

COMMITTEE MEETING

before

ASSEMBLY HIGHER EDUCATION COMMITTEE

"Consideration of A-1878, A-5129, A-5181, A-5182,  
ACR-171, and ACR-172;"

also

"A Presentation by the Chancellor of Higher Education,  
Dr. Edward D. Goldberg, on recent efforts to make  
New Jersey colleges and universities more affordable"

September 19, 1991

7:30 p.m.

Auditorium

Hawthorne High School

Hawthorne, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William J. Pascrell, Jr., Chairman  
Assemblyman Louis A. Romano, Vice-Chairman

ALSO PRESENT:

Assemblyman Frank Catania  
District 35

Assemblyman Thomas J. Duch  
District 36

Dr. Joseph S. Weisberg  
Councilman  
Township of Parsippany-Troy Hills

Joyce W. Murray  
Office of Legislative Services  
Aide, Assembly Higher Education Committee

\* \* \* \* \*

Meeting Recorded and Transcribed by  
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WILLIAM J. PASCRELL JR.  
CHAIRMAN

ANTHONY IMPREVEDUTO  
VICE-CHAIRMAN

Louis Romano  
JOHN A. ROCCO

Robert J. Martin

**New Jersey State Legislature**  
**ASSEMBLY HIGHER EDUCATION COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-6843

**COMMITTEE NOTICE**

TO: MEMBERS OF THE ASSEMBLY HIGHER EDUCATION  
COMMITTEE

FROM: ASSEMBLYMAN WILLIAM J. PASCRELL, JR., CHAIRMAN

SUBJECT: COMMITTEE MEETING - September 19, 1991

*The public may address comments and questions to Joyce W. Murray,  
Committee Aide, or make bill status and scheduling inquiries to Patricia  
Scott, secretary, at (609) 984-6843.*

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The Assembly Higher Education Committee will meet on Thursday,  
September 19, 1991 at 7:00 p.m. in the Auditorium of Hawthorne High School,  
Parmelee Avenue, Hawthorne, New Jersey to consider the following bills:

A-1878 Doria/Impreveduto	Directs institutions of higher education to establish and operate child care centers, available on a sliding fee scale to certain students.
A-5129 Pascrell	Appropriates \$4,534,277 from "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987" for State grants for historic preservation projects.
A-5181 Naples/Pascrell (pending intro)	Expands teaching programs eligible for loan redemption by Governor's Teaching Scholars.
A-5182 Doria/Rocco (pending referral)	Specifies criteria for tenure decisions made by public and independent colleges.

(OVER)

Issued 9/9/91

ACR-171  
Pascrell/Doria

Approves list of eligible historic preservation projects to be awarded State grants by New Jersey Historic Trust.

ACR-172  
Pascrell/Romano  
(pending intro)

Memorializes Congress to make college more affordable for middle income families.

In addition to the consideration of these bills, the meeting will begin with a brief presentation by the Chancellor of Higher Education, Dr. Edward D. Goldberg, on recent efforts to make New Jersey colleges and universities more affordable, including details of the N.J. CLASS Loan Program.

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblymen DORIA and IMPREVEDUTO

1 AN ACT to provide child care services for certain students at  
2 institutions of higher education and supplementing Title 18A of  
3 the New Jersey Statutes.

4  
5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Legislature finds and declares that the full employment  
8 of the people of this State depends upon their ability to take  
9 advantage of available educational and job training opportunities;  
10 that the State's public and independent institutions of higher  
11 education offer to the citizens of this State many fine programs  
12 designed either to foster new job skills or to upgrade existing  
13 ones; that the accessibility of a higher education is especially  
14 important to those individuals who find themselves forced to  
15 accept unemployment or welfare benefits often because they lack  
16 meaningful job skills; and that unfortunately many of these same  
17 individuals are unable to avail themselves of college educational  
18 opportunities because they also lack the child care services  
19 necessary to make college attendance possible.

20 2. Each public and independent institution of higher education  
21 in this State shall establish and operate or contract for services  
22 to establish and operate a child care center to provide child care  
23 services on a sliding fee scale to any student who:

24 a. Is enrolled at the institution and is in good standing in an  
25 approved degree granting program and is pursuing an initial  
26 academic degree, or is enrolled at the institution and is in good  
27 standing in a job training program or a program designed to  
28 develop entry level employment skills or to improve job  
29 performance or mobility; and.

30 b. Certifies that he is receiving benefits under any State or  
31 federal program of public assistance; or is receiving  
32 unemployment compensation and demonstrates financial need; or  
33 is unemployed but not currently receiving unemployment benefits  
34 and demonstrates financial need.

35 3. Students other than those designated in section 2 of this act  
36 may use the child care services of the center for a reasonable fee  
37 provided there are adequate facilities and space available.

38 4. The center shall provide child care services during both day  
39 and evening class hours, however, the services of the center will  
40 be available to a student only during the student's class day.

41 5. Each child care center operated by or under a contract with



1 an institution of higher education shall operate under approval  
2 and licensure by the Department of Human Services pursuant to  
3 the provisions of P.L.1983, c.492 (C.30:5B-1 et seq.). Each  
4 center shall at all times be operated in compliance with the rules  
5 and regulations applicable to a privately operated center offering  
6 similar or comparable services.

7 6. The Department of Higher Education, in consultation with  
8 the Department of Human Services, shall adopt pursuant to the  
9 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
10 seq.) rules and regulations regarding student eligibility for child  
11 care services, a reasonable fee schedule for child care services  
12 and any other regulations necessary to effectuate the purposes of  
13 this act. The Department of Higher Education shall supply the  
14 Department of Human Services with applicable information  
15 concerning eligibility of students.

16 7. One year following the effective date of this act, the  
17 Chancellor of Higher Education, in consultation with the  
18 Commissioner of Human Services, shall report to the Governor  
19 and the Legislature on the effectiveness of this program and on  
20 the impact it has had on college attendance and job training.

21 8. The Legislature shall annually appropriate funds sufficient  
22 to cover 100% of the cost of the establishment and operation of  
23 each college or university child care center less any payment  
24 received by the institution for child care services provided  
25 pursuant to this act. In any year, no institution of higher  
26 education shall be required to make expenditures for the purposes  
27 of this act in excess of the amount of State funds and private  
28 payments received pursuant to this act for that year.

29 9. This act shall take effect on the 90th day following  
30 enactment.  
31  
32

### 33 STATEMENT 34

35 This bill directs all public and independent institutions of  
36 higher education within the State to establish and operate child  
37 care centers. The services of each center shall be available on a  
38 sliding fee scale to a student who is enrolled at the institution  
39 and is in good standing in either a degree granting program and  
40 pursuing an initial academic degree, or in a job training program,  
41 provided that:

42 1. the student is receiving benefits under any State or federal  
43 public assistance program; or,

44 2. the student is receiving unemployment compensation and  
45 demonstrates financial need, or is unemployed but not currently  
46 receiving unemployment benefits and demonstrates financial need.

47 Other students may use the services of the child care center  
48 for a reasonable fee provided that there is space available.

1 The bill provides that the costs of establishing and operating  
2 the centers shall be paid by the State minus any payment  
3 received by the college or university for child care services and  
4 specifies that the institution shall not be required to expend any  
5 funds in excess of State and private funds received for the  
6 program.

7 Finally, the bill directs the Chancellor of Higher Education, in  
8 consultation with the Commissioner of Human Services, to report  
9 in one year to the Governor and the Legislature on the  
10 effectiveness of the child care program and its impact on college  
11 and university attendance and job training.

#### 12 13 HIGHER EDUCATION

14  
15  
16 Directs institutions of higher education to establish and operate  
17 child care centers, available on a sliding fee scale to certain  
18 students.

ASSEMBLY HIGHER EDUCATION COMMITTEE

PROPOSED STATEMENT TO

Assembly, No. 1878

STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Bill No. 1878 directs all public and independent institutions of higher education within the State to establish and operate child care centers. The services of each center are to be available on a sliding fee scale to a student who is enrolled at the institution and is in good standing in either a degree granting program and pursuing an initial academic degree, or in a job training program, provided that the student is receiving benefits under any State or federal public assistance program; or the student is receiving unemployment compensation and demonstrates financial need; or is unemployed but not currently receiving unemployment benefits and demonstrates financial need.

Other students may use the services of the child care center for a reasonable fee provided that there is space available.

The bill provides that the costs of establishing and operating the centers shall be paid by the State minus any payment received by the college or university for child care services and specifies that the institution shall not be required to expend any funds in excess of State and private funds received for the program.

Finally, the bill directs the Chancellor of Higher Education, in consultation with the Commissioner of Human Services, to report in one year to the Governor and the Legislature on the effectiveness of the child care program and its impact on college and university attendance and job training.

This bill was prefiled for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.



## STATE OF NEW JERSEY

INTRODUCED AUGUST 1, 1991

By Assemblyman PASCRELL

AN ACT appropriating \$4,534,277 from the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, c.265, for the purpose of making State grants, as awarded by the New Jersey Historic Trust, for historic preservation projects for the renovation, restoration and rehabilitation of historic properties owned by State, county and municipal governments and by tax exempt nonprofit organizations.

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

1. a. There is appropriated to the New Jersey Historic Trust from the "Cultural Centers and Historic Preservation Fund" established pursuant to section 20 of the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, c.265, the sum of \$4,534,277 for the purpose of making State grants, as awarded by the New Jersey Historic Trust, for historic preservation projects for the renovation, restoration and rehabilitation of historic properties owned by State, county and municipal governments and by tax exempt nonprofit organizations, which sum shall include administrative costs of the New Jersey Historic Trust incurred in administering this act. The following projects are eligible for funding with the monies appropriated pursuant to this section:

COUNTY	PROPERTY NAME	LOCATION	NAME OF ORGANIZATION	GRANT AWARD
Bergen	Bergen County Courthouse Complex	Hackensack	County of Bergen	\$ 400,000
Bergen	Tenafly Railroad Station	Tenafly	Borough of Tenafly	133,700
Burlington	Batsto Village	Batsto	Division of Parks and Forestry, DEP	516,182
Burlington	Spring Garden Street Complex	Palmyra	Palmyra Board of Education	134,500
Burlington	White Horse Inn/ Shamong Hotel	Chatsworth	Chatsworth Club, Inc.	114,049
Camden	Champion School	W. Collingswood	Newton Union School Society, Inc.	99,625

	<u>COUNTY</u>	<u>PROPERTY NAME</u>	<u>LOCATION</u>	<u>NAME OF ORGANIZATION</u>	<u>GRANT AWARD</u>
1					
2					
3					
4	Camden	Tabernacle of Faith	Camden	Tabernacle of Faith Church	114,048
5					
6					
7	Cape May	Cape May Point Lighthouse	Lower Township	Mid-Atlantic Center for the Arts	20,638
8					
9					
10					
11	Cumber-	Schooner Clyde A. Phillips	Leesburg	Schooner Clyde A. Phillips, Inc.	215,000
12	land				
13					
14					
15	Essex	St. Columba's Church	Newark	St. Columba's Roman Catholic Church	100,000
16					
17					
18					
19	Hudson	Barrow Mansion	Jersey City	Barrow Mansion Development Corp.	311,375
20					
21					
22	Hudson	Hoboken Terminal	Hoboken	NJ Transit	300,000
23					
24					
25	Hudson	Loew's Jersey Theatre	Jersey City	Jersey City Economic Development Corp.	1,000,000
26					
27					
28					
29	Middle-	Buccleuch Mansion	New Bruns-	City of New Brunswick	213,627
30	sex		wick		
31					
32	Middle-	Gristmilller's House	Cranbury	Cranbury Historical & Preservation Society	40,000
33	sex				
34					
35					
36					
37	Middle-	Kearny Cottage	Perth Amboy	City of Perth Amboy	18,250
38	sex				
39					
40	Morris	Craftsman Farms	Parsippany-Troy Hills	Township of Parsippany - Troy Hills	100,000
41					
42					
43					
44	Passaic	Long Pond Ironworks	West Milford Township	Division of Parks and Forestry, DEP	268,703
45					
46					
47					
48	Salem	Fort Mott	Salem	Division of Parks and Forestry, DEP	150,000
49					
50					
51					
52	Somerset	Hageman Farm	Somerset	Meadows Foundation	64,580
53					
54					
55	Union	Deserted Village of Beltsville/ Glenside Park	Berkeley Heights	County of Union, Dept. of Parks & Recreation	220,000
56					
57					
58					
59					
60					
61	TOTAL				\$4,534,277

1 b. Any transfer of any funds or project sponsor listed in  
2 subsection a. of this section shall require the approval of the Joint  
3 Budget Oversight Committee or its successor.

4 2. There is appropriated to the New Jersey Historic Trust the  
5 unexpended balances of the amounts appropriated pursuant to  
6 P.L.1990, c.91 from the "Cultural Centers and Historic  
7 Preservation Fund" for the purpose of making grants for the  
8 projects listed in section 1 of this act, to the extent such funds are  
9 available as a result of project withdrawals or cost savings.

10 3. To the extent that monies remain available after the projects  
11 listed in section 1 of this act are offered funding from the "Cultural  
12 Centers and Historic Preservation Fund," the projects listed in  
13 P.L.1990, c.91, shall be eligible for funding, including  
14 administrative costs of the New Jersey Historic Trust in  
15 administering this section, in a sequence consistent with the  
16 priority system established by the New Jersey Historic Trust, and  
17 shall require the approval of the Joint Budget Oversight Committee  
18 or its successor.

19 4. The expenditure of the sum appropriated by this act is subject  
20 to the provisions and conditions of P.L.1987, c.265.

21 5. This act shall take effect immediately.

#### 22 23 24 STATEMENT

25  
26 This bill would appropriate to the New Jersey Historic Trust from  
27 the "Cultural Centers and Historic Preservation Fund" established  
28 pursuant to section 20 of the "New Jersey Green Acres, Cultural  
29 Centers and Historic Preservation Bond Act of 1987," P.L.1987,  
30 c.265, the sum of \$4,534,277 for the purpose of making State  
31 grants, to be awarded by the New Jersey Historic Trust, for historic  
32 preservation projects for the renovation, restoration, and  
33 rehabilitation of historic properties owned by State, county, or  
34 municipal governments or by tax exempt nonprofit organizations,  
35 which sum would include administrative costs of the New Jersey  
36 Historic Trust incurred in administering the act.

37 The 1987 bond act allocated \$25 million for historic preservation  
38 projects, of which amount \$22 million is for State grants to be  
39 awarded on a competitive basis based on criteria established  
40 pursuant to section 5 of the bond act, and \$3 million is to be placed  
41 in a historic preservation revolving loan fund, to be established by  
42 law, for the purpose of providing loans for historic preservation  
43 projects. In 1990, the Legislature appropriated from the 1987 bond  
44 act the sum of \$10,229,137 for the historic preservation grant  
45 program. The revolving loan fund was established by P.L.1991, c.41.

