



Public Hearing

before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

SENATE BILL No. 1118 and ASSEMBLY BILL No. 75

"The 'Higher Education Restructuring Act of 1994'"

LOCATION: Thomas Edison State College
Barrack and West State Street
Trenton, New Jersey

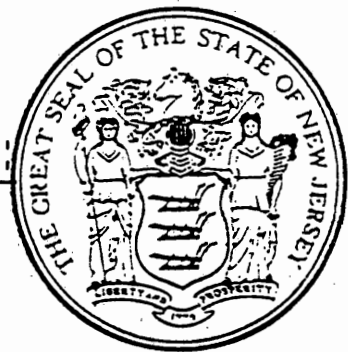
DATE: May 27, 1994
9:00 a.m.

MEMBERS OF SENATE EDUCATION COMMITTEE PRESENT:

Senator John H. Ewing, Chairman
Senator Joseph A. Palaia, Vice-Chairman
Senator Robert J. Martin
Senator Gordon A. MacInnes

MEMBERS OF ASSEMBLY EDUCATION COMMITTEE PRESENT:

Assemblyman John A. Rocco, Chairman
Assemblyman David W. Wolfe, Vice-Chairman
Assemblywoman Marion Crecco
Assemblyman Wayne R. Bryant
Assemblyman Raul "Rudy" Garcia

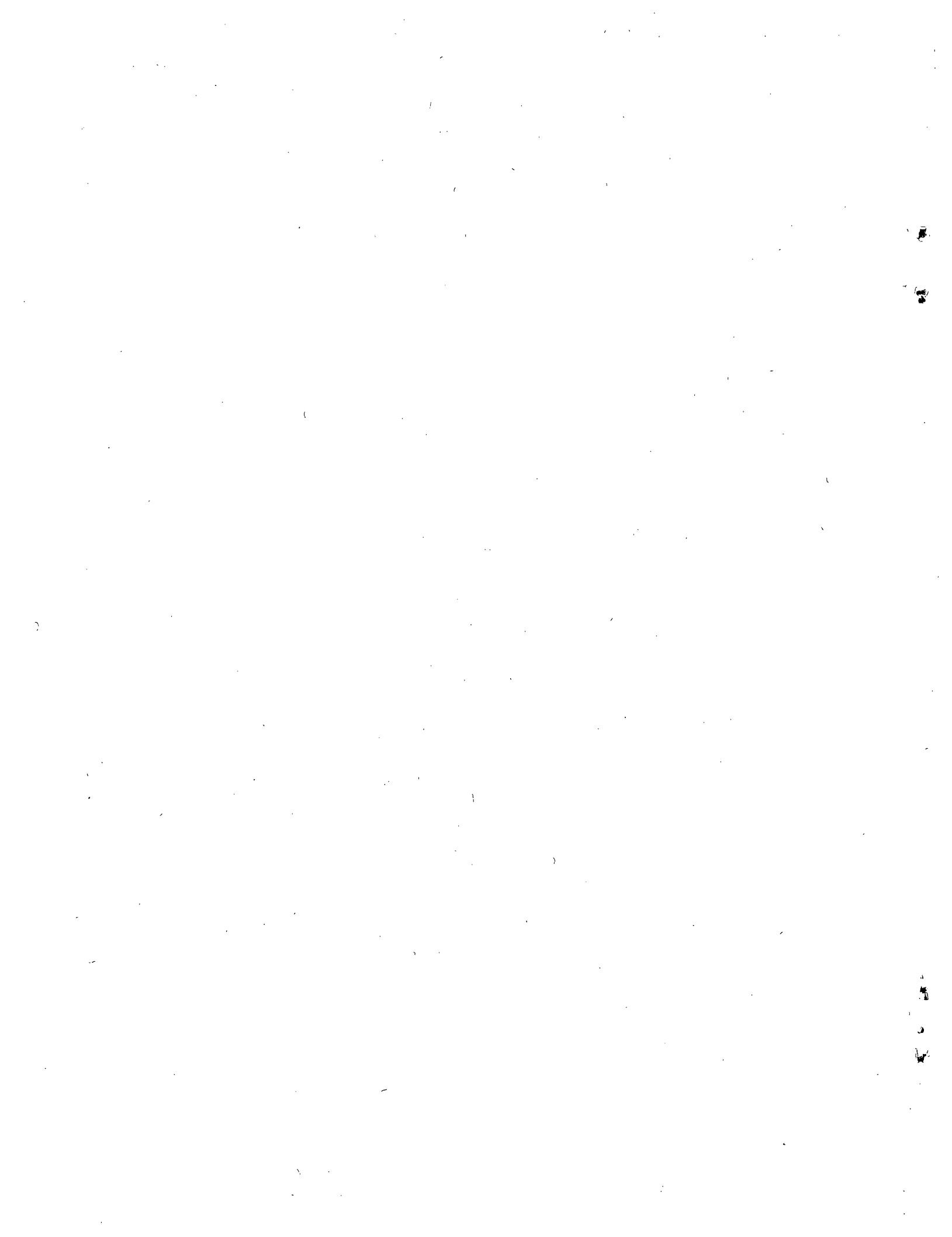


ALSO PRESENT:

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

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Hearing Recorded and Transcribed by
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JOHN H. EWING
Chairman

JOSEPH A. PALAIA
Vice-Chairman

ROBERT J. MARTIN
JOHN A. LYNCH
GORDON A. MACINNES

New Jersey State Legislature

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BARBARA W. WRIGHT
WAYNE R. BRYANT, ESQ.
RAUL "RUDY" GARCIA

NOTICE OF JOINT PUBLIC HEARINGS

The Senate and Assembly Education Committees will hold two joint public hearings on the following legislation:

S-1118 The "Higher Education Restructuring Act of 1994."
Ewing/Bennett
A- 75
Wolfe/Lance

The hearings will be held on Thursday, May 26, 1994 at 9:00 AM in Room 319, State House, Trenton, NJ and Friday, May 27, 1994 at 9:00 AM at Thomas Edison State College, Barrack and West State Street, Trenton, NJ.

Persons wishing to testify should call Mary C. Lutz or Bernadette Kmetz at (609) 984-6843. The committees request that the oral presentation be limited to 5 minutes. Written testimony of any length will be accepted and reviewed by the committees.

Issued 05/20/94

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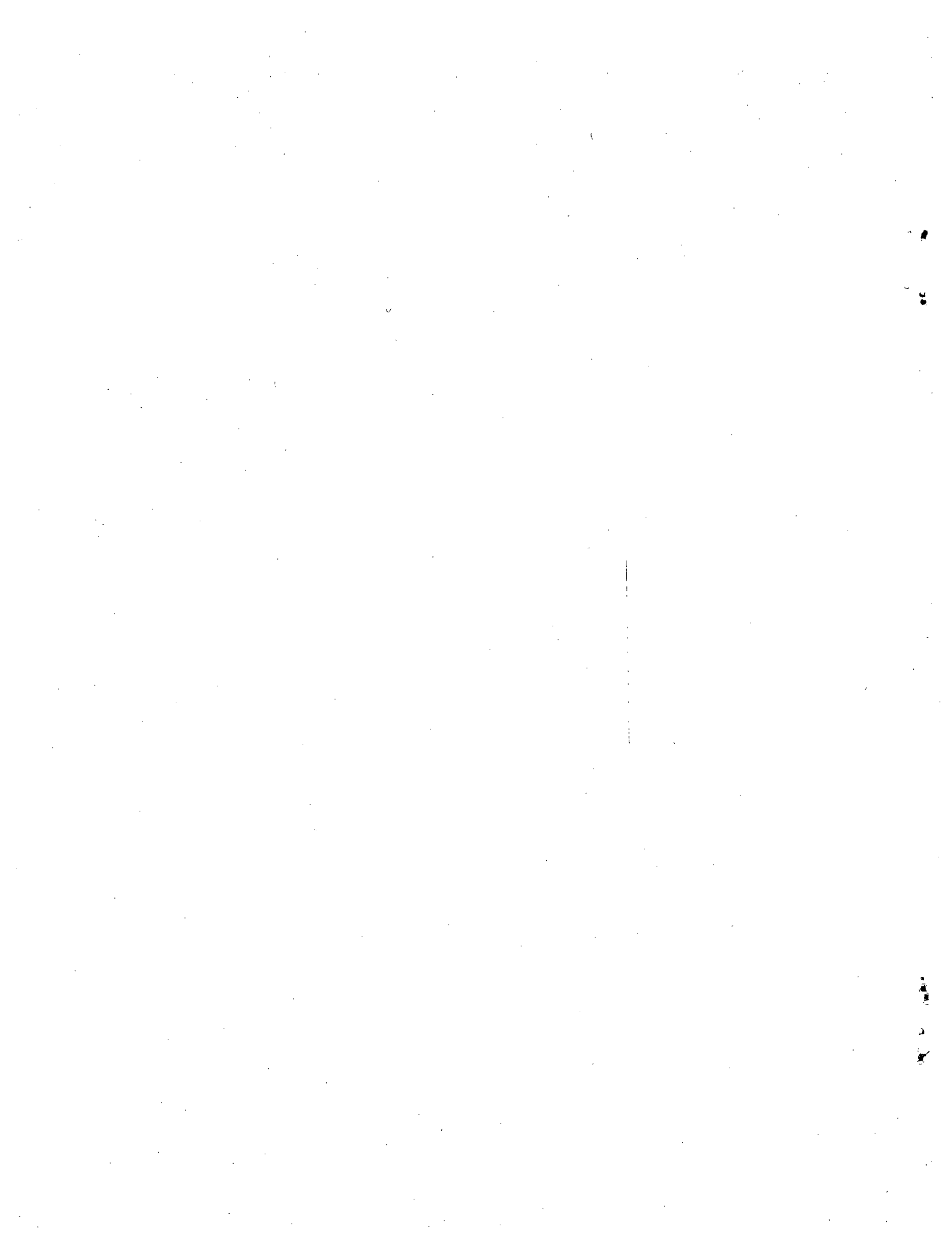


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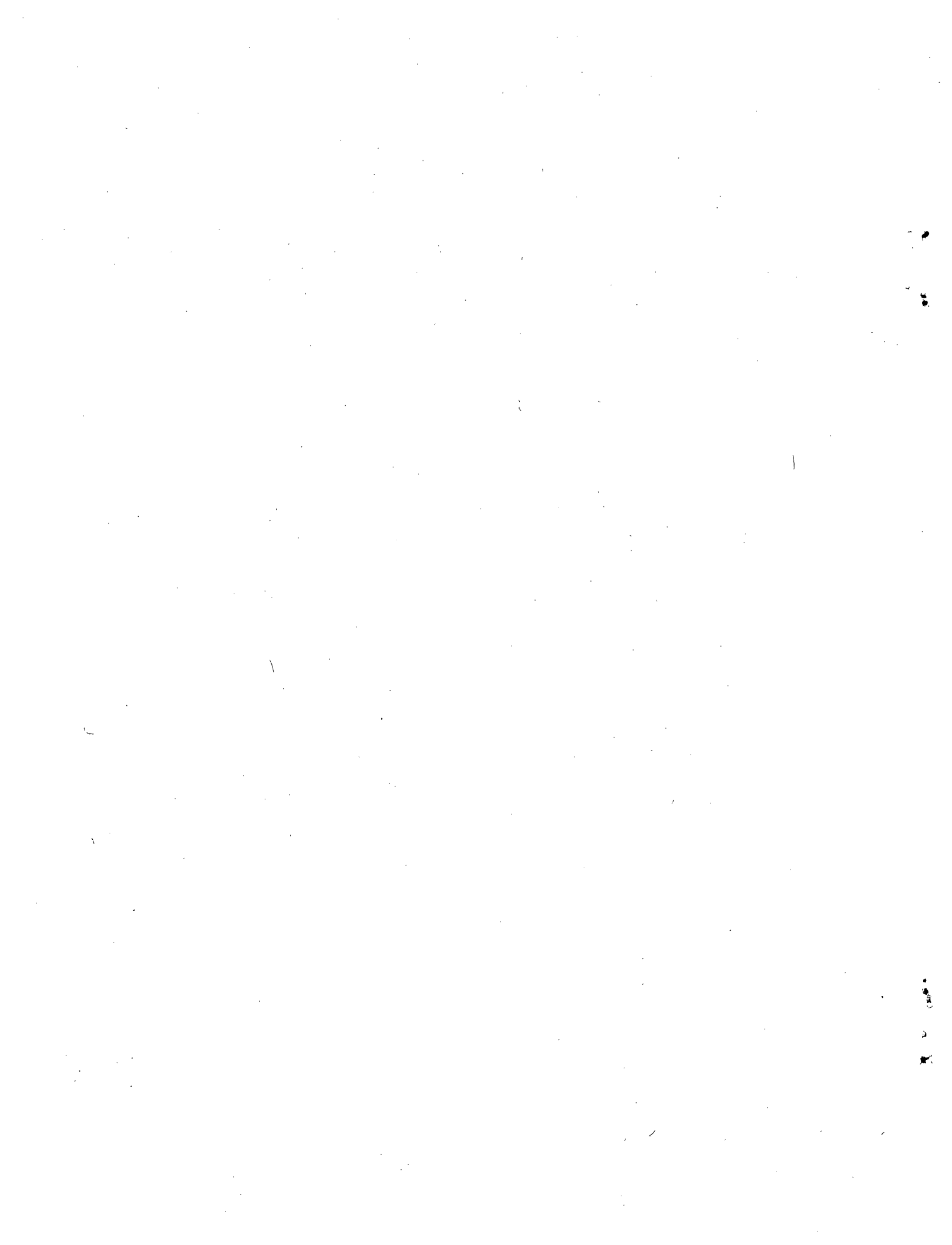


