
Public Hearing

before

THE COLLEGE AFFORDABILITY STUDY COMMISSION

“The College Affordability Study Commission will hold three public hearings at which students, parents, and other members of the public are invited to provide their thoughts and recommendations on increasing the affordability of higher education in New Jersey”

LOCATION: The College of New Jersey
Ewing, New jersey

DATE: November 18, 2015
2:30 p.m.

MEMBERS OF COMMISSION PRESENT:

Dr. Frederick Keating, Chair
Dr. Nancy H. Blattner
Donald C. Doran
John Gorman
Dr. Timothy Haresign
Dr. Ali A. Houshmand
Dr. Peter P. Mercer
Giancarlo Tello



ALSO PRESENT:

Adrian G. Crook
Sarah Haimowitz
Office of Legislative Services
Commission Aides

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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PUBLIC HEARING NOTICE

The College Affordability Study Commission will hold three public hearings at which students, parents, and other members of the public are invited to provide their thoughts and recommendations on increasing the affordability of higher education in New Jersey.

The hearings will be held at the following places at the dates and times listed:

Wednesday, September 16, 2015
10:30 AM – 3:00 PM

Union County College
Roy Smith Theater
Cranford Campus
1033 Springfield Avenue
Cranford, New Jersey 07016

Wednesday, November 18, 2015
2:30 PM – 7:00 PM

The College of New Jersey
School of Business Lounge
2000 Pennington Road
Ewing, New Jersey 08628

Wednesday, January 20, 2016
10:30 AM – 3:00 PM

Rowan University
Enyon Ballroom
Chamberlain Student Center
201 Mullica Hill Road
Glassboro, New Jersey 08028

The public may address comments and questions to Adrian G. Crook, Sarah Haimowitz, Commission Aides, or Larkin Cugnitti, Secretary, at (609)847-3850, fax (609)984-9808, or e-mail at acrook@njleg.org. Written and electronic comments, questions and testimony submitted to the commission by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

All persons who are testifying should submit 15 written copies of their testimony the day of the public hearing. Persons who are not presenting oral testimony may submit written testimony for consideration by the commission and inclusion in the record by e-mailing the commission aide.

Issued 9/2/15

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DR. FREDERICK KEATING (Chair): Good afternoon, everyone.

On behalf of the New Jersey State Commission on College Affordability, I would like to thank and acknowledge our good friends here at TCNJ. Dr. Gitenstein was here -- oh, she's here.

R. BARBARA GITENSTEIN, Ph. D.: (off mike) I'm here.

DR. KEATING: Thank you for your hospitality and for providing a wonderful opportunity for these students and others to be heard today on the topic of affordability.

So thank you very much.

I'm fond of TCNJ because I graduated from this fine institution on two occasions. (laughter) So it feels good to be home.

It was nice to see Bliss Hall. I slept in that as a freshman.

DR. GITENSTEIN: (off mike) You can always say that you're *in Bliss*. (laughter)

DR. KEATING: I slept there as a freshman; at least that's what they tell me.

To those of you who have taken the time from very busy schedules to travel here to TCNJ to speak on behalf of the issue of college affordability -- and we have several who have -- I want to say, on behalf of the Commission, thank you. You are the same as we are: We are volunteers in the discussion and the attempt to put together a position paper and a document -- that we're working on for the last six or seven months, with six or seven more, I guess, to go -- under the theme of college affordability, with an intention to provide the Legislature and the Governor,

hopefully, some thoughts that New Jersey can take -- steps forward with regard to the reform aspect of making college affordable to all of our citizens.

So on behalf of the Commission, I just want to say thanks for taking the time to come up to TCNJ or down to TCNJ.

At this time, we're going to take roll call, if I could.

MR. CROOK (Commission Secretary): Dr. Blattner.

DR. BLATTNER: Present.

MR. CROOK: Mr. Doran.

MR. DORAN: Present.

MR. CROOK: Mr. Gorman.

MR. GORMAN: Present.

MR. CROOK: Dr. Haresign.

DR. HARESIGN: Present.

MR. CROOK: Dr. Houshmand.

DR. HOUSHMAND: Present.

MR. CROOK: Dr. Mercer.

DR. MERCER: Here.

MR. CROOK: Mr. Tello.

MR. TELLO: Here.

MR. CROOK: And Chairman Keating.

DR. KEATING: Here, present.

And we lack minutes because of our public meeting at Union County College, so we'll move right into the program.

What we're going to attempt to do today, for all of our sake, with our time and our use of time, will be to allow some of the students

who have come here today to speak first. We're going to ask you to hold your remarks to somewhere in the vicinity of five minutes; we're not going to necessarily flash lights or cut you off, but we are going to have to watch if it starts to creep a little bit beyond that.

If you have written testimony, we would ask you to provide it to the Secretary -- to Adrian. If you are going to do that at a later date, or as a follow-up thought, we will give you the ability to do it on paper or electronic transfer so that we can have your thoughts at a later time.

In the middle of that, we're going to move over to a HESAA presentation, with regard to a follow-up session to the one that we had with them a few months back; and then we're going to return to the student population; and then, I believe, we have a formal presentation from the Pathways Program -- from the New Jersey Council of Community Colleges.

So we're going to attempt to make this as comfortable as we can for all of us, in that we never know how many or how long. We're here until the last one of you wants to speak.

Some of my colleagues on the Commission have other obligations at their institutions and are going to have to leave during the course of the event. But there will be a representative group of us here to listen to all of you until, as they say, the last person retreats from the podium.

So with that in mind, Adrian, I'm going to ask you to bring up our first individual.

MR. CROOK: Okay, first, can we have Mr. Luis Padilla.

Do you have written testimony?

LUIS PADILLA: No.

MR. CROOK: Okay, okay.

DR. KEATING: Just make yourself comfortable.

MR. PADILLA: Thank you.

Good afternoon, everyone.

ALL: Good afternoon.

MR. PADILLA: Is it on? (referring to PA microphone)

DR. KEATING: Yes, you're on.

MR. PADILLA: Good afternoon, everyone. My name is Luis Padilla; I am a junior at New Jersey City University. I graduated from Union County College last May.

College affordability has been an issue that has been raised in our great state. From my beginnings at Union County College, I was very grateful and fortunate to receive TAG funds, which allowed my journey in my personal life and academic career to be much smoother than it may have been because of factors and variables that will always come up in life -- whether it be deaths in family, whether it be personal illness -- that I had overcome only because programs such as EOF; and such as HESAA, that was always very helpful because they would reach out to our college and our universities, whether it was through student representation or different executive members on their Board.

My personal example that I wanted to share with everyone today is: During my time at Union County College, at the beginning of my second year, I suffered a loss in my family, and I, unfortunately, missed too many weeks to continue on for the semester. That being said, I was put as a part-time student because of probation. I was only able to recover from

that because of the support and care of my EOF family at Union County College.

Now, that being said, for college affordability, students who don't have that opportunity to receive funds from the State, and are working like slaves at a point in their lives, and they can't seem to figure a way out and how to succeed and get passed -- it's becoming worse every day.

When I graduated from Union County and started at New Jersey City University this fall, I found more students in debt and more concerned about paying off their loans than about graduating -- because they weren't properly counseled when applying for loans. I believe college affordability needs to be addressed at its roots -- from loans. As debt increases, students' worries become higher, and students are becoming distracted.

And it is becoming an issue at my university and many of the other universities of friends and family who have attended. And I plead that everyone, with their expertise, does everything they can to address the issues -- considering that loans are one of the strongest foundations of where college affordability is becoming an issue.

DR. KEATING: Okay. Luis, thanks.

We're going to see if there are any questions for you, okay?

Anyone on the panel, at this point, have anything you want to question, or offer to Luis? (no response)

Okay. I'm going to say thank you. Again, if you want to give us your remarks at a later time; if you want to go back and think about this and send it on to Adrian -- please, we'll give you the ability to do so. But

your message is not uncommon to things we've been hearing about EOF with regard to it, and also HESAA is here today and we're going to -- our conversation with regard to the loan structure is alive and well.

So we'll keep you in our thoughts as we go forward. And we appreciate the fact that you drove a pretty good distance to come down here and share that emotion with us.

So thank you very much.

DR. MERCER: Thank you.

MR. PADILLA: Thank you, Dr. Keating, and thank you, Commission.

MR. CROOK: Okay, next up, could we have Cassandra Alessio.

C A S S A N D R A A L E S S I O: (distributes binders to Commission members)

DR. KEATING: That's a lot of homework. (laughter)

MS. ALESSIO: Yes, it is.

DR. KEATING: Okay, Cassandra. Welcome, and we're prepared to give you our undivided attention.

MS. ALESSIO: Thank you.

I want to, first, thank all of you for dedicating your time to examine issues and develop recommendations to increase the affordability of a higher education in New Jersey.

In front of you, you have a binder that illustrates one of the issues in regards to higher education affordability in New Jersey -- and that is NJCLASS loans. Unfortunately, NJCLASS loans are not assisting

residents who need to borrow money to attend college. In fact, they are hindering not only borrowers, but the economic future of the State.

The surveys included in your binder demonstrate the need for reform to not only protect future borrowers, but to also help those who have no options now. You can read through all the stories to get a better understanding of how these loans are destroying families, and preventing any economic growth in this state that would have been provided by those who recently graduated in the past few years.

The most astonishing fact learned through these surveys is that the majority of borrowers thought NJCLASS loans were similar Federal loans that provided protections for borrowers, such as income-based repayment plans, loan forgiveness, and rehabilitation of defaulted loans. In addition, the majority of borrowers did not know NJCLASS were private loans. The majority of those surveyed believed that NJCLASS loans should not even be offered to future borrowers.

Another important fact learned is that the majority of borrowers surveyed stated HESAA was unwilling to work with them when it came to discussing repayment options if they could not afford payment. Therefore, borrowers were forced into default even when they wanted to negotiate a different payment option.

Hopefully, with all this information, you will consider providing recommendations to help struggling borrowers now; and to also fix the broken State agency to protect the upcoming generations, while providing a path to a better economic future for the State.

And that's it.

DR. KEATING: Okay. Obviously, the material you gave to us -- we will take, and each member, and the others who are not here today, will receive it.

MS. ALESSIO: Okay.

DR. KEATING: I can promise you that.

MS. ALESSIO: Perfect.

DR. KEATING: At this point, I'm going to see if there are questions from any of the members of the Commission, specifically to what it is you just told us, and in anticipation to what we're going to read.

Is there anything?

Tim.

DR. HARESIGN: I see, in the survey that you brought -- the results of the survey you provided us -- there are-- What was the pool? There are 135 respondents on most of them. How did you draw your pool?

MS. ALESSIO: The first survey was just from word of mouth; people I've spoken to. And then the second survey was from a contact list from an association that was helping me down in D.C.

DR. HARESIGN: Okay.

MR. GORMAN: Cassandra.

MS. ALESSIO: Yes.

MR. GORMAN: Are you a passionate advocate? Do you work for-- How did you get involved in doing this?

MS. ALESSIO: I actually have their loans.

MR. GORMAN: You have their loans.

MS. ALESSIO: Yes.

MR. GORMAN: And so that-- Okay.

MR. DORAN: Cassandra, you have certainly done your homework here; nice presentation.

MS. ALESSIO: Thank you.

MR. DORAN: Let me ask you -- when did you find out about NJCLASS loans, and then why did you decide to take them?

MS. ALESSIO: In 2007 is when I started college. And from my understanding, I thought it was a loan that was going to be beneficial to me when I maxed out my Federal loans. So I was looking at another loan that would provide more benefits to me than just going out and taking a private bank loan. And this is the one I stumbled upon -- the NJCLASS loans.

MR. DORAN: And you started college in 2007?

MS. ALESSIO: Yes, and graduated in 2011.

MR. DORAN: While in high school, were there any opportunities provided to students and parents to take a look at a plan for college financially? Do you recall anything like that? I'm not sure what high school you went to.

MS. ALESSIO: No, there wasn't any information in regards to financial information to attend college.

MR. DORAN: Do you think that, for yourself and maybe the students who you surveyed here, if there was more fiscal literacy information available -- say early on in high school -- to you and family, that you might make different decisions, based on having that information?

MS. ALESSIO: Yes.

MR. DORAN: Thank you.

MS. ALESSIO: You're welcome.

DR. MERCER: Cassandra, you had mentioned that the apparent unwillingness to renegotiate terms, which forces students into default, was one of the major flaws you saw in the operation of the NJCLASS loans. What would the others be -- that you had alluded to a couple of others, I believe.

MS. ALESSIO: From what my understanding is, from speaking with people, it is more that they wanted to negotiate with HESAA in regards to lowering their payments based on their income, and were unable to. And, unfortunately, when you're not able to make the payments, you have no options unless you pay the amount that they requested. And I think that, also, sometimes when borrowers default, it is pretty quickly, and they haven't had the opportunity to make the income that they need to pay for these payments. So sometimes these borrowers want to rehabilitate their defaulted loans and get onto good standing with HESAA, but are not able to.

DR. MERCER: Do you have any idea -- a recommended time before repayment should start?

MS. ALESSIO: I do think that the six months is a reasonable time. But I do think that something needs to be adjusted where the payments either slowly increase, so as the time where you're looking for a job -- as you're moving up in your field you can make more of an income to provide for the higher payments -- whether it's lengthening the term of the loans; or if you're having an inability to pay for the loans, add an extra few years and gradually build up a payment plan with them.

DR. MERCER: Thank you.

MS. ALESSIO: You're welcome.

DR. KEATING: Giancarlo.

MR. TELLO: I just wanted to say thank you for all of this; it's definitely a good pool of knowledge and information to be able to draw upon as we continue to do our work.

MS. ALESSIO: Thank you.

DR. KEATING: Okay. I'm just impressed with the nature of your work.

MS. ALESSIO: Well, thank you.

DR. KEATING: We haven't received anything like this, on any topic, within our scope since we began our journey. So your passion is pretty evident.

I just have one question.

MS. ALESSIO: Sure.

DR. KEATING: When we look at this later -- and you were asked by Dr. Mercer about, maybe, some summary points. If I was to catch the summary aspect of your findings, could you please, again, just for the record and for now, in a public discussion, just quickly give me what you would consider the top three issues that you would point out, as a result of your work and your opinion, as to what considerations that you would want to put on the floor as we begin our conversation with the Authority.

MS. ALESSIO: One would be income-based repayment plans, or some sort to help those who so want to make a payment to HESAA, but just can't afford the requested amount. Another one would be rehabilitation of defaulted loans for those who weren't making the income that they needed when they graduated, but now are. And then a third one

would be an option to extend your terms in order for you to be able to pay less now, but not be forced into default.

DR. KEATING: Sounds like all three of your points speak to the act of repayment, over the idea of some negotiation of time and term -- based on what's actually happening to you in your life at this time with regard to employment or ability to repay.

MS. ALESSIO: Yes.

DR. KEATING: So all three of your main points that you just gave us all circle into one point.

MS. ALESSIO: Yes.

DR. KEATING: Okay.

On the card you gave us, you just gave us your name. Would you be willing to give us an e-mail contact or some way that Adrian could reach you--

MS. ALESSIO: Yes.

DR. KEATING: --if this Commission wants to revisit you and ask for some thought or comment? Because we'll be having public testimony again, in January, and then we're going to be in Trenton pretty much through spring into the summer before we go to draft writing. We may want to reach out to you and say, "Would you mind coming back and clearing a point, or rethinking the issue." You have put an awful lot of time in this; I don't think you deserve five minutes and be done.

MS. ALESSIO: Okay.

DR. KEATING: It's up to you; if you care to, if you would just elaborate some aspect of contact on that, in the event -- if you're willing. If

you're not, we hear you, we'll read you, and we'll go from today's conversation.

MS. ALESSIO: Great. I will provide my information.

DR. KEATING: Okay, thanks very much for coming today.

MS. ALESSIO: Thank you.

MR. CROOK: We actually have two students from Georgian Court, so maybe they could come up together.

We have Sabrina Cruz and, I believe, it's Anna Mead.

DR. KEATING: Thank you, ladies, for taking time to be with us.

S A B R I N A C R U Z: Thank you.

A N N A M E A D: Thank you.

DR. KEATING: Sabrina is--

MS. CRUZ: Right here; Sabrina Cruz.

DR. KEATING: Okay. Sabrina and Anna.

Okay, the floor is yours.

MS. CRUZ: Thank you.

First and foremost, we would just like to thank you all for giving us the opportunity for hearing us out. This means a lot.

My name is Sabrina Cruz, a current student at Georgia Court University. My story consists of many ups and downs that I once felt no one could relate to. But I quickly learned that my story belonged to many.

Growing up in a single-parent home, I watched my mother struggle day in and out to make ends meet for our home. I remember as a child never asking for anything; while my friends would ask for the latest pair of shoes or clothes, I just knew better not to ask; I knew we didn't have

it. My mom would often see my clothes or sneakers falling apart and would ask why I wouldn't ask or say that I needed anything. And I would just assure her that everything was okay and that I was fine.

Middle school days were rough, as that was the time I lost my father. But nothing compared to high school. My mom -- my rock and my everything -- had fallen ill, and the doctor's report was not good. It was at that moment that I stopped being a daughter and I became a caretaker.

With lots of prayers and faith, God allowed my mom to overcome illness.

As I approached the end of my high school career, I knew I could never afford college on my own. So I opted out of the SATs and assumed applying for community college -- which would be the best course of action. Quickly, I was hired as a receptionist in efforts to help out at home. My mom was on disability, and unfortunately her small check did not cover all of our bills. Years went by, and I continued to work multiple jobs. One day as I sat in the back of a taxi and contemplated my life, I realized that I was working and working basically just to pay a taxi to get back and forth to work. The many dreams that I had were stifled through just all my circumstances.

The taxi man who I had become very familiar with over the months started asking me why I just didn't get a car -- as if it would be so easy. I explained sarcastically that I probably needed to get a college degree in order to pay for a car. He then looked at me in the rearview mirror and said, "Why don't you go?" I replied that my dream was to attend a university, but I can't leave my mom alone. He replied, "Have you thought about Georgian Court University? It's right in your town." With a

defeatist attitude, I said, “There’s no way I could afford that.” The conversation ended there, and I continued my day without knowing that he had planted a seed within me.

I then shared with a friend how a taxi man was telling me to go college -- a university, at that -- and just walk on and sign up for classes, as if it were that easy. My friend, who graduated from Rowan University, shared that she had spent her first two years of college at Georgian Court University. She told me about a program called EOF, which helps you financially to attend a university and have the same opportunities as any other student.

Excitement quickly flooded me; there was hope. For once Sabrina Cruz would have a chance to go to college.