46 The bill provides that any transfer of any funds or project sponsor  
47 listed in the bill would require the approval of the Joint Budget  
48 Oversight Committee or its successor.

49 The bill also appropriates to the New Jersey Historic Trust the

1 unexpended balances of the amounts appropriated pursuant to  
2 P.L.1990, c.91 from the "Cultural Centers and Historic  
3 Preservation Fund" established pursuant to the 1987 bond act for  
4 the purpose of making grants for the projects listed in the bill, to  
5 the extent such funds are available as a result of project  
6 withdrawals or cost savings.

7 The bill further provides that to the extent monies remain  
8 available after the projects listed in the bill are offered funding,  
9 the projects listed in P.L.1990, c.91 would remain eligible for  
10 additional funding, including administrative costs, in a sequence  
11 consistent with the priority system established by the New Jersey  
12 Historic Trust, but only with the approval of the Joint Budget  
13 Oversight Committee or its successor.

14 The monies appropriated by this bill are subject to the provisions  
15 and conditions of the 1987 bond act. Subsection d. of section 5 of  
16 that act requires the New Jersey Historic Trust to submit to the  
17 Legislature for its approval the list of projects to be funded. This  
18 approval must take the form of a concurrent resolution, which  
19 resolution is currently before the Legislature as Senate Concurrent  
20 Resolution No. of 1991 and Assembly Concurrent Resolution  
21 No. of 1991.

#### 22 23 24 NATURAL RESOURCES

25  
26 Appropriates \$4,534,277 from "New Jersey Green Acres, Cultural  
27 Centers and Historic Preservation Bond Act of 1987" for State  
28 grants for historic preservation projects.

ASSEMBLY HIGHER EDUCATION COMMITTEE

PROPOSED STATEMENT TO

Assembly, No. 5129

STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Bill No. 5129 appropriates to the New Jersey Historic Trust from the "Cultural Centers and Historic Preservation Fund" established pursuant to section 20 of the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, c.265, the sum of \$4,534,277 for the purpose of making State grants, to be awarded by the New Jersey Historic Trust, for historic preservation projects for the renovation, restoration, and rehabilitation of historic properties owned by State, county, or municipal governments or by tax exempt nonprofit organizations, which includes administrative costs of the New Jersey Historic Trust incurred in administering the act.

The 1987 bond act allocated \$25 million for historic preservation projects, of which \$22 million is for State grants to be awarded on a competitive basis based on criteria established pursuant to section 5 of the bond act, and \$3 million is to be placed in a historic preservation revolving loan fund, to be established by law, for the purpose of providing loans for historic preservation projects. In 1990, the Legislature appropriated from the 1987 bond act the sum of \$10,229,137 for the historic preservation grant program. The revolving loan fund was established by P.L.1991, c.41.

The bill provides that any transfer of any funds or project sponsor listed in the bill would require the approval of the Joint Budget Oversight Committee or its successor.

The bill also appropriates to the New Jersey Historic Trust the unexpended balances of the amounts appropriated pursuant to P.L.1990, c.91 from the "Cultural Centers and Historic Preservation Fund" established pursuant to the 1987 bond act for the purpose of making grants for the projects listed in the bill, to the extent such funds are available as a result of project withdrawals or cost savings.

The bill further provides that to the extent monies remain available after the projects listed in the bill are offered funding, the projects listed in P.L.1990, c.91 would remain eligible for additional funding, including administrative costs, in a sequence consistent with the priority system established by the New Jersey Historic Trust, but only with the approval of the Joint Budget Oversight Committee or its successor.

The monies appropriated by this bill are subject to the provisions and conditions of the 1987 bond act. Subsection d. of section 5 of that act requires the New Jersey Historic Trust to submit to the Legislature for its approval the list of projects to be funded. This approval must take the form of a concurrent resolution, which resolution is currently before the Legislature as Senate Concurrent Resolution No. 143 of 1991 and Assembly Concurrent Resolution No. 171 of 1991.



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\*  
\* BILL NO. 25731 \*  
\* Date of Intro. \_\_\_\_\_ \*  
\* Ref. \_\_\_\_\_ \*  
\*  
\*\*\*\*\*

\*\*\*\*\*  
\* NOTE TO \* Notify OLS if you require changes in this document. \*  
\* A revised copy for introduction will be prepared on \*  
\* the legislative computer system. \*  
\* SPONSOR \* Hand-written changes will not appear in the printed \*  
\* bill. \*  
\*\*\*\*\*

AN ACT concerning the Governor's Teaching Scholars<sup>Loan</sup> Program and amending P.L.  
1986, c.180.

### HIGHER EDUCATION

Expands teaching programs eligible for loan redemption by Governor's Teaching Scholars.

PRIME Sponsor

CO-Sponsors

*[Handwritten signatures: Stephen M. Russell, James Lord, J. Guillis, Louis Brown, and Mark Baker]*

Same as \_\_\_\_\_ 88/89

\_\_\_\_\_ 90/91

AN ACT concerning the Governor's Teaching Scholars Loan Program and amending P.L. 1986, c.180.

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

1. Section 3 of P.L. 1986, c. 180 (C.18A:71-81) is amended to read as follows:

3. a. Loans may be redeemed in full for teaching service in New Jersey public schools, according to the schedule recommended by the steering committee established pursuant to section 4 of this act and approved by the State Board of Education. Service by a participant in the program as a teacher in a nonpublic school, or in a New Jersey State college or county college may be applied toward loan redemption if, prior to commencing that service, the participant has pursued employment as a teacher in the public schools and has sought the assistance of the Department of Education as provided pursuant to Section 5 of P.L. 1986, c. 180.(C.18A:71-83). For the purposes of this section, "public schools" shall mean any primary or secondary education program that is supported by public funds and is operated by or under contract with a board of education, an educational services commission established pursuant to section 1 of P.L. 1968, c.143 (C.18A:6-51) or a State facility as defined in section 3 of P.L. 1975, c.212 (C.18A:7A-3). "Nonpublic school" shall mean an elementary or secondary school within the State, other than a public school, offering education for grades kindergarten through 12, or any combination of those grades, where any child may legally fulfill compulsory school attendance requirements and which complies with the requirements of Title IV of the Civil Rights Act of 1964 (P.L.88-352). The Commissioner of Education may, at his or her discretion, approve other teaching service by a program participant as credit toward loan redemption, provided that such service is performed within the State and requires the performance of professional duties similar to those of a public school teacher.

b. Notwithstanding any laws or regulations to the contrary, the commissioner may, at his or her discretion, extend the deferral period for loan repayment for a program participant who has reasonably attempted but has been unable to obtain employment that is eligible for credit toward loan redemption as provided in subsection a of this section.

c. The State board may designate critical geographic areas of teacher shortage and establish an accelerated schedule of redemption credits for program participants who teach in these designated areas.

(cf: P.L. 1986, c. 180, s.3)

2. This act shall take effect immediately.

## STATEMENT

The Governor's Teaching Scholars Program provides college loans to academically talented public and nonpublic high school graduates who plan to pursue teaching careers and allows participants to redeem their loans in full for teaching service in New Jersey public schools.

The bill is intended to assist participants in the program who cannot obtain employment as public school teachers following completion of college. It would allow participants in the program to apply their service as teachers in nonpublic schools, State colleges or county colleges toward redemption of the college loans they receive through the program. A program participant would be required to seek the Department of Education's assistance in securing a position as a public school teacher before he or she could earn loan redemption credit as a nonpublic school or college teacher.

The bill also would allow the Commissioner of Education to approve other teaching service in the State for loan redemption credit, and to extend the loan repayment deferral period for a program participant who has been unable to obtain a teaching position in which he or she can earn loan redemption credit. The current deferral period is one year following the completion of a participant's fourth year of college.

## HIGHER EDUCATION

Expands teaching programs eligible for loan redemption by Governor's Teaching Scholars.

ASSEMBLY HIGHER EDUCATION COMMITTEE

PROPOSED STATEMENT TO

Assembly, No. 5181

STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Bill No. 5181 would allow participants in the Governor's Teaching Scholars Loan program to apply their service as teachers in nonpublic schools, State colleges or county colleges toward redemption of the college loans they receive through the program. A program participant would be required to seek the Department of Education's assistance in securing a position as a public school teacher before he or she could earn loan redemption credit as a nonpublic school or college teacher. Currently, program participants are only permitted to redeem their loans through service as teachers in public secondary schools.

The bill also would allow the Commissioner of Education to approve other teaching service in the State for loan redemption credit, and to extend the loan repayment deferral period for a program participant who has been unable to obtain a teaching position in which he or she can earn loan redemption credit. The current deferral period is one year following the completion of a participant's fourth year of college.

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BILL NO. 175182

Date of Intro. AUG 22 1991

Ref. RWR

NOTE TO	Notify OLS if you require changes in this document.
SPONSOR	A revised copy for introduction will be prepared on the legislative computer system.
	Hand-written changes will not appear in the printed bill.

AN ACT concerning the granting of tenure and supplementing chapters 62 and 68 of Title 18A of the New Jersey Statutes.

#### EDUCATION

Specifies criteria for tenure decisions made by public and independent colleges.

PRIME Sponsor

Doris P. Rocco

CO-Sponsors

Th. J. Passarelli  
John P. Rocco

Same as \_\_\_\_\_ 88/89

\_\_\_\_\_ 90/91

AN ACT concerning the granting of tenure and supplementing chapters 62 and 68 of Title 18A of the New Jersey Statutes.

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

1. In any decision to grant tenure to a member of the teaching staff of a public institution of higher education who is an instructor, assistant professor, associate professor, or professor, equal consideration shall be given to effective teaching, scholarly achievement, and contributions to the college and community.
2. In any decision to grant tenure to a member of the teaching staff of an independent institution of higher education who is an instructor, assistant professor, associate professor, or professor, equal consideration shall be given to effective teaching, scholarly achievement, and contributions to the college and community. "Independent institution" means a non-profit institution of higher education which is eligible to receive funds pursuant to P.L. 1979, c. 132 (C. 18A:72B-15 et seq.).
3. This act shall take effect immediately.

#### STATEMENT

This bill requires that in any decision to grant tenure to a member of the teaching staff of an institution of higher education who is an instructor, assistant professor, associate professor, or professor, equal consideration shall be given to effective teaching, scholarly achievement, and contributions to the college and community. The requirement applies to public institutions of higher education, including the State and county colleges, Rutgers, the State University, and the New Jersey Institute of Technology, and any independent institution of higher education in the State which is eligible to receive funds under the Independent College and University Assistance Act (C. 18A:72B-15 et seq.).

There is a need today for colleges and universities to focus more on undergraduates and the importance of the



teaching and learning experience which is the primary mission of higher education. Parents and students who must meet the soaring costs of higher education also have a right to expect effective teaching and advising by faculty members. Teaching and undergraduate advising are not high priorities, however, if tenure is granted exclusively on the basis of scholarly achievement. It is the intention of this bill to make clear that effective teaching should have equal weight when tenure decisions are made.

#### EDUCATION

Specifies criteria for tenure decisions made by public and independent colleges.

ASSEMBLY HIGHER EDUCATION COMMITTEE  
PROPOSED STATEMENT TO

Assembly, No. 5182  
STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Bill No. 5182 requires that in any decision to grant tenure to a member of the teaching staff of an institution of higher education who is an instructor, assistant professor, associate professor, or professor, equal consideration shall be given to the factors of effective teaching, scholarly achievement, and contributions to the college and community. The requirement applies to public institutions of higher education, including the State and county colleges, Rutgers, the State University, and the New Jersey Institute of Technology, and any independent institution of higher education in the State which is eligible to receive funds under the Independent College and University Assistance Act (C. 18A:72B-15 et seq.).

# ASSEMBLY CONCURRENT RESOLUTION No. 171

## STATE OF NEW JERSEY

INTRODUCED AUGUST 1, 1991

By Assemblymen PASCRELL and DORIA

**A CONCURRENT RESOLUTION** approving the list of eligible historic preservation projects for which State grants are awarded on a competitive basis by the New Jersey Historic Trust.

WHEREAS, The New Jersey Historic Trust is authorized pursuant to section 5 of the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, c.265, to award State grants for historic preservation projects for the renovation, restoration and rehabilitation of historic properties owned by State, county, or municipal governments or by tax exempt nonprofit organizations; and

WHEREAS, The New Jersey Historic Trust is required pursuant to subsection d. of section 5 of P.L.1987, c.265, to submit to the Legislature for its approval a list of eligible projects for which State historic preservation grants are to be awarded pursuant to a competitive selection process utilizing monies from the bond act, which approval shall take the form of a concurrent resolution; now, therefore,

**BE IT RESOLVED** by the General Assembly of the State of New Jersey (the Senate Concurring):

1. The following projects are approved as eligible for funding with the monies appropriated to the New Jersey Historic Trust pursuant to P.L. , c. (now before the Legislature as Senate Bill No. of 1991 or Assembly Bill No. of 1991):

<u>COUNTY</u>	<u>PROPERTY NAME</u>	<u>LOCATION</u>	<u>NAME OF ORGANIZATION</u>	<u>GRANT AWARD</u>
Bergen	Bergen County Courthouse Complex	Hackensack	County of Bergen	\$ 400,000
Bergen	Tenafly Railroad Station	Tenafly	Borough of Tenafly	133,700
Burlington	Batsto Village	Batsto	Division of Parks and Forestry, DEP	516,182
Burlington	Spring Garden Street Complex	Palmyra	Palmyra Board of Education	134,500

## ACR171

2

	<u>COUNTY</u>	<u>PROPERTY NAME</u>	<u>LOCATION</u>	<u>NAME OF ORGANIZATION</u>	<u>GRANT AWARD</u>
4	Burlington	White Horse Inn/ Shamong Hotel	Chatsworth	Chatsworth Club, Inc.	114,049
8	Camden	Champion School	W. Collingswood	Newton Union School Society, Inc.	99,625
12	Camden	Tabernacle of Faith	Camden	Tabernacle of Faith Church	114,048
15	Cape May	Cape May Point Lighthouse	Lower Township	Mid-Atlantic Center for the Arts	20,638
19	Cumberland	Schooner Clyde A. Phillips	Leesburg	Schooner Clyde A. Phillips, Inc.	215,000
23	Essex	St. Columba's Church	Newark	St. Columba's Roman Catholic Church	100,000
27	Hudson	Barrow Mansion	Jersey City	Barrow Mansion Development Corp.	311,375
30	Hudson	Hoboken Terminal	Hoboken	NJ Transit	300,000
33	Hudson	Loew's Jersey Theatre	Jersey City	Jersey City Economic Development Corp.	1,000,000
37	Middlesex	Buccleuch Mansion	New Brunswick	City of New Brunswick	213,627
40	Middlesex	Gristmillers House	Cranbury	Cranbury Historical & Preservation Society	40,000
45	Middlesex	Kearny Cottage	Perth Amboy	City of Perth Amboy	18,250
48	Morris	Craftsman Farms	Parsippany-Troy Hills	Township of Parsippany - Troy Hills	100,000
52	Passaic	Long Pond Ironworks	West Milford Township	Division of Parks and Forestry, DEP	268,703
56	Salem	Fort Mott	Salem	Division of Parks and Forestry, DEP	150,000
60	Somerset	Hageman Farm	Somerset	Meadows Foundation	64,580

Union	Deserted	Berkeley	County of Union	223,900
	Village of	Heights	Dept. of Parks &	
	Feltville/		Recreation	
	Glenside Park			

TOTAL \$4,534,277

2. The list of eligible historic preservation projects enumerated in section 1 of this concurrent resolution, submitted in accordance with the requirements of subsection d. of section 5 of P.L.1987, c.265, is hereby approved.

