter).

It is a privilege to speak to you this morning and give you some of my thoughts on this issue. I would like to make some very specific comments first, and then a few more general comments.

Two or three years ago on the campus here, we initiated a program called the Health Careers Program. This program was directed at students who were educationally and financially disadvantaged. It was at the behest of the State Department of Higher Education. We had developed this program primarily to prepare and to address the very large under-representation of health professionals in many areas of the State, particularly urban areas, and to a certain extent, rural areas. The program is intended to prepare these students for entry into professional school, medical school, dental school, and so forth.

Many of these students fall in those categories of students who would be most directly affected by decreased levels of student aid. Many of the students come from families where the income is less than \$12,000 per year, some of the students come from families where the income is \$12,000 to \$15,000 to \$18,000 a year. All of these students would be severely affected by the cuts that we are talking about. In particular, the students at the very lowest end of the spectrum -- under \$12,000 -- who are eligible for EOF funding at the present time would be able to continue getting a fair amount of aid, but certainly the costs of college are going up. This particular program, because of its nature, has been designed as a residential program. We want the students out of the environment where they have grown up and into the campus environment. That means they are here all year long, they are living on campus, they are actually here all four summers. They come immediately upon finishing high school. They have no time to have summer jobs to get money for expenses, they have to live in college housing -- we are talking about expenses of in excess of \$4,000 a year for these students.

These students are in a particularly bad position, because when they do go on to medical school, they will be paying \$12,000 a year or more for tuition down there. It seems quite unfair at this point to increase their borrowing and loan responsibilities at the undergraduate level, because if they go through with the rest of the program, by the time they get out, they will be very highly in debt.

The students without having the opportunity to work in the summertime also have tended to draw somewhat on EOF and a work study and college work study opportunities -- student aid work. They tutor their peers, they work in offices and so forth to pick up some extra money. This would also be highly affected with the cuts that we are talking about here.

Right now, very specifically, we are seeing a much greater hesitancy in students committing themselves to this program in terms of our recruiting. We are also having difficulty, to a certain extent, keeping students in the program because of the expenses that we see coming in the next few years. It very definitely will have an affect on our program. We don't want students to live at home; it is conceivable that some these students might have to -- instead of living in the dorm and on campus -- live at home to save money.

We see the cuts in student aid will have a very detrimental effect to this particular program.

I would also like to point out in the more general sense that the immediate past Governor and the current Governor have a commitment to high technology

in this State. The Department of Higher Education, as well as the new Commissioner of Commerce, are specifically working on encouraging high technology in this State as one way of improving the economy in the State. You don't build a high technology industry or research development program in the State on high school education. Science and technology is very education-intensive. It would seem like folly at this particular point to do anything which limits access to education and makes it more difficult for students to get the education that they need to move into this kind of area.

Certainly, one other very significant thing about that whole movement is, the minorities are very highly under-represented in the science and technology industries. Blacks make up just over one percent of the new PhDs in science, Hispanics make up something around fourth-tenths percent of the new PhDs in science and technology, and, the undergraduate levels are very comparable to that. These students who would be among those most directly hurt by decreases in student aid, and at a time when we should be encouraging them into the science and technology fields, we are telling them, "Hey, we are not going to provide the support you need in order to get the education you need."

Very clearly, there are many human needs that the State has to address. I think it is also as clear that there are few human needs which will provide such bountiful returns as money spent on higher education. Thank you.

ASSEMBLYMAN DORIA: Thank you very much. I have one or two questions. The first would be the entire question of the representation of the minorities in the area of science. Do you think because of the cutbacks in financial aid that the numbers will-- let's say in this specific program that you are talking about here, you will find a decreasing number of minority students who will, number one, want to enroll in the program, and number two, can't financially enroll, especially because of the requirement that they live in the dorms?

DR. LYNDE: Yes. Very definitely. We have seen a decline in applications to the program this year. Right now it is very unlikely that we will meet our enrollment goal in the program this year. We met it last year and the year before, and we are just seeing a withdrawal from applications.

ASSEMBLYMAN DORIA: Some other people might say that the reason for this is that it is becoming too difficult for them to get involved in the program, and it means more work, rather than the cost factor. Do you agree or disagree with that?

DR. LYNDE: The nature of this particular program, when it is explained to people, should delay their fears. It involves a very high level of tutorial assistance and four summer programs and a tremendous amount of preparation, so, I don't believe that aspect can really be a determining aspect in the decisions.