I dusted off my dreams that were buried for so long, and I applied for Georgian Court University. I applied for EOF, along with every other State grant and loan available to me. Looking back now, as a senior, I stand in awe of the path that I walked -- the opportunities that I have experienced. It has all come to pass.

I stand before you today just sharing the importance of grants and loans for students like me. And I am just one student, but there are many just like me. And if the opportunity had not been there, I would not be where I am today.

So thank you.

DR. KEATING: Okay. Sabrina, before we go to Anna, we’re going to leave you open to comment or question from any member up here.

MS. CRUZ: Yes.

DR. KEATING: Are you okay?

MS. CRUZ: Yes.

DR. KEATING: Does anyone have a thought or comment?

MR. TELLO: Hi. First of all, thank you for your testimony.

MS. CRUZ: Sure.

MR. TELLO: My main question is, when did you find out about EOF? When you were still in high school, or after?

MS. CRUZ: I found out about EOF years after high school, yes.

MR. TELLO: And there was no EOF program-- Your counselors never mentioned it to you while you were currently in school?

MS. CRUZ: Unfortunately, no.

MR. TELLO: Thank you.

MS. CRUZ: Yes.

DR. KEATING: Well, thank you.

I'm going to just have a comment for you, in my position here.

MS. CRUZ: Sure.

DR. KEATING: You've given two thoughts to something we've heard everywhere we've gone. So it's good to keep hearing it, because it reinforces it.

MS. CRUZ: Yes.

DR. KEATING: One is the EOF program. I can't speak for my colleagues when we eventually write, but I can speak for myself -- that I think it's one of the best programs we have going in the State. And we have had -- and you can see heads nodding -- we have had this kind of testimony as we have moved around, so I think we're getting the message on that one.

What concerns me is that you heard about it from a taxi driver.

(laughter)

MS. CRUZ: Yes.

DR. KEATING: And not from an educator.

MS. CRUZ: Yes.

DR. KEATING: And I think that we've also heard the question being posed, is that the idea of students finding out the availability of this program, and what it can do for them, is lacking significantly in our state. And I have been part of that; I've been on the K-12 side of the world, and I'm on the county college side of the conversation now.

MS. CRUZ: Yes.

DR. KEATING: And this is a message that we continually hear that I think we're going to have to pause and reflect, in our deliberation when we write, as to the idea of making it known and supporting the fact that it be brought back to full health status within the State's budget.

MS. CRUZ: Yes.

DR. KEATING: You mentioned, in your writing, that you owe it to God for placing the random people to impart knowledge. It's wonderful that that taxi driver imparted that knowledge and directed you, but I really wish it would have been a high school or some other aspect of a counselor.

MS. CRUZ: Absolutely.

DR. KEATING: So we have to take that into mind too. And thank you for sharing the whole experience.

MS. CRUZ: Thank you.

DR. KEATING: Anna.

MS. MEAD: Hi, thank you for having us.

My name is Anna Mead; I am a senior biochemistry honor student from Georgian Court University. And I am here to talk to you about student aid.

I grew up in a household that knew the true value of an education. My mother was raised on a farm in Brazil, one of eight children, spending the majority of her adolescence without electricity. She jumped through some serious hoops to get the kind of education she achieved in Brazil, but her gender severely limited her job opportunities.

My father was the youngest of seven, born during the baby boom in the United States. He scored well on the SATs, told his parents about his dreams to become a civil engineer, and then was laughed at. “We don’t have that kind of money, son,” they said. “Go into the military.” And so he did.

My mother now manages a housecleaning service, and my father, an Air Force vet, works construction for the government and will soon be on disability from the stresses of manual labor.

Needless to say, we don’t attend the local country club, but my parents made sure I had what I needed. In high school, I discovered my passion and fell in love with biochemistry. Georgian Court University provided me with the aid to live comfortably on campus. Not only was I able to pursue my education in biochemistry through the University’s honors curriculum, but I was also able to develop as a person. Without the financial limitations, I have been able to broaden my scope of possibility.

Currently, I am a member of six honor societies; I’ve undergone extensive leadership training through the Women in Leadership

Development program -- WILD, for short. I have held various leadership positions on campus, studied abroad, obtained two years of additional chemistry research experience, founded an active social justice club on campus, joined the Student Government Association, and met the most inspirational group of faculty and administration this world has ever seen.

I am still surprised to this day how far I have come, and I know I would never been able to achieve any of this without financial assistance.

Unfortunately, recent decisions for graduate school resulted in me staying an extra year at Georgian Court. My TAG grant expires after this semester, and I am forced to move back home in the spring. For someone who doesn't drive, this became a very significant turning point in which I had to begin sacrificing opportunities due to the lack of transportation.

I will be forced to rely on others for transportation and, in some cases, sleeping arrangements -- just to get to class. As someone who has consistently strived for success, personal growth, and community involvement, I am saddened by the sudden withdrawal of funds as it tells me my merits and accolades aren't worth funding anymore.

To withdraw funding from students such as myself puts strain and struggle on our right to receive a college education. My goal is to someday impact the world in ways that will make a difference in the lives of millions.

DR. KEATING: Okay, Anna, thank you.

Okay, we're going to open it up again for questions, okay?

Okay, I don't see any--

Giancarlo.

MR. TELLO: You don't have to answer this if you don't like to.

MS. MEAD: It's all right.

MR. TELLO: Thank you for your testimony. But what specific financial assistance did you receive? Was it, like, EOF, was it STARS; I know you mentioned TAG.

MS. MEAD: I got Pell grant, I got TAG, I got subsidized loans, unsubsidized loans, HESAA -- everything except for EOF, pretty much.

DR. KEATING: So your point to us is that your TAG eligibility expires--

MS. MEAD: --expires after nine semesters.

DR. KEATING: And you needed a tenth.

MS. MEAD: For 10. And I'm sure many other students are in the same position.

DR. KEATING: Yes, I've heard that before.

MS. MEAD: Yes.

DR. KEATING: Okay. I'm going to ask the same question. First of all, compliment you on your travel and your journey through higher education. Biochemistry honors is very much to be applauded.

MS. MEAD: It's been a struggle, but--

DR. KEATING: If you were going to give us -- and maybe you just did -- one or two summary points -- either of you ladies -- with regard-- We hear about the EOF endorsement, and now we're hearing about the eligibility issue of TAG. Do you have other summary points that you just want to throw a bullet out there?

MS. MEAD: That would really be it; that was the only issue I had.

DR. KEATING: That is your bullet point.

MS. MEAD: Yes.

DR. KEATING: Okay; again--
Yes.

MS. CRUZ: I would also like to add the importance of having funds in public schools, as well as private. Attending a private institution -- you get that community feel. Every professor who I have had knows me by name, and I personally need that one-on-one connection with my professors. So for me, my number one choice would be a private university.

DR. KEATING: Okay. That vision is represented on this Commission as well; so we hear you. (laughter)

Thank you, ladies; thank you both.

MS. CRUZ: Thank you.

MS. MEAD: Thank you.

DR. KEATING: And again, congratulations on where you've been; and don't look back, okay?

MS. CRUZ: Thank you.

MS. MEAD: Thank you.

MR. CROOK: Okay, next up, could we have Sarah-Ann Harnick and Sam Fogelgaren?

S A R A H - A N N H A R N I C K: Well, I'm Sarah-Ann Harnick, but I'm not a student.

DR. KEATING: It's okay.

MR. CROOK: It's okay.

MS. HARNICK: Hi, Tim. (laughter)

DR. HARESIGN: Hi, Sarah.

MS. HARNICK: So I'm not quite sure why you put us together.

DR. KEATING: All right. Well, I'll tell you, what? We'll break you apart, then, if you're coming at it from a whole different perspective.

So Sam -- is Sam here?

SAM FOGELGAREN: Yes.

DR. KEATING: Sam, you're on deck, okay? Hang on -- TCNJ student.

And Sarah, you're going to come at us from a different direction, so what might that direction be?

MS. HARNICK: Well, I have-- Let me get where I am here.

I recently retired from approximately 35 years working in higher education; 25 of them at a State institution. So most of my comments are from my experience in public higher ed.

DR. KEATING: Okay, great -- just so we have a frame. That's a--

MS. HARNICK: Okay.

DR. KEATING: Good; welcome.

MS. HARNICK: Thank you. I'm retired, so I can do these things. It's wonderful.

DR. KEATING: Good for you. We all aspire to that.
(laughter)

MS. HARNICK: The first way to make college more affordable is to provide more government funding. I'm sure you know that funding for State institutions is so low that no institution is really State-supported. Tuition and fees cover most of that lost funding. Other than Rutgers, most public colleges do not have a robust funding base in their graduates. I've read that it is especially difficult to raise money from graduates of State colleges, because so many of the graduates are public school teachers with limited financial resources.

Number two, all colleges could do a lot more to save money by carrying less debt -- which I believe would reduce tuition and fees. Commission members know better than I how much of students' tuition is used to pay off bonds.

Three, boards of trustees must stop indulging college presidents' legacy projects. We've all heard about the failed attempt to purchase a casino. Do you know about a 30-year lease on prime real estate in Jersey City? Or how about the conference center, which is off limits to students? Some colleagues and I were just in a casual, sort of, scouting mission on some campuses earlier this year, and I wanted to show them a fairly new conference center. When the elevator doors opened, we were greeted by a sign which essentially informed students that they had no reason to be on that floor. And I'm still trying to figure out why a distance-education college would purchase a large plot of land to build a hands-on classroom for nursing students.

Technology has increased the number of employees needed in administrative and business areas. There are no similar staff increases for areas with direct student contact -- such as libraries, mental health services,

or student advisement. I know you've heard about adjunct faculty who are paid per-credit to teach, meaning that they are not required to be available for students outside of their classroom responsibilities. Students receive services from these adjunct faculty, but the students still pay full price for classes although they're taught by adjunct faculty who are not as available.

And I hope I don't offend anyone with this. I know legislators mean well, but please -- no more unfunded mandates. Some of the proposed bills I read about ask for information which is readily available from legitimate organizations; most of it is provided for free on websites. I'm sure the Higher Ed Department staff could pull the numbers and provide reports, or at least provide legislative offices with the websites.

This is probably my most important part. Boards of Trustees have to care about the institution. They have to understand the transformative power of higher education, and most importantly, they have to put students first. Allowing an institution to spend \$50,000 on new furniture for a new vice president sends a very clear message to students that they are not the people who matter on campus.

Allowing upper management to hire any law firm they want as long as no more than \$10,000 is spent per firm is irresponsible. Meanwhile, students share books, take out more bank loans, and take semesters off because they don't have enough money to continue their education.

College students and pre-K education are not blameless. Standards are so uneven that one yearbook editor -- a solid B student in high school -- had to spend her first college semester in remedial classes. She paid for and received a semester of classes, but no credit towards

graduation. I have known students who paid late registration fees because they didn't have tuition money until a week before classes, which only compounds the problem of being unable to take the classes to graduate on time.

And, of course, there are those students who never pay attention to classes in their major and when they're being offered, and have to wait a year so they can take the required courses in the correct sequence.

Being a proud liberal arts graduate, I think the liberal arts colleges do a poor job of explaining what they do and how they prepare students for the future. They are not trade schools. I was a music major with a theater minor. I spent all of my 35 years in Student Affairs. I think many people have forgotten, or never knew, that higher education is an investment, not a jobs program. If you want to make colleges more affordable, you have to learn more about their common business practices. Invest in forensic accountants who can tease out how much tuition is being used to pay off bond debt that should have been paid off a decade ago.

And once again, presidents and boards have to become more accountable to the people they serve -- the students.

DR. KEATING: Okay; thank you Sarah.

Again, we're going to open up to the floor. Stay, please, if you would, for a second.

MS. HARNICK: Oh, okay.

DR. KEATING: Unless you want to go? No, stay put.
(laughter)

Do we have any comment or question from any members of the Commission? (no response)

Okay. You have taken us down a different path than others have taken us down -- I just speak for myself, again -- with the regard to the operational aspects and how that money diverts from the classroom.

MS. HARNICK: Yes.

DR. KEATING: I can only tell you two things: Either you are listening to people who are-- First of all, we're not paid to be here--

MS. HARNICK: Right.

DR. KEATING: --so we're volunteering to try and understand and develop a response to the topic. And secondly, that many of us work in the industry; therefore, you're kind of preaching, somewhat, to the choir -- although sometimes we have to take it to other members of the choir.

MS. HARNICK: Right.

DR. KEATING: So we hear you loud and clearly. Some of your themes are in other reports that we're reading--

MS. HARNICK: Oh, good.

DR. KEATING: --which is the *Ohio Affordability Report* that this Commission is studying as we speak. They speak to many of the things you speak to. So all I can say, in summary, is that we've heard you; we've received your-- It's Ohio; it's the Ohio Affordability State Commission, if you want to do comparative thought.

MS. HARNICK: Okay, I got it.

DR. KEATING: And that we're looking at that as well.

You have taken us into a different direction, and we hear you, and we'll reflect on it as we deliberate through the months to come. I can only promise you that we'll take it very seriously.

MS. HARNICK: Thank you very much.

DR. KEATING: And thank you for taking the time to come here tonight.

MR. CROOK: Now I have Sam Fogelgaren.

DR. KEATING: Okay, Sam -- you're up.

MR. FOGELGAREN: That's closer than most people get in the pronunciation. (laughter)

Good afternoon. My name is San Fogelgaren; I'm a senior at the College of New Jersey. And thank you for coming and listening to all of us today.

I'm a student at TCNJ, and I also serve as President of College Democrats of New Jersey, which is an organization that has nine chapters throughout the state at various schools. And we are a political organization, but we also work to address a lot of the issues that have, sort of, a bipartisan nature -- college affordability being one of them.

So when Giancarlo told me that this meeting was taking place here, I decided to start reaching out to some students in our organization at TCNJ, and also at campuses across the state, to get feedback on the most important college affordability issues to them. And I also reached out to Democrats, Republicans, Independents, politically engaged kids, politically disengaged kids and tried to get as full a picture as possible from people who couldn't make it here today.

The biggest ask was, of course, lower tuition. But other than that, there were two things that surprised me in the frequency with which they reoccurred: one being an increase in EOF funding, and the other one being an expansion of the NJ STARS program to 25 percent. Those two came up often, even among students who were not following politics, who

were not following legislative matters. There is a sense among students that the State is pricing them out, and that in some cases it can be cheaper to pay out-of-state rates at other schools. And I think that's something-- Again, it was something that I heard often, and I think it's something important for the Commission to make a priority in your report and in your dialogue with legislators.

The last thing is, just in speaking about the pervasiveness of the affordability of college. It's often seen as a student issue, it's a family issue. But I think it's much more than that. It's a community issue, it's a statewide issue, it's a national issue, and it's an economic issue. If kids are stuck with loans, if kids can graduate and can't find jobs and they're stuck with loans, or kids don't graduate and are stuck with loans -- that doesn't just impact their ability to find a job, or their financial stress. It prevents them from spending extra money; it prevents them from having extra income, from going and spending at local businesses, from buying a house, from making investments. And all of these things add up and contribute to a lot of what seem like unrelated problems in the economy that we're facing.

So I realize that I'm preaching to the choir right now, but I just urge you to consider those issues.

DR. KEATING: It's okay, we need the preach. (laughter)

Any member of the Commission want to make a comment or a question here?

Giancarlo.

MR. TELLO: Sam, thanks for coming.

One of those things that you mentioned was that people wanted to expand STARS. Do you know specifically what kind of target they had in mind? Were they thinking top 15, top 20, top 25, top 100 percent?

MR. FOGELGAREN: So some kids just said expand it without a specific number; some kids said 25; and there were a few who wanted over that number. Yes, it was something I heard pretty often. This was weighing on peoples' minds -- on students' minds.

DR. KEATING: Okay. Well, Sam, thank you for coming all the way over from your dorm. (laughter) You had the easiest route. We appreciate it.

One more quick point to that -- again, I keep speaking; I have to speak only for myself -- we have heard STARS, as well as EOF. Both of those programs are in our target range with regard to where we think we're going to have some heated conversation as we move in. We know the repercussions of making any recommendation; we've already heard loud and clear that if we go to 15-- I mean, we're at 15; if we go to 20, we go to 25-- There are millions involved in each one of those steps, and fees as well as tuition is another consideration; and, therefore, it's more attractive to stay in New Jersey and use it than it is to go out-of-state and get a better price.

So we hear you loud and clearly. We're going to look at it very aggressively. And I can only speak for myself to say that I think we're toying with the idea of trying to look at STARS; at least, I would like to hope this Commission will look to see if we can rewrite STARS along the line of the states that are going out in the Promise programs. It may be not that kind of scope -- no new lotteries; we know what the States economics

are. And we've been promised also that we're going to have to hold this into an affordable conversation at the end, and be realistic and pragmatic.

So to that end I, for one, think STARS could be rewritten and money could be redistributed, and we could get a better value on a pull from the population, because a lot of students leave that money on the table and go elsewhere. And we're not going to stop that. So I think your point-- If your points are EOF and STARS -- rethinking reauthorization and bringing them back, somewhat, to financial health over time -- yes? That's kind of where you seemed to want to go, is what you're hearing students tell you?

MR. FOGELGAREN: Frankly--

DR. KEATING: I'm not putting words in your mouth?

MR. FOGELGAREN: No, no. Yes, a lot of students didn't initially get into the specifics of planning and policy, I think as you're referring to. Yes, I think there was just a general consensus that-- Yes.

DR. KEATING: Okay. And I think your point about the economic impact to our society, with regard to the ability to participate if you're not strapped with debt, is a valid point, too. Are you an economics major?

MR. FOGELGAREN: No, I'm not, actually.

DR. KEATING: Okay. Well, thanks for your time.

MR. FOGELGAREN: Thank you.

MR. CROOK: Okay, next up we have Olivia White. And then maybe, on deck, we could have Victoria Mazzola.

DR. KEATING: Do you two go to school together?

OLIVIA WHITE: Yes.

MR. CROOK: Oh, okay.

DR. KEATING: Okay, come on up and support each other, at least in--

Okay, welcome.

And Olivia, right?

MS. WHITE: Yes.

DR. KEATING: Okay.

MS. WHITE: Okay, hi. So my name is Olivia White. I am an Educational Opportunity Fund, or EOF, student here at TCNJ.

So my first two years at TCNJ were completely paid for as a result of the EOF Promise Award, in conjunction with the NJ Opportunity Fund, the NJ Tuition Aid Grant, and the Federal Pell Grant. So my tuition, housing, meal plan, and even books were completely paid for.