#### STATEMENT

This concurrent resolution lists the historic preservation projects approved as eligible to receive funding from the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, 265.

The bond act allocated \$25 million for historic preservation projects, of which amount \$22 million is for State grants to be awarded on a competitive basis based on criteria established pursuant to section 5 of the bond act, and \$3 million is to be placed in a historic preservation revolving loan fund, to be established by law, for the purpose of providing loans for historic preservation projects. In 1990, the Legislature appropriated from the bond act the sum of \$10,229,137 for the historic preservation grant program. The revolving loan fund was established by P.L.1991, c.41.

This concurrent resolution, together with Senate Bill No. of 1991 and Assembly Bill No. of 1991, will provide for a second round of grant awards for historic preservation projects. Pursuant to subsection d. of section 5 of the bond act, approval of a concurrent resolution by the Legislature is necessary in order for the New Jersey Historic Trust to award grants utilizing monies from the bond act. Senate Bill No. of 1991 and Assembly Bill No. of 1991 would appropriate monies in the total amount of \$4,534,277 for the grants to be awarded for the projects listed in this concurrent resolution.

#### NATURAL RESOURCES

Approves list of eligible historic preservation projects to be awarded State grants by New Jersey Historic Trust.

ASSEMBLY HIGHER EDUCATION COMMITTEE

PROPOSED STATEMENT TO

Assembly Concurrent Resolution, No. 171

STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Concurrent Resolution, No. 171 lists the historic preservation projects approved as eligible to receive funding from the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987," P.L.1987, 265.

The bond act allocated \$25 million for historic preservation projects, of which amount \$22 million is for State grants to be awarded on a competitive basis based on criteria established pursuant to section 5 of the bond act, and \$3 million is to be placed in a historic preservation revolving loan fund, to be established by law, for the purpose of providing loans for historic preservation projects. In 1990, the Legislature appropriated from the bond act the sum of \$10,229,137 for the historic preservation grant program. The revolving loan fund was established by P.L.1991, c.41.

This concurrent resolution, together with Senate Bill No. 3682 of 1991 and Assembly Bill No. 5129 of 1991, will provide for a second round of grant awards for historic preservation projects. Pursuant to subsection d. of section 5 of the bond act, approval of a concurrent resolution by the Legislature is necessary in order for the New Jersey Historic Trust to award grants utilizing monies from the bond act. Senate Bill No. 3682 of 1991 and Assembly Bill No. 5129 of 1991 would appropriate monies in the total amount of \$4,534,277 for the grants to be awarded for the projects listed in this concurrent resolution.



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\* BILL NO. ACR-172 \*  
\* Date of Intro. \_\_\_\_\_ \*  
\* Ref. \_\_\_\_\_ \*  
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.....  
\* NOTE TO \* Notify OLS if you require changes in this document. \*  
\* A revised copy for introduction will be prepared on \*  
\* the legislative computer system. \*  
\* SPONSOR \* Hand-written changes will not appear in the printed \*  
\* bill. \*  
.....

A **CONCURRENT RESOLUTION** memorializing the Congress of the United States to make college more affordable for the middle-income families.

HIGHER EDUCATION

Memorializes Congress to make college more affordable for middle-income families.

PRIME Sponsor

CO-Sponsors

Jefferson Roman

Same as \_\_\_\_\_ 88/89

\_\_\_\_\_ 90/91

New Jersey State Library

**A CONCURRENT RESOLUTION** memorializing the Congress of the United States to make college more affordable for middle-income families.

**WHEREAS**, Nationwide, the ability of middle income families with college age dependents to qualify for federal financial aid has declined steadily over the past ten years; and

**WHEREAS**, Congress is currently reviewing the reauthorization of the Higher Education Act of 1986; and

**WHEREAS**, During consideration of the reauthorization of the Higher Education Act of 1986, Congress should provide some relief to middle income families either through the establishment of new programs or the revision of current financial aid programs; and

**WHEREAS**, The Legislature of the State of New Jersey has passed legislation to implement savings and loans programs (the New Jersey College Loans to Assist State Students Act and the Garden State Savings Act of 1991) which provide middle income New Jersey families with additional funds needed to meet the increasing costs of college attendance; now, therefore,

**BE IT RESOLVED** by the General Assembly of the State of New Jersey (the Senate concurring):

1. The Congress of the United States is hereby memorialized to consider the impact of the increasing costs of going to college on middle income families and adopt some measures during the process of reviewing the reauthorization of the Higher Education Act of 1986 which would make additional funding available for middle-income families trying to pay for the costs of college attendance.

2. Duly authenticated copies of this concurrent resolution, signed by the President of the Senate and attested by the Secretary thereof, and signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President of the United States Senate and the Speaker of the United States House of Representatives, and to each member of Congress elected from this State.

#### **STATEMENT**

This Concurrent Resolution memorializes the Congress of the United States, while it is reviewing the reauthorization of the Higher Education Act of 1986, to enact measures which will allow middle-income families to qualify for federal financial assistance to pay for the costs of college attendance.

#### **HIGHER EDUCATION**

Memorializes Congress to make college more affordable for middle-income families.

ASSEMBLY HIGHER EDUCATION COMMITTEE

PROPOSED STATEMENT TO

Assembly Concurrent Resolution, No. 172

STATE OF NEW JERSEY

DATED: September 19, 1991

Assembly Concurrent Resolution, No. 172 memorializes the United States Congress to enact measures which will allow middle-income families to qualify for federal assistance to help pay for the cost of college attendance, during the period when the Congress is reviewing the Reauthorization of the Higher Education Act of 1986. New Jersey has recently passed the "New Jersey College Loans to Assist State Students (CLASS) Act," P.L. 1991 c. 268, and the "Garden State Savings Act of 1991," P.L. 1991, c. 277. Eligibility for the New Jersey CLASS loan program is related to the financial need of a family which is unmet by federal financial aid programs.



## TABLE OF CONTENTS

	<u>Page</u>
Assemblyman Joseph V. Doria, Jr. Speaker of the General Assembly	2
Robert J. Polakowski Vice President Association of Independent Colleges and Universities in New Jersey	8
Donald Edwards Vice President Public Affairs and Development Rutgers, The State University	10
Dr. Edward D. Goldberg Chancellor New Jersey Department of Higher Education	13
Valerie Van Baaren Director Legislative and Constituent Relations New Jersey Department of Higher Education	18
Grace DuBreuil Staff Representative Communications Workers of America Local No. 1031, Vice President Coalition of Labor Union Women for the State of New Jersey, and Division on Women's Task Force on Employer Supported Child Care	20
John F. Brugel Assistant Chancellor New Jersey Department of Higher Education	33
Joseph Roberto Associate Director of Financial Aid Seton Law University	37
Deborah Levi Private Citizen	38





TABLE OF CONTENTS (continued)

	<u>Page</u>
Edward Richardson Acting Director Governmental Relations New Jersey Department of Education	43
APPENDIX:	
Statement submitted by Grace DuBreuil	1x
Letter of transmittal to Committee Aide for Chancellor Edward D. Goldberg's remarks made before the Committee	3x

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mjz: 1-22  
tca: 23-45



ASSEMBLYMAN WILLIAM J. PASCRELL, JR. (Chairman):  
Thank you for your patience, everyone. In a few moments we should be able to roll here. (pause)

Good evening, everyone. Let's call the roll first, Joyce -- Joyce Murray of the Office of Legislative Services -- and we will get into business tonight.

MS. MURRAY (Committee Aide): Okay. Assemblyman Catania?

ASSEMBLYMAN CATANIA: Here.

MS. MURRAY: Assemblyman Martin? He's not here. Assemblyman Duch?

ASSEMBLYMAN DUCH: Here.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Here.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Here.

I want to welcome everyone here this evening. We have taken the Higher Education Committee on the road, so to speak. I am told that in the past 14 months, particularly this Committee has probably voted on some of the most significant legislation affecting higher education in this State. We will continue to do that.

This evening, we are very honored to have the Chancellor take the time out of his busy schedule to be here. He will be testifying later. The Speaker of the Assembly, Joe Doria-- He has a few bills before this Committee tonight. I personally want to thank Frank Chiofalo, our Superintendent of Schools here in Hawthorne, and Garret Sinning, President of the Hawthorne Board of Education, for being so cooperative to the Committee and the Committee staff. So, thank you very, very much. We deeply appreciate it.

The order of business tonight will be that we will look at two bills, one of which we will vote on, and one we will not vote on: the Doria/Imprevduto bill, which directs

institutions of higher education to establish and operate child care centers, available on a sliding fee scale to certain students.

Again, if you want to testify, you must fill out one of the sheets in the front.

The other bill is the Doria/Rocco bill. Assemblyman Rocco is not here tonight. It specifies criteria for tenure decisions made by public and independent colleges; I would think a pretty significant piece of legislation, which we should have some hell-raising about over the next few months.

I want to welcome Speaker Doria. I'm glad you found your way to our county, and to the lovely City of Hawthorne -- the Town of Hawthorne.

Let's supposing we do A-5182 first. Joyce, would you please read the summary of the bill?

MS. MURRAY: "Assembly Bill No. 5182 requires that in any decision to grant tenure to a member of the teaching staff of an institution of higher education who is an instructor, assistant professor, associate professor, or professor, equal consideration shall be given to the factors of effective teaching, scholarly achievement, and contributions to the college and community. The requirement applies to public institutions of higher education, including the State and county colleges, Rutgers, the State University, and the New Jersey Institute of Technology, and any independent institution of higher education in the State which is eligible to receive funds under the Independent College and University Assistance Act."

ASSEMBLYMAN PASCRELL: Okay, thank you, Joyce. Assemblyman?

S P E A K E R J O S E P H V. D O R I A, JR.: Thank you very much, Mr. Chairman. It is a pleasure to be here this evening -- to be in Hawthorne again. I just want to commend yourself and the members of the Committee for having this

meeting here, and to thank the Superintendent and the President of the Board. This is the second time within a two-week period of time that I have had the pleasure of being in Hawthorne with you, Mr. Chairman. The first time was when we were here with the Governor to sign the College Student Savers Program -- the Savings Bond Program -- which you and I had the privilege of sponsoring, which was a step in the right direction as it relates to providing the wherewithal to middle-class families to save for the future to send their children to college.

I want to begin, Mr. Chairman, by commending you and your Committee for the fine work they have done during the last 18 months, and the number of very important pieces of legislation that have passed. I don't have to mention all of them, but I will mention the Class Act Loan Program and the Savings Program. Both of those pieces of legislation are very important pieces of legislation because they recognize the need of middle-class parents to provide the type of funding necessary to send their children to college.

I want to commend the Committee, and I want to commend the Chancellor. I want to commend the Chancellor and his staff -- his Vice Chancellor -- who have worked very hard in implementing these two programs to allow -- especially the Loan Program -- to allow the young people of the State to take advantage of it immediately. You and I had the privilege of being at the center in Quakerbridge where the phone calls are being responded to, and we saw the great interest and involvement on the part of the staff. So I think that is important. I just wanted to begin by saying that before I move on to this important piece of legislation. The State of New Jersey is fortunate that we have such efficient operations in the area of higher education, and that our young people are moving forward in obtaining these loans, and middle-class parents who earn between \$45,000 and \$85,000 now can apply for loans and receive them, where they couldn't receive Federal

loans, and this allows them to attend college. So I want to commend the Department and the Committee.

A-5182 is a bipartisan piece of legislation by myself and Assemblyman Rocco, both of whom served on this Committee before, I as Chairman, and Assemblyman Rocco as the senior Minority member. Over the years together, we have had many discussions as they relate to the question of tenure, and the qualifications and requirements established by the various institutions of higher education in the State as they relate to tenure. As you know, both of us have had experience in the higher education area; Assemblyman Rocco as a faculty member at Rider and as the chairman of the department at Rider, and myself at St. Peter's College, as both a faculty member and an administrator.

Both of us, over the years, have found that one of the major problems that exists in the tenure process, as well as the promotion process -- this bill only addresses tenure so I will limit myself to tenure, but it also would apply to promotion -- is that sometimes some of the elements that go into the decision-making process on the part of the various committees -- and this is usually faculty committees that are involved in this; the faculties directly involved -- do not relate directly to the performance of the faculty member in the classroom. Obviously, our major concern should be -- and should always be -- the well-being of the students in the classroom; should be that the students' education is the priority.

We all understand the importance of research. We all understand the need for scholarship and academic research, but we don't necessarily feel -- both Assemblyman Rocco and myself, and I can express this on his behalf at this point because we have discussed this-- We don't necessarily feel that there has been enough attention given, number one, to teaching; and number two, to community involvement. Community involvement is

important because, again, it sends the message to young people that there should be concern and involvement in what is happening in the community, and that faculty members at colleges and universities have a responsibility, not only to teach effectively, to do research, but to be involved in the process of community service that exists within their own municipality, within their counties, within the State, or even at the national level.

The message that we wanted to send by this piece of legislation is that we feel that, unfortunately, sometimes in decisions relating to tenure in many institutions, the element of education, per se, and the ability of a faculty member to teach, and the effort involved in teaching have been ignored. Teaching is not easy. If it is done properly, it is a very difficult, time-consuming, demanding task; as demanding and as time-consuming and as intellectually vigorous as research, sometimes even more so, because you have young people before you, young minds at a college level who have to be stimulated and, unfortunately, sometimes they are not stimulated. They are, rather, just spoken to, and it becomes basically a situation where somebody is just talking down to them. That, by itself, does not guarantee a quality education.