ASSEMBLYMAN DORIA: So, in your opinion, the problem is one of finances more than anything else.

DR. LYNDE: Yes.

ASSEMBLYMAN DORIA: I just wanted to make that clear, because many times other individuals always suggest that if the program is becoming difficult, or if it is too easy -- the other solution to the problem is it is too easy. Nobody wants to get involved because it is too easy. Let's say like teacher education programs for an example. It's too easy, so that is why no one wants to get around.

No one talks about the financial remuneration that might be involved, or the cost that is put in versus what is received.

DR. LYNDE: I think it is important to note also that we are having great difficulty in maintaining all academic aspects of the program, mainly because the students are going-- We can't use the summer blocks. They need some money and we can't find the externships for them to do it, and we are not able to continue the whole program.

ASSEMBLYMAN DORIA: So, what you are finding is that they don't want to give their summers up because they have to work in order to support themselves and provide some money so they can continue their education or help support their families.

DR. LYNDE: Right.

ASSEMBLYMAN DORIA: Thank you very much. The next witness is Carmen Hutchison, a student here at Montclair State College.

C A R M E N H U T C H I S O N: Good morning.

ASSEMBLYMAN DORIA: Good morning.

MS. HUTCHISON: I want to first thank you for being here today. This is a very real situation to us, and we are very appreciative that you could take the time to be here.

My name is Carmen Hutchison. I am a junior at Montclair State College, and my major field of study is Environmental and Geographic Studies.

I transferred to Montclair State College from Concord College, a state school in West Virginia. I was referred to Montclair from an advisor at Concord, who praised the Environmental program here. I have been quite pleased with the department the two and one half years that I have been here. I am an active member of the Geography Club, which has proven to be a worthwhile and important activity in that our goal is to expand our learning experiences beyond the classroom.

My circumstances are somewhat unique in that I am separated from my family. As a result of that separation, I have had to find ways to finance my education on my own.

This past year, my twelve-month budget was \$6,700. I was able to meet my educational and living expenses by a combination of employment, State, and Federal grants and loans. More than 50% of my aid was work and loans for 1981-1982. In fact, I have borrowed over \$6,300 so far to finance my education.

I have been trying to plan for 1982-1983. I expect that as a result of increased living expenses - rent, food, etc., my budget will be about \$7,300 or \$50.00 a month increase over this year.

Due to the demands of my field of study, I am not always able to work as many hours per week as are available. I expect that this will be the case next semester too, as I have a demanding schedule ahead of me. Also, for the last semester of my undergraduate education, I will be attending an internship, where I will receive on-the-job training. This is an important part of our program here at Montclair. This job will not be a paying one, although it will be a full-time schedule. This will prevent my being able to continue with work study at the college.

In talking to the Financial Aid Office, I have learned that my campus-based loan and work assistance may be reduced by about \$1,000 due to reductions

in Federal programs. If that is the case, I may have to borrow about \$2,400 in order to complete my degree. Thus, my total indebtedness could be \$8,700 for four years.

Since my major is Environmental Studies and I will need to attend graduate school to complete my professional preparation, I may be \$10,000 to \$12,000 or more in debt before I begin working.

I would like to point out here that throughout college, I have never expected to graduate without owing money; I accept this as part of my educational responsibility. But, I am concerned about my financial state upon graduation, as I will have just completed my internship and will be drained financially. I will have moving expenses, I don't know what my new housing costs will be, I will have to purchase some type of car, and I will need to be mobile so that I can explore job opportunities and graduate school possibilities.

It is my hope that the State of New Jersey will be able to offer assistance to qualified students so that they will not be burdened with excessive indebtedness just as they begin their working careers.

Thank you for permitting me to speak this morning.

ASSEMBLYMAN DORIA: Thank you, Carmen. I have just a few questions. Obviously, your situation is not unique. Most of your fellow students have similar situations. One of the things that I would have to ask is, how do you feel about leaving college with a debt of anywhere between \$8,000 and \$10,000? Do you think it is fair, number one, and number two, how do you think you are going to be able to deal with that?

MS. HUTCHISON: I really don't know. I can be honest and say that I really don't know. I have had loans since I have been in school. Without them, I wouldn't be able to get through. I have been on aid now for the past year, which has decreased my loans. If that wasn't the case, I would really be in a lot of debt when I get out.