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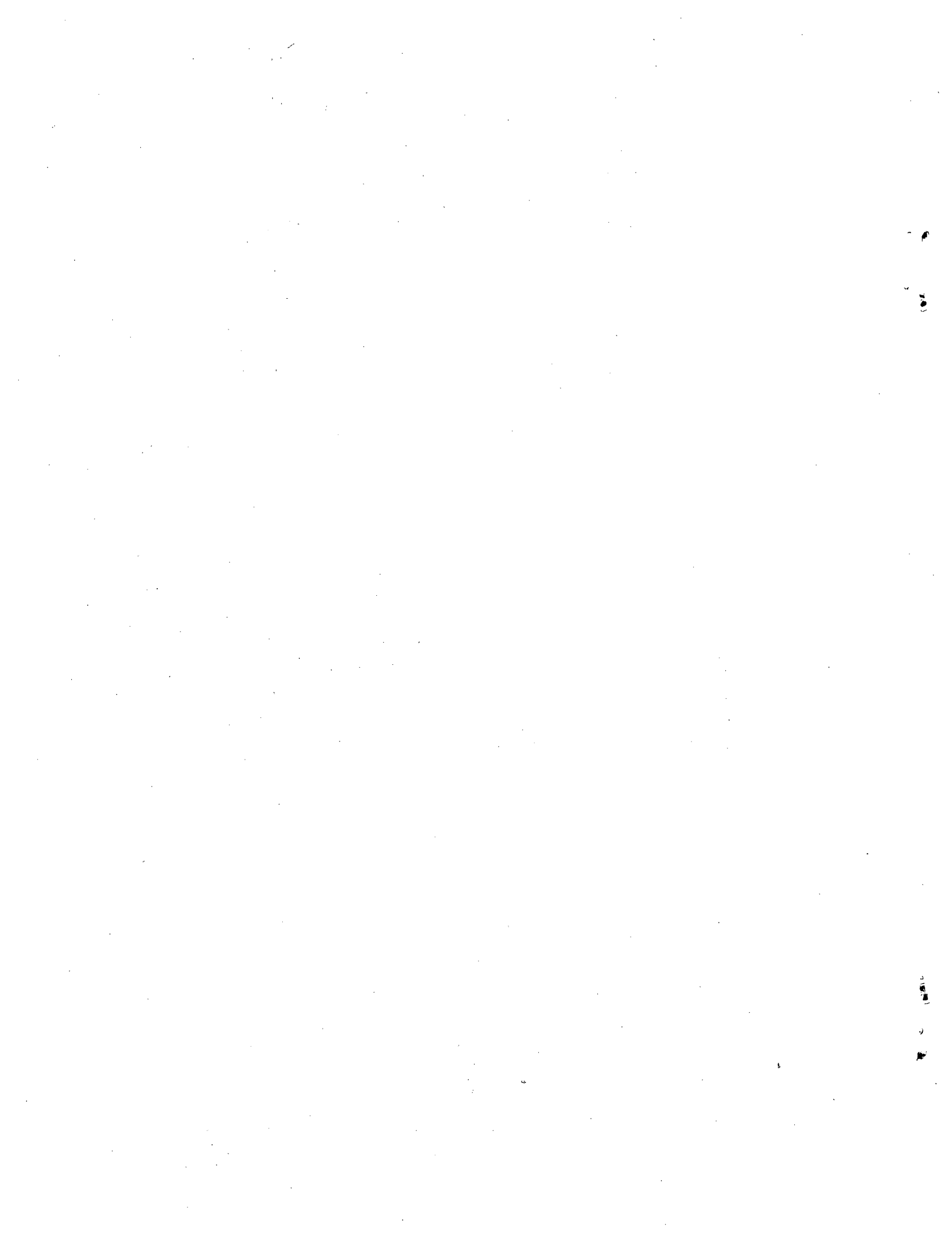
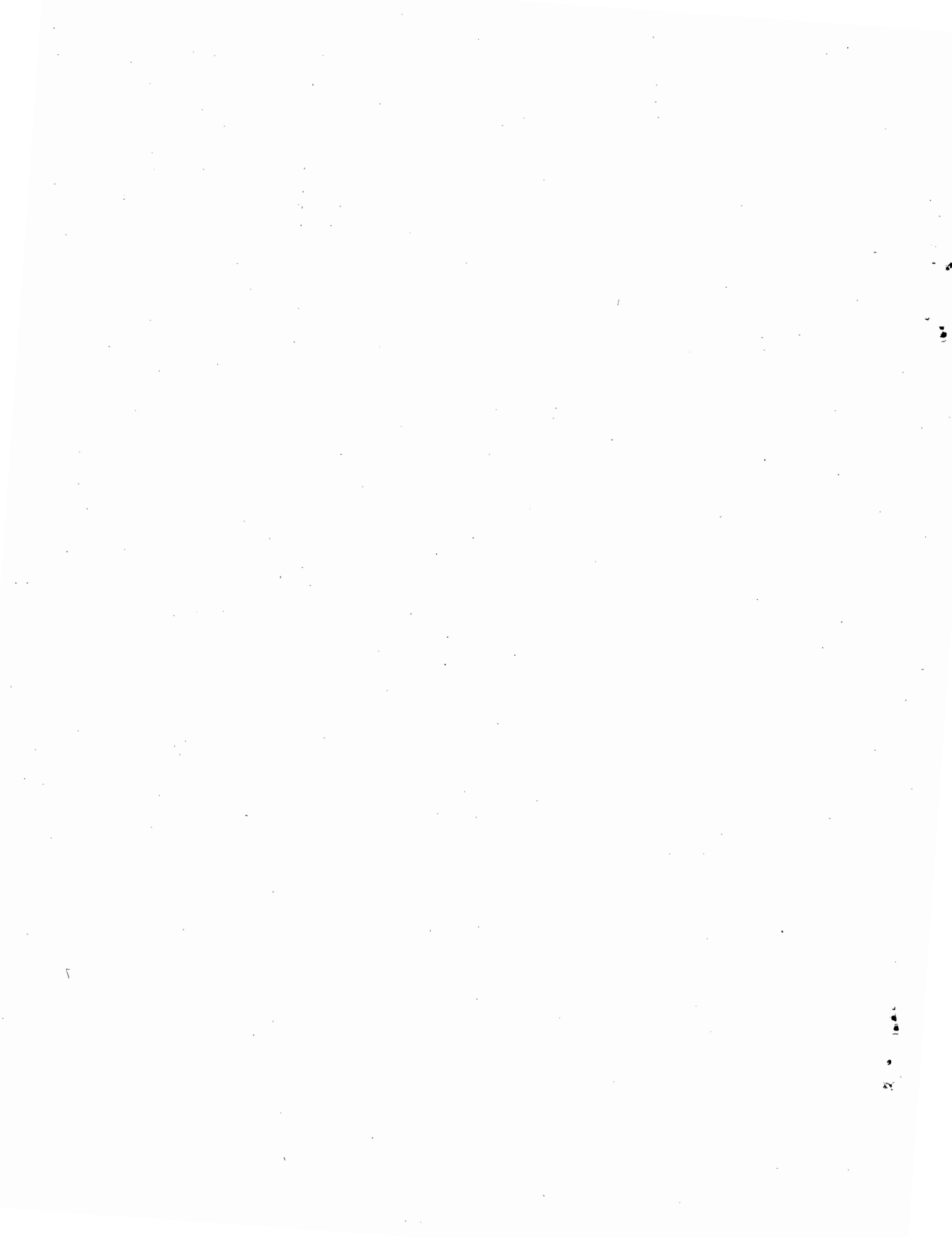


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ASSEMBLYMAN JOHN A. ROCCO (Assembly Committee Chairman): Senator Ewing is going to be late, so we will get started. There is an awful lot of testimony to be taken. We will start with the former Chancellor, Ted Hollander. Please come forward. Welcome, Ted.

T. EDWARD HOLLANDER, Ph.D.: Thank you very much for the opportunity to appear here. I do not envy you your task. However we come out on this issue, higher education is going to lose.

Senate Bill No. 1118 clearly carries out the intentions of the Governor to eliminate the Board and Department of Higher Education, to weaken and disburse the central focus for higher education in the State, to reduce institutional accountability, and to strengthen the role of the Executive in Academic Planning and Control. So proposed I oppose the legislation, because I believe the abolition of the Board and the Department weakens academic freedom, will limit student access, will lessen quality, will result in increased costs and bureaucracy, and will serve badly the State's needs for educated and productive citizens. You would not have expected me to say otherwise.

Having done so, I promised Senator Ewing that I would be constructive and offer my best shot at improving the bill. In political terms, consider my comments damage control. But even if you accept my proposed amendments, I don't think you can fill the void created by the elimination of a State Department and its replacement by an executive agency.

The people of this State have higher education needs which have to be met if the State is to continue to be a place where people can find work and live in harmony. Beginning about five years from now and continuing for at least a decade, freshman enrollments will rise significantly. The new students will be poor, inadequately prepared for college, and drawn from racially diverse communities. They need to be able to enter

programs of study that meet their needs on terms they can afford. Whether they can do so will determine whether this State will flourish with this diversity or flounder because of dashed hopes, unfulfilled expectations, and racial strife. Someone has to worry about this and other strategic issues facing higher education. I suppose that will be the Commission on Higher Education.

To do so, the Commission must be independent, have budgetary authority, and be able to recruit and maintain a competent staff. As proposed, it is ill-equipped to do so. Amend the legislation to provide for a Commission on Higher Education of 11 public members, appointed by the Governor as proposed, but with the advice and consent of the Senate. The Chairperson should be selected by the Commission from among the Commission membership. The Chair of the New Jersey Presidents' Council should be ex officio without vote. The Commission's own Executive Director should also serve ex officio without vote.

These amendments recognize that Commission members and college trustees have different and conflicting interests. The Commission is intended to serve the broad public interest for higher education. By law, the role of college trustees is to serve the interests of the institution over which they preside. Each of the voting members of the Commission should be free of conflicting institutional interests, especially during the start-up period, when the Commission must define the scope of its work and its priorities and choose its professional staff.

The bill before you gives the Governor the power of appointment of the Chair of the Commission. If a Governor selects the Chairperson, then we might as well have a Commission of one person. The remaining voices become irrelevant. Amend the legislation to make the Executive Director of the Commission a member of the Governor's Cabinet.

Not to do so is to denigrate higher education as a State function. More importantly, though, a Cabinet officer is able to work with colleagues to get things done for higher education.

Amend the legislation to give the Commission primary responsibility for budgeting and accountability.

Amend the legislation to eliminate the Governor's visitation rights to institutions of higher education. Higher education has flourished in this country under a tradition that provides a measured distance between the partisan political process and the governance of higher education. States have established systems of checks and balances to protect colleges from the foibles of their own political system. Boards of trustees are established to protect institutions from direct State intrusion into their operations. This system is unique to the United States and several other democratic countries.

The proposed legislation -- and I am sure it is unintended -- gives the Governor extraordinary powers over higher education. The legislation gives the Governor visitation powers over colleges and universities. Surely the drafters of this bill did not know that visitation powers give the holder, or anyone designated by the holder, the right to inspect any institutions, programs, libraries, textbooks, courses, syllabi, faculty vitae, research, faculty papers, publications, and any other aspect of a college's operations.

Visitation rights should be restricted to boards and persons functioning within significant constraints. Misusing visitation as a pretext, a person can literally conduct an inquisition on a college campus. No elected official and, to my knowledge, no elected official anywhere in this country, and especially a chief of state, should be vested with college visitation rights.