There are a lot of ways to teach. I have had the opportunity to teach; you have had the opportunity to teach. You know that. Assemblyman Romano is another person -- another member of the Committee -- who has taught. That, I think, is something we were trying to say. We set up the criteria in this piece of legislation to give equal weight, and I know that that creates some problems. I understand some of the questions that could arise as they relate to equal weight being applied. So for that reason I understand why some of the members of the higher education community might say, "Well, that is somewhat unfair and it is arbitrary." It is arbitrary, and there is no question that in some institutions, let us say UMDNJ, where

research is an important part of the process in the medical technology area, and where the faculty members, who, in many instances, are doctors, have to do research-- Obviously, that has to play, maybe, a greater role, or when we talk about some of the high-tech areas of engineering.

So obviously, the bill did not take that into consideration. It is somewhat simplistic, but at this point I just wanted to emphasize the importance, to all the members of the higher education community here -- to emphasize that we should be doing something. The bill was put in to stimulate discussion. You are absolutely right, Mr. Chairman. You said the purpose was to develop discussion; that it would be discussed in-depth over the next few months. That is the purpose of this legislation; to stimulate discussion and to begin the process.

I appreciate your putting it on the agenda tonight so that we can begin the process of discussion. I ask you not to vote on it tonight. I would ask that it be held so that we can continue the discussion with the members of the higher education community, hopefully with student involvement and with parents who are involved, to get the input. But I do think that there is a need -- a serious need -- for us to be doing something in this area; for us to emphasize the importance of education, and the emphasis of teaching, the ability to teach effectively, because if you can teach effectively in college, hopefully the students then will learn how they can succeed in life, whether they are teachers or whether they go into other endeavors in many other professional and business fields.

I think one of the biggest problems we have is the inability of some people to teach, even though they may be educated. Having a doctorate does not necessarily mean that you are a good teacher and, you know, not having one-- If you



do have one, you might be a great teacher. So the question is really one of the emphasis.

The other question of community involvement-- The Chancellor has given me a proposal, which hopefully he will share with the Committee, dealing with this whole question of urban revitalization and also the question of establishing what he calls a "Public Service Program," which would fall into the question of providing community service. I think it is a good idea. We should emphasize the area of public service. I think we-- No, I would hope that the Committee will work with him, and hopefully we all will be able to work together, Mr. Chairman. I pledge my cooperation on that.

So, at this point, after having made this statement, I have not-- Let me say that I have not asked Assemblyman Rocco if he agrees with my decision tonight to ask for the bill to be held, but I would think, knowing the Assemblyman, and knowing his interest in obtaining the broadest possible discussion and the broadest possible input, that he would probably agree with me. For that reason, since I am here tonight, I am going to ask for the bill to be held, but I am going to ask that the discussion continue and that all the people here today, together with all those who may not be here, begin to move towards some kind of discussion, and hopefully a resolution of the problem in the future, realizing that we need to emphasize this. I understand that many schools are doing this already, but I think that in many instances it is lip service, not necessarily the reality of what the problem is.

ASSEMBLYMAN PASCRELL: Thank you, Mr. Speaker.

We are going to-- Before we hear from the Department and the Chancellor, we would like to hear from two other people who have signed up to testify. If you would just take the other seat, and let the individual testify-- Bob Polakowski, of the Association of Independent Colleges in the State of New

Jersey. If you would share the table together, I would appreciate it.

R O B E R T J. P O L A K O W S K I: Thank you, Mr. Chairman. Since Assemblyman Doria, the sponsor of this legislation, has already asked that this legislation be held this evening, I am not going to do that, although I think he has already stimulated the discussion, as he has been known to do in the past.

On behalf of the 16 institutions that make up the independent sector, we have some concerns when you insert the word "equal," in terms of equal weight for teaching, scholarship, and community service. When you look at the variety and background of the institutions that we represent and what they require of their professors and their teaching staff, we feel that we need to have more discussion. We are not aware of any complaints and problems related to the faculty, the organizations that may represent faculty members at any of the institutions in the independent sector, and we think it would be premature, absent that kind of discussion for this Committee to act -- or any committee to act -- on a piece of legislation of this magnitude.

With respect to the word "equal," I am not quite sure what that means. I think I know, but equal at Caldwell College in terms of what their program may be for their faculty members; Stevens Institute of Technology as a research and engineering facility; Princeton University, of world renown, a research institution? When we start balancing what a faculty member is required to do, and then we are looking at tenure and what equal will mean at those various institutions, absent problems that are being brought to the attention of the administration -- absent problems that are being brought to the attention of the administration from parents and others, we think it would be premature to make this kind of a change at this time.

We are ready to listen to the debate and to the discussion, and if there are things that should be changed-- I think, institution by institution, if there are, in fact, problems-- I think that is the appropriate forum, rather than to legislate to 16 institutions how they should go about it.

ASSEMBLYMAN PASCRELL: All right, two quick questions: Number one, are you saying that because we are inserting the possibility of equal consideration here-- This is the thing that concerns you?

MR. POLAKOWSKI: Yes.

ASSEMBLYMAN PASCRELL: Does this, in your estimation, interject too much subjectivity in the process? Is that what you're saying?

MR. POLAKOWSKI: That may very well be the case, yes.

ASSEMBLYMAN PASCRELL: Okay. Do you believe that this legislation, as it now is written, might lower the standards for applicability to tenure?

MR. POLAKOWSKI: I am not so sure. I couldn't answer that at this point. I am not so sure that it would lower the standards. I think the subjectivity that you raise, and some of the other concerns that I think Speaker Doria mentioned in his testimony-- It may-- You know, the expression, "If it ain't broke, don't fix it--" That may apply to at least the independent sector, as we viewed it in our discussion with our Board just yesterday on this very bill.

ASSEMBLYMAN PASCRELL: It seems to me that this Committee has heard on many other instances the dichotomy of "research or perish." Don't you believe that teaching should be a major component in the decision?

MR. POLAKOWSKI: Absolutely, absolutely.

ASSEMBLYMAN PASCRELL: Well, what if we have a research professor, or a professor who does mostly research, come in who has not taught prior to the tenure decision? Isn't that something for concern for all of us?

MR. POLAKOWSKI: It may be, and I think it may already be being dealt with, again, on each individual institution. I am saying that I think it is going to be very difficult to have a blanket tenure statute that 16 institutions, with the variety of institutions that we have in this State, when we look at the Westminster Choir College, which is a unique institution in terms of the kinds of students that they service, the type of work that is expected of their faculty members-- I think community service, yes. I think there would be no problem there. Teaching, scholarship, of course. Where they may fall down is if they don't have the time to do the research and so forth. What's equal-- There we may meet the Speaker's goal to have more emphasis on teaching, scholarship, and research -- I mean, on teaching, scholarship, and service, but what about if they are falling down on the other end of the spectrum, which may be the research component, simply because that institution puts the emphasis right where the bill is right now, not in the research area?

I'm sure if you went to some of our other institutions, the reverse would be true. I'm saying, again, that no one has pointed out that there is a problem related to that. Therefore, I am suggesting that we don't need to change it.

ASSEMBLYMAN PASCRELL: Okay. Thank you, Mr. Polakowski.

I would ask the people who are testifying to be as brief and to the point as possible, so we can move along. I would ask for Donald Edwards, who is Vice President of Public Affairs and Development at Rutgers University. Good evening, Donald.

D O N A L D E D W A R D S: Mr. Chairman, members of the Committee, thank you. Unlike the Speaker, this is not my second trip to Hawthorne, even in recent months. This is my first, and I thank you for having the hearing up here.

Let me just second, with some slight modifications, what Bob has said. If the Speaker's purpose in introducing this bill is to engage us in a debate on these issues, we welcome that opportunity. The question of the appropriate balance among scholarship, teaching, and service in the promotion and tenure of our faculty is an issue that we have taken very seriously at Rutgers over the years. In fact, in the last four years, we have gone through a very major review of our promotion and tenure standards, starting with a review by an outside committee of people drawn from peer institutions around the country. Their report was then digested by a faculty committee, which worked long and hard on that and finally led to some updating of our policies by our Board of Governors.

The debate does not stop there. The concern about teaching in research universities is a national issue, and we have worked with our fellow institutions in the Association of American Universities to put that issue on the agenda.

We do share the same concerns that Bob raised with regard to the use of the term "equal," because I think it puts all of our institutions into the same boat, and it ignores the very different missions that we have. It says that the same weight among those factors should be given to a faculty member at a community college or at a State college or at the State University. Indeed, within the State University we have differing requirements and different missions for different units and even for different faculty.

We deploy our faculty in the ways we think will be the most effective and the most efficient. The people who are best at research may have a larger research assignment, and the people who are best at teaching may have a larger teaching assignment, and the people who are most interested and most capable in public service may do more work in that area. The work load and work assignment of faculty varies within the

institution and, indeed, within departments. We think the faculty should be judged on the basis of the work they are assigned to do. That may mean the weights will be a little different.

We think all of those things are important. We require of every faculty member that they be good in all three. And, indeed, effective teaching is a prerequisite of tenure at our institution. But I think to put it on the basis of equality for every faculty member in every unit would cause us some very serious problems.

ASSEMBLYMAN PASCRELL: Thank you.

Just to explain to our friends in the audience, there are 5000 pieces of legislation that are introduced every session. Every two years is a different session. Each of the bills is directed to a specific committee, depending upon the subject matter, and then that committee hears the legislation and decides whether it wants to vote on the legislation. Much of the legislation never gets heard by committee; never gets a full hearing. There are between 15-- I think there are 17 standing committee in the Assembly, from Transportation to Higher Education to Education to Environment. If the bill passes the committee, it is then sent on with or without recommendations to-- Perhaps if it has a fiscal note, if money is going to be spent, it has to go to the Appropriations Committee. I had the luxury of serving on the Committee, and the headache as well.

If it passes both of those committees, then it goes on to the full Assembly for a vote and, of course, it has to pass both Houses before it goes to the Governor for signature. Now that we have had our annual weekly civics lesson-- I apologize for doing that, but a lot of people like to know how a bill gets through here.

Do any Committee members have any questions for Mr. Edwards from Rutgers?

ASSEMBLYMAN DUCH: No questions.

ASSEMBLYMAN PASCRELL: There being no questions, thank you, Mr. Edwards.

And now we will hear from the Chancellor. Thank you very much.

C H A N C E L L O R   E D W A R D   D.   G O L D B E R G:  
Thank you, Mr. Chairman. I appreciate the Speaker's having raised the issue regarding the balance between teaching, research, and community service. I think that type of dialogue will be extraordinarily healthy and helpful to the higher education community.

I also want to look at what I take to be an underlying objective beyond just stimulating and dialogue, and that is to look at the issue and answer the question: How can we help improve teaching, and how can we help improve the level of community service rendered by our various faculties to the citizens of the State?

I would like to suggest strongly that the way to do it is not to be found in the current legislation. I concur with the concept that our institutions ought to respond in terms of granting of tenure and the use of tenure criteria to the differing missions of the institutions and the differing institutional cultures. But I do think there are ways we can help our institutions and our faculty members improve their classroom teaching and improve the amount of community service work done.

Since this is a bill to be held for further discussion, let me just mention two quick ways, and I will return at some subsequent meeting to discuss these two ways and others, if you desire, at greater length.

In terms of improving teaching effectiveness of college faculty, I would point to the New Jersey Institute for Collegiate Teaching and Learning, located at Seton Hall University. Your support in past years for that Institute --

not supported this year because of the fiscal crisis, but continuing its fine efforts through the help of Seton Hall and through careful management of outside funds raised through grant proposals-- It is an institution which works with almost all of the other institutions in the State and faculty members to help those faculty members improve their teaching capabilities. It is an Institute with a growing national reputation. We are, I believe, the only State to have that type of statewide institute, and would suggest that to improve college teaching, one needs to look at faculty development efforts through an Institute for Collegiate Teaching and Learning, not a set of criteria in a tenure-oriented bill.

In terms of community and public service, this Committee, in terms of QEA II and in terms of some of the provisions of that Act, required myself and the Department to provide to the Legislature and the Governor every July 1 a compendium of community service programs which bring together college faculty and K-12 school districts. Done for the first time this July, we noted over 360 flourishing programs, and again would suggest that that type of an approach taken in QEA II and in terms of the very small Appropriations Act line which you supported, which provides money to the Department and the institutions for further involvement -- that that is a better approach to increasing community service, again than in dealing with criteria in a tenure bill.

So, again, I thank the Speaker for not only starting the dialogue. I concur with what I believe are the underlying sentiments, but think that the method chosen to stimulate improved teaching and improved community service can be dramatically improved upon, and we ought to seek a substitute, or a set of substitutes, for what is in the proposed legislation.

Thank you.



ASSEMBLYMAN PASCRELL: Thank you, Mr. Chancellor. I appreciate your comments. This bill will be held because of the sponsor's recommendations. I want to also make clear that there is a position statement by the New Jersey State College Governing Boards Association. I'm sure every member has that.

Now I would like to get to the second bill, while you are here, Joe -- Speaker Doria -- and that is the Doria and Impreveduto bill. That's 1878. We will vote on this bill tonight. Joyce, would you give us the statement, and then I will go to the sponsor.

MS. MURRAY: "Assembly Bill No. 1878 directs all public and independent institutions of higher education within the State to establish and operate child care centers. The services of each center are to be available on a sliding fee scale to a student who is enrolled at the institution and is in good standing in either a degree granting program and pursuing an initial academic degree, or in a job training program, provided that the student is receiving benefits under any State or Federal public assistance program; or the student is receiving unemployment compensation and demonstrates financial need; or is unemployed but not currently receiving unemployment benefits and demonstrates financial need.

"Other students may use the services of the child care center for a reasonable fee provided that there is space available.

"The bill provides that the costs of establishing and operating the centers shall be paid by the State minus any payment received by the college or university for child care services and specifies that the institution shall not be required to expend any funds in excess of State and private funds received for the program.

"Finally, the bill directs the Chancellor of Higher Education, in consultation with the Commissioner of Human Services, to report in one year to the Governor and the

Legislature on the effectiveness of the child care program and its impact on college and university attendance and job training."

ASSEMBLYMAN PASCRELL: Okay. Thank you, Joyce. I notice that most of the people wishing to testify are in favor of this legislation, and one person wishes to -- is going to suggest an amendment.

Speaker Doria, what would you like to say about your legislation?

SPEAKER DORIA: Well, I think the summary is very clear. I just want to thank the Committee for posting it, Mr. Chairman; and thank you personally.

This is a very important piece of legislation. As we know, in today's society, more and more individuals are coming back to school as adult learners. There are more and more instances where working mothers/working fathers are attending college in order to improve their skills; to obtain the skills necessary to succeed in the work world, in job training programs; to get degrees, to get advanced degrees. Obviously, in this type of an environment, we need to be able to provide these students who have children with child care services on campus. I think many schools right now have programs already, and they have been very effective. Some, unfortunately, have not been able to do it.