Now that I'm in my third year, the Promise Award is replaced with the TCNJ EOF Incentive Award, which provides students with scholarships based off of their GPA. In addition to other State and Federal grants that I still receive, this year I had to take out Federal loans for \$7,500, which is much less compared to most students.

I'm so grateful for the EOF program, especially the one here at TCNJ. Without their financial support, I would not be in college. But what I think is equally important is the emotional and academic support they provide. On campus, where most people come from a financially stable background, it can be hard to find people who understand what it is like to have to completely financially support yourself at this age. And knowing that I have a resource on campus to turn to if I find myself in a

tough situation -- a network of people who are going through the same thing -- is invaluable.

So I'm a junior urban childhood education and sociology major. I'm the Vice President of Student Services for Student Government. I'm a sister of Delta Zeta, and I'm a member of Kappa Delta Pi Honor Society and the Golden Key Honor Society.

I mention these organizations because, although I received an outstanding education in my time thus far, these experiences outside of the classroom have had an even bigger impact on my college career. The point I want to make is that the leadership skills I've gained and the impact I've been able to make would not be possible if I had been forced to spend my time outside of class working.

The EOF program has given me the ability to spend my time planning campus-wide events and advocating for student needs -- along with much more -- rather than worrying about how I will buy my books next semester. And for this, I am most grateful.

DR. KEATING: Okay, thank you.

And I'll again just -- I'm going to just hold and see if we have any comments.

I think you're-- Giancarlo, you have--

DR. MERCER: I'd just like to say we hear, and we very much appreciate your remarks today.

MS. WHITE: Thank you.

MR. TELLO: Thank you for your testimony.

A quick question: You mentioned that EOF changed to the NJ Opportunity Fund after two years. Can you explain to me what that is -- like, how that happened, and does it expire after two years?

MS. WHITE: Sure. It switched to what's called the *Incentive Award*. So the Promise Award completely covers everything your first two years; it's just how TCNJ does it -- their EOF program. And then your third and fourth year it's less money, but you can receive up to \$5,000 a year as an Incentive Award. So I had the highest possible GPA, so I received the most amount of money; but that's how it works. And that's why I had to take-- Like, I have to take out loans this year and next year.

MR. TELLO: Thank you.

DR. KEATING: Again, I don't want to minimize your testimony, but you are preaching to the choir. I guess you could already pick up that the EOF endorsement is loud and clear throughout the State of New Jersey.

MS. WHITE: Yes.

DR. KEATING: So you add another voice and face to it; we appreciate it.

MS. WHITE: Exactly.

DR. KEATING: But we're not reacting because I think you already won us over.

MS. WHITE: Of course. I just wanted--

DR. KEATING: At least, I can only speak for myself. You won me. (laughter)

All right; Victoria.

VICTORIA MAZZOLA: Hi. My name is Victoria Mazzola, and I am a junior here at The College of New Jersey as well.

I consider myself a part -- or my parents a part of the upper middle class. Yet, my father has been forced to work beyond retirement age, and not in good health, in order to fund my education; as well as my parents taking out additional debt.

After Federal loans and scholarships from the college or the State, I still find myself having to be in \$40,000 of debt after college -- and that's before I even look at doing graduate school or law school, which I am extremely interested in. That number will be around \$500 of payments on my loan if I decide not to go to grad school when I'm done, which is unsustainable for a person of my age, especially if -- as I would hope to help stimulate the economy, and be a good member and citizen around being able to spend money.

So beyond that, a lot of people on TCNJ's college campus are in worse situations than I am. And yes, our programs, such as EOF, I think should be here, and are necessary, and should continue -- if not gain funding. But beyond that, I also think that there's an issue of gap in upper middle class or middle class students who see themselves in a large amount of debt because there is no funding for them, because it's going towards either people who can completely afford their college education through their parents, or people who are getting support from the State. And all of these numbers are obviously based off of a public institution, let alone bringing in a private institution -- which would normally cost a lot more money.

DR. KEATING: Okay -- that's it?

MS. MAZZOLA: Yes.

DR. KEATING: Anyone want to comment or question?

Tim.

DR. HARESIGN: Thank you for your testimony.

Could you tell us what types of loans you have, and what types of counseling you had on the loans?

MS. MAZZOLA: Yes. So I take out Stafford loans, as of now; and beyond that, I'm not completely positive. I'm at the point now where between my parents' contributions or through different scholarships, that I see myself in about a \$2,000 to \$3,000 per semester gap where I'm in between either taking out different loans, or working with my time to be able to fund them myself. Which then gets into an issue -- as Olivia just spoke about -- being very involved on campus and having to choose between being on the cabinet of Student Government on campus, on an Executive Board of Zeta Tau Alpha fraternity, and leadership fraternity; being an Ambassador on campus giving tours to incoming students. Those are just a couple of things that I'm involved in that I'm not able to, because I need to work to be able to fund the money so I don't need to take out the loan.

DR. HARESIGN: So if I could follow up.

MS. MAZZOLA: Yes.

DR. HARESIGN: Do you have a person on campus who you can go to, to kind of create a long-range financial plan; or are you doing this semester-to-semester, and-- Is there such a person?

MS. MAZZOLA: I haven't really-- Yes, I'm not completely positive if there is a system or a place to go to, to work that. To my

understanding, no; but I could completely be mistaken. We do have an immense amount of resources on campus, so I would not be surprised to hear of one but, to my knowledge, I don't know of one.

DR. HARESIGN: Thank you.

MR. DORAN: First, congratulations on your achievements; Olivia, the same. You're doing a great job.

Let me ask you: Before you chose to come to The College of New Jersey, was there an opportunity where you were able to sit down and take a look at long-range -- how to finance this education?

MS. MAZZOLA: So I have to say I give a lot of thanks to my parents, because they definitely were my biggest resource. They originally put away a lot of money, as much as they could, toward my college education. And as you're going to see with a lot of people in my situation, the economic crash in 2008 really put a damper on their investments. So beyond that, my parents and I, although we planned for it together -- my older sibling actually went to The College of New Jersey as well. So they believed that the plan that we had gone through with my sister three years before -- which is why I am not as educated on it -- would be enough. But as you see, institution costs, tuition costs going up throughout the years -- even though we overlapped for a year -- the costs increase is so much that now I see myself in a bigger pay gap where I have to come up with the money or -- to me, it's not worth it to take out the loans if I don't have to, if I could pull the money through. So that's the place I'm at right now. There were resources at my high school, but because I guess we didn't foresee there being such a big difference, as much as there was, at the time coming into it--

MR. DORAN: So part of what you're saying is that the cost of the education was increasing more rapidly than you were able to plan for.

MS. MAZZOLA: Yes. I mean, this is a time -- my sister is three-and-a-half years older than me. So you're looking at -- it wasn't like it was a five-year difference between us. My parents and I planned that maybe -- you know, statistics come out later of how much the increases are; we're all used to that. So I could say maybe that's part of the reasoning behind it, or part of it might be when you look at a student coming out of high school, how much knowledge do they really have based on looking at their loan situations? I don't think that that's something that's emphasized now at all, across the board.

DR. KEATING: Well, I think-- Excuse me; if I may.

MR. DORAN: Yes, go ahead.

DR. KEATING: I think that we're kind of leading the witness (laughter) -- in that the debate we're having in this Commission is financial literacy as a training requirement--

MS. MAZZOLA: Yes, and--

DR. KEATING: --and that it gets deeper into the high school, and maybe even a younger phase -- and it would also be parental, as well as students. Student mandated, parentally advised. And then the idea of financial planning and literacy while you're here -- which is your Financial Aid people, I would hope and assume, here at TCNJ.

I know we're kind of taking you there -- is that this is also a topic that's running pretty heavily through this Commission.

MS. MAZZOLA: Yes.

DR. KEATING: And I think you're reinforcing it, in my opinion.

MS. MAZZOLA: Yes, my--

DR. KEATING: That, you know, the knowledge earlier would have been better than on-the-job training.

MS. MAZZOLA: Yes. My high school actually instituted a requirement for a financial literacy class after I -- I was still in the school, but it wasn't a requirement for me.

DR. KEATING: And how much of that course was specifically earmarked toward college affordability and higher ed affordability?

MS. MAZZOLA: I would think a very low amount, because I think financial literacy, in general, was something that was lacking. So I think they have a lot of other things to cover.

DR. KEATING: That's correct.

Okay -- I'm sorry; your floor.

MR. DORAN: That's all right; thank you.

DR. KEATING: Okay, thank you very much.

MS. MAZZOLA: Thank you.

DR. KEATING: We're going to continue with a few more students, and then we're going to shift gears.

I know we have a large group that came from Ramapo, correct? And you took a long ride, and we're sensitive to you getting back in time for dinner, and other activities, and to study tonight.

So we're going to try to plug you right in, if you can be patient with us, okay? Between the students, we're about to hear from HESAA,

and then we'll come right back to you, I promise, okay? I can see a gentleman looking angrily at us.

MR. CROOK: Okay, I believe these next two are students, though it doesn't say. So we can have Barbara Devereux and Tracey Timony.

TRACEY TIMONY: (off mike) Yes. We're not students, so if you want to take students, we can wait.

MR. CROOK: Okay.

DR. KEATING: You don't mind?

MS. TIMONY: Not at all.

DR. KEATING: Thank you for that courtesy.

MR. CROOK: Well, then we have-- How about Patrick Farrell.

PATRICK FARRELL: Hello. Thank you for having me.

DR. KEATING: Are you new to us?

MR. FARRELL: I am new.

DR. KEATING: Okay.

MR. FARRELL: My first time coming to one of these.

DR. KEATING: You looked familiar, and I knew we had other students from your fine institution -- so I was just curious. Welcome.

MR. FARRELL: I appreciate it; thank you.

I came here today on the trip just to find out more of what this was about. And after seeing what it was about, I didn't prepare any type of script or anything to talk from--

DR. KEATING: That's okay. Just talk to us.

MR. FARRELL: Yes, I'm talking from the bottom of my heart.

DR. KEATING: That's even better.

MR. FARRELL: So I can only talk today about my younger sibling; she's eight years younger than me. And I am just putting on the table what I think should be in place -- or what I hope to be in place to make sure college affordability is okay for her as well.

I come from a middle class household from northern New Jersey -- Colonia -- and my mom's a nurse, my dad is an electrical engineer -- with his job teetering every day, due to the changing economic world.

I hope that by the time she gets to school -- as in, higher education, college -- she follows everything I do. She goes to the same high school as me, by her choice, and I think she will come to the same institution as me, by her choice, because she looks up to me. And I just want to make sure that by the time she gets here, there's enough -- not as much of a growth as we've been seeing throughout the recent years.

Because, like I've said, my dad's job teeters every day, and my parents work very hard, probably 40 to 50 hours a week at this point, in order to send me here. I'm a freshman, first semester. And even at that, they work very hard to be able to send me here to Ramapo, which I am very appreciative of. It was my first choice school; I applied to no other school but here. They asked me to, please, consider going to community college. I said I love Ramapo; even if I have to take out my own loans, I will. They are very proud and said they didn't want me to take out any of my own loans and my sister not take out any of her loans, because they come from a time that they think that they should be able to pay for my loans and not have me worry about it -- which I appreciate. But I'm looking to help them out in any way I can.

I applied for FAFSA and everything else I needed to apply for, looking for any aid that I could get. I got no money from FAFSA; I got no money from any source besides a couple of essay contests that I won, getting only about \$1,500 for one semester alone -- not recurring. And I just want to make sure that as much as they're struggling now, they don't have to struggle more in the future to send me to such a fine institution.

And me being a history major with a certificate in secondary education, I hope that my sister follows in such footsteps as to be a public service worker. But I would also like to see her not have to struggle through school, take out her own loans -- as per my parents request, as sending me to college.

DR. KEATING: Okay.

Any comment? (no response)

Okay. Well, I can only speak on behalf of the Chair. First of all, thanks. If something brought you that far, with no notes, to sit there and just bleed out -- I'm impressed, Patrick. So on behalf of your sister, we hear you. We wouldn't be volunteering our time and energy to be here to try and figure this out and give some sound reasoning to the State legislative group to figure a way for the next generation. So if you speak on behalf of them, thank you very much.

MR. FARRELL: I appreciate it; thank you.

DR. KEATING: You have been heard.

MR. FARRELL: Thank you. I appreciate it.

DR. KEATING: Thank you.

MR. CROOK: Okay, can we have Julian Munoz, who I believe is a student. And he has asked to come up with Devon Vialva, who is an EOF Director.

JULIAN ALVAREZ MUNOZ: Good afternoon. I am Julian Alvarez Munoz, a junior from Centenary College of New Jersey.

So I want to go over why it is that I feel that financial aid at my institution has opened so many doors to myself and other students who I have been able to interact with on campus.

So I come from Morris County. I am a graduate of Dover High School, and I currently reside in Benville, New Jersey.

Originally, in high school, I honestly did not aspire to go to college. Neither of my parents ever attended college; I am a first-generation college student. And I graduated high school with a 2.7 GPA, which is not at all near the potential that I had within myself.

After junior year, I realized that I had to kick-start my life, in a sense, and knew I was either to go into the workforce -- like most of my friends working at the mall, which is an honest living -- but I knew that I wanted to really make my family proud and possibly be the first family member to join college. So I had a great conversation with my counselor in high school, and she informed me of EOF and EOP; and I was very grateful, and had no idea of this wonderful opportunity that could possibly open many doors to me.

So, as I stated, I graduated high school with a 2.7; I currently, as a junior, I have a 3.2 at Centenary College. So I am a business administration major with two concentrations -- one in sports management, and another one in marketing. And as you may see, this is a big

improvement -- even though it's not a 4.0 -- but I am definitely working much harder than I used to in high school. I've seen so many doors open for myself through my change in attitude because of aid, such as the Pell grant, the TAG grant which helped me out a lot, my EOF grant, and my institutional aid, as well, from Centenary.

Through the EOP program at Centenary College we have a summer program, which is -- I believe it's six or eight weeks; six weeks -- that we are required to go through our freshman year. So it's the summer before we actually enter college; the summer before freshman year. At this program, during the six weeks, I only had a week during the six weeks -- I only had a week of summer vacation from high school to college, I guess you could say; but I wouldn't trade that for anything in the world. A lot of my friends were off with their three-month vacation enjoying the summer. But I was at seminars learning time management, learning how to read my audit sheet for my upcoming four years.

And I can definitely say that, thanks to this program, I'm way ahead of many of my colleagues. And I enjoy sharing with them the information that I've learned through the summer program -- even with those students who are not in our EOP program, and they just wanted to know, "Hey, what classes should I take next semester?" I kind of had the insights, or I guess you could say I am more aware of what it is that we need to graduate on time.

I've actually been recommended for a FYL program at Centenary College. The FYL program stands for the First Year Leader program; and what it is -- it's you're a mentor for your specific major to the other students on campus. So I am the FYL for the sports management

major at Centenary College, where I assist freshmen in their first semester of college.

These doors would not have been open if I didn't learn time management during my summer program. And I am just very grateful for all the help and aid that the State of New Jersey provides for us.

And thank you for listening to my story.

DR. KEATING: Okay. Again, I don't want to be a broken record here, but I think you come to testify on behalf of the EOF program, and what it's done for you, and what it's done for other students. Again, we hear you loud and clear. This is something we've been hearing as we've moved; the same comments that we can make to the other--

But here's the difference, maybe, for you. How you present yourself, how you represent your school, how you just laid out your vision for what you want to do and how you're doing it is remarkable. So personally, just -- we all compliment you for what you've done and what you've achieved. And the fact that you put a face and a human story again and again on the topic of the Equal Opportunity Fund program -- I don't want to cut your Director short, but--

DEVON VIALVA: I'm just here to support him.

DR. KEATING: Just here to support your student.

MR. VIALVA: I'm here to support him.

DR. KEATING: Which is why he's here and doing so well. So thank you for the work that you do.

Any comment or-- I mean, I can't speak for the Commission membership, but I can openly tell you again that the message has a face; it

has a story; and we get it. And for what power we have to offer this conversation, you've reinforced it, and thank you.

MR. MUNOZ: Thank you, Dr. Keating.

DR. KEATING: Good luck in your studies.

MR. MUNOZ: Thank you; I appreciate it.

DR. KEATING: All right; thank you both for the work you do, and for taking the time to drive down here, okay?

MR. CROOK: Okay, this is the last slip I have for a student. This is Brandon Herrera from Ramapo, but I know there are other Ramapo students here. I don't know if anyone else was--

DR. KEATING: Again, are you a group? Do you want to make this a package presentation? Do you want to go solo? Help me, guys. Some of you actually have been here before.

MR. CROOK: We had a bunch of them at the first public hearing.

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) A couple of us have testified before.

DR. KEATING: Pardon me?

UNIDENTIFIED MEMBER OF AUDIENCE: A couple of us testified at Union County.

DR. KEATING: I was going to say, we're sitting here saying, "I recognize that gentleman with the white collar and the blue tie, I think." (laughter) Were you at Union?

MR. CROOK: Yes, they were all there.

UNIDENTIFIED MEMBER OF AUDIENCE: I was; yes, I was.

DR. KEATING: Okay. And the gentleman next to you, with the tie.

B R I A N L U I S H E R R E R A: I was not.

MR. HERRERA: No.

DR. KEATING: I lost that bet. (laughter)

All right; well, listen. You came a long way, and you're sincere, and very open. And we intend to hear from you, and we will hear from you. The question is: Do you want to do it as a package? Therefore, we're going to hold up this lead-off position and-- You're pretty much in the same themes, speaking on behalf of your experience at your school and the people who you go to school with, yes?

MR. HERRERA: I'm part of EOF; I'm not—

DR. KEATING: Pardon me?

MR. HERRERA: I'm part of EOF, too.

DR. KEATING: You're part of EOF. Okay, why don't we go ahead and let you go, then, all right? Because I'll probably spend more time than you need to figure it out.

So, go ahead.

MR. HERRERA: Okay. Well, I wanted to personally thank all of you for coming today.

My name is Brian Herrera; I'm a freshman at Ramapo College in New Jersey, and an EOF student. And I can actually relate to the previous person who testified here.

My parents had me when they were fairly young; they were actually my age -- at the age of 19. Both of them didn't go to college because they had to support me and everything. My dad constantly worked;

he still constantly works up to today. He is a very hardworking man; he's been working for Verizon for many years -- like, shortly after I was born.

And I actually never heard of the program until my senior year, from my guidance counselor. And honestly, if it weren't for him, then I would have never gotten to a really good college; never gotten funding and the education that I needed for myself.