I checked with my colleagues around the country yesterday to see if I could identify other states where such rights exist. The only other state I could identify was New

York, and I suspect the term originated there. The New York Board of Regents, which is elected by the legislature, was given visitation rights about 100 years ago over colleges and universities in the State of New York. Somehow we must have adopted that language in our legislation when we set up the Board of Higher Ed, and properly gave visitation rights to the Board of Higher Education. But to now transfer those rights to a Governor, in my judgment, is unique and is likely to be seen as unique in this country. It is a very dangerous precedent.

I refer you to Section 301 on page 133 of the bill. I did read the bill from cover to cover, and probably joined a small number of persons who did so. Section 301 of the bill vests in the Governor extraordinary powers over public and private higher institutions, including the right of visitation, including the right to subpoena any record and any document, and including the right to take testimony under oath from any person on a college campus. I think that section needs to be reevaluated and reexamined, which is my polite way of saying, "Strike it from the bill."

The proposed bill transfers additional powers to the trustees of the colleges, and that is a step in the right direction. I especially applaud the authority extended to colleges to invest and reinvest their own funds, to determine controversies and disputes, to hold hearings and take testimony under oath, and to retain legal counsel of their own choosing. The latter power is especially important because it permits the colleges to sue the State, a power they lack under the present legislation.

I'll skip the part about disposing of land, since that seems to have been taken care of already.

If the legislation does not already do so, I urge a provision that requires the Treasurer to transfer the State appropriations to the colleges in a lump sum, that the colleges not be constrained by line-item expenditure control, either in

the format for their budget request or through the Appropriation Acts. If there is a conflict between the Appropriation Acts and this provision, this provision should prevail.

Amend the bill to require that all institutional and program budgets for higher education be submitted to the Commission, which would recommend a single budget for higher education to the Governor and the Legislature. A comprehensive budget would include all institutional budgets and all of the program budgets for higher education functions located in the Treasurer's Office. After the Commission assembles the budgets, it would hold hearings and consult with the New Jersey Presidents' Council. The Commission would then recommend the comprehensive budget to the Governor and the Legislature.

As now written, Senate Bill No. 1118 fragments the budgetary process. You need to clarify its meaning. "The Commission is to review institutional budget requests and propose a coordinated budget policy to the Governor and the Legislature," whatever that means. "The New Jersey Presidents' Council is to make recommendations to the Governor, the Legislature, and the Commission on overall levels of student aid, and transmit to the Governor, Legislature, and Commission a general budget policy statement regarding the overall State funding levels." I don't know what that means.

"The college boards are to submit a request for State support to the Division of Budget and Accounting in the Department of the Treasury and the Commission." I know exactly what that means. It is not clear how the budgets for the community colleges and independent colleges would be prepared, nor how the criteria that drive their budgets would be determined. Budget requests would originate in a number of places, including: the colleges, the Department of State, the Treasurer's Office, the Commission, the New Jersey Presidents'

Council, the Council of County Colleges, and the Association of Independent Colleges and Universities. Presumably, somehow, they would be coordinated in the Treasurer's Office.

* Would the public have available an overall budget for higher education?

* If so, where would it be prepared, and would it be subject to public hearings?

* How would the Student Aid budget and the EOF budget be coordinated with tuition policy at the colleges?

* Would there be separate administrative budgets for the Commission, the Council, the OSA, the EOF, and the authorities? It is not quite clear from the bill.

I urge that you consider preserving what worked best at the Department of Higher Education, the preparation of a single budget for higher education, which encompassed all of the programs of higher education in this State.

Amend the bill to require the New Jersey Presidents' Council, the Council of State Colleges, and the Council of County Colleges to submit their budgets to the Commission, so that they may be disseminated publicly.

Amend the legislation to give the Commission the power to establish an overall tuition policy for the State. Under the bill, colleges and universities will be able to set their own tuition, and that is both good news and bad news. The good news is that this additional autonomy places responsibility for annual tuition setting in the hands of trustees, where it belongs. The bad news is that the trustees will find it easier to raise tuition than to cut costs or raise funds privately. The irony is that the higher the tuition, the less incentive the State has to subsidize higher education. If institutions do not exercise constraint, they will find that each tuition increase will result in further relative State reductions in the subsidy for higher education.

Under the Governor's proposal, tuition may well rise 20 percent to 25 percent over the next two years, while institutional budgets remain constant in real terms. The result is that low-income families, through tuition increases, may replace part of the funds needed for income tax cuts for high-income families.

Amend the bill to give the Commission responsibility for defining the form, content, and reporting requirements that will guide trustees about the information they should make available in partial fulfillment of their accountability to the public. Under the proposed legislation, trustees are accountable to the public for fulfillment of the institution's mission and statewide goals, and for effective management of the institution. Trustees are accountable to the public, but they are not elected directly by the public.

- * How are they accountable to the public?

- * What do the words mean?

- * What disclosures about institutional operations are required of trustees?

Every economist knows that the efficient allocation of capital in a free enterprise system requires that information be available widely and quickly to the market. The Securities and Exchange Commission assures that private institutions that raise funds report publicly about their operations. If competition is to drive higher education, then students and their families must also have knowledge about the institution's operations and accomplishments. They need to know about admission practices, costs, course availability, retention rates, graduation rates, class size, and educational effectiveness.

Students also need to know whether remedial services are available, if they are admitted with deficiencies. They need to know that courses required for graduation will be offered. They need to know that there will be available seats

in those classrooms. The Legislature, which appropriates \$1 billion of tax money, also should want to be assured that colleges and universities accomplish what they promise.

If we downsize higher education at the undergraduate level or fail to provide capacity to meet expanding needs, you and I know who will be excluded. It will be the students from low-income families. They will be from urban high schools. The majority will be African-American and Hispanic students. They will be the students who most need higher education in order to find jobs and become taxpayers.

The bill contains unintended hooks that will limit college-going opportunities:

1) First, tuition increases of the magnitude that colleges are likely to propose to meet their fiscal needs will discourage college attendance.

2) The State continues to set a ceiling on tuition aid increases.

3) Colleges will no longer report regularly on their recruitment of special opportunity students, their graduation rates, and the racial composition of their classes.

4) Statewide basic skills testing has been abandoned, so it will be impossible to determine whether students who are admitted and need remediation will ever receive it.

5) Colleges under financial pressure are most likely to reduce enrollments of students who require high-cost services, students who need remedial and other special services.

How do we assure continued access for those most at need?

And here is probably my most controversial recommendation: Amend the bill to make the Tuition Aid Program an entitlement program. If the State is willing to permit colleges to raise tuition without restraint, then the State should also take responsibility for guaranteeing that tuition

aid is sufficient to cover whatever tuition public colleges and universities charge to resident undergraduate students.

Amend the bill to give the Commission clear responsibility for proposing program funding for all activities under the jurisdiction of the Student Assistance Board, the Educational Opportunity Fund, and the Higher Education Loan Authority.

Amend the bill to give the Commission the power to appoint members of the Educational Opportunity Board Fund subject to the approval of the Governor.

Amend the legislation to require that the Basic Skills Testing Program be continued under the jurisdiction of the Commission.

I wish the Governor had chosen to appoint a Commission of distinguished citizens to undertake a longer and more thoughtful study of higher education. This approach might have resulted in a Board agreement on the issues and on the need for plan changes in the present system.

I have to relate to you that one of the reasons I resigned as Chancellor was because then Governor Florio refused to accept a similar recommendation when he came into office and the Board had made that recommendation to him. If that had been done then, we might have avoided all of this. Instead, we now find ourselves involved in a sort of tragic comedy. It's funny and it's sad. The State's orderly processes have given way to conflict and divisiveness. Higher education, which had enjoyed bipartisan support for over 25 years has now become a partisan political issue. It is likely to continue to be so through the next gubernatorial election. That is a great tragedy for the State, for the Legislature, for higher education, and for all of our institutions of higher education.

If you want to do the right thing, you should reject this bill, but I understand that the Governor will have her way on this issue, and she leads the majority party that controls

the Legislature. In these circumstances, I ask that you amend the bill to make it a more constructive piece of legislation.

I want to say something about the Board of Higher Education, which has served this State so well for almost 30 years. Its members, which have included some of the most distinguished citizens in this State, have devoted tens of thousands of hours of work to help to make our system of higher education what it is today. They have served generously without compensation and with little recognition. They deserve better than we have shown them in the debate thus far. If this bill should be enacted, I ask that the Legislature adopt a joint resolution recognizing their accomplishments and those of the Chancellor and his staff. I am not sure they would appreciate it, but I think it would be good for you to do it.

Whether you agree with the Chancellor or not, he has acted with dignity and courage in articulating the position of the Board of Higher Education. I hope you share my admiration for him and the way he has conducted himself in this debate.

The real victims of this bill are the sad members of the Department of Higher Education, who will be fired because of this change. They are dedicated State employees who have served the people of this State with pride, integrity, competence, and a deep love of higher education. Many have had over 20 years of service with the State. They are persons who rejected Civil Service status because they preferred to be evaluated under the collegial system they serve. As a result, they now face the prospect of being put out on the street because of a power struggle that is no fault of their own.

What a shabby way to treat some of the State's most devoted employees. I thank the members of the staff of the Department of Higher Education for all they have done for the people of the State, and I apologize to them for all they have endured and may yet endure.

Thank you.

ASSEMBLYMAN ROCCO: Thank you very much, Ted, and thank you for your services. As we have indicated in the past to the State, there are certainly many fine recommendations here. We have reserved the first question for Wayne Bryant.

ASSEMBLYMAN BRYANT: Thank you, Mr. Chairman.

ASSEMBLYMAN ROCCO: Only 30 seconds. I'll get my watch.

ASSEMBLYMAN BRYANT: I'm glad that we decided to come together today to represent our constituents and ask questions.

Chancellor, let me ask you a question.

DR. HOLLANDER: Don't call me that. Call me Ted.

ASSEMBLYMAN BRYANT: Well, the Chancellor did a lot of things for higher education.

Let me ask you at least three questions that are burdensome: What has the Department of Higher Education done over the last 25 years in terms of strengthening where New Jersey's policies started and where they are today?

Secondly, we are a multicultural society. What I hear from your testimony is that based on how this bill is presented -- and part of what the rule was, was to make sure that low-income and economically disadvantaged teens would-- That also means programs, and if you put colleges in a position where programs need to be cut, you are really basically cutting the ability for them to maintain the kind of program to encourage that.

I guess lastly, let me ask a question about this visitation. I think that went over all of our heads in terms of what "visitation" really means. Would you go into more detail as to what those powers -- why you stuck with it and put it in the political arena to have a Governor have visitation, what it actually does?

DR. HOLLANDER: Okay, thank you. Do I get another 15 minutes? Where did Jack go?

ASSEMBLYMAN ROCCO: We sent Jack out of the room.

DR. HOLLANDER: It would take me 25 years to talk about the last 25 years, Wayne, but clearly we did not have a system of higher education 25 years ago. We had a couple of teachers' colleges, I think several community colleges, and Rutgers had just then joined as the State University of New Jersey, but it was still a pretty small institution.

Over the period of that 25 years, we have emerged as one of the, I would say, widely recognized systems in the country, in terms of the innovativeness and the creativeness of our institutions, our rapid growth, the development of one of the largest medical schools, and one of the best-recognized engineering schools, the New Jersey Institute of Technology. Rutgers has become an AAU institution, which is kind of a symbol for joining the ranks of the best nationally known institutions. It has some disciplines and departments within it that are ranked in the top five in the country. It is an extraordinary institution.

Our State colleges have blossomed into major liberal arts colleges. Each one is uniquely exciting in its own way, and different in its own way. The community colleges now serve one-third, maybe 40 percent of the students in this State. They did not exist before. Those students never went to college before. We have the best Tuition Aid Grant Program in this State. We have the most efficient loan program in the State. Our default rate is the lowest -- had been the lowest in the country, and I assume it is still the lowest in the country. The Board and the Department were recognized as the most efficient agencies of their kind anywhere. It is, I think, an extraordinary system, and I am deeply moved that it is going to be eliminated, much more so than-- I try to cover it up to stay professional, but it is a sad day, I think, for higher education.

I am worried about minority students, not just low-income students. The way it works at a college, every

college, and it is only natural -- I find myself doing the same thing, because I do recruitment for my program -- you want to get the best students. The best students mean the highest scores on the SAT and the highest scores in a class average. So if you cut off any institution's admissions and they have to have some objective way of bringing in young people that is above question, they will use some objective means, and the objective means we use are class standing and SAT scores.

I do not want to get into the whole socioeconomic issue, but that tends to omit students who are badly prepared or prepared in schools where getting good grades means you get beat up. That would be the urban high schools. So, if you restrict entry, that restriction is likely to fall upon those who are in circumstances that are not under their own control or they are poorly prepared. So the students who are high cost and poorly prepared are likely to be the ones who are excluded. I went through the whole open admissions movement, and one of the reasons the City University went to open admissions is because they wanted to increase minority access, but it couldn't do that unless it also admitted all the students in between. Those who got vocational diplomas couldn't be admitted unless you admitted everybody who had an academic diploma.