What we are trying here is to encourage all the institutions of higher education in the State to move towards establishment of child care centers, again within the limited resources. We realize that resources are limited right now. We realize the State cannot just suddenly open up these child care centers and cover the entire costs, given the limitations of the present budgetary situation. But, working within the fees paid by the individuals themselves, and working within the context of a number of other programs that are available through DYFS -- and that is the reason why we want to get the

Commissioner of Human Services involved, together with the Chancellor -- we want to be able to establish these programs within a reasonable fee structure on a sliding scale dependent upon need, as is presently done in many of the other child care centers throughout the State; establish them on campus and allow for the schools to have -- if you would want -- this additional benefit for the students. And, at the same time, it is a benefit to society, because these people who are going to school gaining skills, whether it be to join the work force or whether it be to advance their skills in specific areas, will be able to earn a better living, and will then be a positive asset to society. And at the same time, the children, whom we have major concern for, will be taken care of in a responsible, loving environment.

There is one other element here that is important. The bill doesn't discuss it, but yet I think it is something to note; that in most of our schools, universities, and colleges in the State of New Jersey we have programs in child care: Early Childhood Education. These child care centers would be an ideal setting for intern service on the part of the students to get on-the-job training, to get experience working in child care settings, and doing that for academic credit, which would mean that they would be getting very practical learning experience firsthand, and at the same time the cost factor would be decreased, because they would obviously take the place of professionals who would have to then be working. They would work under the supervision of professionals. It would be similar to the whole experience that students have as student teachers, or student interns in education. This would be on the campus.

So, there would be an educational component involved for the students, and at the same time -- who are involved in these types of programs -- and at the same time, the parents would know that their children were safely placed at a program

that would be beneficial to them, and the parents would be, at the same time, gaining an education and helping them to succeed in life and in earning a living. So there are a lot of benefits with very little cost. This is something that we should, you know, try to encourage.

ASSEMBLYMAN PASCRELL: Thank you.

Just to give us an idea of the agenda, after we hear this bill and vote on it, we will then go to the Chancellor and hear -- while most of you are here tonight -- and that is on the Loan Program for colleges. We will do that right now.

Bob Polakowski, do you want to testify on this bill?

MR. POLAKOWSKI: Yes. Thank you, Mr. Chairman. As the sponsor has already indicated, many of our institutions are already providing child care services for the very reasons that have been enumerated. I think just the one concern -- those that are not already offering the service-- Their concern is as it has been with other bills that require State appropriation. As long as the resources, whatever they may be in limited terms, are made available, they would like to move forward with this program. I think I would just urge the Speaker, who has obviously been very supportive of our interests in higher education over the years, and the members of this Committee, that if this bill is to make it through the process, that you will do what you can to ensure that those resources are, in fact, made available, so that those who are involved in start-up costs and so forth can go ahead with the program.

ASSEMBLYMAN PASCRELL: Thank you.

Valerie Van Baaren, from the Department of Higher Education. Valerie?

V A L E R I E V A N B A A R E N: Thank you, Mr. Chairman. The Department of Higher Education supports this bill. As you know, the JEC bond bill that was passed in 1988 provided funds for statewide and regional projects. In January of 1990, the

Board of Higher Education passed a resolution which endorsed setting aside \$5 million for establishing child care centers at our colleges and universities.

I am pleased to be able to report that all of our community colleges, with the exception of Warren and Sussex, all of our senior public institutions, including Rutgers and NJIT, and most of our 16 independent colleges -- there are five institutions which do not have child care centers -- are operating child care centers for their students, for all of the reasons that the Speaker outlined.

We estimate that the cost to establish a child care center is approximately \$200,000, so that for the seven institutions which do not already have child care centers, there would be costs of approximately \$1.4 million. The child care center operations are labor intensive, and therefore the costs -- the operational costs -- we are estimating at approximately \$4 million, but think that anywhere between \$1 million to \$1.5 million could be generated by the fees which the parents would pay for the services.

So, the JEC bond bill that this Committee has passed, and that you, Mr. Chairman and the Speaker have sponsored, has been very, very helpful to us in this regard. I'm sure that our institutions will respond positively, if the funds are made available for those seven institutions that do not have child care centers.

ASSEMBLYMAN PASCARELL: Thank you, Valerie.

Don Edwards, from Rutgers, do you want to testify?

MR. EDWARDS: Mr. Chairman, we certainly support the aims of the bill. I guess I have a question, and perhaps an amendment.

We have had a policy at Rutgers since the 1970s of providing space and in-kind services on campus to nonprofit organizations sponsoring day care centers and, indeed, we do have, as Valerie said, centers on all of our campuses. They

are open not only to students, but to employees and to members of the community. And to the best of my knowledge, we are supplying all the spaces that are necessary. In fact, I understand this fall that we have a few vacancies in some of the centers.

We do not, however, operate the centers, nor do we, in fact, contract with these groups to operate the centers. They are nonprofit boards that run them. We provide space and in-kind services. My only concern is that I would not want a strict interpretation of the bill that says we have to operate the centers, to put us in competition with a system that is working very well, I think, for everybody.

I am not sure whether any amendment is necessary for that purpose, but we have a situation that I think works well and, indeed, we have a number of students who are welfare recipients who receive support for their kids to be in the centers. So, we certainly agree with the aims of this.

ASSEMBLYMAN PASCHELL: Thank you very much, Mr. Edwards. I will check with the Committee before we vote on this to make sure that we don't need such an amendment. I don't think we do, but I will stand aside for a second and we'll see.

Grace DuBreuil -- is it?

G R A C E D u B R E U I L: DuBreuil. (corrects pronunciation)

ASSEMBLYMAN PASCHELL: DuBreuil, I'm sorry. How are you, Grace?

MS. DuBREUIL: I'm fine, thank you.

ASSEMBLYMAN PASCHELL: You're in favor of this legislation?

MS. DuBREUIL: Yes. Thank you, Mr. Chairman.

My name is Grace DuBreuil.

ASSEMBLYMAN PASCHELL: Do you want to speak into the microphone, please, so everybody can hear you?

MS. DuBREUIL: Certainly.

ASSEMBLYMAN PASCRELL: Thank you.

MS. DuBREUIL: I am the Staff Representative for Communications Workers of America, Local No. 1031. Our local represents the support staff at the State colleges throughout the State. I am here tonight to speak for the Communications Workers of America, the majority representative for some 40,000 State workers in the State.

I am also the Vice President of the Coalition of Labor Union Women for the State of New Jersey. CLU, as a national organization, was very instrumental in lobbying for the ABC child care bill, which recently brought some \$14 million with Federal money for child care into the State.

In addition to these two roles, I also sit in the Division on Women's Task Force on Employer Supported Child Care. The mission of this Task Force is to nurture and encourage employers to meet the child care needs of their employees, very simply.

The CWA very strongly supports the need for child care for students, and certainly no woman and no man in the State shall be denied the education or training they need for lack of child care. However, it falls short. The bill falls short of what is really needed, and that is a look at the employees, faculty, and staff at the various institutions of higher learning and what their child care needs are. I think that if this bill were expanded to include staff and faculty, it would be a very important move toward meeting the needs within the State. Certainly it would reduce staff turnover; certainly it would improve the conditions of the children of the State of New Jersey.

The State colleges where we represent workers are a prime example of what happens when institutions deal with their own. There are, indeed, child care centers at every State college. Two of them are open only to students, not to faculty

or staff. The remaining are too high priced. There is not a necessarily sliding fee schedule. A couple of them do have sliding fee schedules; most of them don't. And your clerical worker who earns \$15,000 to \$20,000 a year cannot avail themselves of such a child care facility, because they are asking \$75 or \$80 a week out of that meager salary for child care.

It would be a wonderful thing for higher education in the State of New Jersey to lead the way in showing that quality child care can be established, and it can be established at affordable prices.

So, our suggestion is to expand it to include faculty and staff.

ASSEMBLYMAN PASCRELL: Thank you. I appreciate it.

I turn to the sponsor of the legislation for your discretion on the last recommendation.

SPEAKER DORIA: I was going to say, Mr. Chairman, it was my intention -- and if the bill doesn't specifically say it-- My intention was that it would be open to all faculty and employees' children, yes.

ASSEMBLYMAN PASCRELL: Yeah. I think what I would suggest then to the Speaker is that we pass it in hand as it is, and amend it on the floor. Or, would you rather amend it now?

SPEAKER DORIA: Well, if we could amend it now to make it more clear-- The intention was there. I don't know if there is any language that precludes that in the bill.

ASSEMBLYMAN PASCRELL: There isn't.

SPEAKER DORIA: I would ask the staff aide to determine, you know, if there is, but I would think that the intention was not to preclude.

ASSEMBLYMAN PASCRELL: Joyce?

MS. MURRAY: In paragraph 2 of the bill--

ASSEMBLYMAN PASCRELL: Speak up.



MS. MURRAY: In paragraph 2 of the bill it indicates that each institution is under an obligation to establish and operate a center to provide child care services to any student who-- So their obligation is to provide services to students. It doesn't preclude them from providing it to--

ASSEMBLYMAN PASCRELL: Anyone else.

MS. MURRAY: --anyone else.

SPEAKER DORIA: It doesn't direct, so maybe--

MS. MURRAY: It doesn't direct.

SPEAKER DORIA: Maybe it might be appropriate, Mr. Chairman, to do just that -- to amend that section and just say that it would be the responsibility to operate a child care center to provide for services to students, faculty, staff.

MS. MURRAY: Okay, we'll have to work it around the following subparagraph, underneath that, pertained to student who is enrolled in good standings. So, we'll have to put the language, faculty, staff--

ASSEMBLYMAN PASCRELL: The rest of the bill refers just to students. So we have to then--

MS. MURRAY: We'll put in faculty and staff.

ASSEMBLYMAN PASCRELL: We will change it accordingly. It will be staff and faculty.

SPEAKER DORIA: I have no problem with that. That was the original intention.

ASSEMBLYMAN PASCRELL: Okay. I'd like a movement here.

MS. MURRAY: This same paragraph deals with the contractor for services. You can ask Mr. Edwards if there was a suggestion.

ASSEMBLYMAN PASCRELL: Do you have any suggestions, Mr. Edwards? If you look at the second paragraph, it talks about contracting for services. I don't know whether that's-- My first questions is, it is not what you were talking about.

MS. MURRAY: Do you contract at all, for the State?

CHANCELLOR GOLDBERG: Excuse me?

MS. MURRAY: Is there some sort of contract that is signed as far as leasing of space?

ASSEMBLYMAN PASCRELL: To those groups?

CHANCELLOR GOLDBERG: I presume there is.

ASSEMBLYMAN PASCRELL: I think there is. For insurance purposes there would have to be.

CHANCELLOR GOLDBERG: Yes, I presume that that is the case. They're not operating the service on our behalf, but they're contracting for space.

MS. MURRAY: No, but there is a contract for it that does provide. In the end result is it providing services for its students. In broad terms it would meet the parameters of the bill.

CHANCELLOR GOLDBERG: If you're satisfied that it falls within that, then that's fine.

ASSEMBLYMAN PASCRELL: What we might do is expand the statement of the bill, rather than get into the technical and legalistic things like we legislators like to do all of the time.

CHANCELLOR GOLDBERG: There's something in the legislative history that--

ASSEMBLYMAN PASCRELL: We'll change the statement of the bill but not the body of the bill.

CHANCELLOR GOLDBERG: Okay.

ASSEMBLYMAN PASCRELL: If we are in concurrence I'll hear-- I'd like to see this moved, if there aren't any questions. Will anybody move it?

ASSEMBLYMAN DUCH: Mr. Chairman, I make a motion to release A-1878 from the Committee.

ASSEMBLYMAN ROMANO: I'll second it.

ASSEMBLYMAN PASCRELL: With amendments?

ASSEMBLYMAN DUCH: With amendments, as discussed.

ASSEMBLYMAN PASCRELL: Do we have a second?

ASSEMBLYMAN ROMANO: I second.

ASSEMBLYMAN PASCRELL: Assemblyman Romano seconds it.  
Any discussion? (no response) Call the roll.

MS. MURRAY: On Assembly Bill A-1878, on the motion to  
amend the bill first: Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Duch?

ASSEMBLYMAN DUCH: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes.

On the bill.

MS. MURRAY: Motion to release the bill favorably:  
Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Duch?

ASSEMBLYMAN DUCH: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes.

SPEAKER DORIA: Thank you, Mr. Chairman and members of  
the Committee.

ASSEMBLYMAN PASCRELL: Again, I thank you for taking  
the trip. We appreciate your efforts.

SPEAKER DORIA: Thank you.

ASSEMBLYMAN PASCRELL: Mr. Chancellor, we're ready for  
you. We just want to make sure that the microphones are  
working. Everybody, if you want to come closer to hear this,  
please feel free to do so. The Chancellor has prepared some  
materials for us about something very close to us, and that is  
our children's education. So if you would put those  
microphones a little closer to you, Chancellor, so that  
everybody can hear you, I'd appreciate it.

CHANCELLOR GOLDBERG: Thank you, Mr. Chairman. Before I go to my prepared remarks I would like to comment in a slightly more informal sense, given the importance of this piece of legislation to the citizens of New Jersey.

New Jersey CLASS is an extraordinarily, visionary piece of legislation. It looks ahead to the 21st century and notes the Hudson Institute report, which -- in estimating the number of entry-level jobs requiring a college education -- notes the sharp increase in the proportion of such jobs leading us and everyone in the State to be concerned about how more and more people need to go, and ought to go, to college as we approach the 21st century. This bill has that vision of the Hudson Institute report. It's also a visionary piece of legislation, because despite the fact that New Jersey is number one in the nation in need based aid per full-time enrolled students, despite the fact that our array of student assistance programs is the finest in the country, there was a gap.

There was a set of individuals for whom there was no program, and this New Jersey CLASS bill fills that gap by providing increase opportunity for middle-income families to find, as those earning between \$45,000 and \$85,000 to attend college -- to have their children attend college. So, it's an extraordinarily visionary piece of legislation. And how fortunate it is for us in the State to have a Governor, to have a Speaker, to have a Chair of the Assembly Higher Education Committee, and members of the Committee which have vision, so that we sit today less than eight months after the notion -- the idea -- of the bill was proposed.

We sit today, eight months later, with loan checks going out to families to help pay tuition and other costs of attendance. So, in these informal remarks, let me thank the Chair and this full Committee for your vision in helping this State have a supplemental loan program for middle-income students.