I've had-- I graduated with a 2.71, and my SATs weren't the best -- like, 1240 out of 2400. But what I really love about the EOF program is, it's gotten me through a lot of opportunity that I really never could have reached without it. And the education that I needed, with the summer program -- six weeks -- I had a jump start to college that I needed for myself. And I've actually got college credits, and I've gotten the gen ed out of the way.

With the program, specifically for Ramapo, we basically get a full year covered -- just with the funding -- with the room and board and tuition. And we just get a Stafford loan, and I only had to take out about, like, \$3,000-something, in general, for the year. And we get an extra \$5,000, and it also has other benefits of money for books. And I actually got to pay for my books through those vouchers.

And I know that with the scholarships I have to exceed in my GPAs and be involved on campus with the honor societies and everything. And it's just, I really can't picture myself not being part of the program and having to take out all these loans. And it's just scares me to hear from other people who had to take out thousands of dollars in their freshman year. And by looking at me, I didn't have to take out much at all.

And after my sophomore year, it's just -- I really have to depend on the scholarships, the financial aid in general for my education. And I really don't know if I'm going to have to take out actual student loans and everything in the future.

But I really think it's a big issue. I know, back in 1996, tuition for Ramapo was like \$26,000. No, not \$26,000; sorry -- \$2,600. And it's really increased, like, really high since then. I believe it's like \$13,000 (*sic*) for this year, or so. And I know personally a friend of mine from West New York. She did not even know about the program itself and applied late. And she was accepted as a regular student instead of as an EOF applicant to be wait-listed, since she applied so late. And she's gotten a lot of aid and everything from the State, but after that she still had to take out loans; and she probably was in a worse state for financial aid than I was. And it's just shocking how the education got really expensive over the years that have gone by. And I am just honestly grateful for the EOF program and what it has done for me. And they made me feel -- they're like my second family, and made me feel right at home for basically my second home on the college.

And I just hope for the future that education will -- that this will be noted, and that education has to -- price-wise, has to go down. Because a lot of people don't even go to college just because of how expensive it is. And I am just here to speak for all of them.

Thank you.

DR. KEATING: Okay, thank you.

Hold on.

Any comment? (no response)

Okay, again, we've heard about your EOF program.

I just have one quick question. When did you learn of the program, and how?

MR. HERRERA: My senior year of high school.

DR. KEATING: And how did you learn?

MR. HERRERA: My guidance counselor.

DR. KEATING: Your guidance counselor; okay.

MR. HERRERA: And I also think that's another issue. A lot of people don't know about the program itself.

DR. KEATING: Yes; well, that's where I was going to take you.

MR. HERRERA: Honestly, I had to tell-- Because I'm part of the Ramapo Admission Student Ambassadors, basically like tour guides and everything. I was a part of the open house, and I was at the EOF. I believe they basically presented-- Like, you could basically check off on the open house's workshops you want to attend; and I believe I was at the EOF one. And I actually got to talk to few people about the EOF program itself, that it has to be-- And they weren't actually aware of it. And I know one person I have talked to, like she -- her mother was on disability, and she -- I told her about the program itself and she should apply through that. And she had never heard of it before. So that's another issue that-- With students who need the funding, who need to go through this program and everything -- they aren't aware of it. It should be more well-known.

DR. KEATING: And we're hearing that, too.

Okay, again, thank you very much for taking the time to come a distance to share that and put a face on the conversation; that, once again,

I can say the same thing: You've been heard, and again I think we'll -- we got the message. But thank you for delivering it again.

MR. HERRERA: You're welcome.

DR. KEATING: Thank you.

MR. HERRERA: Thank you for your time.

DR. KEATING: Okay.

MR. CROOK: Okay, I believe that concludes the student portion.

So next up we have HESAA; and today, with HESAA, we have Gabrielle Charette -- well, we have other members; is it just Gabrielle who is coming up? Okay -- who is the Executive Director. And just as a way of background: HESAA was our featured guest presenter during our June meeting. And based on that meeting, we had some follow-up questions, and HESAA has responded; and you have those responses in your packets.

G A B R I E L L E C H A R E T T E, Esq.: Good afternoon. Thank you, Chairman Keating, members of the Commission. I'm honored to have another opportunity to appear before you at your request.

Early last week I provided written responses to questions posed by the Commission. Since that time, there has been a positive development which necessitates that I amend my answer to Question 3 regarding a refinancing loan program.

This development should allow HESAA to offer a refinancing program at lower interest rates to existing student loan borrowers. On Friday afternoon, the Internal Revenue Service issued new and favorable guidance on qualified student loan bonds, under Section 144B of the Code, to clarify certain requirements for tax-exempt bond financing for State

Supplemental Loan programs. HESAA -- along with a number of other states that offer supplemental programs, the National Council of Higher Education Resources, and the Education Finance Council, to trade associations of which HESAA is a member -- had petitioned the IRS to provide guidance in the wake of a private letter ruling provided to the state of Rhode Island which had not seemed favorable. This private letter ruling seemed to indicate that tax exempt financing could not be used to support a refinancing program. The private letter ruling had a chilling effect on State efforts to establish refinancing programs because the cost of offering a program with taxable bonds would not yield the desired interest rate savings for borrowers.

While we are still digesting this new guidance that reverses the private letter ruling, our initial belief is that it is a positive development that will clear the way for HESAA to offer a refinancing program with the coming bond issue in spring of 2016.

Also, some other new developments, just quickly, since we last met. The 2016 *Going to College in New Jersey* magazine is now available. And since the holiday season is upon us, I wanted to call your attention to a gift card promotion that we have for our 529 college savings plan. Instead of a toy that will break or become quickly discarded, we are encouraging friends and families to consider a more enduring gift -- the gift of education.

Finally, I would like to congratulate President Houshmand on the recent announcement of the three-year baccalaureate degree program. Time-to-degree completion is one of the major drivers of the cost of higher education.

And with that, I'll be happy to answer your questions. Thank you.

I do have some members of my team in the audience, and I may ask them, at certain points, to join me.

DR. KEATING: Okay. First of all, thank you for taking time from your very busy schedule -- first to bring us up to date on that new situation, which is very critical -- that we see -- and help you get that message out to the public; and also the fact that you're willing to, again, come back before the Commission and give us some clarity as to the questions that we posed.

So, membership, with regard to the questions and/or any other topic, with HESAA's return -- anything that you would like to offer?

Peter.

DR. MERCER: I just wanted to give you the opportunity to clear up any misconceptions that you think are still prevalent. You were at the Financial Aid Conference in Atlantic City, and you heard some of the comments here. Is there anything that you think people are still a bit cloudy about -- the request verification -- from your standpoint?

MS. CHARETTE: Yes. You know, I appreciate you asking me that question.

I would like to clarify the perception about our interest rates and how they compare to other loan products, and explain to you what we do and what we don't do.

So at the NJASFAA conference, a young woman -- a financial aid officer said that she sees that there are other lenders that have lower rates. And that is actually true. And we did some research, and those

private lenders engage in what is called *tiered lending*. So people with the 820 credit score and the six figures of income get a very low rate; and people with modest income -- \$70,000, \$80,000; average credit scores, 700 -- get a much higher rate. Not that there's anything necessarily wrong with tiered lending, but we, as a State entity, have made the decision that we will not engage in tiered lending. So everyone who qualifies for HESAA loans gets the same interest rate, depending on the option that they choose.

We often counsel borrowers, if they call us, and they say, "Look, I've got an 820 credit score, I'm making \$150,000 a year." We will say to them, "You know what? Maybe before you engage with NJCLASS, you should look at one of these other private lenders. And if you get a better rate, great; if not, come back to us." Oftentimes, they do come back to us. But we actually did a little study about one of our private lender competitors. And what we found is that, yes, they have those very low teaser rates for their top echelon borrowers. But we found that the majority of their borrowers pay a weighted average fixed-interest rate of 9.74 percent, and a weighted average variable interest rate of 7.75 percent -- so both significantly higher than HESAA's fixed or variable rate loans. So I did want to clarify that.

DR. HOUSHMAND: So when you-- Your method, basically, if I understand it correctly, results in those borrowers who end up paying their loans on time basically subsidize those who default because of the overall-- You know, you get an average kind of interest rate across the board, whatever the reason, versus these differential rates, based on the income. And I don't know which one is fairer; I'm just saying that there is that.

And one other thing that I've heard from a number of people -- it seems to me that in the area of customer service and information to our students, we are all lacking. The universities definitely are, and it seems to me that-- You know, people call and they get frustrated. It is just something that I hope all of us can figure out what to do, and respond to it. Because it seems to me that when people don't know about some of these financial aid opportunities -- the EOF -- the counselors don't tell them, advisers in the university don't tell them, or the lenders do not talk to the students or the borrowers properly -- it is something that seems to me to be a problem for all of us.

MS. CHARETTE: Yes. You know, we try to do as much outreach as possible. We do over 600 Financial Aid Nights a year; we have 74 high schools participating in Real Money 101; 33 colleges participating in Real Money 101. We are just coming to the conclusion, next month, of our Guidance Counselor Training Institute, which we host every fall at this time -- nine sessions across the state; approximately 900 high school guidance counselors participate each year. It's free, and they earn four professional development credits. So we are definitely trying to get the word out. We have a customer service hotline, as well as a service for our grants, and scholarships, and loans. And then we have a special care unit devoted just to servicing the collection of the loans, and we do have bilingual counselors on both those hotlines.

DR. KEATING: Giancarlo.

MR. TELLO: Mine is along a different theme. I don't know if they're still on this theme, so they can continue.

DR. KEATING: Okay.

MR. TELLO: My question was more-- And thank you for coming again before us and letting us know that update. That was very interesting; I'd love to be kept updated with what kind of things we're looking at.

My question, based on your responses -- and thank you again for that -- I was looking at the NJCLASS default rate. I saw that Option 3 -- you highlighted the one where you fully defer until after school -- ends up being 15 percent, as compared to the other ones, which are between 3 to 5 percent. Is there any conversation about why that is? I mean, I know you highlighted a little bit of it, but from what I read, the initial deferment -- unless they apply -- is 45 days until they have to start paying. I believe I read that somewhere here -- and they can opt-in to a six-month deferment period after graduation. Is there any conversation about making the default six months?

MS. CHARETTE: So there is incessant, continuous conversation at HESAA about this Option 3 product. I said it last time, I will say it again. I do not like the Option 3 loan. The deferral is not six months; the deferral is the entire in-school period -- be that four years, five years, six, seven, eight years -- if the student goes onto graduate school. And the problem with this loan -- as much counseling as we do and as every year we send them a letter reminding them that there is this debt outstanding -- this loan -- it's not an interest-free loan while the student is in school. This is a bond-financed program, so it's not like the Federal program. This loan is negatively amortizing; people are not getting in the habit of making any payments for years on the loan. Then they come out and they see that their loans -- they've borrowed \$10,000 and now they --

and this is just pulling numbers out of my head -- and now they owe \$15,000.

The 45 days -- that's after you get out of school. You have 45 days to get in repayment, and then you can request an additional six months. But that's not just for the Option 3 loan; it's also for the Option 2 loan where you are, at least, paying interest on the in-school period. But then 45 days after graduation, you're going to begin paying principal and interest.

MR. TELLO: Thank you.

DR. KEATING: Okay.

MR. DORAN: Thank you for your responses to all of these questions. There a quite a few, and they are very detailed. I was reading them, and had some job with that.

There's a theme that we are picking up on -- here, on the Commission, and in 38 years in higher education I have heard, over and over again, from students and families -- and that is, that they don't seem to get this information or become aware of it until, maybe, the senior year of high school, if they're lucky. And many times they go to college, and then they start becoming aware of some of this, but they have already made many of the decisions.

Simple things, like the loans. Many students who I have worked with over the years -- if I would see them having a Starbucks latte, and I knew that they were taking loan money, I would then say to them, "Do you know how much that Starbucks latte is costing you (indiscernible)?" And many times that's the first time they're even imaging that.

So I guess my question is -- and it's been ongoing for me for a long time -- how do we get the information on fiscal literacy, financial responsibility, planning for college -- all the post-secondary education, not just college -- how do we get that information, in a substantive way, out to students, counselors -- even classroom teachers, families -- sooner than high school senior year, or junior year? What else can we do? And I know what we do with the Real Money 101; it's a great program. How do we get more high schools involved with this? How do we get people to become more aware that the planning begins earlier -- maybe middle school -- in terms of how to finance a post-secondary education? Are there any thoughts you could give the Commission on that? What would you recommend?

MS. CHARETTE: Well, two thoughts. Three years ago, when we were subgranting for the College Access Challenge Grant, we engaged a company called EverFi to do a financial literacy program in the high schools -- not to supplant the teachers, but to support the teachers. And I think we did about 28 high schools in the targeted areas. We lost the College Access Challenge Grant, but HESAA decided-- It was a three-year contract, and we didn't want to pull the plug on it, so we decided to keep it for the next two years. I know that this company -- and I know it doesn't have to be this company, it can be any company -- we would certainly want to rebid the contract. But I know that there are companies that would love to do this on a statewide basis. And this program -- we required that they have a module dedicated specifically to paying for college. And the other thing that we really encouraged that they focus on throughout the program is helping people distinguish between *wants* versus *needs*. Health insurance is a *need*; the latte may be a *want*.

The other thing that I think would be very helpful is to start 529 college savings plans much earlier, and almost in a forced way. I know that's probably not the best word to use, but we are seeing other jurisdictions across the country opening 529 plans immediately at the time that the child leaves the hospital; Vermont just announced that, in January, they have a program for all newborns in their state, and they've gotten private sponsorship.

And I know, Chairman Keating, you said that you're speaking with NJBIA and business leaders. All the colleges and universities have foundations and relationships with corporations. And I think this is ripe for a corporate sponsorship. We actually have one in New Jersey; Salem County was left, through a -- it was bequeathed a significant sum of money from the Ashton Foreman Foundation. And they have approached Franklin Templeton and HESAA to set up 529s for all children entering the Salem City School District. I think that's a great thing; I wish it could be a little bit earlier, because once they're entering school-- But I really do think that we need to get people saving; it needs to be consistent savings, and it needs to be over a long period of time.

MR. DORAN: Thank you.

DR. HARESIGN: Thank you for coming.

If I understand -- and I'm going back to my memory of the last hearing -- one of the reasons why the initial deferment is 45 days or 6 months, or why you can't start with an income-based repayment program, is because that would affect the bond rate because the payoff wouldn't be sufficient -- that the guaranteed payoff wouldn't be sufficient. But if there was more money available as collateral-- I guess what I'm asking is, if the

State were to make a one-time cash infusion as collateral of \$10 million, or \$50 million, or some set amount, are there things that you could do? Would that be a helpful thing to--

MS. CHARETTE: I just want to clarify that the deferral can be the entire in-school period.

MR. DORAN: No; I know.

MS. CHARETTE: The deferral can be four, five, six years if you choose an Option 3 loan.

To your second questions, though: I just want to explain a little bit how the bond financing works. We charge a 3 percent origination fee on all our fixed-rate loans; 1 percent goes to HESAA for administration of the program -- to have staff on the servicing and collections hotlines, to send out the tax forms, to send out the bills. The other 2 percent goes to a reserve fund to reserve against defaults. So I would have to meet with the underwriters and financial advisers to kind of understand how a one-time cash infusion would be able to assuage the bond rating agencies. I'm just not sure what--

MR. DORAN: Do you know what the size of that 2 percent cash reserve is right now?

MS. CHARETTE: So 2 percent of the entire bond issue -- so this year we did \$180 million, whatever that is.

DR. HOUSHMAND: It is \$3.6 million.

MR. DORAN: Thank you.

DR. KEATING: Any other comments up here?

Giancarlo.

MR. TELLO: I have a question referencing your answer to number 6 -- the Last Chance Program for borrowers who fall behind on their payments. They have the opportunity to make three consecutive on-time monthly payments. And then there was another line on interest-only payments. My question is, does that consecutive on-time monthly payment -- does that mean the whole payment, or is that for the interest-only payments?

MS. CHARETTE: No. That would be the full payment.

Let me just say this about defaults. The very last thing we want is for a student to default. We run the largest, most generous, need-based aid program at HESAA -- the TAG program -- in our grants and scholarships. We don't run that program on one side of the house so we can ruin your life on the other side of the house. The very last thing we want is for you to enter default; there are serious consequences to default, which I enumerate here, in terms of your credit, in terms of your ability to make other financial transactions, in terms of, possibly, even your ability to get certain types of jobs. For example, we will not hire you at HESAA if you have a defaulted student loan. So it is very, very difficult to default. And when we put a loan into default, that is usually after -- usually after we've given-- First, we've given the six months recent graduate deferment; then the student comes back and says, "I'm still unemployed." Then we give another six months unemployment forbearance. It is not until after 180 days on a loan that's billed monthly that we will -- with no payments, or no communication with the bar -- that we will put a loan into default.

Another thing that I just want to point out: NJCLASS loans -- what they're funding is they are funding the expected family contribution.

So everyone who gets a NJCLASS has to file a FAFSA; we apply all need-based aid and all subsidized loans, and then the only portion of the bill that we allow you to borrow is what's left. And we require a cosigner because, at that point, really what should happen is the cosigner -- who should be a responsible adult who we have verified as credit-worthy and income-worthy -- should be sitting with the student bar and saying, "Okay, here is where we are; what do we need to do?" So in the short term, maybe the student pays \$100 a month and the cosigner pays \$200 a month. And then maybe a year after, that reverses and then the cosigner is paying \$100 a month and the student is paying \$200 a month, until the student can stand on his or her own two feet.

DR. HOUSHMAND: May I ask a question?

Looking at the default reserve fund of 2 percent, on an annualized basis, do you have a surplus in that account, deficit in that account, or do you clear it every year, or do you carry it forward?

MS. CHARETTE: I'm going to ask my Chief Financial Officer-- We don't run deficits. I'm going to ask my Chief Financial Officer to join us and he may answer that question.

EUGENE HUTCHINS: Certainly there isn't a deficit in the first year. But over the life of the program, that 2 percent does go into a deficit. And then as loan amounts are recovered, over time, that reserve amount is replenished. But certainly--

DR. HOUSHMAND: So it's kind of cyclic?

MR. HUTCHINS: Yes. And certainly in the early stages, say from year 4 or 5 through year 15, each bond trust has a deficit in the default reserve account.

DR. KEATING: Okay. Well, speaking for myself-- First of all, I want to thank you again, because we seem to be on a first-name basis with this. (laughter) I found the session that you attended -- that Dr. Mercer and I attended in Atlantic City, with the Financial Aid group for the state -- was pretty enlightening. And you heard us give them the same promissory note to “do your homework,” and that they’re scheduled to come before this Commission in March.