So what happens is, the nature of the system and the nature and way in which admissions work is if you close out admissions to anyone, you close out admissions, probably, to those who would most benefit from higher education, in terms of the value of it.

I don't think anyone intended it, but if you do away with the Basic Skills Testing Program and you do away with all of the other measures we have had which help us to understand who goes to college and where, when that goes underground and disappears from public view, then the admissions officers take

over and public policy no longer drives admissions. That is what I am concerned about.

Visitation: Let me take you through 301. That really bothers me a lot. It has to be an accident. It says: "The Governor, or the Governor's designee, shall have the authority to visit institutions of higher education" -- the word "visit" means inspect -- "to examine their manner of conducting their affairs and to enforce an observance of the laws of the State." I understand the observance of the laws of the State, but to examine the manner of conducting their affairs--

"The Governor, or the Governor's designee, may administer oaths and examine witnesses under oath in any part of the State with regard to any matter pertaining to higher education." That means Princeton, that means a religious institution, I assume, if it is not unconstitutional, and it means the public institutions, of course.

"The Governor, or the Governor's designee, may issue subpoenas pursuant to this section compelling the attendance of witnesses and the production of books and papers in any part of the State." Those visitation rights provide enormous power. They are appropriate under voluntary accreditation. I mean, that is what Middle States does. It conducts a visitation to a college, but that is a voluntary arrangement between the college and the Middle States. It is not a State-imposed sanction. Where it is a state-imposed sanction -- and, again, I found only two states where that existed, New York and New Jersey-- In the case of New York, it was the regents, who are very well-insulated from politics. They had their own kind of politics, but it wasn't partisan politics. And the Board of Higher Education in New Jersey had visitation rights at the Medical School and at Rutgers. Those have been transferred to the Governor in other sections of the bill.

So the word "visitation" means the right to look at anything on a college campus. I don't know whether that means

in the Medical School they can go in and look at patient records, if one wants to. Now, I do not think the State intends to do that, but the very power existing is chilling, and who knows who gets to be elected Governor. There was a person who once ran for Governor who wanted a faculty member fired because of his political views. The faculty member eventually left the State. It was a Rutgers faculty member. That wasn't so long ago. That was about 25 years or 30 years ago. So it is a dangerous power to give an elected official in any state, and visitation ought to be restricted to boards that are insulated from the partisan political process. I hope you will strike that whole section. I don't think whoever put it in there actually realized what it meant.

ASSEMBLYMAN BRYANT: Mr. Chairman, just let me follow up. I think the record needs to be--

ASSEMBLYMAN ROCCO: One more question, Mr. Bryant.

ASSEMBLYMAN BRYANT: When we talk about disadvantaged minority students, one sometimes tends to believe, even though we have particular programs, that in some way they might not be performing the actual credits that are necessary to graduate from college, or there is something different.

What I need you to explain for the record, very clearly, is that even though we might spend these dollars in order to encourage them to come, they contain all of the credit kinds of things that are done for graduation, and they do, absolutely-- It has been shown that even though the standard kinds of tests have not been indicated for them, that they can matriculate, they can do the work, and they do become very good members of our society. So it is not some thought that they are going through some different kind of program in order to get a college education, whether it is Rutgers, or wherever else. I think that needs to be on the record.

DR. HOLLANDER: Well, I agree with you. You just put it on the record. I can tell you that at Rutgers University we

have, I think, about 20 percent of our undergraduates who are black or Hispanic. They are held to the same standards to perform well and graduate at roughly the same rates as nonminority students. My own program-- I am delighted. I only admit 40 students a year, and four of those students are black or Hispanic. Another eight or ten are Asian-American. They were all admitted on the basis of their performance at the undergraduate level. They all would have been admitted regardless of the designation.

ASSEMBLYMAN ROCCO: Is that it, Wayne? (affirmative response)

Rudy?

ASSEMBLYMAN GARCIA: Dr. Hollander, the bill provides that a county vocational school may form a county college before July 1, 1994, without the approval of the Department of Higher Education.

DR. HOLLANDER: I'm sorry?

ASSEMBLYMAN GARCIA: Excuse me?

DR. HOLLANDER: I didn't--

ASSEMBLYMAN GARCIA: The bill provides that a county vocational school may form a county college before July 1, 1994--

DR. HOLLANDER: A county vocational school may form a county college?

ASSEMBLYMAN GARCIA: Yes, before July 1, 1994, without the approval of the Department of Higher Education. What situation would you be in a position to present, and what effect will it have on the rest of the--

DR. HOLLANDER: You ought to ask the real Chancellor that.

ASSEMBLYMAN GARCIA: I figured since you are one of the few people who read the entire bill--

DR. HOLLANDER: Well, I don't know what it means. I would have to read it in context. I know a vocational school

could merge with a liberal arts school and form a county college, but the county colleges can only be organized by a county government, as I understand the law.

ASSEMBLYMAN GARCIA: Without going through the--

ASSEMBLYMAN ROCCO: Rudy, if I may interject, it is my understanding, from Kathy of OLS, that that is specifically for Union County College, because it is a combination--

MS. FAZZARI (Committee Aide): (speaking off mike) That was not only how Union County College was formed. It was formed through a chancellery government.

DR. HOLLANDER: That was a long time ago.

MS. FAZZARI: Right.

DR. HOLLANDER: That was a merger of a county vocational school and a--

MS. FAZZARI: I believe that one section should be amended, because that was a unique situation to that county.

ASSEMBLYMAN ROCCO: Specific to Union County.

ASSEMBLYMAN GARCIA: This was not for Cape May County?

MR. CANNON (Committee Aide): The date is put in so it can never happen again. That is why that limit is in. It was a private adoption, actually, like Rutgers. They adopted a private vocational school. We had to change the law, because the date of this could never occur again. It was a unique situation.

ASSEMBLYMAN GARCIA: So it won't happen again, okay. Thank you.

ASSEMBLYMAN ROCCO: Do you have anything else, Rudy?

ASSEMBLYMAN GARCIA: No, thank you.

SENATOR MacINNES: Professor, Doctor, Mr., Chancellor, Ted, Hollander--

DR. HOLLANDER: Ted.

SENATOR MacINNES: The subpoena and visitation powers you discussed-- Has the New Jersey Board of Higher Education, in its 27 years, ever employed those formerly, as far as you

know? Or is it implied in much of their request for information, etc.?

DR. HOLLANDER: In part there, but the visitation-- The Board of Higher Education conducted visitation in conjunction with Middle States, as when Middle States did a visit, we had an arrangement with Middle States, which the colleges all supported, where the Board of Higher Education -- the Department's staff -- would participate with the Middle States team, which is a voluntary visitation arrangement. So the visitation was under, you know, clear academic control, and the protocols and the procedures were well-defined, the sharing of the report with the President, discussing it with the President. It was a constrained operation. But, yes, the Board did have visitation rights, and does exercise visitation rights.

Now, it has not exercised visitation except in terms of inspection. I am trying to think of a situation in Hudson County. I think I went to court on a contract with the President, rather than on the basis of the visitation of the college. That is the closest we came to that kind of very dramatic inspection.

SENATOR MacINNES: I see. So, in terms of the general authority of the Board to collect information from institutions in a central way, and all that, none of that rests on the -- from the implied powers of visitation?

DR. HOLLANDER: Oh, you could use visitation to get that, but that was provided in the statute in other ways.

SENATOR MacINNES: This is a big sledgehammer. It is one that--

DR. HOLLANDER: It's a unique one. It really is.

SENATOR MacINNES: So, if we eliminated it entirely, even if we wanted to try and take what might be a bad creation and make it a little better in the context of this bill, given your testimony, and wanted to strengthen the authority of the

Commission to act more independently, in a stronger coordinating way than is envisioned, you would not see any harm in eliminating entirely the visitation and subpoena powers?

DR. HOLLANDER: Do you mean rather than giving it to the Commission?

SENATOR MacINNES: Yes. I mean, should it be given to the Commission, or should it be eliminated entirely? I know your sentiment that it should not rest where it is proposed here.

DR. HOLLANDER: Well, it is a question of whether the Commission is able to exercise its authority independently of the political process. I don't think if the Chairperson of the Commission is appointed by the Governor -- with all due respect to the Governor -- that that Chairperson is essentially going to reflect the Governor's view, and not necessarily care very much about the view of other Commission members, except to achieve a consensus. Giving the Commission, as it is now defined, those kinds of powers, I think, would not be appropriate.

If the Commission were strengthened, that is, if there were no trustees on the Commission, it was an all lay Board, all of the members were lay persons, I think the Commission could possibly be entrusted with visitation. Well, I would not give them visitation powers. I think I would probably give them something less than that; that is, the right to receive information, accountability reports. Visitation is almost a governance kind of a power. See, the regents have the right to remove trustees of public and private institutions for cause in New York. We have never had such powers here, so visitation is associated with that.

It is an extraordinary power. Maybe you're right. Maybe it ought not to be part of New Jersey statute.

SENATOR MacINNES: I prefer to call you Chancellor. Chancellor, my understanding right now, at least with the State

colleges -- I assume it extends to the universities -- is that the Board of Trustees of the schools are selected by the Board--

DR. HOLLANDER: Yes, they are.

SENATOR MacINNES: --with the approval of the Governor.

DR. HOLLANDER: With the approval of the Governor.

SENATOR MacINNES: Under this proposal, the Governor will make the appointments, maybe subject to the advice and consent of the Senate. That is under discussion.

I know you are not in favor of the legislation, but assuming that this legislation is enacted in some way, would you have a recommendation other than what is in the bill as far as how the trustees are selected from the various public--

DR. HOLLANDER: I don't think it matters that much, I really don't. You get a more objective choice of trustees when the Board recommends them. If you have a Governor who cares about the appointments, you will get good trustees. The Governor does appoint to the Rutgers Board, does appoint to the NJIT Board, does appoint to the Medical Board. Some of those appointments have been, in my judgment, quite poor, and some have been very, very good.

The Board of Higher Education tends to do a better job of screening, but having the Governor appoint to the State boards would be consistent with the Governor's powers with respect to Rutgers and NJIT. The truth of the matter is -- I guess I can say this; I am not in the office anymore -- trustees do not make a hell of a lot of difference. I mean, the presidents run the institutions. The trustees pick the president, and then essentially the president defines the agenda for the institution. The trustees are a good safety valve, because if the president needs to be removed, they are available to do that. But, generally, a president runs an institution. (comments in audience) Do we have a couple of presidents back there?

Remember, the president controls the information that goes to the board. The president frames the agenda for the board. If you have a strong board, like NJIT has a very strong Board, and if you have a board that raises money in significant amounts, then you can have board members who can assert considerable influence over a president. But, generally, the boards of public institutions tend to follow the initiative of the president.

SENATOR MARTIN: Excuse me, Mr. Chairman. Just so--

ASSEMBLYMAN ROCCO: Bob, there is further clarification by the sponsor.

ASSEMBLYMAN WOLFE: Yes. I just want to clarify the appointment of the trustees. The trustees are to be nominated by the existing boards to the Governor. The Governor, therefore, would choose from those who are recommended.

DR. HOLLANDER: That does concern me, because you could then get into a situation of a self-perpetuating board. I would prefer that the Governor appoint independently of the existing trustees. A self-perpetuating board-- I mean, let's assume you have a strong president who controls a board, and then the president, in effect, picks his own trustees. That is what will happen in many of the cases. I think you are better off having the Governor independently pick people for the board, than rely on recommendations from the board itself.

ASSEMBLYMAN WOLFE: All right. Then is not the Legislature opening itself up to criticism for permitting the Governor to pick the trustees?

DR. HOLLANDER: He/she, Florio, Christie Whitman picks the trustees -- the Governor -- for the Rutgers Board. Now, when I was on the Rutgers Board, I know the Governor did not consult with Ed Bloustein in making those appointments, because he raised hell sometimes.

ASSEMBLYMAN ROCCO: Senator Martin.

SENATOR MARTIN: Just to follow up on that: Would you foresee any role as far as the new Commission, or in some other form, if we followed your recommendation as far as the Governor making the appointment outright, not nominated by the existing board at the college? Would you want to see some other entity, if you will, take place in that selection?

DR. HOLLANDER: Well, it has been tried. The screening panel idea has been tried in a number of places, but it usually doesn't make any difference. If the Governor wants to appoint a particular person, the screening panel will present that person's name. That has been the experience.

SENATOR MARTIN: You would not see a role, for example, for this Commission?

DR. HOLLANDER: Well, I do not think it is a critical issue.

SENATOR MARTIN: Okay. Thank you.