If I can, having said that, now begin to move into my prepared testimony. It will, again, say thank you, but there's not enough thank yous for what this bill does. A decade from now, tens upon tens of thousands of New Jersey citizens will have been able to afford college because of the work your Committee did this past spring.

Mr. Chairman, thank you for this opportunity to discuss the implementation of the New Jersey College Loans to Assist State Students or New CLASS program. As you know, New Jersey's middle-income families are finding it increasingly difficult to meet the rising costs of higher education. This year the total costs of sending a child to college, that is: tuition and fees, room and board, books, and other expenses, will be between \$9000 and \$11,000 at New Jersey's public four-year colleges, and an average of about \$17,000 at independent colleges and universities in the State.

Middle-income families -- those with family incomes roughly from \$45,000 to \$85,000 -- find that they are eligible for virtually no financial aid at public colleges, and only limited amounts of Federal loan dollars at independent colleges. The Federal needs analysis which determines financial aid eligibility assumes that families in this middle-income range can afford to spend between 20% to 25% of their gross income before Federal financial aid is necessary. Both the Federal Pell Grant and the State Educational Opportunity Grant programs are focused, almost exclusively, on low-income students.

Our excellent TAG program, State Tuition Aid Grant program covers up to full tuition for all low-income students in New Jersey, and provides smaller awards for families with incomes up to about \$45,000. Five years ago most middle-income families was still eligible for assistance through the Federal Stafford Loan program. After the current federal eligibility criteria was introduced in 1987 the number of Stafford Loans at

New Jersey colleges were cut in half. For those with incomes over \$42,000, the number of loans dropped 70%. The New Jersey CLASS program, therefore, fills a real gap in our aid programs and meets an important need.

It is only through the efforts of you, Mr. Chairman, and this Committee that it was possible to establish the program so quickly this year. I want to thank you, again, and the entire Committee, for support.

Basically, New Jersey CLASS is a State sponsored student loan program for middle-income families with children in college. Currently, the upper limit for participation is an income of \$85,000. It provides loans of up to \$5000 per year for each child in college. Interest rates are low, and repayment terms are liberal. Payments of loan principal may be deferred while the child is in school, and the interest is 8.95%.

In late October we will add an option to defer principal and interest while a student is in school, at an interest rate of 9.25%. Fifteen years is allowed for repayment. In the fifth year repayment to principal, the interest rate is increased by three-quarters of 1% to 9.7 and 10.0 respectively. These low fixed interest rates are possible because the capital funds were raised through a tax free, \$25 million bond issue of the New Jersey Higher Education Assistance Authority.

This was the first bond issue ever offered by the loan authority. It became a reality only after lengthy and complex legal and financial negotiations among a large number of parties in the investment community and within State government. Our goal was to keep the loan rate to families as low as possible. We were able to achieve an "A" bond rating from Moody's and sale the bonds at an average rate, to bondholders, of 7.07%.

In order to achieve this low rate, it was necessary to adopt certain restrictions designed to protect the bondholders and minimize defaults in the program. The Committee and the public should be aware of these because they somewhat limit the flexibility of the program. Four point five million of the bond funds was required to be set aside in reserve, and the cost of issuance was \$500,000. So, only about \$20 million is currently available for student loans.

Strict criteria for determining the creditworthiness of borrowers were required to minimize potential defaults. Cosigners were required for those who could not meet the credit criteria, and only accredited colleges and the small number of proprietary schools licensed by the Board of Higher Education, was eligible to participate. These position are binding. Without them it would not have been possible to achieve the lowest interest rates that can be offered.

The staff at the Department of Higher Education Office of Student Loans began preparation for the New Jersey CLASS program long before the legislation was finally signed. Informational material, application forms, manual procedures, data processing system changes, and staff training had to be well underway before loans could actually be made. During June we mailed over 70,000 postcards to students offering information about the program. Over 20,000 of these were returned, a very strong public response. Applications were mailed to them in August.

On August 26 Governor Florio signed the legislation for New Jersey CLASS, an event which received a great deal of press coverage. The next day, the Office of Student Loans was inundated with 1400 telephone calls which overwhelmed our special New Jersey CLASS hot line, and no doubt frustrated many callers who could not get through. The next day we expanded the number of operators and the hours of service.

Although the number of calls is now about 500 per day, in the last four weeks nearly 20,000 telephone calls have been answered and over 46,000 applications have been sent out in response to postcards and telephone calls. So far, we have actually received about 1900 applications. We are anticipating many more very soon. The process between a telephone call for information and an approved loan takes several weeks. The application must be mailed to the borrower, received and filled out, then mailed to the college for certification, mailed back to the student loan office, be checked for completeness, and undergo a credit review.

This is the busiest time of year for financial aid offices at our campuses, and we know that many colleges are having a difficult time with the backlog of paperwork required in dealing with the many State and Federal programs for which they are responsible. We are currently working on developing direct electronic links, and other ways to streamline the process and ease the administrative burdens on campus.

We are, therefore, still at the very beginning of implementation of New Jersey CLASS. The majority of the 1900 loan applications received have not yet been approved because of missing documentation -- that is, they are incomplete. The most common reasons for being incomplete are either that the credit information has not been provided with the application or that the college's certification of enrollment has not yet been received.

As of yesterday, however, September 18, I am pleased to inform you that we had approved 335 New Jersey CLASS loans for over \$1.4 million. The average loan is approximately \$4200. The majority of the borrowers: 210 are parents of undergraduate students. Their average family income is \$60,000. Another 81 loans were made directly to college undergraduates, often with parents as cosigners. Forty-four loans were made to graduate students, also, usually with cosigners.



Nearly half of the approved loans are to attend out-of-state colleges, and the type of institutions attended by the borrowers are as follows: One-hundred-forty-eight out-of-state; 94 Rutgers, UMDNJ, and NJIT; 41 loans to students at New Jersey State colleges; 43 to students at independent colleges and universities in the State, and eight loans for county college students. Another 216 applications were complete but did not meet the creditworthiness test. These applicants have been informed that they can become eligible by providing a cosigner.

Although the New Jersey CLASS is just starting to get underway, I believe that the Legislature and the Governor have identified an extraordinarily important need and provided New Jersey middle-income families with a program which will make college more affordable.

Thank you for the time to report to you today on the progress made in implementing and granting New Jersey CLASS loans. We will periodically provide information to your Committee. I would be happy, together with John Brugel, Assistant Chancellor for Student Assistance in the Department, to answer any questions you might have.

ASSEMBLYMAN PASCRELL: Mr. Chancellor, thank you very much.

I just wanted to reiterate that transcripts of tonight's hearing will be available from the Office of Legislative Services after the proceedings are transcribed, and we will provide that with no cost. I will leave a number if anybody wants to get a transcript of our hearing tonight. Is that-- Everybody hear me?

Dr. Goldberg, I've wanted to look at this legislation for quite some time. We've discussed it, kicked it around in its infancy. We wanted to fashion legislation that would really have an impact, because people are fed up of hearing that we all, down in Trenton, are doing such a great job

helping them out, but most of the time tangibly nobody can see anything, and neither can we on this side of the table. This seems to have been a hit.

CHANCELLOR GOLDBERG: An extraordinarily one.

ASSEMBLYMAN PASCRELL: How do we catch up with the enormous amount of requests? How are we attempting to do this? Are we on course? Are we behind, in your estimation?

CHANCELLOR GOLDBERG: Our processing is current. That is, as requests come in for applications they get mailed out in accordance with our response time standard. Calls come in; they are answered promptly. Calls coming in now are roughly at \$500 (sic) -- 500 calls per day. Our response time in getting back to people who have incomplete information is also according to standard, and it's to be noted that because of the cooperation between and among the Governor's Office, this Committee, the Legislature, and the Department, we anticipated the passage of the bill and began to get information out to potential borrowers in the spring.

Once we get past this term's request for information -- processing of applications -- we will not only be on, what from a management point of view is, an easier timetable, it will be, I think, one which will be more timely for people seeking loans. And of course the whole process is headed toward becoming more efficient because of the electronic links and the increased reliance on data processing and computers, as opposed to slightly more reliance this first time out on manual procedures.

ASSEMBLYMAN PASCRELL: You said, "One of the primary reasons for rejection was the credit problems that certain people had, and the need of cosigners." Is that correct?

CHANCELLOR GOLDBERG: Yes.

ASSEMBLYMAN PASCRELL: Just briefly touch upon that.

CHANCELLOR GOLDBERG: Let me turn to John Brugel on that.

ASSEMBLYMAN PASCRELL: John, if you will, speak into the mike. It's very important that people understand what the parameters are here.

A S S T. C H A N C E L L O R J O H N F. B R U G E L: Thank you, Mr. Chairman. The question of the credit standard is essentially standards that are used within the financial industry. Two aspects: One is with regard to-- We take a credit report from a national credit firm, which we pay for. That credit report identifies the credit history for that individual. There's a standard with regard to late payment of bills, and that is very clearly denoted in our operations manual, what that standard is. I don't have the specifics to provide.

The other aspect is that the debt income ratio for the families must be at 40% or lower. That was a standard that was given to us by the rating agency, and actually is fairly standard with programs that have been initiated in other states.

ASSEMBLYMAN PASCRELL: How does New Jersey compare, now, at this point, with the forgotten middle-income families in this State in what we're doing with this law -- this Act -- to other states? Is it favorable? Are we on par? Is it better? Where are we?

CHANCELLOR GOLDBERG: I think this guarantees our number one status as, if you will, the student assistance State.

ASSEMBLYMAN PASCRELL: This does?

CHANCELLOR GOLDBERG: And we're going to work with you on additional programs so that we continue to outdistance other states, because one of the critical issues, as you well know, is affordability of a higher education for people.

ASSEMBLYMAN PASCRELL: While we're on the subject, there are other people here and other people who are not here tonight that are interested in the Garden State Savings Bond program, which is legislation that has also been signed into law. I noted yesterday, correct me if I'm wrong, that \$25 million worth of those bonds were sold. Is that correct?

CHANCELLOR GOLDBERG: Yes. I would urge everybody here who is interested in purchasing the Garden State Savings Bond to act quickly. I should note that after procrastinating and delaying for a week myself I have just purchased two \$5000 bonds, one for each of my granddaughters.

I find the State program a superb way to start them down the road to college. And as I have said to people who note that they live in the Midwest, I said, "I know in the year 2005 and the year 2007 when the bonds mature and they're ready to attend college that they will be here in New Jersey at one of our extraordinarily fine public and participating independent institutions.

ASSEMBLYMAN PASCRELL: What is the lowest denomination for those bonds?

CHANCELLOR GOLDBERG: There is a pool-- You can buy a bond as low \$100.

ASSEMBLYMAN PASCRELL: I just want to explain that the bill was fashioned that way. This is not a Punch-and-Judy show here. (laughter) The bill was fashioned that way because most of the time State bonds have been in denominations of over -- \$5000 or more. We thought that we would be cutting off our nose to spite our face, and that is why the denominations are as low as \$100. And there is information that is available. Do we have information here tonight on Garden State Savings Bonds, Cherie.

MS. MAGNA (Staff Aide): No. We only have New Jersey CLASS loan information here tonight.

ASSEMBLYMAN PASCRELL: We don't have them. If you call legislative offices at 942-7755, locally, we'll get it to you -- 942-7755. That is the Garden State Savings Bond program, which we are very, very, very excited about. It's an investment in our children's future. If, perchance, they don't go to college you don't lose the money. Correct?

CHANCELLOR GOLDBERG: Correct. An excellent investment, any way you look at it.

ASSEMBLYMAN PASCRELL: Okay, very good.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: What was that number again?

ASSEMBLYMAN PASCRELL: 942-7755.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Could you repeat that, please?

ASSEMBLYMAN PASCRELL: 942-7755, area code 201.

Chancellor, we're so happy that we are moving. There was confusion in the beginning. I knew that-- We all knew that there was going to be an enthusiastic response but we never expected an overwhelming response on the CLASS program, and I think we've adjusted. I went, as you know, myself, to see whether I knew what I was talking about on the subject. In fact, I answered some phones while I was down there. And so I think it's working. I think we're on course.

CHANCELLOR GOLDBERG: If you have time-- They told me your answers were so good, we were wondering--

ASSEMBLYMAN PASCRELL: I've got enough problems.  
(laughter)

CHANCELLOR GOLDBERG: --either as community service or a third or fourth career change, if you might handle calls--

ASSEMBLYMAN PASCRELL: Sounds wonderful.

CHANCELLOR GOLDBERG: --some other time? (laughter)

ASSEMBLYMAN PASCRELL: No. You're doing a great job. You don't need me, Chancellor. Does anyone-- We'll deviate for just one second. Does anyone have any questions of Chancellor or staff on the CLASS program or Garden State Savings program? We usually don't do this in a Committee hearing but the Chairman has all kinds of discretion here. Whatever you want to ask, feel free to ask it. Does anyone have any questions? Yes, sir?

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: The telephone number?

ASSEMBLYMAN PASCRELL: 942--

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: For the New Jersey CLASS also?

ASSEMBLYMAN PASCRELL: No. That's a different number. That should be right on materials. There's a hot line number right on the materials. You want to make sure of that? Check that. Is it on there?

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Well, I don't have the material.

ASSISTANT CHANCELLOR BRUGEL: Mr. Chairman, the number is 1-800--

ASSEMBLYMAN ROMANO: Here it is. Here it is. This is the number here. Sir, he's giving you the number now.

ASSEMBLYMAN PASCRELL: Well, give the number out loud anyway.

ASSISTANT CHANCELLOR BRUGEL: For anyone who wanted to jot it down it is, 1-800-35NJLOAN. You will note that there is one letter more than is normally required, but if you dial 1-800-35NJLOAN you'll get one of our staff.

ASSEMBLYMAN PASCRELL: There's another 800 number on the directions here. I don't want to give out wrong numbers. It's a different 800 number. I don't know if that's a correct.

ASSISTANT CHANCELLOR BRUGEL: The Department of Higher Education actually maintains three different hot lines to provide information regarding educational opportunities in New Jersey, financial aid opportunities in addition to the NJ CLASS program, and then the NJ CLASS number.

ASSEMBLYMAN PASCRELL: Is that number also correct?

ASSISTANT CHANCELLOR BRUGEL: Yes, Mr. Chairman.

ASSEMBLYMAN PASCRELL: Okay, the number that's in the directions is also correct. All of that material is available in the back, I believe, when you first walked in. If you don't get it we will get it to you. Call the original number that I mentioned before, 942-7755, on any of these programs. You're not bothering us. That's our job. 942-7755.

Mr. Chancellor-- Did any members of the Committee have any questions or any comments? (no response) Was there a question in the audience? Yes, sir?