I have learned, while I have been in college, to take one day at a time. So, I will have to see how that goes when I graduate, because I really don't know. I am hoping that I will be able to get into some type of graduate assistanceship, when I get out of this college, therefore, delaying my loans and hopefully being paid to attend graduate school. This will depend on my academic situation at the time.

ASSEMBLYMAN DORIA: Do your fellow students ever talk about this whole question of loans - for the future?

MS. HUTCHISON: Oh, yes.

ASSEMBLYMAN DORIA: Is this a topic of general conversation, let's say.

MS. HUTCHISON: Yes, it is. At least with most of my friends. I am in a field of study where most of the people in my department, I would say at least 90%, are employed while they are in school. As I said before, I am a member of the Geography Club, and one of our biggest problems has been that most people are working and don't have the time to participate in something that is outside of the classroom, although it is very much needed. Most of what is learned in our field is outside of the classroom - it is field work, and it has been hard to coordinate that with so many people working.

Yes, it is a very real concern with a lot of students. My roommate presently is in about the same situation I am. Her parents are divorced now. They live in other states and she has been supporting herself solely. So, we have kind of been frantic throughout the year. But, we have learned to take one day at a time, and we will worry about graduation when that comes.

ASSEMBLYMAN DORIA: In the area of financial aid, rather than loans, do you think that enough is being done at the present time, first, at the Federal level? What is your perception and the perception of your fellow students there, and then at the State level?

MS. HUTCHISON: I'm not very familiar with a lot of the programs and what goes on behind them, but I wish that there could be more grants given, perhaps based on academic achievement, because I feel this is a -- again, it gets back to my owing so much money when I graduate-- This takes such a burden off of it, as well as taking a burden off my having to work 30 or 40 hours a week, because I have tried that before and it is very difficult to carry on that kind of a schedule and then be involved in my studies at the same time. My studies are very important to me. I usually put them first and end up broke.

ASSEMBLYMAN DORIA: That is difficult. Thank you very much for coming. We appreciate it.

MS. HUTCHISON: Thank you.

ASSEMBLYMAN DORIA: Our next witness is Professor Don McKee from Upsala, Professor of Political Science.

D O N M c K E E: Mr. Assemblyman, I am Don McKee from Upsala. I hold no particular office. I am merely a professor of government and politics. For the last 28 years, I have been very much interested in the broader problems of education in New Jersey through participation in the Association of Colleges and Universities, that brings together representatives from the public and the independent sector of education in New Jersey, and also in the Association of Independent Colleges.

Our Director of Financial Aid at Upsala, Elizabeth Hamlin, who just testified, spoke about the particular problems of our college. My purpose is not to address those items, but to try to speak on behalf of the 16 independent colleges in this State, and to try to call attention to the plight in which the proposed aid cuts places those independent schools.

The big problem, of course, is that during this academic year in four-year independent colleges, the tuition and fees are four times greater than the tuition and fees in the four-year schools in the public sector. The actual figures there are an average tuition and fees in the State schools of \$1,150, but, in the independent sector, the average tuition and fees this year were \$4,552; namely, four times greater than what they are this academic year in four-year colleges in the public sector.

Now, it costs just about the same to educate a student, whether he is in the public sector or the private sector. The big reason for the differential, of course, derives from the annual State subsidies that go to the independent sector and to the State sector. In Fiscal Year 1981, the subsidy from the State to four-year public schools was seven times greater than the grants which come to the independent schools from the Aid Act. If you take a look at Rutgers University, the subsidy is nine times greater than the subsidy in the independent sector.

The actual figures for this fiscal year for the grants that come to the independent colleges per student in a four-year school, amount to \$488.00, but, in the State sector for four-year schools, the figure is - per student - \$3,633. At Rutgers University, the subsidy that comes from the State is \$4,529, namely, nine times greater than the subsidy at the independent institutions.

Now, there are certain very important academic consequences that derive from these facts. The first thing I would like to say is, with adequate financial aid for students, this State has had a very viable independent college system. Adequate financial aid has made possible a student handling of the higher tuitions at the independent sector. But, with the cuts in financial aid, it is going to be extremely difficult for students in the independent sector to handle those higher tuition and fee costs in the independent sector.