ASSEMBLYMAN ROCCO: Thank you, Senator Martin.

Senator Palaia, do you have anything?

SENATOR PALAIA: No, thank you.

ASSEMBLYMAN ROCCO: Thank you very much, Ted.

DR. HOLLANDER: Thank you, and thank you, Jack.

SENATOR JOHN H. EWING (Senate Committee Chairman):
Thank you.

ASSEMBLYMAN ROCCO: The sponsor has a comment he would like to make.

ASSEMBLYMAN WOLFE: Thank you, Mr. Chairman.

Yesterday, you gave me the opportunity to speak first. I had laryngitis, number one. And secondly, I thought it was appropriate that the public be permitted to give their views on the bill in its entirety. There was extensive testimony, and there will be extensive testimony today. But I do have a statement I would like to read, basically for the record.

Before I begin, I just want to say two things: First of all, I had an exchange -- which may have been heated to some people's point of view -- yesterday with some representatives from the AAUP. I must say that I apologize for the way in which I responded to them. I think basically they were hitting a couple of raw nerves with some things they were bringing up. I did talk to them outside, and we did get that taken care of.

Secondly, it is a rather long bill, and I think in the bill there is a requirement that whatever is agreed upon by the Legislature and signed into law by the Governor will be reviewed within two and a half years. It is not a sunset provision, but it does provide for working out the kinks and making a better delivery system.

With that in mind, I would like to just make a few statements: First of all, as one of the Assembly sponsors of the legislation we are reviewing today, I would like to take the opportunity to put to rest some of the claims and alarmist rhetoric being churned out by critics of the plan to make this State's higher education system more effective and more competitive.

Having had the distinguished honor to serve on the Governor's Advisory Panel on Higher Education Restructuring, I can say through firsthand experience that the goal of this plan is to recognize the maturity and the capability of New Jersey colleges and universities, and in doing so, to enable these institutions to decide for themselves how best to run their own affairs by stripping away an obstructionist, unnecessary layer of State bureaucracy and allowing common sense to permeate the process. Contrary to the opinion of some, this plan will not result in runaway tuition and diminish academic freedom, with fiefdoms for college presidents. Instead, it will bring tremendous benefits free from meddling from the Department and the Board of Higher Ed. The Council of College Presidents will be able to settle issues on their own campuses with much

greater speed than in the past. Questions of curriculum and finances will finally be answered by the very people who are most familiar with them, the administrators who operate the institutions of higher education, not the bureaucrats of Trenton.

Glaringly absent from the opposition's arguments against the commonsense plan is the oversight and accountability factors that are built into the restructuring proposal. The Commission established under the plan will review each college's and university's budget to prevent these institutions from embarking on wild spending sprees and free-for-all tuition hikes. The time has come to allow our higher education system to continue to develop and mature as we approach the 21st century. Under this plan, we will be sure that it will.

Also under the plan, New Jersey will be undertaking ideas already being pursued and considered by other states throughout the country. Many of them have been enacted, some of them have not. We wish to seek to maintain a first-class higher educational system as our goal.

Mr. Chairman, the existence of the Department and the State Board of Higher Education has definitely outlived its usefulness. It is now time for New Jersey colleges and universities to have the autonomy to fully develop their educational mission, while paying even closer attention to the very public to which they are accountable.

Thank you.

ASSEMBLYMAN ROCCO: Thank you, Mr. Vice-Chairman.

Let's turn now to the President from Richard Stockton College.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Assemblyman Rocco, President Farris called this morning. She is unable to attend this afternoon.

ASSEMBLYMAN ROCCO: Thank you.

Dr. Larson, UMDNJ, Senior Vice President.

P A U L F. L A R S O N, M.D.: Thank you. I want to thank you for this opportunity to appear before the Joint Senate and Assembly Education Committees. I am Dr. Paul F. Larson. I am Senior Vice President for Academic Affairs at the University of Medicine and Dentistry of New Jersey.

We have already prepared technical comments on Senate Bill No. 1118. Those comments were sent to Senator Ewing and Assemblyman Rocco last week.

I do wish to make some additional remarks about the bill today. Change threatens all of us, and the suddenness and so complete a change as proposed in this bill is sure to evoke many responses. No one can be surprised at the questions we ask, nor at the anxiety we in higher education had about the change. But, as has often been said, with change comes opportunity, and we believe that to be true.

Many have predicted dire outcomes within the higher education institutions of New Jersey if Governor Whitman's proposal to abolish the Board and Department of Higher Education were to be put into effect. The notion is being put forth by opponents of the restructuring of higher education that the institutions will begin to make unsound decisions. To imply the Department and the Board of Higher Education have been the only, or the major conscience that the universities and colleges of New Jersey has belittles the quality of person that makes up the institutions, from the faculty to the administration to the president through to the board of trustees of these institutions.

While listening to Dr. Hollander's comments on the boards of trustees and presidents, I did not hear the situation that I have at UMDNJ. I have a very strong Board of Trustees. As all of you know, I have a very strong President of the University. The members of our Board of Trustees ask me and the other administrators within the University piercing and difficult questions. They challenge our ideas, and make

positive and negative suggestions in order to make them better. They have made us defend every tuition or fee increase we ever had, and they will continue to do so. As a matter of fact, we have changed some of our recommendations that we brought from the deans on fees and tuitions.

The administration of the University and the deans of the schools have the same interchanges as do the deans and their faculties. There are these checks and balances in the universities and colleges. It is called the "academic process." It works, and it works very well.

New and innovative educational programs have been, and are being developed throughout the State, some with two or more institutions as partners. These programs and partnerships are developed because the institutions want to develop the best program possible for their students. We really do care about the quality, the value for our students, and for the students themselves.

A restructuring of higher education will not change this, for it is in the fabric of our institutions. Do we have concerns? Yes. But we will pledge to work with the outcome of the restructured higher education in order to maintain our sphere of higher education, the education of health science professionals -- nurses, doctors, dentists, and the biomedical scientists -- at the highest level, with programs that stress diversity, quality, and accessibility.

Thank you.

ASSEMBLYMAN ROCCO: Thank you very much, Dr. Larson. I thought really maybe you came here to congratulate me on my commencement address.

DR. LARSON: I will do so. I would like to say that Assemblyman Rocco spoke at our SOM -- our School of Osteopathic Medicine -- convocation last Friday night, and we thank you for doing so.

ASSEMBLYMAN ROCCO: I was only kidding, of course.

Do you have another question, Wayne?

SENATOR EWING: The sky's the limit.

ASSEMBLYMAN BRYANT: I would like to ask this question, because we have concerns on this Committee. It is thought among some groups that we ought not to use tax dollars to sue folks. We are spending tax dollars. If I understand this bill, you may choose your own counsel, and you will have the opportunity now to sue the State of New Jersey, using our tax dollars. Do you think that is something that is wise?

DR. LARSON: I can't say whether it is wise, but I know there are times when we have differences with other State agencies and, because we are served by the Attorney General and they are served by the Attorney General, we have no recourse other than attempting to have a resolution of the dispute by other means.

I think there are times when we have felt that-- Let's say the Board of Medical Examiners has not acted in the proper way. We have not had any recourse to go to them. So I think there is some value in this, yes.

ASSEMBLYMAN BRYANT: Secondly, let me ask this question, because it appears to me that this, in some ways, is like having a major trust for \$1 billion. We have all these children who are benefiting from the trust, and now they are going to do away with the trust fund. When you ask the kids, "Would you rather just manage it yourselves?" they all say, "Yes."

Let me ask this question: Who manages it for the State? Everybody has a mission. All these colleges and universities have their missions. Who has the overall view at Higher Education that is important to the economic life of this State, as you perceive it under this bill, if we allow anybody to be so independent that they drive their missions to a point

where their missions do not coincide to make a better educational environment for the economic viability of our State?

DR. LARSON: As I understand it, this is what the Commission is to do. It is part of their charge. Also, I see it as the Presidents' Council.

ASSEMBLYMAN BRYANT: The Presidents' Council? That is like having the foxes guard the henhouse.

DR. LARSON: Well, you know, I object to that in a way. That is saying that our presidents are not upright, that they are not honest, and that they are not trying to do what is best for this State. I have a little problem with that being suggested.

ASSEMBLYMAN BRYANT: You doubt that the presidents won't fortify the Commission? I don't doubt that. Let me ask you something: Does the Commission have powers to--

DR. LARSON: I may not be the right person to ask that. Maybe you should ask one of the persons who did the bill. I don't see that the Commission has immense powers, but I don't know exactly how the regulations and everything will be written.

ASSEMBLYMAN BRYANT: No further questions, Mr. Chairman. Thank you.

ASSEMBLYMAN ROCCO: Rudy?

ASSEMBLYMAN GARCIA: Just one question, Mr. Chairman. My question is with regard to access. If colleges and universities no longer have to report regularly on their recruitment of special opportunity students, their graduation rates, and the racial composition of their classes, what is it that is going to ensure that colleges will not walk away from these responsibilities in terms of recruiting these students, and keeping them?

DR. LARSON: It is part of what we feel is our mission. We feel that very strongly. I would like to get that across to you, how strongly we feel part of our mission is to

educate a diverse group of students. We work very hard at it, and we have developed programs that have nothing to do with what the Board of Higher Education or the Department have put down. We do it because it is what our President and our Board of Trustees expect of us.

Also, as far as outcomes, every year we take to our Board of Trustees the outcomes of every certifying test. We are a little different than others, because we have certifying tests and we have licensure tests for almost all of our graduates. We have to take them to our Board of Trustees and discuss them when we are not above average with them. So I see that there are checks that will continue to be there.

ASSEMBLYMAN GARCIA: I know UMDNJ has a very low rate -- low number of Hispanic students in its enrollment. As a matter of fact, we have met with your President on that matter. So I don't know if maintaining that system by itself will bring about the types of numbers and enrollments we are looking for.

DR. LARSON: As you well know, if you met -- and I did not know that you met with President Bergen-- We went and got a special grant to help us to increase the number of Hispanics in the school. We are the only school-- We have it at the New Jersey Medical School in Newark. We are the only school that has this, other than the schools around the border of Mexico. We are the only one. We are very proud of it. We had two purposes in getting that grant: One is to increase the number of students of Hispanic descent who come into our school, but the second is to increase the number of Hispanics who then go on and join our faculty.

One of the problems -- and I am not sure whether you are aware of this -- is, in order to get minorities on your faculty, most of the time what you have to do is what we call "self grow them." You start them in your school. You take them through your school. You take them through residency.

Then you recruit them. We find this one of the best ways. A goal we have is to increase the number of Hispanics not only in our schools, but also on our faculty.

ASSEMBLYMAN ROCCO: Okay, Rudy? (no response) Thank you very much.

Senator Ewing?

SENATOR EWING: Dr. Larson, who does the investments for UMDNJ? Do they do them themselves, or do they use the State?

DR. LARSON: Both.

SENATOR EWING: Pardon?

DR. LARSON: Both.

SENATOR EWING: Both?

DR. LARSON: Yes.

SENATOR EWING: How do you separate them?

DR. LARSON: We work with the Treasurer's Department on that.

SENATOR EWING: But do you have an outside investment counsel?

DR. LARSON: We have used one, yes, but we have to go through the Treasurer and we have to use their recommended investment folks. I think that is something that is very important, and I would love to see us have our own. I am not a businessperson, understand. I am an academic.

SENATOR EWING: Right.

DR. LARSON: But from listening to the conversation, it seems that that would be a real plus for the University, to be able to invest their own.

Now, I have to tell you, our Board of Trustees is very conservative, so all of our investments are extremely conservative investments.

SENATOR EWING: Will you ask the President to send me a letter as to what the cost is, say over the last three years, for the investment counsel you hire?

DR. LARSON: I certainly will.

SENATOR EWING: Thank you.

ASSEMBLYMAN ROCCO: Senator Martin?

ASSEMBLYMAN BRYANT: Can we all get a copy of that?

SENATOR EWING: Whatever we get through the Chair will go to all the members.

ASSEMBLYMAN BRYANT: Well, he already said he sent you all some things that I do not have.

SENATOR EWING: What?

ASSEMBLYMAN BRYANT: In his beginning testimony, Mr. Chairman, he said he sent "both Chairmen" some prepared things that I am not privy to. I am just asking if I can get this?

SENATOR EWING: We will get that out to you.

ASSEMBLYMAN ROCCO: Senator Martin?

SENATOR MARTIN: Could you enlighten me about some administrative procedures I am not quite clear of now? When you set your tuition rates for the school, is that done as part of the annual budget process? Is it done separately? In other words, when you fix your yearly budget, is it at that time when you establish what the tuition rates are at UMDNJ?

DR. LARSON: We establish that usually around June before we know what our budget is. Sometimes we do it in July, but usually it is in June.