J O S E P H R O B E R T O: Mr. Chairman, I just want to make a slight comment on the New Jersey CLASS loan. I work full-time at Seton Hall University, in South Orange, in the financial aid office.

This program is an excellent program, and I'm not saying it because I was asked to be here. I'm saying it because I've seen it help and it probably will help a number of college students. The Chancellor has said, a couple of minute ago, that it may put New Jersey in number one in the United States. I think it will be.

The reason why we're a little behind right now-- If the Gateway system was up which Chancellor referred to on the New Jersey CLASS loans -- which is the ALP System that we're processing Stafford loans right now -- the turnaround time would probably be a lot faster and a lot less than 30 or 45 days. If that system gets up there a lot more applications-- We've got 1900 that the Chancellor has said have been processed. Forty-six-thousand applications were mailed out. There are colleges that are sitting with applications in their office because of the volume of Stafford loans and Plus loans as well as New Jersey CLASS loans.

If that computer system does get up, in the Gateway, we probably will be able to process a lot more loans than going through the hassle of two weeks to mail it, or three weeks after the phone call, two weeks to go back. So that's one thing that they are working on that I think is a priority. That's probably what most of the colleges are looking forward to.

ASSEMBLYMAN PASCRELL: Thank you.

MR. ROBERTO: To have it up and running.

ASSEMBLYMAN PASCRELL: I appreciate your comments.  
Mr. Chancellor, I think the gentleman is on target.

CHANCELLOR GOLDBERG: It will be up and running.

ASSEMBLYMAN PASCRELL: Thank you. Thank you, Mr. Chancellor. Thank you-- Oh, I'm sorry. Excuse me. Could you please come forward, because we can't pick that up on the recorder here?

DEBORAH LEVI: Is this good?

ASSEMBLYMAN PASCRELL: Right over here. (Chairman directs witness to witness table) Just speak out when you get there.

MS. LEVI: My name is Deborah Levi, I just have a question in regards to this bill. I work for Passaic County. I'm a single parent, and I understand this bill. I'd just like to know if the eligibility for this would have anything to do with if my child would be eligible for any other grant, available from the State? In other words, if I was to sign up for, let's say, a Stafford or Pell Grant for him, and this too, could you apply for both or no?

ASSISTANT CHANCELLOR BRUGEL: It's a terrific question, and it really is: How does this new loan program relate to the existing aid sources that are in place? Procedures that we have, essentially, require that the family first look at the available grant programs; secondly, be considered for the Federal Stafford loan which have a lower interest rate; and then thirdly, only as a supplement if available aid hasn't fully met the cost, then you would draw upon our supplemental program. So it is-- We think of it as a third tier aid source after you have looked at the more desirable aid sources and been considered for them.

MS. LEVI: Thank you.

ASSISTANT CHANCELLOR BRUGEL: You're welcome.

ASSEMBLYMAN PASCRELL: Just one other point, if I can switch back to the Garden State Savings Bond. One of the-- You can explain it better than myself. One of the things that



we did in that bill is to make sure that you can invest up to \$25,000 and it will not play against your income eligibility for other loans or--

CHANCELLOR GOLDBERG: Or State grants.

ASSEMBLYMAN PASCRELL: --State grants. Say it again, John, clearer than I did.

ASSISTANT CHANCELLOR BRUGEL: The Chairman is raising a point that's very important for all families to recognize, and that is: With the Garden State Savings Bonds up to \$25,000 of those bonds, under the statute, would be excluded as counting as a resource against their eligibility for the State Tuition Aid Grant program. So, it is essentially saying, that this is an investment that is available that will not detract from your otherwise eligibility for a State Tuition Aid Grant.

Now, there is one other very important feature that I'm not sure we've mentioned and that is the financial incentives that are called for in the bill, and up to an additional 6% on the value of the bond that the family holds will be made available. So, if you've bought a bond that you're getting 6-1/2% interest on tax free, and then when it is redeemed at the college or university in New Jersey, you get an additional 6% on its face value.

ASSEMBLYMAN PASCRELL: It's a good deal. It's a good deal.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: That's only in New Jersey State institutions?

ASSISTANT CHANCELLOR BRUGEL: Correct.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Not out-of-state.

CHANCELLOR GOLDBERG: And participating independent colleges and universities.

ASSEMBLYMAN PASCRELL: It has to be New Jersey.

ASSISTANT CHANCELLOR BRUGEL: To qualify for the incentive.

ASSEMBLYMAN PASCRELL: You can be an out-of-state student applying in New Jersey, but it's got to be for the schools that are here. In fact, we went around and around on the loan program -- but that's for another night -- about what we should do on that. Thank you so much for your time and your efforts.

We are now going to go back to the final bills this evening, if you'll please bear with us and go right along. Let's take 5129, Joyce, please.

MS. MURRAY: Assembly Bill No. 5129 appropriates to the New Jersey Historic Trust from the "Cultural Centers and Historic Preservation Fund" established pursuant to section 20 of the New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987, the sum of \$4,534,277 for the purpose of making State grants.

These are to be awarded by the New Jersey Historic Trust, for historic preservation projects for the renovation, restoration, and rehabilitation of historic properties owned by the State, county, or municipal governments or by tax-exempt nonprofit organizations, which includes administrative costs of the New Jersey Historic Trust incurred in administering the Act.

The 1987 Bond Act allocated \$25 million for historic preservation projects of which \$22 million is for State grants to be awarded on a competitive basis based on criteria established pursuant to the original Bond Act, and \$3 million of this is to be placed in a historic preservation revolving loan fund, to be established by law, for the purpose of providing loans for historic preservation projects.

In 1990, the Legislature appropriated from the 1987 Bond Act the sum of \$10,229,137 for the grant program. The revolving loan fund was established in 1991. The bill provides that any transfer of any funds or project sponsor listed in the bill would require the approval of the Joint Budget Oversight Committee or its successor.

The bill also appropriates to the Trust the unexpended balances of the amounts appropriated pursuant to the prior Act from the "Cultural Centers and Historic Preservation Fund." That Act was established pursuant to the 1987 Bond Act for the purpose of making grants to projects listed in the bill to the extent that such funds are available as a result of project withdrawals.

The bill also provides that to the extent moneys remain available after the projects listed in the bill are offered funding, the projects listed in P.L. 1990, c. 91 would remain eligible for additional funding, including administrative costs, in a sequence consistent with the priority system established by the New Jersey Historic Trust, but only after the approval of the Joint Budget Oversight Committee.

Any moneys appropriated in this bill are subject to the provisions and conditions of the 1987 Bond Act. Subsection d. of section 5 of this Act requires the New Jersey Historic Trust to submit to the Legislature for its approval the list of projects to be funded. This approval must take the form of a concurrent resolution, which resolution is currently before the Legislature as Senate Concurrent Resolution No. 143 and Assembly Concurrent Resolution No. 171. Assembly Resolution No. 171 is also on our agenda tonight.

ASSEMBLYMAN PASCRELL: Okay. Is there anyone who's going to testify on this legislation? (no response) I don't think so. Are there any questions on this legislation? (no response) By the way, I just wanted, in a bipartisan nature, which we've always run this Committee-- Assemblyman Catania's phone number is 427-9719. Correct Frank?

ASSEMBLYMAN CATANIA: That's right, Bill.

ASSEMBLYMAN PASCRELL: 427-9719. Are there any questions on this legislation? (no response) All right, there being none, we'll move it.

ASSEMBLYMAN ROMANO: I'll make the motion to move this.

ASSEMBLYMAN PASCRELL: It's moved.

ASSEMBLYMAN CATANIA: Second.

ASSEMBLYMAN PASCRELL: Seconded. Call the roll.

MS. MURRAY: Okay, Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes. Now, Assemblyman Duch has signed off on this, correct?

MS. MURRAY: Yes, he has.

ASSEMBLYMAN PASCRELL: All right. Having received three votes -- four votes of the majority -- this legislation has now been recommended to a full vote of the Legislature. Okay, Joyce, 5181?

MS. MURRAY: Could we do Assembly -- excuse me -- ACR-171?

ASSEMBLYMAN PASCRELL: Yes. Let's do ACR-171.

MS. MURRAY: Right.

ASSEMBLYMAN PASCRELL: ACR-171--

MS. MURRAY: Assembly Concurrent Resolution No. 171, as mentioned in the other bill, list the historic preservation projects approved to receive funding from the "New Jersey Green Acres, Cultural Centers and Historic Preservation Bond Act of 1987." It appropriate \$25 million.

ASSEMBLYMAN PASCRELL: All right, will someone move this Concurrent?

ASSEMBLYMAN ROMANO: I'll move this one too.

ASSEMBLYMAN PASCRELL: It's been moved.

ASSEMBLYMAN CATANIA: Second.

ASSEMBLYMAN PASCRELL: Duly seconded. Any discussion? (no response) Any questions? (no response) Call the roll.

MS. MURRAY: Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes. Having received the four votes in the affirmative, ACR-171 is also passed by the Higher Education Committee. Now we can do A-5181. Joyce?

MS. MURRAY: Assembly Bill No. 5181 would allow participants in the Governor's Teaching Scholars Loan program to apply their service as teachers in nonpublic schools, State colleges, or county colleges toward redemption of the college loans they receive through the program. A program participant would be required to seek the Department of Education's assistance in securing a position as a public school teacher before he or she could earn loan redemption credit as a nonpublic school teacher or college teacher. Currently, program participants are only permitted to redeem their loans through service as teachers in public secondary schools.

The bill would also allow the Commissioner of Education to approve other teaching service in the State for loan redemption credit, and to extend the loan repayment deferral period for a program participant who has been unable to obtain a teaching position in which he or she can earn loan redemption credit. The current deferral period is one year following the completion of a participant's fourth year of college.

ASSEMBLYMAN PASCRELL: Thank you, Joyce. We do have someone from the Department of Education who wishes to testify. Ed, would you please? The Department-- How does the Department stand on this piece of legislation?

E D W A R D R I C H A R D S O N: Mr. Chairman, the Department strongly supports the bill and we'd like to thank you for cosponsoring it, and also for posting it for

consideration by this Committee so quickly. I'll be happy to answer any questions on the bill, by the Committee members.

ASSEMBLYMAN PASCRELL: Any questions from the members of the Committee? (no response) So, what we're simply doing is expanding it to nonpublic schools?

MR. RICHARDSON: And colleges as well.

ASSEMBLYMAN PASCRELL: As well-- State colleges, okay. All right, I'll accept a motion.

ASSEMBLYMAN ROMANO: I make the motion, Mr. Chairman.

ASSEMBLYMAN CATANIA: Second.

ASSEMBLYMAN PASCRELL: Motion has been seconded. Any discussion? (no response) Call the roll.

MS. MURRAY: Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes. Having received the sufficient number of votes -- four -- A-5181 is recommended and passed out of Committee. We have one more piece of legislation tonight, and that's ACR-172. Joyce?

MS. MURRAY: Assembly Concurrent Resolution No. 172 memorializes the United States Congress to enact measures which will allow middle-income families to qualify for Federal assistance to help pay for the cost of college attendance, during the period when the Congress is reviewing the Reauthorization for the Higher Education Act of 1986. New Jersey has recently passed the "New Jersey College Loans to Assist State Students Act -- CLASS Act" -- and the "Garden State Savings Act of 1991." Eligibility for the New Jersey CLASS loan program is related to the financial need of a family which is unmet by Federal financial aid programs.

ASSEMBLYMAN PASCRELL: What we're asking the Congress to do is to really follow suit, and to respond to the

middle-class which has been left out. I look out into the audience and see-- I'm very thankful that our President from William Paterson College, Dr. Arnold Speert, took the time to come here tonight, and you're going to have a lot of CLASS students up at William Paterson College, right? (Dr. Speert nods in the affirmative) Very good. Thank you for coming tonight.

What we're asking here is a memorialization from the Congress. Are there any questions on this, Ed? (no response) Somebody move this.

ASSEMBLYMAN CATANIA: I'll move it.

ASSEMBLYMAN PASCRELL: Moved by Assemblyman Catania. Second it?

ASSEMBLYMAN ROMANO: Myself.

ASSEMBLYMAN PASCRELL: All right. Seconded by Assemblyman Romano. Please call the roll.

MS. MURRAY: Assemblyman Catania?

ASSEMBLYMAN CATANIA: Yes.

MS. MURRAY: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Aye.

MS. MURRAY: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Yes.

That concludes the business of the evening. I want to thank all of those people who took the time to come. You get a little taste of what a Committee hearing is about. You don't have to come all the way to Trenton. It's really a lovely trip. We want to come back again and do some other things. Hopefully, we'll have the opportunity to do that.

So, thank you all for attending, and I want to again thank the Superintendent Chiofalo and Mr. Sinning for all of the cooperation. It couldn't have been better, and we are deeply appreciative of it. Thank you.

(MEETING CONCLUDED)





## APPENDIX





# LOCAL 1031

AFL-CIO

## COMMUNICATIONS WORKERS OF AMERICA

84 Culver Road, Monmouth Junction, NJ 08852

(908) 274-2171

FAX (908) 274-0154

My name is Grace DuBreuil. I am the staff representative for Communications Workers of America, Local 1031 which is the local representing the employees of the State of New Jersey who are the non-teaching support staff at the various State colleges throughout the State of New Jersey. I am also the Vice President of the Coalition of Labor Union Women for the State of New Jersey. Additionally, I am a member of the Division on Women's Task Force on Employer Supported Child Care. The mission of this Task Force is to nurture and encourage employers in their efforts to meet the child care needs of their employees.

Tonight I am here representing my union, the Communications Workers of America which is the majority representative of four (4) bargaining units of State employees in excess of 40,000 New Jersey State Workers.

I speak strongly in favor of Assembly No. 1878.

Certainly the State of New Jersey should mandate and provide child care for students who are in financial need. Certainly, no woman or man in this State should have to forego the education or training they need due to a lack of child care. However, Assembly No. 1878 does not go far enough. There is a glaring hole in the provisions of this bill. That hole is filled with the employees of the institutions of higher education whose

own child care needs must also be addressed.

We propose for the purpose of reducing staff turn-over and for the well being of the children of this state that Assembly No. 1878 be expanded to include the staff and faculty of the various institutions of higher education. We see in the State colleges a prime example of the necessity of this mandate. Each State college has a child care center. Two (2) are not open to staff. The balance are basically unaffordable, given staff salaries. A sliding fee schedule would enable even the low paid clerical staff of the State colleges to use existing or expanded child care facilities.

Wouldn't it be wonderful if higher education in this State of New Jersey led the way in developing affordable child care and demonstrated what truly quality child care should be.