With the present financial aid, it has been possible for the independent sector to perform all kinds of valuable services for the State, some to which I would like to refer in my concluding remarks. But, let me merely say that with adequate financial aid, the independent sector has been powerful enough and strong enough to educate almost one-half of the students who go to four-year colleges in this State. With inadequate financial aid, with the proposed cuts that the Reagan Administration has proposed, there are going to be some very disastrous consequences for the independent sector. I would like to call attention to at least three consequences which derived from this problem we have in the differential in the tuition cost at the two sectors of education.

First of all, as President Allshouse pointed out so clearly, there is going to be a widespread exodus of students from the independent sector to the public sector - students who are unable to pay the tuition fees because of a lack of financial aid, or students who are less able to pay the tuition fees in the independent sector because of the lack of financial aid projected by the cuts that we are now being confronted with.

Secondly, that kind of departure, that kind of exodus from the independent sector to the State schools, is going to bring about a very grave weakening of education in the independent sector, even, perhaps, a demise of some of the independent schools.

The third consequence I would like to call attention to is that such a departure of students from the independent sector to the State sector is going to bring about an increased burden to the New Jersey taxpayer. The cost to the New Jersey taxpayer for every student who transfers from an independent to a State four-year college is \$3,145. Of course, that figure derives from the following computation. Of course, the State subsidy to State schools is now \$3,633. If you subtract from that the \$488 figure for the subsidy per student at the independent colleges and universities, you get the figure of \$3,145. So, the increased burden to the taxpayer for every student that transfers from the independent sector to the State sector is going to be over \$3,000 per student.

Actually, the independent colleges make a very significant contribution to higher education in the State - a contribution that would be very seriously damaged by the proposed cuts in individual financial aid. Adequate financial aid is one of the best ways to maintain the services which the independent schools now perform. As a matter of fact, the independent institutions -- the 16 of them --

constitute one of the best taxpayers' bargains in New Jersey. These 16 independent schools receive only 7.3% of State appropriations for higher education - seven percent of the State appropriations for higher education. And yet, with that small subsidy, what they are now doing is educating 31% of undergraduates in New Jersey. Almost 50% of undergraduates are attending four year colleges and universities in New Jersey. They educate 42% of the graduate and professional students in New Jersey. They confer 53% of the Doctoral and professional degrees in New Jersey. They give 41% of the masters degrees. What is perhaps specially significant is they attract 45% of all of the research monies that come to New Jersey from the Federal government. And, when it comes to out-of-state students who come to New Jersey for their first year, the independent sector attracts 70% of all of these out-of-state students who come to New Jersey for their freshman year.

To preserve this significant contribution, it is very, very crucial for the independent sector that the proposed cuts in financial aid be defeated. To continue this real bargain for the taxpayer in New Jersey, it is urgent that a viable program of financial aid be continued.

While we are on the subject of cuts to education, I would like to call attention to the fact that there is a very significant cut in aid to the independent sector that needs to be rectified, and rectified at the State level. What I am calling attention to is full funding for the independent sector under the Aid Act. I was slightly instrumental in helping to get the Aid Act through in 1973, and being young and foolish, I thought that if the State enacted legislation that the independent sector would get 25% of the subsidy that goes to the State colleges in New Jersey, that the independent sector would get that money. But, for nine years, we have not had full funding under the Aid Act. It seems to me very, very crucial, that one of the things that should be done at the State level is to provide full funding under the Aid Act, which the legislation itself demands.

The other thing I would like to say is, it seems to me that the State ought to be gearing up for a massive type of program involving perhaps even the floating of a bond issue to raise funds that would make possible a State Guaranteed Loan Program of massive proportions to fill in the gaps for the cuts in the Guaranteed Loan Program, which have been proposed at the national level. Such a large-scale bond issue could raise the funds that would make possible a State Guaranteed Student Loan Program that would cover the gaps that are anticipated to come from the national administration.

I would like to thank you very much for what you have done in terms of assisting, particularly in the recent increase in the TAG program in New Jersey. It seems to me that that is something else that needs to be increased, and should it be increased, would have a very fine impact upon not only the public sector students, but the independent sector students.

ASSEMBLYMAN DORIA: Thank you, Professor McKee. Just one question. The question deals with the future of private institutions in the State of New Jersey, if the projected financial aid cuts do take place. What do you see happening? Do you see closing of some institutions?