SENATOR MARTIN: All right. So the two are not in absolute tandem. It isn't that the tuition is set in the finalization of the budget in a given year?

DR. LARSON: No, it is not.

SENATOR MARTIN: The tuition is established prior to the setting of the yearly budget, or is it vice versa?

DR. LARSON: In most years, it is. Let me talk about tuition a little bit, because all of us are concerned about tuition -- the costs. We now have students graduating with debts over \$100,000. This is of immense concern to us. It is very expensive to educate medical students. All of us are

trying to figure out how we can do it cheaper, but no matter what we do, it is a very expensive thing to do.

If we are going to continue to try to hold down tuition, there is no question that the State support has to continue. We see that as very necessary, and we would want to see that happen.

Do I ever see us going up 24 percent, as has been predicted? I don't know why that figure was picked, but it keeps being bandied about as what the tuition would go up. Do I see it going up that much? No. But do I see it being a difference between 3.5 percent and 7 percent? Yes. If the State support is cut, there will be higher tuitions, but I don't see it going up into the higher ranges that people are talking about, and I don't see it going to double digits.

SENATOR MARTIN: I am just dealing with the specific area. I am interested in the process right now. I'll tell you where I am going with this.

DR. LARSON: Okay. Let me tell you how we set our tuitions. We go to the deans and we take several proposals to them. What we do is look at the inflation factor for the area we are in. It was 2.4 percent for this year. We then get the higher education inflation factor, which was 3.3 percent. We look at those two, and then we arrive at what we think would be a fair tuition increase for that year.

SENATOR MARTIN: Okay. My next question is: With either the tuition or the yearly budget, do you have a public hearing in some form at the time those decisions are struck by your Board?

DR. LARSON: No, but we do have a full Board hearing. The whole Board hears our proposals. We do not have an open meeting.

SENATOR MARTIN: Would you have an objection-- Let me tell you where I am--

DR. LARSON: Let me take that back; let me take that back. When we take it to the Board of Trustees for their final approval, that is an open meeting.

SENATOR MARTIN: That's an open meeting.

DR. LARSON: Yes.

SENATOR MARTIN: But there is no testimony, unless it is invited by the Board that people can participate in that process?

DR. LARSON: You are correct.

SENATOR MARTIN: Would you foresee-- There may be some reservations, but would you see major objections if, in granting independence to your institution, and perhaps others, there was some type of process by which there was an opportunity for the public-- Now, admittedly, the public, in this case, presumably would be those interested in the institution, but that could be faculty, students, and, I suppose, others, if they were so interested. Would you see major objections in people having the opportunity to participate in some type of public hearing before the tuition and the yearly budget were struck?

DR. LARSON: Are you asking me-- What is the question you want me to answer now? Would I see that as being feasible?

SENATOR MARTIN: Would you see that as problematic?

DR. LARSON: I have a hard time answering that one, and let me tell you why: We do take things to our faculty. We have trouble getting faculty to come to our meetings. I don't know whether they would come to the budget meetings more.

SENATOR MARTIN: They might come to the budget meetings.

DR. LARSON: I don't know, they might. I have no way of knowing. We have taken away the need for quorums at our faculty meetings, because you just can't get faculty to come. Would they come for this? Yes, they might, but I don't know. Would students come? I don't know. I think as long as the

tuition increase is a modest one, you wouldn't get any students. If you were trying to do the 24 percent, I think you would have faculty, students, and many other people coming. So I think it would depend upon what you were doing.

SENATOR MARTIN: Well, I agree with you. I think the higher the increase, the more interest would be generated, especially among students. It seems to me, however, that if we are not going to have caps and there is going to be no oversight, at least, as the bill presents here, there should be some opportunity for others who are involved in this and who have to live by what is decided -- some opportunity for input into that process before the decision is made.

DR. LARSON: Well, as it exists today -- and I know it will be changed July 1 -- when we set our tuition, the Board of Higher Education does not approve it. We send it to them for information. Our Board of Trustees sets our tuition, and has for all these years. I cannot speak for the other institutions, but I know that is what happens at UMDNJ. So we have been setting the tuition for all these years within the institution.

ASSEMBLYMAN ROCCO: Is that it, Bob?

SENATOR MARTIN: Yes, thank you.

ASSEMBLYMAN ROCCO: Thank you.

Dr. Larson, thank you very much.

DR. LARSON: Thank you.

ASSEMBLYMAN ROCCO: We will have a few county college people now. Mr. Casella, from Cumberland; Mr. Chapdelaine -- I hope I said that properly -- also from Cumberland; and Dr. Yaw, from the County College of Morris. Hello, Dr. Yaw. Welcome. Who is going to start?

E D W A R D J. Y A W, Ed.D.: Good morning. I think I will be starting off. I am Ed Yaw, President of the County College of Morris. My statement is being distributed. I have

Zack Yamba's statement. I almost started reading his, but I think we have different perspectives on this, so I will read my own.

It is a pleasure to be here this morning to provide testimony. I hope we can answer whatever additional questions folks may have. Here is my statement:

"Change is not what it used to be," thus states Charles Handy in his book "The Age of Unreason." The combinations of technological, social, and economic forces have created a climate that stimulates -- perhaps even requires -- discontinuous change, and there have been lots of examples in recent history of discontinuous change. Handy posits that the status quo will no longer be the best way forward.

It is in the context of these observations of our current circumstances that I have considered the initial proposal of Governor Whitman, the subsequent report of the Advisory Panel, and now the legislation that is under consideration by the Legislature. These are indeed new times that require new approaches. I believe that it is appropriate and necessary to empower our colleges and universities in order that they may be more responsive to the needs and expectations of the people they serve. It is appropriate that we attempt to seek less dependency on a centralized redundant bureaucracy, and vest more responsibility and accountability on our local boards and campus leaders. There should be more opportunity for cooperation and collaboration, and less concern for restrictive regulation and control. Decision making should be placed closer to the service recipient. I applaud the Governor for her vision, and appreciate the confidence she has shown in our local boards of trustees and presidents, a confidence which, obviously, is not shared by many of the critics of this proposal. In fact, I have been a little stunned by some of the contempt I have heard expressed toward boards and presidents, but I guess that may be analogous to some of the feelings that

are sometimes expressed about elected officials as well. So maybe I am getting a feeling about how you folks feel sometimes.

I believe that the proposal, as manifested in S-1118/A-75 represents an appropriate balance between citizen interests -- via the Commission on Higher Education -- and professional leadership -- via the Presidents' Council. I am confident that a number of distinguished citizens can be identified and ultimately appointed to this important body. I also endorse the notion that there be some initial membership from current boards of trustees. It is to be hoped that this group will include at least one community college trustee. I also agree that it is appropriate that this institutional representation sunset after a period of four years, and that it become truly a citizens' body. At that point, the Commission should have developed sufficient operating procedures to effectively function in its broad policy-making and strategic planning function. If I were given the opportunity to recommend any changes to this proposal, I would suggest that the Commission be given the authority to elect its own Chair, as has been suggested previously by former Chancellor Hollander. It is important that the Chair be accepted by her or his peers as a leader and spokesperson. I would also attempt to craft language that would limit the size of the support staff that the Commission might require. I would be disappointed if we found 10 years from now that we have recreated a Department of Higher Education under a different name.

I believe that the Presidents' Council will provide an opportunity for improved cooperation and collaboration between and among our colleges and universities. I am optimistic that we will find new ways to improve articulation between our two-year and four-year colleges, as well as opportunities for cooperative program development. I am also hopeful that this structure will aid in coordinating the role of higher education

in the State's economic development. It is also noteworthy that the representation of community colleges on the Executive Committee of the Presidents' Council is far more equitable than has been true on the current Board of Higher Education. Having four seats out of thirteen on this body, rather than one out of twenty-one on the Board of Higher Education is certainly more appropriate given the numbers of students we enroll and the number of institutions we represent. You heard before from county colleges that we now enroll over 140,000 students. At the risk of correcting former Chancellor Hollander, that is more than one-half now of the total undergraduate enrollment in the State of New Jersey.

There has been considerable discussion about the issue of political intrusion that may come about as a result of the implementation of this Act. Any system of public higher education is, of course, subject to political intrusion. The fact is, we are part of a political system, and up until now the Chancellor, the Board, and the Department of Higher Education have been very powerful elements in this political system. Our challenge is to maintain appropriate levels of independence and autonomy -- especially in academic matters, and I would concur with the comments that have been made about visitation -- while being responsive to the people and their elected representatives. Of course, there have been examples of political intrusion under the current system and there may very well be additional attempts in the future. No system can fully insulate our colleges and universities from unwelcome intrusion. However, we need to remember that the Middle States Association of Colleges and Universities has the ability to remove the accreditation of an institution that has become polluted by unwelcome and inappropriate intrusion. In fact, it is my recollection that the Middle States issuance of a show cause order was the effective trigger for DHE involvement in

the Hudson County Community College affair not so many years ago.

There is, of course, one unfortunate consequence to the proposed reorganization. I would be remiss if I did not mention it. There are a number of very, very good people with talent and long and distinguished records of service to the Department of Higher Education and the Board of Higher Education. They are to be commended for their efforts, and I am hopeful that most, if not all, will find new opportunities within State government or within our colleges and universities. We are talking here about systems and process.

However, we need, at this time, to give our best thinking to the design of an improved system of governance. In a word, it is time for change. Returning to the observations of Charles Handy:

"It is a time for new imaginings, of windows opening even if some doors close. We need not stumble backward into the future, casting longing glances at what used to be. We can turn around and face a changed reality. It is, after all, a safer posture if you want to keep moving."

Thank you.

ASSEMBLYMAN ROCCO: Thank you, Dr. Yaw.

Who is going next?

DR. YAW: I guess Dr. Roland Chapdelaine is going to be next.

R O L A N D J. C H A P D E L A I N E, Ed.D.: Chip Chapdelaine. Good morning.

ASSEMBLYMAN ROCCO: Good morning.

DR. CHAPDELAIN: I am President of Cumberland County College. I will be completing my fifth year as President in July. I have had the benefit of working in three different states prior to coming to New Jersey, including the States of Arizona, Indiana, and Maryland. Based on my experience, none were as regulated and report driven as New Jersey. This State

has provided national leadership in such programs as Basic Skills Assessment and such innovative incentive programs as Challenge Grants and, as such, I am very proud to be a member of that higher education community here in this State. However, given those credible activities, other initiatives such as COEP and, most recently, productivity reports, although well-intentioned, were bureaucratic nightmares. The program approval process is another example of a bureaucratic process in which, in many cases, it took up to two years and many dollars spent in terms of staff, and required outside-of-state consultants to be able to get these programs implemented. There are less intrusive mechanisms to achieve quality incentives, and foremost are the pride in our own institutions and the up-front accountability our constituents expect.

I, personally, have some concerns regarding the restructuring. For example, with the higher education sector not having a Cabinet level position, how will such concerns regarding the Department of Education on such issues as school-to-work programs and adult vocational education overlaps be resolved? Furthermore, how will such important initiatives as Equipment Leasing and Facility Trust Fund fare in the restructuring process? However, although these are our concerns, I do not feel that there are no other alternatives. I think such alternatives can and will be explored. That is all part of the change and the risk-taking process.

The restructuring process, while not without its challenges, will provide us with the opportunity to demonstrate the collective leadership we know our boards of trustees and my colleagues are collectively capable of. The responsibilities shared between the Council of Presidents, the Commission of Higher Education, and the respective boards of trustees have the potential not only to increase flexibility and responsiveness, but accountability as well. The statements recently made that the presidents and the boards cannot govern

without some kind of oversight body, or that rational decision making will be replaced by political intrusion, are frankly insulting, and are not borne out by similar organizational structures that exist elsewhere in the country. Community colleges have grown because of their adaptability and responsiveness to change. We believe that the Governor's restructuring plan is a valid attempt to reduce bureaucracy and enhance the accountability process. There is an element of risk. However, without risk there cannot be growth. The plan provides for an exciting number of possibilities and we look forward to the growth it will provide. The alternative is status quo and more of the same. Growth is encouraged by change and change is stimulated by risk. Risk taking is spurred by vision.

We believe that the Governor's plan has an element of risk, but it also has a strong element of vision. We look forward to its implementation.

Thank you.

ASSEMBLYMAN ROCCO: Thank you.

Go right ahead, Mr. Casella.

R O N A L D C A S E L L A, ESQ.: Good morning, Chairpersons Ewing and Rocco, and members of this Joint Senate and Assembly Education Committee. I appreciate the opportunity to speak to you this morning regarding the restructuring of the Department of Higher Education.