I mean, I think your Authority does a fabulous job; I really do, and I have a limited experience in timeframe of knowledge with it, but I think you really do. But I have to say that, at least-- I speak only for myself, and listening -- and we hear these individuals come up and tell us that there is a significant disconnect in the communicative aspect of what their understanding is, versus what you’re understanding-- I mean, that’s just my overloaded brain of people who sit in that chair and tell us it’s broken, and then we have the Authority come and tell us it’s not.

It’s just an emotion; I don’t have anything to back it up. I know that we heard earlier -- you heard of this idea of the rehabilitation of a loan, and you spoke to that point. And I don’t personally have any wisdom or knowledge as to how those dots can get connected to the point of understanding, and literacy could be better prepared so that when they enter into these arrangements they understand the options, and the terms, and the conditions going out.

I just wanted to say it; I don’t have an answer for it. But I still feel strongly that there is a communicative disconnect that -- I don’t know if anything can be done about it, but maybe the Authority could reflect on it,

as to some point made earlier about getting in and getting earlier. And I heard the comeback with it.

So I hear these little bulleted points when I talk to people, and when I listen to people, and when I attended Financial Aid: the origination fee; the subsidized loan requirement -- remove it; academic progress -- the young lady we just heard from about the idea of if they extend their term of study; the repayment plan; the rehabilitation; maybe the tax incentive; and certainly the death complication of the individual. Reoccurring themes -- I can't put them into a narrative, or story, or pretend that I have real strong knowledge. But, I mean, I just keep-- Wherever I go and ask the question, I hear two things: This Affordability Study Commission -- the tip of the spear of our conversation is New Jersey CLASS; it's the borrowing of money. We know about the acceleration, the programmatic design, and the two-year, four-year relationship; all other aspects of textbooks and meal plans, and EOF, and STARS, and other scholarships. But in my mind, it's not so much the investment of money, but the borrowing of money. That's it. So it seems like we're going to live in your house, and we need clarity and understanding as to the communicative part, the structural part.

But when I keep hearing these similar themes, again -- why do we have to have, and confuse the student with, a 3 percent administrative fee? Can we remove the subsidized loan requirement? Can we remove the limitation on academic progress? Allow a student to enroll for less than half-time if it's the final term of their program -- I think we heard that today. An income-based or an income-contingent repayment plan for the repay of the loan; the tax incentive consideration on the interest; the death

benefit attachment to those who have cosigned; and the communication and the training of financial literacy before they enter into it.

MS. CHARETTE: May I address some of those?

DR. KEATING: Sure. I mean, I don't want to put you on the spot.

MS. CHARETTE: No; no you're not.

DR. KEATING: I'm just trying to get it off my chest and head, because otherwise I'd get a headache. You know, these are the reoccurring themes that come from the people who I am speaking to. And I'd like to even offer that -- would you be willing to continue the relationship with the Commission as we move into the spring? That maybe we can't part ways until we part ways, in that these questions, and the answers, and the rebuttals would keep coming back. I'm just looking for a favor and a thought.

MS. CHARETTE: Sure. So certainly, Chairman Keating, I think I've been very -- my staff and I have been very accessible to you and to Adrian--

DR. KEATING: Yes.

MS. CHARETTE: --and we have -- as we always are with the Office of Legislative Services. And we have absolutely no intention of changing our direction. As I have said, your goal is our goal.

I would like to leave with you -- I made copies of our loan disclosures. All borrowers and their cosigners -- co-borrowers -- get three loan disclosures and application disclosures, a rate offer disclosure, and a pre-disbursement disclosure. I would note that Federal loan borrowers get no disclosures. So I would like to leave those with you. It is very -- we

make very clear that this is not a Federal loan, and we actually even suggest that you look at the Federal loan.

As to the origination fee -- I don't know a state supplemental loan program that doesn't charge an origination fee. We have to-- The bond rating agencies want to see that we have sufficient resources to send out the bills, to collect the payments, to reconcile the accounts, to staff the hotline. It takes an infrastructure to run this program. I don't think 1 percent-- I think 1 percent is actually lean and mean. Remember, HESAA receives absolutely no operating aid. All the money we receive from the State we give it out in grants and scholarships.

To not require a student to take the subsidized-- Subsidized loans are deemed, by law, financial aid. And we have to, to be a tax-exempt program, require them to take advantage of all need-based aid. We would not be able to do this on a tax-exempt basis, and we would be hurting the student.

A subsidized loan is not accruing interest during the in-school period. So yes, of course, we are going to make you take that; and if you don't take that, we're not going to fund that residual with NJCLASS. That's a student benefit, even if they don't see that.

Academic progress -- yes, you have to be making satisfactory academic progress. I think if we kept giving students money who were not making academic progress we would be setting them up to fail. We want you to be able to graduate and get a job. And I think that the Consumer Finance Protection Bureau in Washington -- if they heard that we were making loans to students without getting satisfactory academic progress, I

think they would come down on us, and I think they would come down hard -- and rightfully so.

DR. KEATING: I don't agree; but, okay. How do you rehabilitate academic progress? How can they have an opportunity to rehabilitate themselves if they're going to get cut off?

MS. CHARETTE: Well, then they can switch to another program; maybe they're not making academic progress where they are. Maybe they need a different type of--

DR. KEATING: So they would have to go private. Because when we talk to Wells Fargo, they don't require it; and when we talk to Sallie Mae, they don't require it.

MS. CHARETTE: I'm not going to criticize--

DR. KEATING: You have a point?

MS. CHARETTE: I'm not going to criticize other lenders. I would note that those two lenders are private, for-profit lenders. They don't have the same interests that I have in education.

Income-based repayment -- I hear this all the time. I would love to offer income-based repayment, if I could. The Federal government can offer income-based repayment because the Federal government is financing the loans through tax dollars, and the Federal government can run deficits. We're not financing these loans through tax dollars, and we can't run deficits. Also, the Federal government is making loans to students without cosigners; I'm not doing that. I'm making sure that there is a responsible adult behind the student.

Income-based repayment is costing the Federal government \$18 billion; in January, they're expanding the program to include other types of

Federal loans that were not previously eligible for income-based repayment. That's going to be another \$15 billion. I understand the desire to help distressed borrowers, but I have to ask: Would that money not have been better spent on the front end, making education more affordable from the get-go? I just have to ask that.

And I think that, in a few years, I predict we are going to be hearing from some students who thought income-based repayment was the greatest thing when they were 26. And now that they're 32, and they have a much different salary and they're coming out of income-based repayment because they no longer qualify, and they're either staring down a balloon payment or a much-larger debt burden -- because the loan negatively amortized during income-based repayment and they didn't stay in long enough for the forgiveness -- I have a feeling we're going to be hearing from them, and I don't think that they're going to be happy.

With respect to the death benefit -- I corrected it at the hearing. If a student dies during the in-school period, we forgive the loan, and up to six months after the graduation or withdrawal. We also -- and I can leave with you, we have a brochure -- after that, after the loan has gone into repayment, it's on a case-by-case financial hardship basis. But we do, in our Terms and Conditions, in our disclosures, we do advise students and families that it is not automatically dischargeable. And we have created a brochure encouraging people to think about the unthinkable, and to look into life insurance options. That is sent to every borrower. I'll leave that with you as well.

MR. TELLO: Dr. Keating.

Thank you, again, for coming back and answering all these questions.

To go back to the questions that you responded to -- and thank you again for that. On the response, you mentioned -- and you also mentioned at the last hearing, that to expand STARS to the top 20 percent would cost \$2.5 million; and to expand to the top 25 percent would be about \$7.5 million. Are there any figures -- and I'm sure if you don't have it now, that's fine -- as to how much it would cost to expand STARS to all high school graduates who graduate with over a 2.5 GPA?

MS. CHARETTE: No, I don't have that data. I could go back and see if we could get that estimate. It may be hard because we just get, from the high schools, the top 15 percent.

Those costs that I referenced, I should point out that those are one-year costs. With respect to STARS, I would like to say something about STARS. Yesterday I asked my grandson's scholarships director how many of the high schools had reported. Because we opened-- I had met with the Council of County Colleges and Dr. Lawson -- who sits on my Board -- about strategizing, brainstorming ways we could encourage enrollment in STARS. And one of the things they said was that the county colleges were getting the STARS recruitment roster too late from HESAA. So what we did was we pushed everything back. So instead of opening the portal to high schools to report in September, we opened it to them in June. And we reached out to them and said, "Please, please, report this to us before you leave for summer break," and about five of them reported.

As of yesterday, we have over 400 that have reported, but 12 that are still outstanding. Now, the deadline was initially October 30; we

moved the deadline to November 6. As of yesterday, some schools were still outstanding. We have no stick if a school doesn't report. And we go through this every single year; we beg and cajole the schools to report this data to us. And if there was any way that this Commission could encourage greater cooperation, that would be, I think, helpful. We have made the recruitment rosters available to the community colleges now on a rolling basis as the schools report. We used to wait until everybody was in and then make it available to you. But again, if those rosters aren't populated, that's not all that helpful to you.

DR. KEATING: Okay.

MS. CHARETTE: Okay, thank you.

DR. KEATING: Thanks very much.

MR. CROOK: Okay, next up -- I believe they want to come together -- can we have David Hughes, who is a Professor at Rutgers; and Diane Campbell, with the New Jersey State Conference of the AAUP.

D I A N E K . C A M P B E L L: I think I handed you my testimony when I first came in the room. So it's probably under some of your other things, including the notebook from, I believe it was, Cassandra.

I'm Diane Campbell; I'm the President of the New Jersey State Conference of the AAUP. I'm here in that capacity. I am also a faculty member at Rider University and, as you know from the press, we have been having an interesting semester. But I am not here to speak on behalf of our chapter.

I would like to thank you for allowing us to come, and I'd also like to thank you for prioritizing the student voices. Not only because I think they are the most important, but also because I was taking furious

notes all during their testimony because they made so many really wonderful points.

I'm going to change my testimony a little bit. First of all, we've been sitting here two hours. And I do encourage you to read my statement; it is deathless prose, but it is -- I've made some points. And just like Sarah did earlier, I'm taking it in a kind of different direction.

And that is that, while we are looking at college affordability, we cannot forget the value of the education. And I think a very important way of measuring value is the faculty presence on campuses. I believe it was Sabrina who said her professors know her by name at Georgian Court. Olivia said her experience outside the classroom was incredibly valuable. So a lot of people realize that professors teach in the classrooms; and I think a lot of times it's lost sight of -- all of the contributions that are made outside the classroom that increase the value of the degree itself.

The reason why I'm bringing this up now is because faculty members and the work they do are part of the picture of ensuring a speedy path to graduation. And also, as full-time faculty members, they are associated and committed to the institution and they're there after the students graduate. So when they're ready for careers and they need reference letters, when they need advice, the two things -- I bring up in my testimony -- that full-time faculty members do advise students; and also we create new programs, new pedagogies. And both of these things are very, very important in making sure that colleges are affordable.

When we had our crisis at Rider, President Dell'Omo said to the students, and told us to tell the students, that if they had any questions or if they were affected by this, that they should be talking to their advisers

-- even though some of those advisers were the people who had gotten -- I'll say it -- the pink slips. When we restrict the number of full-time faculty, that function is restricted, and it's very important to the students in their success.

The other point I wanted to make about the programs -- that was another thing that President Dell'Omo said -- is that new programs were very important to the health of the university, and I agree with that. And one of the things that -- one of the places -- the most important place that new programs come from is full-time faculty. We do the research, we put the programs together, and we do the curriculum, and make sure that the analysis is there so that the program is a valuable one and not just a temporary fix for a temporary need.

So the reason why I'm bringing this up to you is because when we had our recent Memorandum of Understanding, people looked at the fact that we accepted no raises for the life of the contract. What a lot of people didn't pay attention to was the fact that we also accepted weakening our contract language that -- how do I want to say this -- prevented too many adjuncts, and we now allow the university more freedom not to fill open faculty lines. And I believe that, as we are working toward affordability, that while we keep that primary in our thoughts, we also remember the value of the entire education. And that we not-- And I promised myself I would keep it to only one cliché, so I won't say both of them. I'll just say *baby and bathwater* instead of *pennywise and pound foolish*.

So that is why I came to see you today.

And David--

DAVID M. HUGHES, Ph.D.: All right. Should I go straight on?

MS. CAMPBELL: Yes.

DR. HUGHES: Great, thank you.

I'm David Hughes; I'm the President of the Rutgers AAUP faculty union. But I'm speaking today entirely from my experience as a Professor of Anthropology.

Let me tell you a little bit about why I became a professor, what my job is, and how I see this Commission being tremendously helpful in helping me to do a better job for students.

So I became a professor because I wanted to work on questions of democracy, tolerance, and pluralism. And I saw higher education as the best place to do this kind of work. I also wanted to help students, such as Sabrina, have a better life and have more opportunities. But I am motivated, like most of my colleagues at Rutgers, to add something to society. And this is where I see higher education as being a public good -- not just a benefit for individual students, but something necessary for our country.

I was funded through graduate school at the University of California Berkley entirely by Federal aid, Federal grants, and state grants from California. So I feel I have an obligation to give back to society. And I have resisted feelers -- never an offer -- but resisted feelers from private institutions because I want to work for the State of New Jersey.

So what is my job? I think Diane put it very well -- that we do stuff way beyond the classroom. Often we're frustrated, in that our jobs are measured in credit hours -- and that is the way Trenton often sees it; that's

the way our own administrations often see it. We do teach courses, but most importantly we teach students. We meet them in the classroom, we meet them in our office hours for mentoring and advising, we meet them at their internship sites, we meet them at their field work sites when they're doing senior theses.

So we are very deeply involved -- and especially for those of us who are on the permanent faculty, or tenure-track faculty -- we are very involved in these students for their entire careers at Rutgers. Personally, I advised 273 students over four years because I ran the undergraduate program in Anthropology. These were people in danger of taking six years -- I helped them take five; in danger of taking seven, I helped them take six. Basically, I could sit down with a student and find a way to save that person at least a semester, by saying, "Okay, you took this course over at Camden; we'll have it count for this requirement here in New Brunswick." It's not difficult to do, but you need somebody who understands how the Anthropology program, or any program, works; who understands all the requirements for the degree; who knows which faculty teach which courses; who has seen all the syllabi for the Anthropology courses taught at our whole university system, and at a lot of courses -- colleges that transfer in. This is something that a faculty member, such as myself with 15 years of experience, can do. And I enjoy doing it. And, incidentally, in the course of that, I saw many of the problems that students have already come up and personally discussed.

I have one right now in a class; her name is Micah (phonetic spelling). Her mother is mentally ill and is living with her. I don't know where her father is. So Micah and her sister are taking care of her mother;

they're both working as waitresses at the same restaurant in Highland Park. She is working 20 to 30 hours a week; she's taking care of her mother in the evenings, and she's trying to pass my course and a bunch of other courses before her financial aid runs out. This is the type of situation that students are in, and I have seen it get worse over 15 years. I've seen the work hours ramp up from 20 to 30 for students also carrying a full-time course load.

Which brings me to what I think this Commission can do. I hear you, Dr. Keating, on the question of financial literacy. But I don't think making students literate goes far enough. I think that you need a larger pie, right? You can read through all the conditions of a terrible loan, and look at your financial situation -- like the student, Micah; she's \$30,000 in debt. She knows that she can get as literate as possible about that, but it's not going to make her situation better.

What we need to do, I think, is reconsider public higher education as a public good. That is to say, it's like primary school, it's like secondary school. It makes us, as a society, capable of dealing with problems like climate change, with issues like immigration, religious extremism, race, racism. These are all problems that the United States faces; and we can only face them intelligently and compassionately if we have an educated population -- educated to the highest level attainable.

So I think it's mistaken to expect students to pay user fees, or to pay for the bulk of their costs through user fees, as if they're driving down the Turnpike to get to a party or something. They should be paying for this -- the whole State should be paying for this through, dare I say the word, *taxes* or other revenue streams.

So what I've seen at Rutgers is particularly pernicious. The State support for our institution has been flat for too many years to count. So the Administration has shifted the burden onto students; tuition is going up. One of the things you could recommend that would be helpful would be for the State to earmark its public support; earmark its support for institutions to instruction -- to target that at instruction in order to get back some benefit out of the small amount of support we get from Trenton.

Finally, I want to say a word-- In this particular last couple of weeks, there has been a lot of discussion nationally about exclusion -- marginalization, on the basis of ethnicity, in higher education. Financial literacy -- let's say tepid recommendations are not going to address that problem. Because in the United States, the poorer students tend to be not white. Minorities tend to be poorer, and minorities have a problem paying high tuitions. So if you can improve the pie, if you could enlarge the pie and enlarge access, you will actually add to diversity on campuses, and you'll add to diversity at every level of the employment ladder.

So I would encourage you not to be realistic and pragmatic, as you put it, Dr. Keating. I would encourage you to think outside the box. Your mandate is to take the witnesses as they come to you, to take the testimony as it comes to you, and draw logical conclusions from the testimony. Don't foreclose this discussion by obsessing about what's on a budget line now, because that can change -- and you can make that change.

DR. KEATING: I wish I could. (laughter) Unfortunately, I don't have that authority. But we have a recommendation panel, and we can make that. So, I hear you.

Anyone want to comment or question?

DR. HOUSHMAND: If I may make just one comment.

You mentioned about the role of the faculty in our education, in academia. I am the President of a university, but that's my current job. But really my profession, the one thing that I pride myself in, is I am an educator; I'm faculty. That's really-- If you drop me from any height, I will land on my faculty feet.

And I want you to know that, as a President, I consider the most important group -- the only group that matters in our education is the faculty, because they are the owners of knowledge. Without them, it's just a bunch of buildings -- nothing else.

And I hope you know that we really do believe in that, and we do act on it. I act on it very, very vigorously on my campus. The faculty are really part of the solution. We really, really do communicate with them; we really engage them, and I would love-- Let me tell you: Purely based on selfish reasons, I would love for them to be so much involved in the management of the institution -- whether it is in formulating budgets, developing new programs, building new facilities, expanding different programs, making partnerships. But there is only love for them, because the more they come in, the more brain power, the better the solution. And I have found it truly to be the case.

Therefore, I hope we don't leave this place thinking that some of us think that the faculty are secondary or not important. To me, the entire Board of Trustees, the entire Cabinet, all the Deans, Administration are servants to the faculty. Unfortunately, in many institutions, it can be perceived the other way around. But that's the way I see it.

MS. CAMPBELL: Thank you.

