

## Governor Phil Murphy

photo: view of NJ Trenton DOM

# Governor Murphy Announces Legislative Package to Ensure Fiscal Accountability at Public Institutions of Higher Education

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**UNION** – Governor Phil Murphy today joined Senator Joe Cryan, Assemblywoman Mila Jasey, and Secretary of Higher Education Dr. Brian Bridges in announcing a legislative package aimed at ensuring fiscal accountability at public institutions of higher education in New Jersey. The three bills would implement additional fiscal reporting and publication requirements for these institutions to ensure greater oversight and transparency. The bills will also ensure that the board members of these institutions receive ongoing training to ensure that they are equipped to adequately manage the fiscal operations of our public institutions of higher education.

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"When institutions are in financial distress, it is often the students and staff who are subjected to the greatest turbulence and uncertainty," **said Governor Murphy**. "As public institutions of higher education, these schools are accountable to both the government and the taxpayers of our state. This legislation will promote greater fiscal accountability among our public institutions of higher education on behalf of all those working and studying at these New Jersey institutions."

The first bill (A-4970/S-3406) requires public institutions of higher education to submit an annual fiscal monitoring report to the Secretary of Higher Education and undergo a comprehensive audit every three years. The bill provides the Secretary of Higher Education the authority to order additional audits of any institution, as well the authority to appoint a State monitor to directly oversee an institution's fiscal operations and governance if the institution's audits indicate fiscal instability or other negative fiscal impacts.

In conjunction with the first bill, the second bill (A-4971/S-3407) requires all public institutions of higher education in New Jersey to post a copy of their annual fiscal monitoring report and audited financial report or statements to their website in a manner understandable to the general public.

Under the remaining bill (A-4967/S-3436), governing board members of public institutions of higher education will be required to complete ongoing training programs that clarify their role and duty as a board member and the role of the board with respect to the financial management of the institution. Under the bill, the training requirements will be a condition of serving on the board.

"Transparency in information is a key tenant of our State Plan for Higher Education and a robust legislative package aimed at increasing transparency at public institutions of higher education ensures that our students see a more effective return on their investments," **said Dr. Bridges, Secretary of Higher Education**. "By building a stronger accountability model, New Jersey can better safeguard the long-term financial sustainability of our colleges and universities."

Sponsors of one or more of these bills include Senators Joseph Cryan and Vin Gopal, as well as Assembly members Mila Jasey, Pamela Lampitt, John McKeon, and Reginald Atkins.

"This is an important step forward in bringing more oversight and accountability to the finances of New Jersey's colleges and universities," **said Senator Cryan**. "The taxpayers who help support higher education, and the students and families who pay the bills to attend these schools, need to know that their investments are used responsibly and effectively. Financial accountability in the operations of our public colleges and universities is a key part in maintaining educational excellence and affordability."

"We must take all necessary steps to ensure our public institutions of higher education are financially stable and able to provide the full range of degrees, programs, activities and services that attracted students to their campus," **said Assemblywoman Jasey, Chair of the Assembly Higher Education Committee**. "Bolstering OSHE's oversight by requiring an annual fiscal monitoring report, in addition to the independent audit, will add an additional layer of transparency while granting the Secretary the power to monitor each institution's financial stability in real time, and appoint a monitor to immediately intervene before an institution's financial hardship becomes catastrophic. The transparency will help students and their families make an informed decision about their college choice, confident that the institution will be positioned to meet their individual needs."

"New Jersey's public institutions of higher learning are among the best in the world, and among our state's strongest assets," **said Senator Gopal, Chair of the Senate Education Committee**. "Yet these institutions can only remain strong if their fiscal houses are kept in order, if they adhere to transparency and if they remain accountable to taxpayers. Requiring public colleges and universities to submit an annual fiscal monitoring report will urge greater transparency and efficiency, and assure that these institutions are acting responsibly and professionally as they aspire to prepare students for the 21st Century world."

"These bills will bolster critical oversight and transparency measures while providing school governing boards with resources and training to help them deliver on their commitment to students," **said Assemblywoman Lampitt, chair of the Assembly Education Committee**. "This legislative package will benefit students, faculty, and staff members at all of New Jersey's public colleges and universities."

"As a former educator, I applaud the Governor for announcing legislation to increase fiscal oversight at our state colleges and universities," **stated Township of Union Mayor Manny Figueiredo**. "If New Jersey taxpayers are going to be asked to continue funding higher education, then we need to be assured those funds are being well managed and spent prudently. These three proposed bills will help ensure that our educational institutions continue providing the best education in the nation for years to come."

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