STATE OF NEW JERSEY  
DEPARTMENT OF HIGHER EDUCATION  
CN 542  
TRENTON, NEW JERSEY 08625

OFFICE OF THE CHANCELLOR

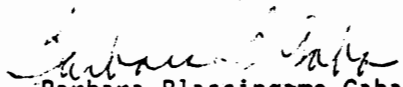
October 2, 1991

Ms. Joyce Murray  
Office of Legislative Services  
Legislative Office Building  
CN-068, Rm 419  
Trenton, NJ 08625

Dear Ms. Murray:

In response to your recent request enclosed please find a copy of Chancellor Goldberg's remarks before the New Jersey Committee on Higher Education on September 19, 1991.

Sincerely,

  
Barbara Blassingame Gaba, Ph.D.  
Associate Director, Office of  
Board Activities

**REMARKS BEFORE THE NEW JERSEY ASSEMBLY**

**COMMITTEE ON HIGHER EDUCATION**

**ON THE IMPLEMENTATION OF THE NJCLASS PROGRAM**

**SEPTEMBER 19, 1991**

**EDWARD D. GOLDBERG**

**CHANCELLOR OF HIGHER EDUCATION**

**THANK YOU FOR THIS OPPORTUNITY TO  
DISCUSS THE IMPLEMENTATION OF THE NEW  
NEW JERSEY COLLEGE LOANS TO ASSIST  
STATE STUDENTS (OR NJCLASS) PROGRAM  
WITH YOU TODAY.**

**AS YOU KNOW, NEW JERSEY'S MIDDLE-  
INCOME FAMILIES ARE FINDING IT  
INCREASINGLY DIFFICULT TO MEET THE**

**RISING COST OF HIGHER EDUCATION. THIS  
YEAR THE TOTAL COST OF SENDING A CHILD  
TO COLLEGE - THAT IS, TUITION AND FEES,  
ROOM AND BOARD, BOOKS AND OTHER  
EXPENSES - WILL BE BETWEEN \$9,000 AND  
\$11,000 AT NEW JERSEY'S PUBLIC FOUR-  
YEAR COLLEGES AND AN AVERAGE OF  
ABOUT \$17,000 AT INDEPENDENT COLLEGES.**



**MIDDLE-INCOME FAMILIES (THOSE WITH  
FAMILY INCOMES ROUGHLY FROM \$45,000 TO  
\$85,000) - FIND THAT THEY ARE ELIGIBLE FOR  
VIRTUALLY NO FINANCIAL AID AT PUBLIC  
COLLEGES AND ONLY LIMITED AMOUNTS OF  
FEDERAL LOAN DOLLARS AT INDEPENDENT  
COLLEGES. THE FEDERAL "NEED ANALYSIS"  
WHICH DETERMINES FINANCIAL AID  
ELIGIBILITY ASSUMES THAT FAMILIES IN THIS  
MIDDLE-INCOME RANGE CAN AFFORD TO**

**SPEND BETWEEN 20% AND 25% OF THEIR  
GROSS INCOME BEFORE FEDERAL  
FINANCIAL AID IS NECESSARY.**

**BOTH THE FEDERAL PELL GRANT AND  
THE STATE EDUCATIONAL OPPORTUNITY  
GRANT PROGRAMS ARE FOCUSED ALMOST  
EXCLUSIVELY ON LOW-INCOME STUDENTS.  
OUR EXCELLENT TUITION AID GRANT  
PROGRAM COVERS UP TO FULL TUITION FOR**

**ALL LOW-INCOME STUDENTS IN NEW JERSEY  
AND PROVIDES SMALLER AWARDS FOR  
FAMILIES WITH INCOMES UP TO ABOUT  
\$45,000.**

**FIVE YEARS AGO MOST MIDDLE-INCOME  
FAMILIES WERE STILL ELIGIBLE FOR  
ASSISTANCE THROUGH THE FEDERAL  
STAFFORD LOAN PROGRAM. AFTER THE  
CURRENT FEDERAL ELIGIBILITY CRITERIA**

WERE INTRODUCED IN 1987, THE NUMBER OF STAFFORD LOANS AT NEW JERSEY COLLEGES WERE CUT IN HALF. FOR THOSE WITH INCOMES OVER \$42,000 THE NUMBER OF LOANS DROPPED 70%.

THE NEW JERSEY CLASS PROGRAM THEREFORE FILLS A REAL GAP IN OUR AID PROGRAMS AND MEETS AN IMPORTANT NEED. IT WAS ONLY THROUGH THE EFFORTS

OF ASSEMBLYMAN PASCRELL AND SPEAKER  
DORIA THAT IT WAS POSSIBLE TO ESTABLISH  
THE PROGRAM SO QUICKLY THIS YEAR. I  
WANT TO THANK THEM AND THE ENTIRE  
COMMITTEE FOR THEIR SUPPORT.

BASICALLY, NJCLASS IS A STATE-  
SPONSORED STUDENT LOAN PROGRAM FOR  
MIDDLE-INCOME FAMILIES WITH CHILDREN IN  
COLLEGE. CURRENTLY, THE UPPER LIMIT

**FOR PARTICIPATION IS AN INCOME OF  
\$85,000.**

**IT PROVIDES LOANS OF UP TO \$5,000 PER  
YEAR FOR EACH CHILD IN COLLEGE.**

**INTEREST RATES ARE LOW AND  
REPAYMENT TERMS ARE LIBERAL:**

- **PAYMENTS OF LOAN PRINCIPAL  
MAY BE DEFERRED WHILE THE CHILD IS IN  
SCHOOL- AND THE INTEREST RATE IS 8.95%.**
- **IN LATE OCTOBER WE WILL ADD AN  
OPTION TO DEFER PRINCIPAL AND INTEREST  
WHILE THE STUDENT IS IN SCHOOL AT AN  
INTEREST RATE OF 9.25%.**

- FIFTEEN YEARS IS ALLOWED FOR  
REPAYMENT. IN THE FIFTH YEAR OF  
REPAYMENT OF PRINCIPAL THE INTEREST  
RATE IS INCREASED BY 0.75% (TO 9.7% AND  
10.0%, RESPECTIVELY.)

THESE LOW FIXED INTEREST RATES ARE  
POSSIBLE BECAUSE THE CAPITAL FUNDS  
WERE RAISED THROUGH A TAX-FREE \$25  
MILLION BOND ISSUE OF THE NEW JERSEY



**HIGHER EDUCATION ASSISTANCE  
AUTHORITY.**

**THIS WAS THE FIRST BOND ISSUE EVER  
OFFERED BY THE LOAN AUTHORITY. IT  
BECAME A REALITY ONLY AFTER LENGTHY  
AND COMPLEX LEGAL AND FINANCIAL  
NEGOTIATIONS AMONG A LARGE NUMBER OF  
PARTIES IN THE INVESTMENT COMMUNITY  
AND WITHIN STATE GOVERNMENT.**

OUR GOAL WAS TO KEEP THE LOAN RATE TO FAMILIES AS LOW AS POSSIBLE. WE WERE ABLE TO ACHIEVE AN "A" BOND RATING FROM MOODY'S AND SELL THE BONDS AT AN AVERAGE RATE TO BONDHOLDERS OF 7.07%.

IN ORDER TO ACHIEVE THIS LOW RATE, IT WAS NECESSARY TO ADOPT CERTAIN

**RESTRICTIONS DESIGNED TO PROTECT THE  
BONDHOLDERS AND MINIMIZE DEFAULTS IN  
THE PROGRAM. THE COMMITTEE AND THE  
PUBLIC SHOULD BE AWARE OF THESE,  
BECAUSE THEY SOMEWHAT LIMIT THE  
FLEXIBILITY OF THE PROGRAM:**

- \$4.5 MILLION OF THE BOND FUNDS  
WAS REQUIRED TO BE SET ASIDE IN  
RESERVE, AND THE COST OF ISSUANCE WAS**

**\$500,000, SO ONLY ABOUT \$20 MILLION IS  
AVAILABLE FOR STUDENT LOANS.**

**- STRICT CRITERIA FOR  
DETERMINING THE CREDIT WORTHINESS OF  
BORROWERS WERE REQUIRED TO MINIMIZE  
POTENTIAL DEFAULTS.**

- CO-SIGNERS WERE REQUIRED FOR THOSE WHO COULD NOT MEET THE CREDIT CRITERIA.

- ONLY ACCREDITED COLLEGES AND THE SMALL NUMBER OF PROPRIETARY SCHOOLS LICENSED BY THE BOARD OF HIGHER EDUCATION WERE ELIGIBLE TO PARTICIPATE.

**THESE PROVISIONS ARE BINDING.**

**WITHOUT THEM, IT WOULD NOT HAVE BEEN  
POSSIBLE TO ACHIEVE THE LOW INTEREST  
RATES THAT CAN BE OFFERED.**

**THE STAFF OF THE DEPARTMENT OF  
HIGHER EDUCATION'S OFFICE OF STUDENT  
LOANS BEGAN PREPARATIONS FOR THE  
NJCLASS PROGRAM LONG BEFORE THE  
LEGISLATION WAS SIGNED.**

INFORMATIONAL MATERIAL, APPLICATION  
FORMS, MANUAL PROCEDURES, DATA  
PROCESSING SYSTEMS CHANGES, AND  
STAFF TRAINING HAD TO BE WELL  
UNDERWAY BEFORE LOANS COULD  
ACTUALLY BE MADE.

DURING JUNE WE MAILED OVER 70,000  
POSTCARDS TO STUDENTS OFFERING  
INFORMATION ABOUT THE PROGRAM. OVER

20,000 OF THESE WERE RETURNED, A VERY STRONG PUBLIC RESPONSE. APPLICATIONS WERE MAILED TO THEM IN AUGUST.

ON AUGUST 26 GOVERNOR FLORIO SIGNED THE LEGISLATION FOR NJCLASS, AN EVENT WHICH RECEIVED A GREAT DEAL OF PRESS COVERAGE. THE NEXT DAY, THE OFFICE OF STUDENT LOANS WAS INUNDATED WITH 1,400 TELEPHONE CALLS WHICH



OVERWHELMED OUR SPECIAL NJCLASS  
HOTLINE AND FRUSTRATED MANY CALLERS  
WHO COULD NOT GET THROUGH. THE NEXT  
DAY WE EXPANDED THE NUMBER OF  
OPERATORS, AND THE HOURS OF SERVICE.  
ALTHOUGH THE NUMBER OF CALLS IS NOW  
ABOUT 500 PER DAY, IN THE LAST FOUR  
WEEKS NEARLY 20,000 TELEPHONE CALLS  
HAVE BEEN ANSWERED AND OVER 46,000  
APPLICATIONS HAVE BEEN SENT OUT IN

**RESPONSE TO POSTCARDS AND TELEPHONE  
CALLS.**

**SO FAR WE HAVE ACTUALLY RECEIVED  
ABOUT 1,900 APPLICATIONS. WE ARE  
ANTICIPATING MANY MORE SOON. THE  
PROCESS BETWEEN A TELEPHONE CALL FOR  
INFORMATION AND AN APPROVED LOAN  
TAKES SEVERAL WEEKS. THE APPLICATION  
MUST BE MAILED TO THE BORROWER,**

RECEIVED AND FILLED OUT, THEN MAILED TO  
THE COLLEGE FOR CERTIFICATION, MAILED  
BACK TO THE STUDENT LOAN OFFICE, BE  
CHECKED FOR COMPLETENESS AND  
UNDERGO A CREDIT REVIEW.

THIS IS THE BUSIEST TIME OF YEAR FOR  
FINANCIAL AID OFFICES, AND WE KNOW  
THAT MANY COLLEGES ARE HAVING A  
DIFFICULT TIME WITH THE BACKLOG OF

**PAPERWORK REQUIRED IN DEALING WITH  
THE MANY STATE AND FEDERAL PROGRAMS  
FOR WHICH THEY ARE RESPONSIBLE. WE  
ARE WORKING ON DEVELOPING DIRECT  
ELECTRONIC LINKS AND OTHER WAYS TO  
STREAMLINE THE PROCESS AND EASE THE  
ADMINISTRATIVE BURDENS ON CAMPUS.**

**WE ARE THEREFORE STILL AT THE VERY  
BEGINNING OF IMPLEMENTATION OF**

NJCLASS. THE MAJORITY OF THE 1,900 LOAN APPLICATIONS RECEIVED HAVE NOT YET BEEN APPROVED BECAUSE OF MISSING DOCUMENTATION. THAT IS, THEY ARE INCOMPLETE. THE MOST COMMON REASONS FOR BEING INCOMPLETE ARE EITHER THAT THE CREDIT INFORMATION HAS NOT BEEN PROVIDED WITH THE APPLICATION, OR THAT THE COLLEGE'S CERTIFICATION OF ENROLLMENT HAS NOT YET BEEN RECEIVED.

**AS OF YESTERDAY, SEPTEMBER 18, WE  
HAVE APPROVED 335 NJCLASS LOANS FOR  
OVER \$1.4 MILLION DOLLARS. THE AVERAGE  
LOAN IS FOR \$4,200.**

**THE MAJORITY OF THE BORROWERS (210)  
ARE PARENTS OF UNDERGRADUATES. THEIR  
AVERAGE FAMILY INCOME IS \$60,000.**

**ANOTHER 81 LOANS WERE MADE DIRECTLY**

TO COLLEGE UNDERGRADUATES, OFTEN  
WITH PARENTS AS COSIGNERS; 44 LOANS  
WERE MADE TO GRADUATE STUDENTS, ALSO  
USUALLY WITH COSIGNERS.

NEARLY HALF OF THE APPROVED LOANS  
ARE TO ATTEND OUT-OF-STATE COLLEGES.  
THE TYPE OF INSTITUTIONS ATTENDED BY  
THE BORROWERS ARE AS FOLLOWS:

**148 OUT-OF-STATE COLLEGES**

**94 RUTGERS, NJIT AND UMDNJ**

**41 NEW JERSEY STATE**

**COLLEGES**

**43 NEW JERSEY INDEPENDENT**

**COLLEGES**

**8 NEW JERSEY COUNTY**

**COLLEGES**



ANOTHER 216 APPLICATIONS WERE  
COMPLETE BUT DID NOT MEET THE CREDIT  
WORTHINESS TEST. THESE APPLICANTS  
HAVE BEEN INFORMED THAT THEY CAN  
BECOME ELIGIBLE BY PROVIDING A  
COSIGNER.

ALTHOUGH THE NJCLASS PROGRAM IS  
JUST STARTING TO GET UNDERWAY, I  
BELIEVE THAT THE LEGISLATURE AND THE

**GOVERNOR HAVE IDENTIFIED AN IMPORTANT  
NEED AND PROVIDED NEW JERSEY MIDDLE-  
INCOME FAMILIES WITH A PROGRAM WHICH  
WILL MAKE COLLEGE MORE AFFORDABLE.**