MR. TELLO: I just want to say thank you for your testimony. And you know, as a current student, I've been in college for over six, seven years now. And I wouldn't be able to graduate next year, as an undocumented student, without the support of my faculty and -- I'll say it -- the faculty union that has helped me so much outside of the classroom; being able to teach me how to develop myself as a leader, being able to teach me how to talk to legislators, being able to teach me how to have an interview or a one-on-one meeting. So faculty and the union -- I am very appreciative of it, and I thank you for coming here. And I'll keep all of your thoughts in my mind as we move forwards in the Commission.

MS. CAMPBELL: Thank you.

DR. HUGHES: Thank you.

DR. KEATING: Before you leave, just if I may -- you addressed the point directly to me about *think outside the box*. I like to think I live outside the box, but maybe, I guess, I don't come across that way. But many of my colleagues will tell me I don't even know where the box is (laughter), and I intend to stay there -- even though it's not popular.

First of all, the faculty perspective is the first time we've heard it. So thank you for taking time to give it to us. It's critical. You're actually on our list of invitees; I think we have NJEA-AFT and others coming in February.

MS. CAMPBELL: I won't be able to attend, but yes.

DR. KEATING: Yes, okay. Hopefully you can find-- Again, a repeat performance, or other colleagues to come and give us this perspective.

The idea of the faculty role and the changing role -- the only part of the job I ever enjoyed was the adjunct relationship at the university, not the administrative or the president relationship. I enjoyed the classroom part better than I do sitting in this chair, trying to figure this out. And to that point, what you're doing is what I see other faculty doing, and I would say that is part of affordability -- is getting involved in the advisory aspect; that it's embedded into the faculty as well as the traditional advising program. And that then gives these students an opportunity to get a clear understanding of the where and the why, so that they can condense their learning and keep it on time. And time-to-degree, as we say -- you're a great part of that assistance.

So all I can say is, thanks for telling us. This affordability challenge is starting to spread its wings, as we're hearing today, into other arenas. And they're all part of the conversation.

If you could care to, please let this be the opening volley, and that when we ask you to return -- others in the faculty perspective -- that you can again sharpen pencil, and get outside the box a little bit more with regard to the thought process of how we can incorporate your thinking into this report. We would, again, welcome it.

It was a great volley and opening part today. Again, we would encourage you to return and maybe throw a little bit more meat on this skeleton with us, and give us the faculty perspective of where you continue to fit in.

The idea of the reallocation of the money -- that question is in a different part of Trenton, not in this part. But can we speak to it? Of course. And the idea of where we put our money, as opposed to other

places that it is currently going into higher ed -- that's part of what we are trying to come out the other end. You made the point that it has to be directed at the classroom, and we hear you. I mean, we live in that world. Again, I don't want to say you're preaching to the choir, but you're preaching to the choir -- at least, we think.

So again, thanks. You've given us some perspective. You know we hear you; it's something to take home, and reflect on, and think about as we continue this journey. We're a volunteer army, so we're in this with you. And again, we're going to see you back, hopefully, in February with a little bit more of your colleagues and a little bit more thought, to maybe push us a little more grounded into your thinking, all right?

MS. CAMPBELL: Thank you very much.

DR. HUGHES: Thank you.

DR. KEATING: Thanks for your time.

MS. CAMPBELL: Oh, and I'm actually on three separate university committees that are involved in shared governance. So I appreciate very much the amount of time that you're spending on this, and the amount of effort that it takes. And I really appreciate the fact that you're opening it up to the public and you're listening to all of these people. And sitting here -- what is it now? We're getting onto almost two-and-a-half hours on these chairs -- which are lovely. But thank you.

DR. HUGHES: Thank you very much.

DR. KEATING: Yes, we share the backache.

Okay, we're getting close to needing a break, and we have some members who are going to need to take back -- time for evening activities. Where do we stand with student voice -- students?

MR. CROOK: I think we have a couple late comers. Is there a John Connelly?

DR. KEATING: John, come on up.

MR. CROOK: John Kroschwitz and Heidi Garrett.

DR. KEATING: Okay, I'm interested in the student voice; and then we have one more formal presentation, and then we're going to go, behind that, for any and all; and then we're going to take a break -- if not end the hearing.

J O H N K R O S C H W I T Z: Hello, my name is John Kroschwitz.

DR. KEATING: Welcome, John.

MR. KROSCHWITZ: Hi. I'm a representative of the New Jersey United Students. I just wanted to tell you my story.

DR. KEATING: Okay.

MR. KROSCHWITZ: I actually grew up not that far from here, in Hamilton Township. I went to Mercer County Community College, where I tried to go for my dream of being an aviation pilot. When I got there, I realized that there was a lot more money involved than I realized -- like, you had to get a 40-hour license, 40 hours in the air, and each hour cost \$1,000. So you're putting like \$40,000 (*sic*) just to get a pilot's license.

So I realized that wasn't the best option, so I changed my major a couple of times. And I didn't do as well in the aviation program, being that I didn't have that many hours, and then failing out of that program; and my GPA suffered. Being that my GPA suffered, I lost interest in school, and actually took a break for about three years. And just this past

spring I finally went back to college at William Paterson University for sociology.

So right now I'm just fighting for students' rights and fighting for their voice, as a sociology major. And I am looking to move forward and get my master's degree and, hopefully, maybe, becoming a college professor like a lot of you have.

But that's really all I have testimony for.

DR. KEATING: Okay.

DR. HOUSHMAND: I admire you. Keep it up. (laughter)

MR. KROSCHWITZ: What was that?

DR. HOUSHMAND: I said keep it up; you're doing a great job. I admire you for what you're doing.

MR. KROSCHWITZ: Thank you.

DR. KEATING: The better part of this job is listening to the stories than trying to figure out the answers.

The New Jersey United Students -- help me out a little bit.

MR. KROSCHWITZ: That is an organization where -- there is a bunch of universities all over the state, and we advocate for students' rights; we advocate for lowering -- not only lowering tuition, but making higher education totally free. That's really our main goal: is to make college free. And it's really like a coalition of the universities all over the state, and it's like a student union.

DR. KEATING: Okay. If you would be willing -- because Giancarlo spoke to this group, and our only conversation, just as I said to the faculty Associations -- that you are on our list, too, of invitees for--

MR. CROOK: April.

DR. KEATING: April.

MR. KROSCHWITZ: Okay.

DR. KEATING: Now, April being April, we have not made, probably, the offering to get a connection. But if you are an officer or someone who could connect us to your group, we would like to extend that invitation and widen that invitation in April to give you what you're-- Again, you're opening the first volley tonight, and we would like to bring you back and try to put a little bit more meat on the conversation.

So would you accept that invitation?

MR. KROSCHWITZ: Absolutely.

DR. KEATING: And if you would see the Secretary before you go, as we go to break or whatever -- if you could hang on a little longer so that we would get an understanding of how we could connect.

Giancarlo, is that the group you were trying to recommend?

MR. TELLO: We've already been connected. Leah, the President, I believe -- I gave her your e-mail. If anything, we could reconnect and touch base. I've been a member of New Jersey United Students for the past several years.

DR. KEATING: Okay, that's what I thought.

So again, we're going to give you an invitation to take the floor when we're in Trenton for traditional testimony, to put more into the record, okay?

MR. KROSCHWITZ: Okay; thank you very much.

DR. KEATING: And thanks for today. If you could stick around, we would appreciate it.

MR. KROSCHWITZ: Okay, thank you for your time.

DR. KEATING: Okay.

MR. CROOK: John Connelly.

JOHN CONNELLY: How are you doing this evening?

DR. KEATING: Good evening.

MR. CONNELLY: So yes -- I'm also, like John Kroschwitz -- I'm from New Jersey United Students. We send Johns in pairs because it's easier to remember people's names that way. (laughter)

I'm the alumni advisor, actually, currently. And rather than kind of share my own story as a recent graduate and someone dealing with student debt, I was asked to share the story of a current student who couldn't make it because she's busy with one of her three jobs.

So Corrine Reilly-Ferretto is a student at New Jersey City University. She has a 3.7 GPA: she, like I said, is working three jobs; is completely maxed out on student loans; and she is attending a university that prides itself on helping working-class students afford a college education.

But because of a lack of education funding, she has seen several of her friends drop out of school, and she herself is constantly under the gun of needing to be able to actually afford to attend her classes.

She says that it hurts to see the lack of investment in higher education in this state, because she knows that it will mean that people from her community will be dropping out of school. These are brilliant students who are being priced out of a college education, and hence kept out of the job market.

She then goes on to quote a list of statistics related to youth unemployment. The unemployment rate for a high school graduates right

now is 19.5 percent nationwide; the unemployment rate for a college graduate is 7.2 percent, and the underemployment rate is about 15 percent -- that's me, underemployed. And she just really is asking me to give voice to her concerns and to ask for this Commission's help in finding ways to *a*) work toward a tuition-freeze here in the State of New Jersey; and *b*) to find new sources of revenue for college education.

DR. KEATING: Okay.

Again, all we can say is thank you for taking time to represent your colleague -- or a student in the Association. The same invitation: Since you are an alumni rep, if you could, again, regroup with your organization, come to an idea of officers or others who could come and get a little more time on the floor, and have an opportunity to prepare remarks. We would like to see you back in the spring.

MR. CONNELLY: Absolutely.

DR. KEATING: And we have already taken the contact information, I believe; so we have it.

So on that point, I'm just going to say thank you very much. You've been heard, she's been heard, and we appreciate you sitting in that chair and taking the time. And again, we hope your organization will come back in the spring.

MR. CONNELLY: And we've actually been -- we've been collecting testimony of students from throughout the state about the ways in which higher education--

DR. KEATING: Well, if you could condense that down to a real tight, bulleted-- Here are three, or four, or five things for you people to think about. I can only speak as the Chair; I would say we would greatly

appreciate that in the spring. We did put that day aside for the student voice.

We're listening to the students as we go, all the time, but that was put aside just for that voice. So, to that end, please take us up on the offer.

MR. CONNELLY: Fantastic.

DR. KEATING: Thank you.

MR. CONNELLY: All right. You take care now.

DR. KEATING: As well.

MR. CROOK: I believe Heidi Garrett had to leave; we have her written testimony. And I think that ends the students, right?

DR. KEATING: Yes, we're going to just-- Each member of the Commission who is here, and others-- The Heidi Garrett document is received, and we will just put it into the record.

MR. CROOK: We do have one more student?

UNIDENTIFIED MEMBER OF AUDIENCE: Yes.

MR. CROOK: Okay.

DR. KEATING: This is not Heidi Garrett.

MR. CROOK: This is not Heidi Garrett.

DR. KEATING: Okay. So Heidi Garrett is in the record, and Commission members have it to read at their leisure.

Welcome.

JULIAN HEBERT: Thank you. I'm Julian.

MR. CROOK: Did you fill out one of these? (indicating witness slip)

MS. HEBERT: Good evening, everyone. I would like to thank everyone for coming and giving me the chance to tell my experiences with HESAA and the NJCLASS loan.

I took out NJCLASS loans from 2008 to 2010 so I could finish my final years of college. It seemed fine at the time -- a fast, easy way to finish paying for college, and then I could get a job -- enough job to pay them back. Option 3, letting interest accrue while I was still in school, seemed like the best choice since I didn't have a well-paying job when I was in college and, therefore, wouldn't be able to afford to start making payments yet.

Unfortunately, in April of 2010, two weeks before the end of my senior year, I was taken out of school due to medical reasons. Even though I didn't graduate, I am still forced to pay back my student loans. I have been paying about \$300 a month. I know that's not as much as what some of my fellow students have been paying; but this, combined with a low-wage job, monthly rent, and other bills to pay has caught me stuck in a hole for years. This loan is controlling my life. I can't refinance with another company because I need a degree; and I can't get a degree because I can't afford to take out any more loans.

I want to go back to college someday so I can pursue something I love and be able to give back more. I have been reaccepted many times, but I have not been able to go back for purely financial reasons.

I am not asking for a complete forgiveness; I understand that this is a financial obligation. But I hope HESAA could realize how much they're hurting students like me by not offering flexible repayment options.

I don't think income-based repayment is an unreasonable request; but I hope that is something that can change.

And again, I'd like to thank you for your time.

DR. KEATING: Well, so we're going to thank you.

I want to see if there are questions.

DR. HARESIGN: It never occurred to me, so I should have asked this of HESAA. But, if you go back to school, do you then stop payments while you're in school, or will you still have to continue your payments?

MS. HEBERT: I'm not sure about that.

DR. HOUSHMAND: Well, the interest gets accrued--

MS. HEBERT: Yes.

DR. HOUSHMAND: --so, in any case, she's going to have to -- her loan is not going to go away.

MS. HEBERT: That's the main reason why I haven't gone back.

DR. HARESIGN: No, I know.

DR. HOUSHMAND: It's going to get bigger and bigger.

DR. HARESIGN: But at least she'd have the \$300 a month to help.

DR. KEATING: Well, I'm going to say the same thing to you that I said to the Executive Director. I mean, this is what we continue to hear about -- the repayment option or the rehabilitation of the loan. And if you were here -- and I think you were -- you heard the remarks and the presentation of the HESAA group. So all we can offer you is the explanations that they offered us; and that we hear you, and obviously this

is an ongoing conversation. We still have a long road to go. And I, for one, am not quite sure or clear that we're at the end of this conversation with HESAA.

So we'll put you into the record; you've been heard. I want to thank you for coming here today. You're travelling quite a distance; you came out of East Brunswick; safe trip home. And the idea that-- You know this is a live conversation; I'm not going to sit here in my Chair position or any other to say that we have a conclusion on thought. So stay tuned; but we've heard you, and we'll put your notes into the record.

MS. HEBERT: All right. Thank you.

DR. KEATING: Thank you for coming down.

This concludes, I believe-- Is there anyone in the audience who would be in the student arena who would like to speak today? (no response)

Okay, seeing and hearing none from the student perspective, we're going to return to the presentation.

Now, we had one more in mind, and we are-- The hour is drawing -- at least for a break, if not-- We're not going to close down, but I'm going to ask the membership to hang on a little bit longer. And we promised the Pathways Program an opportunity to make your presentation.

So if you would--

MR. CROOK: Okay, so we have now -- we have Yesenia Madas, who is the Executive Director for the Center for Student Success.

DR. KEATING: As she approaches, the Secretary has given me Tracey Timony. Is Tracey still here?

MS. TIMONY: (off mike) Yes, I am.

DR. KEATING: Okay.

MS. TIMONY: I was just chatting about--

DR. KEATING: Hang on; can you hang on?

MS. TIMONY: Absolutely. (laughter)

DR. KEATING: And we have Barbara Devereux.

B A R B A R A D E V E R E U X: (off mike) I'm here.

DR. KEATING: Did I say it correctly, Barbara?

MS. DEVEREUX: Yes.

DR. KEATING: Okay. And you're willing to stay a little bit?

MS. DEVEREUX: Okay.

DR. KEATING: You're with? Okay, you guys are together.

And then last we have Brandon McKoy. Brandon, you're still here? Hang on. And are you with this group, Brandon?

B R A N D O N M c K O Y: (off mike) No.

DR. KEATING: You're on your own?

MR. McKOY: Yes.

DR. KEATING: Not a student?

MR. McKOY: No, I'm with New Jersey Policy Perspective.

DR. KEATING: Oh, I'm sorry. That's actually on here; okay.

And then, if I may, is there any other person in the audience who is going to ask to provide testimony today? (no response)

All right. Let the record show I see none. So here's my offer to my colleagues. We welcome and we'll hear the presentation of the Pathways Program, as promised. And then we will take the two individuals who are together from--

MS. DEVEREUX: Forked River.

DR. KEATING: Forked River. Agency, organization, college?

MS. DEVEREUX: Town -- representing children, New Jersey CLASS.

DR. KEATING: Representing children. Okay, that's great.

So we want to take the two of you together, and then we're going to take Brandon, if you can hold on. And then, if no one else walks through the doorway who wants to speak or listen, then we're going to adjourn for dinner -- and the possibility that if we don't see anyone else, we're going to adjourn.

So are my colleagues okay with that? (affirmative responses)

Okay, we're in the affirmative.

So the Pathways Program -- we're very interested. Please enlighten us.

Y E S E N I A M A D A S, Ed.D.: Thank you all for inviting me here today, Chairman Keating and members of the Affordability Commission.

I represent the county colleges and, as many of you know, we are all about affordability, and access, and equity. And so I'm proud to represent the 19 community colleges out of the New Jersey Council of Colleges, which is the State organization in which I am housed.

I am familiar with the prior testimony that was presented to you by several of our presidents; and I will just highlight that we are in support of an increase in NJSTARS; a program on dual enrollment; additionally, the partnerships that exist between our two-year and four-year colleges; and, of course, the community college baccalaureate degree.

The New Jersey Center for Student Success, as I mentioned, is housed at the Council of County Colleges. We received a very competitive grant from the Kresge Foundation of \$500,000 for operations. And what

we've decided to do is target most of the technical assistance that we're providing to our community colleges in a program called *Guided Pathways*.

Guided Pathways is out of the Community College Research Center. There was a book published in April of 2014, *Redesigning America's Community Colleges*. I actually visited Guttman College in New York; it's a CUNY new college -- the accelerated associate degree programs, where they had a book talk. And basically, it's not a new idea. It's an idea of years of collection of evidence that says there are all these small pilots, and all these small pilots all need to come together and work in a systematic way. And that's how Guided Pathways sort of evolved.

It was also known as *Structured Pathways*. Guided Pathways is looking at an entire redesign of how students come in. And I will say that I'm also coming to you here as a faculty member and associate professor of Brookdale Community College, having worked the last 10 years in the Education Opportunity Fund program delivering services to students. And every student whose story was shared here today is not unique to any of the students. Whether they are at a two-year or four-year college, they need our support.

Guided Pathways is about getting students on a program as soon as they come to our colleges. It's about getting them on a program and wrapping around support services to those students. It's not enough to tell a student, "You need to pick three courses in a humanities block," and give the student a list of 50 courses to choose from, where a student only has a course description to go by and there isn't a conversation about the skill set.

I will add that I think that the State of New Jersey can do a better job at measuring talent and grit of our students -- not just based on a placement test. And I know many of our county colleges are using multiple measures. With Guided Pathways, when we get that student on the on-ramp to a program, we support them by providing things such as labor market data so the student knows exactly what their employment opportunities are upon completion of that program. It's also about letting the student know the cost of the degree -- how much is it going to cost you to go through this program; disclosing things like how long it will take you to complete the program; looking at other requirements, like you'll need a licensure for this particular program, or you will need to continue on to a baccalaureate program, or even a master's, or even further if you're going into this field -- because that's how you'll be able to, for example, repay those student loans.