MR. MCKEE: I certainly do. Upsala College, for instance, is 80% dependant upon student tuitions. If-- When we lose students to the State sector, it means disaster in the future for all institutions that have that kind of dependence

upon student tuitions. Two of our State universities in the independent sector have a dependence upon student tuitions for their revenues that amount to around 70% and the average is a little bit less than that. But, all of the schools which are so dependent upon tuitions for their general revenues will suffer, when students not having sufficient financial aid to pay tuitions in the independent sector transfer to low-tuition schools.

ASSEMBLYMAN DORIA: Thank you very much. Next, we have Sonjui Lal, a student here at Montclair State, who is also a representative of the New Jersey Student Association.

SONJUI LAL: Thank you, Assemblyman Doria. I would just like to preface my comments by saying I am sorry I don't have a prepared statement, but we are in the middle of finals week. I forget sometimes that I am a student, but I am.

I am representing the New Jersey Student Association, which attempts to represent all public four-year college students. Since I am probably one of the few people in this room that is allowed to make partisan comments, I would like to start out by saying, one thing that really confuses us about the Reagan Administration and their potential cuts is that education has been proven to have such a direct and positive effect on economic growth, and we don't understand why this isn't taken into consideration. It increases efficiency and productivity, and not only with the educated people, but the less educated people who work for educated persons seem to benefit from this.

As far as State colleges are concerned, I think the essence of State colleges is their accessibility to the various groups around the State. With the cutbacks, I think this is the first thing that it has a direct influence on - that accessibility.

For most New Jersey families -- I'm not just speaking about poor families, I am talking about lower-middle class and middle-class families -- it is probably virtually impossible to fund a student in a State college -- not just private schools, but in a State college -- without Federal and State assistance. Unlike the image that has been presented of the college student these last couple of months of someone who just goes to classes and doesn't pay back their loans, I think it is really a misnomer, especially at a State college where -- I don't have the numbers, and maybe Dr. Richards can help me -- but, a large percentage of our students work part-time and probably full-time. Many of them work full-time also.

As Dr. Allshouse from Bloomfield College mentioned National Student Lobby Day in March -- I was there -- of probably the 5,000 students there, approximately 600 were from New Jersey and three-quarters of those from State colleges. So, our concern is very real.

What started out initially as an anger towards these cutbacks has turned into fear and frustration. People are seriously concerned about what they are going to do, how they are going to be able to survive in this society, which is increasingly technological and complex, without this education. Most of us have grown up with the feeling that education is a right. It is something that we expect. If you want to go to college, you should be able to go to college. Now, it is becoming more of a privilege. Actually, we are being told it is a privilege, it is something you have to earn - and it is something that we feel we are earning and that we deserve.

Another thing about State colleges is that most of our students -- many of our students, rather -- are first generation college students. They are coming from families where people haven't gone to college in the past. All it takes is something like this, where there is a cutback, where there is a national sentiment that everyone shouldn't go to college, just a few should, and these families will pull their students out. They will say, "Okay, it is a luxury. It is something that we weren't meant to have. We are in a position in this society where we shouldn't go to college, so maybe we should take our kids out. They should go right to work." Something like this, in a State like New Jersey, which I am assuming is a blue collar state, would have a long-range and devastating affect on our economy, and that is something we cannot forget.

You had mentioned before what you think the State can do in addition to the loans and the work study programs. Loans and work study are wonderful, I know, I owe \$7,500 of wonderful money, but I think that direct assistance is something we cannot forget. There are those students who aren't eligible for everything else, and besides the EOF and TAG programs, maybe we should look into new programs. I would be more than happy to answer any questions.

ASSEMBLYMAN DORIA: Thank you Sonjui. First of all, I would like to thank you for taking time out of your exam schedule, because I know exams are a difficult time of the year. I would like to ask you, amongst your friends here on campus and amongst your peers, do you find much frustration when it comes to what the future may hold in the area of education and financial aid? Do you think a lot of your friends or fellow students will be leaving school because of the fact that they will not be getting as much money as they had before, and fear that they will not get it?

MS. LAL: When you asked Carmen that question, I couldn't stop myself from saying, constantly, because not only this college, but I have contact with students around the State. It is a general topic of discussion. That is pretty hard to find -- students talking about school when they don't have to. (laughter) It is, because you are looking at next year's schedule and saying, "should I fill this out? Am I feasibly going to be able to earn enough money during the summer and working part time next year to come back?" I think you can be assured that it is a general topic of discussion. I just want to add, students are reading newspapers about it. This is another amazing fact, looking at the Star Ledger to see what the latest news is on that.