My name is Ron Casella. I am a partner in the law firm of Casella and Casella. I have also had the pleasure of sitting on your side of the table. It has been nearly 20 years since I served in the State Assembly. It was District 5, which Assemblyman Bryant now represents, and the community of Haddon Township is now in Assemblyman Rocco's district. But I moved several years ago to Cumberland County. I have also served as a member of the Board of Trustees at Cumberland County College since 1990.

I am pleased to note that the restructuring plans place a greater emphasis on local economy and governance. As a matter of fact, there was a comment made earlier today that somehow trustees don't matter, but I think the thrust of this, and part of my comments to you, is that trustees make a difference, and I think that is important to remember.

Being the southernmost college in New Jersey, as well as residing in the poorest county in the State with regard to mean income, we face challenges that are unique in the State. We feel that as trustees we can best make decisions regarding how best to serve our community. The restructuring will allow colleges to create and implement innovative programs not only for our campuses, but for the surrounding communities as well. The restructuring will shift the emphasis to a proactive trusteeship, away from the reactive position of the past.

The restructuring approach will allow us to function as more responsive and accountable trustees. As primary policy makers for our colleges, we serve as interested local citizens. We know what is needed in our community; we know the needs the college needs to serve. The Department of Higher Education, while interested in the educational welfare of our students, has, over time, become interested and increasingly regulatory and bureaucratic, rather than conciliatory and coordinating in our functions. While well-intentioned, the Department has, in many cases, hindered our growth and our ability to respond to change.

Increased autonomy to the boards of trustees will require a greater level of responsibilities and leadership. In addition, our boards will need to pay increased attention to long-range planning, demonstrate greater sensitivity to the needs of our citizens, and commit ourselves to becoming even more educated regarding our role as trustees, improving our working knowledge and our knowledge of our own institutions. The result of this transformation will be that as trustees we

will have the ability to be more flexible and responsive; in short, become better trustees. Issues such as workforce development, basic skills preparation, affordability and access will be issues that we need to pay increased attention to. Under the present structure, we tend to rely on directives from the Department of Higher Education. We now have the responsibility and the accompanying accountability for our decisions.

Other areas will require increased participation, including the importance of educating our legislators regarding the value and the role of community colleges. Each of you, I think, are probably very familiar with the job the county colleges do in your own districts, but I think we, as trustees, will have to do a better job of informing you of the programs and the needs we have.

We need to pay close attention to the creation of new programs to be sure they are needed and cost-effective. However, the time from conceptualization to implementation will be reduced from what, in many cases, was a two-year process, to what hopefully will be a matter of a few months.

In summary, as trustees, we need to be better informed and more proactive than in the past. This challenge presented to us as a result of the proposed restructuring will, in my opinion, make us better trustees, and our institutions truly responsive, flexible institutions of excellence.

Thank you very much.

ASSEMBLYMAN ROCCO: Thank you very much.

Are there any questions, Committee members? Senator Martin?

SENATOR MARTIN: If I may, in this age of unreason, let me-- I would like to pose the same question I gave to Dr. Larson from UNMDNJ. How would you respond to a section of this legislation -- which is not in there now -- which provided for a requirement that there would be a public hearing? I am

analogizing to municipal budgets in the way they are structured, in which there is a public hearing before there is an actual setting of a budget. In both cases, tuition and the striking of a budget, prior to the trustees acting, there would be a public hearing, in which the public could not only attend, but have input before that decision making was made.

MR. CASELLA: If I may respond to that, I think right now there are probably three opportunities for the public to have input into the budgets of county colleges. First of all, of course, at our public Board meetings, where the budget is initially established. But perhaps more importantly, the Board of School Estimates, which is publicly noticed with details of the budget published in the newspapers, and again that meeting of the Board of School Estimates, consisting of freeholders and trustees, is a public meeting. Then, of course, whatever public hearings may exist concerning the State appropriations to county colleges generally. It is yet to be determined whether individually we will get State appropriations.

So I think there is, right now, quite a bit of opportunity for the public to have input into the budget-making process of county colleges. I do not see that--

SENATOR MARTIN: So you do not take kindly to my recommendation?

MR. CASELLA: I don't think it is necessary, to be candid.

SENATOR MARTIN: Well, certainly with tuition, students are not going to know what the impact is until that point in time when the trustees are proposing a tuition increase -- and faculty and other interested people. I mean, I am beginning to feel strongly. I am sort of building up in my own mind -- not my own case-- I think there should be some point-- If the schools are going to be independent, as they are now and, in some cases, as may already be done, if they are going to be able to establish their own budgets and their own

tutions, it seems to me there should be some opportunity for the collegiate community, as a whole, to have some direct and formal input to that, before those decisions are made.

MR. CASELLA: I am not suggesting that I object to it. I am just saying I am not sure it is necessary, because I think there are plenty of opportunities. Even the decision to increase tuition is taken by the Board in a public hearing -- at a public meeting, rather, which is noticed, so the public is aware of the fact that tuition increases will be considered.

SENATOR MARTIN: But they do not have an opportunity to formally have input into that meeting. They can attend, but not speak up. Correct?

MR. CASELLA: Well, there is an opportunity for the public to speak.

DR. CHAPDELAIN: If I may just kind of add a little bit to that, each institution may have its own style in terms of how they do this. But to emphasize the fact that a budget is noticed, the tuition and the breakout of how the various revenue sources are identified are in that notice, which is part of the Board of School Estimates' meeting. And, of course, in the public meetings of the boards, the public is invited to speak, including our students and our faculty, and they do take that option, in many instances.

I, as a President of a college, also present to my faculty, and I also present to the students, a general outline of what the budget is prior to actually submitting it to the Board of Trustees, just in terms of getting their overall reaction. I meet the Student Senate and talk about, you know, our budget and talk about the impact of State funding and county support, as well as the kinds of numbers we are looking at in terms of our tuition.

The problem is that we have three budget sources: We have the State; we have the county; and we have, of course, tuition. All three of those are absolutely critical.

Historically, because of lack of State support, in terms of our county the fact that we are a relatively poor county, the ability of our county to support us, we rely more and more on tuition. Forty-four percent of our revenue is tied to tuition. I do not think we are necessarily unique in that regard. However, all those three entities do not materialize in concrete form until June 30, but we do try to set our tuition not based on an independent entity. We try to set our budget needs first, and then identify what our revenue sources are going to be. Then we rate that out that way.

SENATOR MARTIN: My concern is, if we are going to move -- and I do not object to more independence of the institutions, which means less oversight by the State -- I would at least like to see more opportunity for participation for those who are impacted and affected directly by what is being done. So I am more interested in trying to create a more formal process for that to take place.

MR. CASELLA: A point well-taken. I mean, as has been said already, our meetings are public, but perhaps the procedure of actually having hearings with regard to our tuition increases-- In fact, that is where we may be heading. Perhaps more input can be taken.

But I have always felt, particularly at Cumberland County College-- We have always been very much of a family. Part of that has meant that what we are discussing and what is there with regard to -- whether it be the budget, whether it be our tuitions, is something that has always been out there to the whole community -- the whole college community, as well. So by the time the trustees are making a decision, much of this has been discussed and looked at from several different sources beforehand.

As Dr. Chapdelaine already indicated to you, part of our problem is that money to operate the college comes from three different sources, principally. So it is sort of a word

of caution also directed toward all of you that the expectations we have from the State do not rely simply on the back of the guidance that would have come from the Department of Higher Education, but also, of course, the funding process which you have to go through every year in your budget process. That often has a lot to do with the eventual decisions we have to make, as well.

So I hope that in the course of all this, nobody thinks that any responsibility is being abandoned by any of you from State government. I feel, as a trustee, that I am going to have more responsibility under this restructuring, but I welcome it. It is a challenge. I think at the same time we are going to be acting in partnership together, that the funding-- We will probably be talking to you even more in some respects to our needs, just because of the fact that we are going to be closer to the situation, maybe, than we ever were in the past.

ASSEMBLYMAN ROCCO: I believe county college budgets go through a number of steps, same as a number of organizations.

MR. CASELLA: Yes, they do.

ASSEMBLYMAN ROCCO: Wayne, do you have a question?

ASSEMBLYMAN BRYANT: Maybe I just missed something, but it appeared to me that you were talking about that we need to get rid of the status quo machines, which in some ways stifle the county colleges. Maybe you can enlighten me if I missed something. I have seen tremendous growth over 25 years of the county colleges under this stifling system. It was probably stronger and better than most things I know about. Can you enlighten me about how it got so stifling all of a sudden, or did it not grow for 25 years, or did it not get stronger?

MR. CASELLA: That is a hard question to respond to. Stifle is a strong word. I don't know that anyone here used that, but I think, as has been pointed out by my colleagues, the program approval process has been very lengthy, in some

cases. I think it is also true that community college systems in other states, under different structures, have grown as rapidly as we have. So it is hard to assess who really bears the credit for the growth and development we have had.

I think one of the things, of course, that concerns us is that we do enroll now more than 50 percent of the students, and yet receive less than 10 percent of the total funding for higher education. That is through a budget process that has gone through the Department of Higher Education. So I think that certainly is a concern we have.

ASSEMBLYMAN BRYANT: That's a good point. That is a point that I wasn't really aiming for.

What, based on this bill, stopped you from becoming a satellite about four-year colleges? The counties now are throwing all of their support-- The simple fact is, when I read the bill, no longer do you have anybody to help broker articulation. Therefore, the power has been invested in your major college presidents, who now will dictate what it is you're sending (indiscernible). If that is the case, then as much as your trustees think they are going to have the power, they might end up losing power to the dominant four-year colleges and, thereby, having freeholders say, "Well, fine, if they are not making a decision, why should we invest anything." You tell me how, under all this new independence-- Where are your guarantees that that is not happening?

DR. CHAPDELAIN: To be candid, in terms of articulation agreements, there was not-- We did have the full-faith and credit agreement, which was written in statute, which at least I, as the President, have referred to and used many times in negotiating with my colleagues. Quite frankly, in terms of developing articulation agreements, there was very little with the Department of Higher Education. Articulation agreements and development were done basically between our

institutions. If we wanted to work something out with Stockton or Camden, we did it directly, one on one. We did not have any brokering.

I can think of a state, for example, Arizona, in which there was a system that I actually tried to promote here in New Jersey, which was much more sophisticated, much more enlightened than what we had here in this State. The articulation agreements, quite frankly, have been historically, since I have been here for five years, based on our initiatives, and I presume in the future will continue to be based on our initiatives.

Right now, for example, we have quarterly meetings in South Jersey among the six community colleges. In the past year, in addition to that, we have decided to include our three State colleges -- two State colleges and universities. We have a very open process. We obviously have debates and disagreements, but we work together, because we have to work together, because we have, I think, a mutual goal in benefiting our region. So I do not see this kind of a problem you were pointing out in terms of articulation. I do not see us becoming satellites for the four-year institutions.

ASSEMBLYMAN BRYANT: So you are sort of-- Let me give you an example in Camden County, which I know I shouldn't do. You see nothing that the Higher Education Department absolutely did in terms of sort of umbrellaing, sometimes not spoken what it is that you cannot do, and therefore gives you leverage. What you are saying is, now, at least, as I understand it, by giving the college president, which is not the county college program, more power, you do not see that as diminishing your college?

DR. CHAPDELAIN: No.

ASSEMBLYMAN ROCCO: Senator MacInnes?

SENATOR MacINNES: Dr. Yaw, you reported the diminishing support of the State for county colleges. Is your support of the bill based on the expectation that because of

the structure that is proposed by the Governor county colleges will do better financially in terms of State support? Or, is your view more that it can't get any worse, and we will just tell the Governor that we are on her side, and that will probably help us somehow? Which is it?

DR. YAW: Well, I am not sure that those are mutually exclusive choices. (laughter) I don't think that support of this bill, quite frankly, is in terms of any one particular factor, to be very candid. I think when I first heard the proposal my initial response was quite positive, because I felt that the reasons given were laudable, giving more authority to local boards and local presidents and reducing redundant decision making. And, yes, perhaps some dissatisfaction with the current system in terms of funding and other restrictions played a role. But my initial reaction, I think, was more positive, and for positive reasons that no one here suggested.

SENATOR MacINNES: You don't think the proposed structure is, in terms of its financial implications, designed to mirror what has happened with county colleges support, which is that the State has reduced county colleges support with the full knowledge that the property taxpayers in counties are available to pick up that portion of the statutory goal of State funding which has not been met, and that county boards of freeholders and citizens will step forward to support county colleges, and have, as I understand from your testimony? And possibly this suggests the trend of State support for other sectors of higher education, with tuition payers stepping forward to pick up the difference between present levels of support and what might be contemplated by the Governor down the road? That is probably an unfair question.

DR. YAW: Well, that's all right.