So we have 13 of our community colleges right now that have said to us, at the Center for Student Success, "We want to explore Guided Pathways." We kicked off Guided Pathways in March; we had a webinar with two of the leaders in that space, one of whom is a publisher of that book, Davis Jenkins, out of, again, the Community College Research Center; and a gentleman by the name of Rob Johnstone, who is from the National Center of Inquiry and Improvement.

From that, we then asked our sector, "Who wants in?" So we had a huge meeting of over 160 folks at Brookdale Community College. We said, "You know, we should allow our county colleges to invite four-year partners." And I can tell you that there were at least five with our community colleges that attended that summit.

And we also said we should invite the folks over at the Department of Labor and Workforce Development, because we need that information from them -- what are the employers' needs in the state -- so that we can continue that conversation.

From there, we sent out a call to all our 19 community college presidents asking them to let us know who was interested; 13 of them said yes. And I will say that even though there are 13 in the cohort, there are several of our other community colleges that are working on this on their own. And from there we actually had a gathering of the colleges and we invited some of our other partner colleges -- just because we like to include everyone. So in October, we actually had the author -- the lead author of the book, who is also the Director of the Community College Research Center, Dr. Thomas Bailey. He came and addressed the group. We also invited a colleague from Florida to share how they're tackling Guided Pathways at Broward College. And then we came back together, actually just last week. We got all of the leads together; in some cases, we have a lead at the college, or two folks -- co-leads who are leading this work on their campuses. And we're engaging them in a conversation about what those boots-on-the-ground need to move their colleges, to have the conversations.

That will lead me to talk about Guided Pathways. We can do all we can at the community college, but if we don't have that second step of the transfer partners in the conversation, then Guided Pathways will only help to a certain extent. Many students will leave our county colleges with excess credits. Guided Pathways, if they're on a structured path -- that would eliminate that for them. But then it's also about them showing up at

the four-year college door and being told, “Well, we can, thanks to the Lampitt bill” -- as you’ll see in my recommendations -- “Well, your gen ed is okay, it’s protected. We’ll accept them, but that doesn’t include any language on the career courses.” And so if a student is coming and has taken a career course, it’s not a good service to them that they have to repeat the same course that they have already paid for.

And so the alignment between the two- and four-year, as the person who was here before, as a faculty member said -- we have the power to do all of this work. It would be great if our two-year and four-year folks can get together and make sure that those transfer pathways exist, and I know that they do, and we have great articulation agreements. But I think there’s a lot more work.

I did outline three different bills that were, I believe, Assembly folks -- Cryan and--

DR. KEATING: Riley.

DR. MADAS: --Riley; thank you. And again, with Lampitt it would be that there is some inclusion of language for the career courses. Because we know the general education piece is working.

Secondly, the degree -- student degree plans. Again, that’s something that I, as a counselor working with EOF students, gave every single student -- a plan; every single student. And when they tell you that they want three different colleges because they don’t know if that one college is going to accept them, you have to develop three plans. And then you have to dig deep to see what’s the best class a student can take that will go across the three. And there’s no certainty for that student that if they

don't get picked by University A or B, that -- hopefully University C will say, "Okay, we'll take that course."

Next is the cap on the number of credits in a degree. We know that it should be capped at 60 for the two-year, and then at 120; and we know that there are some exceptions, based on licensure and board requirements. And then, lastly, the common course numbering system, which, again, would align those programs.

I am a first-generation college student; I will share that on the side. So when I'm here, I'm also representing all of those students back in the days. And I didn't grow up in New Jersey, but I had a very similar story. I'm a first-generation high school graduate. I'm going to take it to that level. I managed to get myself through education; I believe in it. It was because of an administrator in a private college that I attended near a place where I worked -- very similar to Sabrina's story. I went to work full-time. That sort of flamed my desire to go back to college and to give back. And I fell in love with higher education.

I thank you all for the work you are doing in the space. I thank you for listening to all those student voices, because it does make a difference. And for a student like me, I'm able to sit here today as Dr. Madas; but I was one of those students actually rejected by an HEOP program in New York.

So thank you very much. Any questions?

DR. KEATING: Questions?

Yes.

MR. DORAN: Great presentation; thank you for that.

Can I ask -- how do the students interface with the Guided Pathways program at different colleges? How do students become aware of this, and how do they track it?

DR. MADAS: Some of the colleges that are working on this currently, that are a little further ahead -- and there are several states; we have brought in people from Ohio, there are people all over the place. And I neglected to mention that the American Association of Community Colleges actually received \$5.4 million in grants and have 30 colleges now fully engulfed in going forward in this.

There are some colleges that have articulations and agreements, and I'll mention one -- it's Arizona. It's a different state than us, but they've managed to allow the community college student to tap into the university. And so the student knows exactly what they need at Maricopa, but then they can also look at what the university requirements are, and it's all connected. So for a student coming into our county colleges and going through a Guided Pathways, we could set up -- and this is something that the colleges are working on -- with the idea of meta-majors. That instead of a list of 90 to 120 degree programs, you categorize them so that the student automatically grabs an area. You heard students here today say, "I wanted to be in education," or "I wanted to be in science." From the minute you have that from a student, you can then look at those programs that fit that category. And then you could look at how can a student engage in that meta-major without losing a bunch of credits if they want to shift over.

The other idea is that if a student gets on that path and goes, "What was I thinking? This is not the major for me," they will not have taken so many credits that then they'll lose -- as with the example of the

gentleman who sat here and said, "I couldn't afford to keep doing it anymore," or "I was going to lose too many credits." All those credits then don't apply to another program.

The idea is that faculty would be involved in sending a signal, if you will; sort of an early alert signal to the college, right? So that you can then deploy your team of professionals that is going to wrap those services around a student -- be it tutoring services, because a student is struggling; or be it professional services that are going to help in the student affairs. What is going to help that student? Is it that they're on a campus and they're not eating; or is it that they're sleeping in their car? What services do we wrap around that student, and what conversations can we have as early as possible, front-loading those services?

The other thing is that for students who are on the Pathway, they would have to opt out if there's a problem. So that also alleviates some of the conversations that we had about the demand. If the student is on a Pathway, and they're doing fine -- go ahead, continue on. Maybe we'll recognize you; you get opportunities to join Phi Beta Kappa, etc. But for those students who really need it -- you know who they are, your faculty is engaged in telling you -- you could wrap around those services. And in terms of financial aid students -- one student sat here and said, "My SAP." Well, you can't get around that. And so that will allow a student not to get too far down that path where they don't have an opportunity to then get another semester of financial aid so that they can continue, and provide them some service.

MR. DORAN: So this will actually help a student (indiscernible). The research I was reading recently -- 90 percent of new

students who enter college have absolutely no idea of what they want to study or what they want to major in. They'll say things, and we expect them to declare a major. So a student who may be involved in a specific path -- curriculum, after the first year, it's not working for them. They can -- there's an intervention where they can move into another path where they're not going to lose all those classes.

DR. MADAS: Right. So if they're in the meta-major -- let's say it's business. And accounting is probably a poor example, because no matter what business field you're going to go into, you can't get away from accounting. But you only have to do those foundational accounting courses. So it will be easy for the student to shift, let's say, into international business, or finance, or marketing, or management, or human resources -- some other area. And the colleges that are working in this space find that if they can identify a core set of courses for that student in that first and second semester, and limit the amount of courses that they would lose if they shifted amongst those in a meta-major, then the student will not lose as many credits.

It is hard work, and I will say it is a very heavy lift. And some of our colleges are just recognizing that, because they are trying to do the partnerships with those colleges that are in their area. Many of our colleges have great partnerships, and also other four-year universities that offer programs on their campus. But every student wants to go where they want to go, and so that's why I think we need more work in transfer.

MR. DORAN: Thank you.

MR. TELLO: Thank you for coming.

One of the things that you mentioned -- I think, Arizona -- and a partnership between two-year and four-year, and you can see their catalog. What popped into my head was, as a community college student -- and I went to Bergen Community College; I graduated from there, and now I'm at Rutgers-Newark -- was going to Bergen Community College and being able to see a degree navigator of sorts for a four year-- Being able to see, like, I don't just need these classes for my associates or for a transfer, but I can already see my four-year plan -- already knocking down credits and courses. And thank you for mentioning that, and if you have any more material on that I would love to see it, because-- I don't know; something just clicked with that idea and I think it has some merit -- a lot of merit.

DR. MADAS: Well, we have a lot of stuff on our website, and we do have some of the webinars and information. But I'm pretty sure if you just Googled *Maricopa* and *Arizona State* you would see some examples. And I did leave my business card, so you're free to e-mail me and I would happy to share any information that you need -- as well as the rest of you.

MR. TELLO: Thank you.

DR. KEATING: You not only-- You lived the conversation; you've experienced this personally. So you bring that emotion to your testimony -- so, thank you.

We do have a third subcommittee on this Commission that is looking at the Cryan-Riley, I believe it is, bills. And you've cited three of them -- 2818, 2801, 2805 -- the degree plan, the cap on the credits, and the common course numberings -- all themed into the Pathway model. I can only tell you that we do have a group that's studying this, and putting a lot of time and energy into this. So this is timely; the Pathway program was

discussed in that subcommittee, I think -- Tim? -- that we talked about it before. I'm more than preaching to the choir for me. The college that I work with is a member of your pilot group and we're thankful to be. My humble opinion is this is the only way to do it, going forward. And we have been fortunate in that we've been able to tie this thinking and processing into our premier partnership with Rowan University. So we actually have a little bit of a two-four connectivity on this conversation; which is something else that this Commission is looking at, is the two-four relationship.

So I, for one, think that you're probably inserting one of the more critical pieces of our thought process -- to keep a student on-task, on-time, time-to-degree -- and the fact that they're going to stay in the Pathway model and be supported. It is a heavy lift, but I think it's time and money well spent, rather than the opposite -- which would be to pick up the pieces.

So I think you're there, and we hear you.

DR. MADAS: There are several critics, and just recently I shared with the Guided Pathways leads "Guided Pathways Demystified," because some faculty will say, "Well, you're eliminating student choice," and "What about the choice of the student?" And we say, "No, we're not limiting choice; we're helping students get on the path and keep them on track." If we think to the master's degree, and some of the baccalaureate programs, a Ph.D. program -- and I was fortunate enough to be a graduate of the first cohort of educational leadership folks in the community college cohort at your university. So thank you for that opportunity.

There was no choice -- that's the credits in this program if you want to be credentialed in this area. And so we want to continue to bring the best to our community college students, and I'm sure that you would

agree. It's important that we provide the same level of service, and that we help students as they're going through. They shouldn't have to figure it out alone.

DR. HOUSHMAND: Just one comment, if you don't mind, Chairman.

In my view, not only common course numbering, but common course content. Unless we get a handle on general education and the myriad of courses that are offered -- some of them are the pet projects of some faculty who would just like to have them -- 400, 500 gen ed courses in the university, which is absolutely ludicrous. And unless the contents are common across the state -- which I would absolutely love to support -- I don't see there is any way we can deal with this issue; because the community college graduation rate is very, very low.

I have had a student transfer to my university, and by the time he graduated he had 365 credits for a 120-credit degree. To me, that's criminal. And when we subject people to take so many courses that are completely unnecessary, jump from here to there, is it any wonder that it takes people six or seven years and they accrue \$30,000, \$40,000 of debt?

So let's get over this nonsense and let's limit the number of gen ed; common content, common course numbers across the state. Let's not be elitist, let the county colleges and the four-year institutions be all the same; and let these poor people pay a minimum amount for the first two years, so that by the time they get to the third and fourth year at least they have not wasted their lives taking too many unnecessary courses and accruing so much debt.

I don't see common course numbering is going to solve the problem; it's the content. And the example you mentioned is absolutely right. The Lampitt Law clearly says 60 credits transfer. You come to our university, suddenly the Professor of Art says, "Oh, art is very important. You are going to do that separately," or this separately. This is the problem that we have in this country -- that too many people, for their own pet projects, are ruining the career of so many people because the courses have to be offered -- because it's fun, because of whatever the reason. We need to get away from that. There are a limited number of relevant courses that every student has to take. Let's have a common content, common course numbering that's offered across the state. I don't see why it should be so complicated, why I should have 450 or so gen ed courses on my books. I don't understand it.

DR. MADAS: I do believe that, as colleges look at the Guided Pathways work, they will be examining the amount of courses on the books; because there's also another issue of courses that are listed, but have not been offered in years. And then there's also the issue of the hidden prerequisites, and the Guided Pathways is meant to shine a light on all of that, and to have candid conversations about even developmental education and what a student really needs to get through.

DR. HOUSHMAND: I know for a fact, for the past 23 years, there hasn't been a single course or degree eliminated at Rowan. And for the past 23 years, every year we have other additional courses that are added. When is this going to stop?

DR. KEATING: Not your problem; ours. (laughter)

Guided Pathways is air traffic control, and I think we have a very crowded airport right now that we're going to have to figure something out for students. So I, for one, just think your program, your testimony, your package of material for us to read is already incorporated into our third subcommittee with regard to the bills. Let the bills be the rider to get you into the conversation. But the Pathway model will be part of our conversation when we reach the finish line. So please stay available to us, okay?

DR. MADAS: Absolutely. Anything you need, let me know.

DR. KEATING: Thanks.

DR. MADAS: Thank you very much.

DR. KEATING: Okay.

MR. CROOK: Okay, next up, could we have both Barbara Devereux and Tracey Timony.

MS. TIMONY: (off mike) Timony (indicating pronunciation)

MR. CROOK: Timony.

MS. TIMONY: No money in that name. (laughter)

DR. KEATING: First of all, welcome, ladies, and thank you for being patient--

MS. TIMONY: No, thank you for being available all these hours.

DR. KEATING: --to take your turn. You were kind and very gracious to pass to allow us to let the student group go through. So thank you.

MS. DEVEREUX: Well, thanks for hearing us. I'm going to speak first, because mine is just the other side of the coin -- a grandmother

who was so interested in seeing her grandson go to college, who didn't have any money or a proper upbringing. So I cosigned at a good time in my life, you know? I had a good job, everything was good, my husband was working. He's 10 years older than me, and I'm 77 years old. And I still work, but I lost my good job.

So I was one of those uneducated cosigners who just assumed-- I didn't assume anything, actually. I just blindly cosigned for him. I know this has nothing to do with anything except college loans and what it can do to families, and that's-- This is my hearsay conversation. But I appreciate you all listening, and I'm in a really bad situation now that I find out about everything. And it's something that's never going to go away. And my husband is sickly, and it's-- My grandson is suffering greatly, and it's something -- how do you get out of? You don't get out of; you just have to plod along, just for education.

So like you say, and like everybody has said here -- that we all have to investigate. And then, of course, we have the other side of the coin where they don't want to take into consideration that your grandson or -- he is trying; he has finally got a decent job. But, of course, he has a heavy-duty loan. And like you said, they don't want to come down and try to realistically give you something that you can afford -- like can go back and forth to work, and you have gas, you have this -- that type of thing. Because financially, where we're from in Forked River -- Ocean County is really in bad shape. There are no jobs in Ocean County to speak of; so we have to go and travel to get a decent job.

So I'm in a situation because I didn't really look into anything. But also my grandson is suffering greatly too. So there's no help; he has to

do it himself. I try a little bit, here and there; he lived with me for two-and-a-half years. So you do the best you can.

So I don't want to hold you up, but I just -- it's my head's up from somebody who just wanted somebody to go to college.

Thank you for listening, and I know it's late and you want to go eat your dinners.

DR. KEATING: No, that's okay. We're not going anywhere, and we appreciate--

Let me see if there are any questions from any of the members.
(no response)

All right. I mean, again, your story is just--

MS. DEVEREUX: I know; it's repetitive from what I've heard from everybody here.

DR. KEATING: No, it's not. Well--

DR. MERCER: No, it's painful.

MS. DEVEREUX: You know, it's something that--

DR. KEATING: I mean, it is, and maybe-- And that's why we're here, and that's what we're trying to figure out, and--

MS. DEVEREUX: --is happening. Thank you.

DR. MERCER: She's painful.

MS. DEVEREUX: Thank you.

DR. KEATING: --we need to put a face and a story for it to be real, or we go off and go back to our jobs and--

MS. DEVEREUX: And parents -- as myself, I still work for that -- and they have two jobs, you know, the parents who try to help pay. And you know, the jobs are not-- My one daughter does housekeeping, extra,

plus her job to help pay the college loans. She has two children. But, I mean, it has just ruined our family, and we're all down in Ocean County. It's just--

But I just wanted that side-- I just had to sit here, and listen, and say my piece -- and do the best we can; that's it.

DR. KEATING: And we'll just say that we've heard you, and you've personalized the situation, as I mentioned -- speaking for myself -- about this idea of repayment of loan.

MS. DEVEREUX: Yes.

DR. KEATING: And the borrowing of money for higher education is sitting out there on the edge.

MS. DEVEREUX: And then the interest rate. I mean, it's ridiculous.

DR. KEATING: And it's not going to be resolved overnight, and we're working with the Authority, and they've given their replies, and we have everyone here who has different opinions. And we'll continue our work--

MS. DEVEREUX: Oh, of course.

DR. KEATING: As I mentioned, we still have six or seven months to try to put this puzzle together--

MS. DEVEREUX: I know.

DR. KEATING: --and come up with something that will be presented that hopefully will make some change.

MS. DEVEREUX: Right.

DR. KEATING: But right now, we're just here to listen, and get a better understanding of the human story that's behind the data.

MS. DEVEREUX: Right.

DR. KEATING: So thank you. It's a long ride; have a safe trip back in the dark now--

MS. DEVEREUX: Oh, we're okay.

DR. KEATING: You're all right? Okay.

MS. TIMONY: We're okay. (laughter)

Her grandson is my nephew, so I'm here to discuss my daughter and my nephew.

I am here today to publicly voice my outrage and disappointment with HESAA, New Jersey CLASS, the Governor, and the State, Federal, political representatives' discriminating treatment of young Americans who desire an education, who deserve an education, and should be afforded an education.

My family is part of a hardworking middle class, and lifetime taxpaying residents of New Jersey. We are proud to be American citizens; we believed in the dream that moral character, education, and hard work can make a future. This collective group has failed miserably and has ruined lives before they have even started.

My daughter and nephew took out New Jersey CLASS loans to begin their education. My daughter excelled academically and was accepted to Hofstra University. There, she also excelled and graduated with honors in four years with a B.A. in Business and Marketing, and a minor in Creative Writing. My nephew graduated from Kean with a B.A. in Criminal Justice, and we were really proud. They were the first to graduate college in our family.