ASSEMBLYMAN DORIA: As long as they don't read the education section. (laughter) My second question would be, do you think a lot of students also feel a burden from their families in the sense of a foregone income -- that they are not earning an income now, their families are having a problem -- in some families, obviously, there may be a father or mother out of work, or brothers or sisters are at a point where they need help -- do you think that is putting pressure on families?

MS. LAL: Definitely. There is no question about it. Especially the first generation families that I mentioned. It is something that they haven't had in the past, and they don't -- I guess when it comes to a crisis situation like this, where you are making a choice between income coming into the family or income going out of the family, it seems like the logical thing to do is to pull the kid out of college and to put him to work.

ASSEMBLYMAN DORIA: Then there is that pressure from the home?

MS. LAL: I think there is. It definitely exists.

ASSEMBLYMAN DORIA: Thank you very much.

MS. LAL: Thank you.

ASSEMBLYMAN DORIA: Now we will hear from Loretta Redfurn, a student here at Montclair State College.

LORETTA REDFURN: Good morning, ladies and gentlemen. My name is Loretta Redfurn. I have volunteered to speak to the Committee regarding how the student financial aid program has influenced my educational plans.

My home is in Vineland, New Jersey, where I was born and raised. There are four people in my family - my mother, my brother, 17 years of age, my sister, three, and myself. My mother is the sole support of my family. Presently, she is employed as a nurse's aide in a local hospital.

I entered Montclair State College as a Consumer Affairs major in the Fall of 1979 as a freshman student. I chose Montclair State because of its good reputation, even though it is far from my hometown. My high school teachers and counselors had recommended that I consider attending Montclair State.

The New Jersey Educational Opportunity Fund Program has provided me with counseling and tutoring. In addition, I have received State and Federal financial aid assistance. During the past three years, I have been a dormitory student and my ability to stay in school has been a result of State and Federal financial aid programs. This past year, my dormitory budget was \$4,350. A substantial portion of those costs were met by a combination of student employment, loans, and grant assistance.

Next year, my budget for the same number of credits in a dormitory will be \$5,350. My family will not be able to provide much assistance, since my mother's work has been reduced. At the moment, I have not been able to locate summer employment. If I do find summer employment, my earnings will be used to help with household expenses. Therefore, I will be very much dependent upon financial aid in order to finish my senior year.

According to the Financial Aid Office, I will probably be receiving financial aid to meet some of my expenses. However, for 1982-83, I have applied and have been accepted as a Resident Assistant. That campus position will help offset the increase in dormitory charges and enable me to keep my loan indebtedness to a minimum. If for any reason I cannot retain my RA position, it will be necessary for me to borrow approximately \$1,600 from the Guaranteed Student Loan Program in order to stay in school.

During this year, my mother and I have been very much concerned about my financial aid for next year, especially as a result of what we have been reading in newspapers with regard to the reductions in the Federal programs. I am very hopeful that I will be able to complete my studies at Montclair next year. If I can, I feel that I am one of the lucky ones, as it appears that Federal aid for 1982-83 will be much reduced. I hope that you will consider increasing the Federal assistance for that year so that other students may be able to finish their studies. Thank you.

ASSEMBLYMAN DORIA: Thank you. I have just a few questions, Loretta. You were saying you haven't found a summer job yet. Is that common amongst your

friends? Are they having difficulty finding summer jobs as you are?

MS. REDFURN: I think it is very common because of the fact with so many cuts and budgets, people are not able to hire. You may be qualified for the job but, usually people keep who they have and have them work overtime, instead of hiring more people.

ASSEMBLYMAN DORIA: Where have you worked in the past during the summer?

MS. REDFURN: I have been an English tutor for EOF students; I have worked in various jobs, such as "Fish and Chips," and different places like that. When you have to take out loans, you need the money for the following year. What they do pay for, you still have other obligations to pay for.

ASSEMBLYMAN DORIA: So, your fellow students have been talking about the difficulty of getting jobs?

MS. REDFURN: That has been the main thing on campus, ever since Reagan has come into office, it has been-- Everything has been, "well, I can't afford this, I can't afford that, what am I going to do?" Many people who are even middle class are selling their cars, whatever the case may be, because they want to go to school. Some people have to live on campus, such as I do, and I feel bad because I live far away, but I do want an education regardless of where I go. I feel I do have that right.

ASSEMBLYMAN DORIA: You participated in the EOF program?