Then all hell broke loose; it was time to pay the loans. I knew the economy tanked, but we all believed that their degrees would enable them to find jobs. Their loans were \$1,200 a month and \$800 a month, respectively. Two years later, my daughter found a job for \$25,000 a year in New York City; and in 2014, my nephew made \$7,000 a year in Jersey, until I had an opening with my company and I was able to get him in. Right now, he makes \$32,000.

I tried picking up the slack, but the extra \$2,000 a month was extremely difficult, because who has an extra \$2,000 a month? I don't.

So I started reaching out for help. I frequently called HESAA for assistance; I waited for long periods on hold, listening to a recording stating, "Having trouble paying your loans? We can help."

First, I felt relieved, but that soon turned to horror as well. The only thing that they could do to alleviate my arrears was to roll my loan after I made three months of full, on-time payments. "Are you kidding me?" I thought. They must not have heard me correctly. I can't pay the monthly payment now, and you want to increase it? There was no discussing normal options that would have benefited both parties; no income-based payment, no reduction of any type -- just increase the payment when I can't even pay what's due now.

That's no option at all, but I had no choice but to agree, since my daughter needed to share an apartment to get closer to New York, and undergo a credit check so she can work that \$25,000-a-year job in an effort to assist me with the monthly payment.

I was outraged, devastated, and depressed because this was no solution at all. There was no negotiation, and no relief was offered. By now

I'm more than just a frequent caller to New Jersey CLASS, who is getting deeper into debt and arrears with no relief in sight. While waiting and listening for somebody to pick up, again, the message: "Having trouble paying your loans? We can help." I became a lunatic. (laughter) I can't put food on the table, I'm waiting and waiting, and they're going to help me. Okay.

So again and again I implored them to remove the message, because this was nothing but blatant lies, and false advertising, and liable.

As I was being told that, they were telling me over and over again to remortgage my house; garnishment and litigations will be forthcoming or, "You signed the papers; you're responsible." Yes, I did sign the papers. Yes, I know I'm responsible. Yes, I pay my debt, but I'm struggling.

All I wanted to do was consolidate the loans and just get the payments to be more affordable. I thought HESAA and NJCLASS would be willing to offer me help and keep the loan from defaulting in an effort to ensure that payments continue. But that turned out to be a silly notion too. HESAA states they're Federal, and they don't offer consolidation; so call the Feds. I call the Feds, and they say they're private and they can't help. The only thing that was consistent through this whole mess was that nobody will do anything.

By this time, my entire family was ruined -- mentally, emotionally, and physically. When I did consider remortgaging, thanks to New Jersey CLASS my credit was in the toilet and my last and my final option was gone. The good news was the message was finally removed. At least now I can wait without hearing the lies.

While researching, I came across some minutes from one of the HESAA meetings. Someone associated with HESAA, whether on the Board or a committee, had a family member apply for a loan. The HESAA member raved about the kindness, knowledge, and professional treatment that their relative was given without any prior knowledge of their relationship. Now, that was the only positive comment that I have ever heard or read about HESAA, and it's a shame that it had to come from a family member.

My daughter now wants to kill herself. And this is a picture (shows photo) so you can put a face with a name -- and it's attached in your packet -- because she feels like her life is ruined by trying to make a future for herself by going to college. She's depressed and cries every time we speak. She sees absolutely no future, only loans.

My nephew would like to drive his car off the bridge, because he can't stand the fact that this shadow that's hanging over his head is never going to go away. This is my nephew. (shows photo) That's in your packet.

How is it possible that these beautiful, talented, smart, and all-around great kids can feel so destitute that they would even contemplate these thoughts? What could invoke this type of emotion when, truthfully, they have not even begun to experience the thrill of life? The answer is HESAA, which has continuously snuffed out dreams and destroyed the most important and most powerful human emotion: hope.

Life is meaningless without hope; yet, they continue to destroy all the hope that comes across their path in the form of children looking for help and seeking a life and a future.

I was ignorant to the college process. I don't think I'm a stupid woman, but I was ignorant to the college process. But your slandered propaganda was promoted at our local high school, and I fell for it. I didn't know. The day I invested in the future of my family, my children, and myself by taking out a loan in your company, I made the worst decision of my life. These loans are costing me my fun-loving, smiling, ambitious daughter and nephew. While I try to be optimistic, her depressed outlook on life is rubbing off on me. I lost my zest too. I'm on high blood pressure pills, antianxiety meds and, to top it off, I can't sleep so I take sleeping pills.

I lost my ability to help my daughter, until I found Deborah Carney and HESAA Hell. She gave me hope. Now, with her brave hope, I'm back and fighting for my children. I'm fighting for everybody in the same position as me. I cannot allow HESAA to take the hopes and dreams of my children or anybody's children. They have destroyed my life, but they will not destroy my children's. "The future lies in our young people. We cannot always build the future for our youth, but we can build our youth for the future." Franklin Delano Roosevelt.

I will make it my mission to educate future college enrollees and their families to their unscrupulous ways by handing out flyers and through social media. The only way to affect change is if you feel it the same way I feel it -- in my pocket. Hopefully, this effort will redirect potential applicants to other agencies, because this agency is nothing but legal loan-sharking -- and I, for the life of me, do not understand how they get away with it.

Their lack of compassion and callousness are inhumane. I have always believed in what goes around, comes around, and so I am hoping karma comes back with a vengeance.

I realize I am the example by which my daughter and my nephew look towards, and I must raise the bar and provide this hope and vision back into their lives. Feeling sorry for myself does not change my circumstances; I do. I always told my children that they have the power to change things. It starts with a single voice, then that voice is joined by others, until it's impossible to ignore. I am tired and appalled of seeing pictures and articles of the Governor and others providing free and discounted college rates for people who do not even belong here, while American youths are under HESAA's suffrage. The bill currently in Congress does address these issues of student loans, but only for future students. It doesn't help us; it doesn't help us and those who are under siege by HESAA.

"Everything that is done in this world is done by hope."
Martin Luther King. I am a parent, I am a voice, and I do have hope.

In closing, I just must say that next week I will be filing bankruptcy because I cannot afford it. I cannot put food on the table. I work a full-time job, 50 to 60 hours a week. I clean houses in the evening, I rake leaves, I cut grass, I try to pay my bills. But nobody wants to work with me. I am not unwilling to pay my fair share. I know what I did; I didn't know the ramifications, I did not have the education. I know it now, but that is six years too late.

And I need help, and there are other people like me who need the same amount of help. So in an effort to hold them off -- because my

mother just got her income tax back and it was \$45, and HESAA took it -- I have to file for bankruptcy; I have no other recourse. And I cannot work any more hours than I am working.

And I thank you very much for putting in the time, the effort, and for staying here all these hours so that a person from Forked River can come down here and make their peace.

Thank you very much.

MS. DEVEREUX: That's what it's all about.

DR. KEATING: Don't leave yet, please.

I want to see if anyone wants to ask you a question, or seek a clarification. (no response)

Okay, I'm not seeing any.

DR. HOUSHMAND: Frustration, anger -- I don't know.

MS. TIMONY: Ruination. Twenty-nine years my husband and I worked. We raised two of our own children, and my nieces and nephew. And in two years, they took what we tried to build -- that took us 29.

MR. GORMAN: I have a question.

DR. KEATING: Okay, we have a couple of questions.

MR. GORMAN: What do you wish you knew then that you know now?

MS. TIMONY: I wish I knew that -- I wish I knew how it worked so I could have shopped around. That's really what I wish. And I did call New Jersey CLASS, and I said, "There are three options. I don't know if I can pay this, or I can pay that." "Then pick option number 3." What do I know? I picked option number 3. I called them for guidance.

MS. DEVEREUX: I wasn't properly counseled at all, so I didn't realize-- And I was older, and I just never thought about it.

MS. TIMONY: We're going to court.

MS. DEVEREUX: I just never thought about it, really.

MS. TIMONY: And I have to save what I can save. Because when I can no longer get to work, there's nothing left to garnish. So the garnishing aspect, and the "take me to court, because I need \$19,000 right now" -- well, that's not happening, because I can't pay what I owe. So bulk it up.

MR. DORAN: Thank you for your testimony.

Could you share with us what the total outstanding debt is, right now, for each of the respective graduates?

MS. TIMONY: Well, I believe about, maybe, \$78,000 for my nephew and about \$140,000 for my daughter.

MR. DORAN: Did you say \$78--

MS. TIMONY: Thousand.

MR. DORAN: Seventy-eight thousand.

MS. TIMONY: And \$140,000 for my daughter.

MS. DEVEREUX: But isn't it all interest?

MS. TIMONY: And when they talk about-- When HESAA was here, they talked about not being a responsible adult. I am a responsible adult. I am not a stupid adult. Was I ignorant to this process? Yes, I was. Did I call for direction? Yes, I did. You know, could I have done more on my own? Yes. But at our high school, this was promoted. At our high school, they start the college process winter of their senior year. So they start doing all their little writing, and sending off this application

and that application, and in April they come back and say, "Okay, well, here's where I want to go. Because I got in, we'll tour it, it has everything I need." What do I do?

The only big thing I ever signed for in my life -- and I thought it was going to cost my life -- was my mortgage, buying my house. There are pictures of my house in there; there's a picture of my 1987 Toyota Cressida I drive. I do not live larger than life. I am a simple person with simple needs, and I wanted to give my children something that I did not have. And this is what it is; this is what it cost; this is the price we pay. It should not be like that. These children should not be held hostage -- and they are. They are being held hostage.

So thank you.

DR. KEATING: Well, before you break. I mean, your document, as I read along with your testimony-- I just wanted to put a point of clarification out there. The way you addressed the report-- I think you may have thought you were speaking to HESAA's Board of Directors or HESAA's Board -- in the pronouns.

MS. DEVEREUX: Yes.

MS. TIMONY: Yes. But I was hoping she was still here.
(laughter)

DR. KEATING: Yes, okay.

Well, I just wanted to put that clarification that we are not--

MS. TIMONY: Yes. No, no--

DR. KEATING: --a governing body. We are--

MS. TIMONY: But I want you to hear--

DR. KEATING: Yes, I understand.

MS. TIMONY: And she was, but I missed her because I gave my seat up to the Ramapo kids.

DR. KEATING: Yes. I just wanted to make sure you knew who you were speaking to.

MS. TIMONY: I do.

DR. KEATING: And we appreciate that. And again, the same kind of response; you've sat through everything today, so I think you know the position -- that this is a Commission studying--

MS. TIMONY: I do. I just wanted you to know that this is a problem.

DR. KEATING: Yes, we hear you loud and clearly.

MS. TIMONY: There is no rehabilitation in New Jersey CLASS and they cripple you.

DR. KEATING: And again, we have, as we've mentioned -- or at least I can say I've mentioned that this is one of the burning issues inside our study. And we have a subcommittee that is aligned to the financial aspect of New Jersey CLASS and New Jersey BEST, along with other financial considerations. We are a recommending body with a Commission report that will go to the Legislature and the Governor, just so you understand. We're a pathway to make your voice be heard.

MS. TIMONY: Yes.

DR. KEATING: We hear you; we'll take it under review.

MS. TIMONY: Believe me, I wrote to everybody. I wrote to the Governor, the Higher Education general -- or whoever he is. I was there; I did it. No response.

DR. KEATING: Okay, well, the response we can give you is that we've heard you; we'll put your testimony into the record. It will be carefully reviewed as we go forward. We still have six or seven months to go, as I've said. This is one of the burning issues, so we know. And again, we do have our time and attention focused on it when we write this report.

And to your personal story, I can only say as Chair, just thank you for driving this distance to share your story so that we can get an understanding of the face and the people who are behind this conversation. Do we have an answer today? Of course not.

MS. TIMONY: No.

DR. KEATING: And the idea of what we'll do and how we'll put it into the report is to be seen.

But thank you, again, for -- and your patience tonight. You sat through a lot to get to your time, so thanks for that as well.

MS. TIMONY: No, thank you; so did you. (laughter)

DR. KEATING: True.

MS. TIMONY: Thank you very much.

MR. TELLO: Thank you for putting a face to the graduates -- to the families of those who are graduates.

MS. TIMONY: You have to see the faces that don't smile anymore.

Thank you very much.

MS. DEVEREUX: Have a good Thanksgiving -- a blessed one, anyway.

MR. CROOK: Okay, I believe our final presenter for the day is Brandon McKoy. He's with the New Jersey Policy Perspective.

DR. KEATING: Good evening, Brandon; welcome.

MR. McKOY: Good evening. Thank you very much for the opportunity to speak.

DR. KEATING: Our pleasure.

MR. McKOY: I am an alumnus of this university; I graduated in 2009. I am also currently an Adjunct Professor in a Public Policy course, and I am a Policy Analyst at New Jersey Policy Perspective. I work on a lot of different economic policy (indiscernible) of higher education and student loan policy.

In light of a lot of the testimony you've heard today, I might do a little bit more preaching to the choir. But I think that one of things that needs to be taken away is that the goal of all this should not be just to make loan terms more understandable; but to reduce the number of people who have to take out loans. Because college and higher education is a requirement for a strong economy, basically, at the end of the day.

In 1990, the share of education that students and their families were responsible for -- the cost that they were responsible was 25 percent. Today, it is 50 percent. And meanwhile, as we all know, wages have not gone up. So people are borrowing more and more as time goes on.

Between the 1995-1996 school year and the 2011-2012 school year, the cost of tuition and fees at this university, TCNJ, increased 329 percent. That's below average. The costs rose at state colleges an average of 373 percent during that same time. At county colleges, the average cost increase was 128 percent.

The primary driver of rising costs is a severe reduction in the level of State investment. There was a time when New Jersey made an

affordable college education a priority and reflected that commitment in the amount of support that public colleges and universities received in the State budget. Unfortunately, that level of support has dwindled. In 1995, spending on higher education, including student aid, made up 8.4 percent of the State budget. By 2012, its share was down to 6.1 percent, representing a 27 percent drop. When adjusting for inflation, State support for Rutgers, across the board, declined a staggering 85 percent.

All this has occurred as the number of students enrolled at State colleges and universities continues to increase, meaning that funding levels per student are also significantly lower than before.

It's clear that New Jersey has shifted its priorities away from higher education, particularly in operating support for four-year colleges and universities that goes to pay for libraries, faculty, salaries, and utilities -- among other things. As students and families have had the cost of higher education shift from State government onto them, unsurprisingly the amount of borrowing of student loan debt has increased and all of this debt is preventing people from pursuing the things necessary to advance in life, from having the ability to take risks -- personally and professionally -- that are vital to success and achievement.

This strangles the State's potential for innovation and economic success, and it is undermining the ability to create a highly educated workforce, which has been a historical hallmark of this great state.

The best way to generate economic growth that produces well-paying jobs is to invest in strengthening New Jersey's place as a center of innovation, research, and science; and an important part of that requires stabilizing the operating budgets of colleges and universities, and returning

the level of State support for higher education to where it once was and beyond.

New Jersey can once again be known for affordable and high-quality higher education; but getting there means making it a priority in the State budget. We have done it before, and we need to do it again. Simply making sure that people understand the loan process is not the only answer to that; making sure that education and tuition remains low and affordable for everybody is the answer to that.

Thank you.

DR. KEATING: Okay; nice job.

Okay, let's see. Is there anybody who wants to comment or reply to what you're hearing?

DR. BLATTNER: I just would like to say that it was a very thoughtful presentation. And I don't know if you have a copy for us, but I think some of the statistics that you cite would be very useful as we begin to think about framing our document with some information with regard to what the trends have been, and so forth. And I don't know if you have that cited, or--

MR. McKOY: I don't have a copy with me here, but we have a report on our website which I can provide to whoever that would be necessary.

DR. BLATTNER: I would appreciate that. Thank you.

MR. McKOY: And then, also, I just recently gave a presentation on this at the Center for Budget and Policy Priorities in Washington D.C. -- talking about college affordability and tuition.

DR. KEATING: I would echo my colleague's sentiments that -- I'm sitting here listening -- that you almost wrote our introduction. (laughter)

But the notes that you have-- To the request -- if you could, so to speak, put those together, along with your position papers that you delivered in Washington as well, and pull it in and tap it tight. The Office of Legislative Services here would like to reach out and have you -- if you would be willing to -- send that in. We would not only put it in the record but, I think, point made, it would be a great kind of reflection point -- that you could capture some of your thinking as we frame the issue, as we get into the introduction of the issue when we get to writing.

MR. McKOY: Certainly. And I've heard you say that you're going to be doing this for a while. We will also be updating our report; our report was done in the middle of 2013. I'll be updating it, hopefully, early in the year and have it done by then; so I could also provide the update.

DR. KEATING: And you don't mind us using some of it? And you'll cite your references and such? But you don't mind us using some of your thoughts?

MR. McKOY: No, not at all.

DR. KEATING: You're releasing us; okay.

Sarah, Adrian -- if you would, because we're pretty much at the end of our rope here. If you would give us connections so that we can get that, because I do think each one of us would like to have a copy of that as well.

MR. McKOY: Certainly; thank you.

DR. KEATING: And thanks for coming down and being patient.

MR. McKOY: No problem.

DR. KEATING: You saved the last for best (*sic*).

MR. McKOY: Thank you.

DR. KEATING: Okay, is there anyone else who is here right now who desires to speak? (no response)

Okay, for the record, I see no one and hear no one. We're going to make an assumption that our business today is concluded.

To my members, if you want to decompress and have a conversation over what we heard, there is a room upstairs, 215, that is prepared for Legislative Services and the Commission members to retreat and maybe have an opportunity to refresh before we make the drive home. So that offer is literally on the table; and I'll meet you up there, if you care to.

At this time, for the wrapping up business, just for the record to indicate that, seeing and hearing no one else who wishes to speak to the Commission, we're going to close down as we approach what appears to be 5:45. Our next session will be in January, so again we'll note that we will not meet publicly through the balance of this month or next month, and wish that all can have some rest over the holiday period. January 20, 2016, we will again continue this public hearing when we will be in the southern part of the state at the Research University at Rowan University.

And then we will be coming back in to Trenton.

Is there anything from any member for the good of the order in the record before we adjourn? (no response)

Seeing and hearing nothing, is there a motion to adjourn the hearing?

DR. BLATTNER: So moved.

MR. GORMAN: Second.

DR. KEATING: We have a motion and a second. All in favor?
(affirmative responses)

Anyone opposing? Abstaining? (no response)

Okay, then, we'll stand adjourned. Thanks all very much.

(HEARING CONCLUDED)