MS. REDFURN: Yes.

ASSEMBLYMAN DORIA: Do you find that to be a very worthwhile program?

MS. REDFURN: Very much so, or I wouldn't be here.

ASSEMBLYMAN DORIA: That is the reason why you are here.

MS. REDFURN: Yes.

ASSEMBLYMAN DORIA: That provides a great deal of the funding necessary to provide for your education?

MS. REDFURN: Definitely, because when you have-- For instance, my mother makes \$10,230 for the whole year. That is nothing to send a child off to college on.

ASSEMBLYMAN DORIA: And raise a family either.

MS. REDFURN: And I do have a brother and sister. They cut her job from ten-day work pay to eight-day work pay. That is very bad. That is also because of budget cuts. They cannot afford to pay the nurses aides.

ASSEMBLYMAN DORIA: So, in every way, you are being hit from every direction.

MS. REDFURN: Most definitely. If I didn't have aid, I may not be able to graduate.

ASSEMBLYMAN DORIA: So, you really wouldn't be able to come to college if it wasn't for financial aid?

MS. REDFURN: Right.

ASSEMBLYMAN DORIA: A lot of your fellow students, from what I can see, are in similar situations.

MS. REDFURN: That is most definitely.

ASSEMBLYMAN DORIA: Thank you very much for taking the time out to come here today. Good luck on your exams, all three of you.

MS. REDFURN: Thank you.

ASSEMBLYMAN DORIA: Are there any more witnesses? (no response)

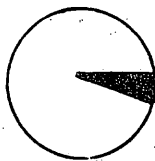
Otherwise, I will end this hearing. I want to end this hearing by thanking Dr. Dickson and his staff and all of the people who came to testify. I want to thank Kathy Fazzari for getting these hearings together. She did a very good job. And, of course, our stenographers. We will be having hearings, as I said, in June at Mercer County Community College, in Camden, and probably in Jersey City. So, we will be around the State. These proceedings will be available. Comments will be printed up and available for everyone's use. Thank you very much.

(Hearing Concluded)



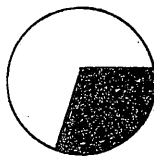
Adequate financial aid to individual students
helps to preserve

ONE OF THE BEST TAXPAYER'S BARGAINS IN NEW JERSEY

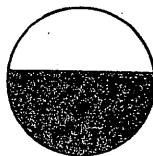


Receiving only 7.3 percent of state
appropriations for higher education,

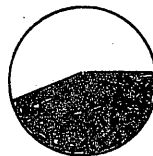
the independent colleges and universities
of New Jersey perform the following services:



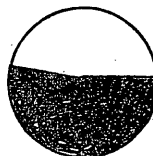
Educate 31 percent of undergraduates
in New Jersey



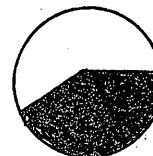
Educate almost 50 percent of
undergraduates attending four-year
colleges and universities in New
Jersey



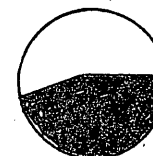
Educate 42 percent of graduate
and professional students in New
Jersey



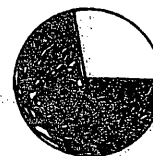
Confer 53 percent of doctoral and
professional degrees in New Jersey



Confer 41 percent of master's
degrees in New Jersey



Attract 45 percent of research
monies that come to New Jersey
from the federal government



Attract 70 percent of the students
who come from out-of-state to
New Jersey for their freshman year

Submission by:
Professor Don
McKee, Political
Science Depart-
ment, Upsala
College.

Sources

Page one:

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- Tuitions and fees: Howard Maxwell, president Association of Independent Colleges and Universities in New Jersey, letter to Mr. Thomas Melady, Assistant Secretary for Postsecondary Education, U.S. Department of Education, Oct. 29, 1981, p. 1.
- Services of the independent sector: "Degrees and Other Formal Awards Conferred by New Jersey Colleges and Universities F.Y. 1980 and Recent Trends", N.J. Department of Higher Education, March 1981.
- "Opening Fall Enrollment in New Jersey Colleges and Universities, Fall 1980 and Recent Trends", N.J. Department of Higher Education, February 1981.
- "Our Independent Colleges and Universities", p. 48.

Page two:

7.3 percent figure:

Budget, State of New Jersey, Fiscal Year 1981-82.

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