I think the county colleges have been, for the last several years, in an absolutely no-win situation in terms of funding, because of the turn of the economy. You know, it has

been said over and over again, this is not the '80s anymore. There is not a lot of public money coming into the coffers, either from the State or from the counties. So State funding was reduced until last year. County funding has been held at level at many of our institutions, but in some of the counties reduced, and we have had caps on tuition.

At the same time, enrollment is growing rapidly. The Chancellor has talked about this, but we were coming to a point, quite frankly, where we had to make decisions between quality and access. Those are very difficult decisions to make, particularly for county colleges that have such a firm commitment to access, but know that access has to be to high quality programs, or it is not worth anything. So it has been a bind that we have been in.

I don't see this bill, in itself, addressing that problem, or solving it for us. But hopefully, if we get opportunities like this to express those concerns, perhaps when the time comes that the money is more available we can get the support that we feel we need.

DR. CHAPDELAINE: If I may comment, I think this is the first time since I have been President here in New Jersey that I actually, collectively, three months ago, met with my colleagues from four institutions on an entire statewide basis. I had never had that opportunity. I am hoping through this Council of Presidents that there will be a level of exchange, discussion, and dialogue that will be impressive in the State. I think collectively, hopefully, we will be able to professionally tackle some of these issues and perhaps educate the public and the legislators concerning the role and the importance of a higher education in this State.

As you know, we rank around 48th, I think, in the nation concerning dollars contributed per student, whereas we rank number 1 relative to dollars contributed to K-12. Something is wrong here. We have not been putting our message

out correctly. Somehow the priorities have not been identified, or clearly articulated. Perhaps this is a process, from my perspective looking at it, where we could have a stronger say and a better say in this.

ASSEMBLYMAN ROCCO: We must move on. We have a number of speakers yet to appear.

Thank you very much.

Let's move to Dr. Patrick, Vice President, Essex County College. Welcome, Dr. Patrick.

V E R N E L L P A T R I C K, J.D.: Thank you, Mr. Chairman.

I appear this morning to read a statement from Dr. Yamba, President of Essex County College.

We concur with Governor Whitman that colleges and universities, both public and independent, should be as autonomous as practicably possible. Yet we also recognize that State coordinating boards have a legitimate role to play in ensuring the efficient use of scarce State resources, in enforcing minimum standards of educational attainment, in protecting the principles of access and equity, and in guaranteeing freedom from the potential of political interference in the governance of publicly subsidized higher education. Just where accountability should end and autonomy should begin is a most difficult matter, and requires considerable thought and discussion before action is taken on such an important matter.

Is the current system of coordinating higher education in New Jersey the best system humanly possible? Is it so flawless that no room for improvement exists? Of course not. No system is perfect; modifications and refinements are always possible, and are frequently called for amid complex and changing circumstances. Yet this does not give the current administration license to change at will, precipitously, and without serious study and dialogue, what it took 10 years to devise and nearly 28 years more to refine.

Surely, extended analysis and constructive debate on this issue are in order, so that we might be assured that we have devised the most effective and workable system for coordinating New Jersey's system of higher learning. Why the rush to judgment? Why the need to invent an entirely new system on a moment's notice? If, in fact, the aim is to streamline higher education governance and ensure maximum efficiency, then let us study, reason, and work together to ensure that what we come up with -- whether it be a minor modification of the current system, or something more drastic -- is the best possible system that we can devise.

Now, we have several major concerns regarding the pending legislation:

First, we are concerned that the legislation, if enacted, would lead to higher tuition and fees, thus creating hardships for students, many of whom could find themselves priced out of the higher education marketplace. The Board of Higher Education has long been active in supervising institutional expenditures and preventing the unnecessary and costly duplication of academic programs. These efforts on the part of the Board have helped to limit State moneys needed for higher education, and have also acted to limit tuition charges for students enrolled in the State's public institutions of higher learning.

The advent of a so-called "free market" system, in which individual institutions will be granted substantially increased autonomy, including autonomy over program offerings and tuition rates, will lead, in many instances, to substantial increases in tuition to compensate for constrained State appropriations, and to fund new and expanded academic programs and services.

Not every State college needs an engineering school; neither does every community college need to start offering costly programs in highly specialized and exotic disciplines

that are already offered by the community college next door. We do not contend that every board of trustees and every president would seek to build new empires; however, we do believe that the temptation will exist in all too many instances for institutions to initiate costly programs and attendant services that will duplicate those offered by other nearby institutions. Where this happens, it will be the students who must bear the brunt of such increased institutional costs, in the form of increased tuition and fee charges.

Which students will be most affected by substantial increases in tuition? Not students from families with high incomes, to be sure; most such students still attend college out-of-state. It will be minorities and students from working and middle-class backgrounds who will be most seriously impacted, unable to afford steep increases in tuition and fees.

Nor will these students necessarily be able to count on financial aid to make up the difference. If the amount of aid that is available on a statewide basis remains more or less constant while tuition levels increase significantly, then, clearly, something will have to give. Either the State will have to limit the amount of financial aid that each student receives, or limit the number of students who will be eligible to receive such aid. This is not an improbable scenario; in the past we have faced this problem with New Jersey's TAG Program.

Our second concern: We believe that access and equity will be imperiled under the proposed system. Consistent with the goals of past governors and legislators, the State's Board of Higher Education has sought to provide access to higher education for groups which historically have been excluded from enrollment in New Jersey's colleges and universities. Such a policy reflected the heartfelt need to promote opportunities for all deserving people, as well as a recognition of the

significant role that a highly educated and skilled workforce plays in a State's economic development.

Over the years, the Board of Higher Education has implemented various policies and action plans to promote access and equity at all institutions of higher learning in New Jersey. As a result, we have seen several members of minority groups appointed as college presidents, a modest rise in the employment of minorities as faculty members and administrators in the State's colleges and universities, and an appreciable increase in the number of students of African-American, Hispanic, and Asian ancestry on college campuses throughout New Jersey. All those persons serve as role models for young members of minority groups throughout the State.

Without a specific statewide action plan to continue this progress, we fear that the ideals of access and equity will atrophy at many institutions in the State. We at Essex have reason to believe that, under the Governor's plan, not all college trustees and presidents, many of whose primary commitments and aspirations lie elsewhere, will give this matter the same serious concern as have members of the Board of Higher Education.

Our third concern: We believe that the proposed system, if enacted as currently envisioned, would retain too little accountability at the State level. The proposed Commission on Higher Education, by virtue of its substantially weakened authority vis-a-vis the current Board and Department of Higher Education, would prove to be generally ineffective as a coordinating body. By definition, coordinating bodies coordinate. They prescribe minimum academic standards that institutions must maintain; they prevent needless duplication and proliferation of academic programs; they initiate measures to ensure administrative efficiency in the colleges and universities they oversee; they adjudicate conflicts that arise among and between constituent institutions; they serve as a

final arbiter of student appeals; and perform numerous other critical functions. This is not to say that State coordinating bodies must be heavy-handed in carrying out these functions. Yet it is imperative that each of these above-mentioned responsibilities be carried out in order to ensure that acceptable standards are maintained. By abandoning such fundamental responsibilities of oversight and control, the State would be relinquishing a large part of its obligation with regard to higher education governance.

Our fourth concern: We doubt that the proposed Presidents' Council would function effectively as a generator of policy recommendations and as an adjudicator of conflicts among and between constituent institutions. College presidents, of necessity, serve and protect the interests of their own institutions. This parochialism militates against and thus inhibits sound decision making and consensus building regarding relevant statewide issues. The Board of Higher Education, on the other hand, is comprised of individuals who are dedicated to taking a statewide perspective on planning, resource allocation, and policy development, and who have proven their ability to fairly and effectively adjudicate conflicts among the State's colleges and universities. To substitute the Board's proven coordinating and adjudicative ability with a council of presidents is to invite perpetual gridlock.

Our fifth concern: We are concerned about the probable politicization of higher education governance and appropriations that would take place if the legislation were to be enacted. This is a plan, after all, that proposes to have institutions individually negotiate their budgets each year with officials in the Treasury Department and that also calls for members of the Commission to be appointed by and serve solely at the pleasure of the Governor. This proposal flies in the face of efforts in New Jersey and elsewhere during the past

30 years to depoliticize the appropriations and decision-making process regarding higher education at the State level. Even should the Whitman administration prove to be scrupulously even-handed in its allocations and oversight, there is no guarantee that subsequent administrations would follow suit.

Finally, we believe that the proposed new bureaucracy would be more cumbersome and more costly, in terms of the total commitment of public moneys, than are the Board and Department of Higher Education. The proposed higher education governance structure is awkward and confusing, as even a cursory review of the proposed legislation indicates. Instead of the single point of authority that we presently have, under the Governor's plan we would have several points of authority. This decentralization of authority raises concerns about reporting lines and potential problems of communication and coordination of objectives and work-flows within the proposed governance structure.

Moreover, under the proposed system, several bureaucracies, each with its own staffing and other support requirements, would replace the one that currently exists -- all in the name of streamlining. The proposed Commission on Higher Education would have to be staffed; the Department of the Treasury would need to hire budget officers and other personnel to oversee institutional finances, budget requests, financial aid processing, and grant and other funding requests; the Department of State would need to hire certain personnel to oversee its higher education-related activities; individual institutions would have to underwrite the considerable operating expenses of the Presidents' Council; and institutional contributions to the respective higher education associations would no doubt increase, in response to the increasingly competitive nature of the higher education appropriations process. In this so-called new "free market" environment, many institutions would also feel compelled to

hire public relations agencies and lobbyists to "spread the good word" to the Governor, to members of her Cabinet, and to members of the Assembly and Senate, about the vital role they play in educating New Jerseyans.

It is worth noting that none of these expenditures would be directly applied to the instruction of students -- and instruction is, after all, the *raison d'etre* of higher education. Every dollar that institutions must spend on selling themselves via institutional marketing, public relations, lobbying, and otherwise investing in the new system will be a dollar less they have to dedicate to student instruction. Given current trends in the financing of higher education, institutions can ill afford to spend increasing amounts of money on activities that do not directly benefit their students.

In short, we believe that the Governor's plan would, in fact, be more cumbersome, more susceptible to political intervention, more costly to families seeking to enroll their children in New Jersey's public colleges and universities, less efficient in its use of State resources, and less likely to ensure access for minorities and working-class individuals.

Two or three years from now, the jury -- that is, the citizens of this great State of New Jersey -- will sit in judgment on this legislation. Substantially increased tuition and fees at colleges throughout the State; the use of public funds by one or more institutions for questionable purposes; the growing differential between the needs of and appropriations for urban institutions; the topping off of or decline in opportunities for minorities; the unnecessary and costly duplication of programs from institution to institution; and the increasing role of politics in decision making -- all these may prove to be problematic for those persons in academe who supported such legislation, and for those of you in the Assembly and Senate who did likewise.

How ironic it is that I, a college President, should be before you today, arguing for a system that provides strong centralized control in statewide higher education governance. In truth, as much as any college president, I value the principle of institutional autonomy, but I also realize that autonomy must be balanced with accountability to the millions of people who support higher education through their tax dollars and tuition payments. Bodies such as the Board and Department of Higher Education are indispensable in helping to ensure such accountability.

Again, I respectfully request that action be delayed on this most crucial matter, and that members of the Assembly and Senate, the Governor and her staff, and representatives of higher education, give this matter the attention it deserves. To move ahead with the proposed legislation as it currently exists would be inimical to the best interests of the State and its citizens. Let us study this issue at greater length and in much greater depth, entering into constructive and extended dialogue and debate. By so doing, we will help to ensure the integrity and viability of New Jersey's higher education system for decades to come.

Thank you, Mr. Chairman.

SENATOR EWING: Thank you.

Questions? Yes?

ASSEMBLYMAN BRYANT: First, let me thank you for your remarks. I think the hallmarks of what you have given to this Committee -- accountability, oversight, access, and equity -- you must take into consideration in terms of what the responsibilities of legislators are.

May I ask, through the Chair, that his entire remarks, if he has them available at some point in time, be sent to us?

SENATOR EWING: Can you stay for a few minutes, Doctor, while we get copies made, please?

DR. PATRICK: Sure.

SENATOR EWING: Thank you, Dr. Patrick. You better get about 12 or 15 copies. (speaking to Aide) We'll owe Edison some more money.

SENATOR MacINNES: Turn up the heat while you are out there, will you? (laughter)

SENATOR EWING: Dr. Eichoff's daughter is in charge of the building. We ought to call Harold and ask him to get his daughter to do something. We have asked her already.

SENATOR MacINNES: That's what happens with autonomy, you see?

SENATOR EWING: I don't know if I can advise and consent on your position.

ASSEMBLYMAN GARCIA: You're being so nice to me, Senator. You are being very nice to me.

SENATOR EWING: Thank you very much, Dr. Patrick.

DR. PATRICK: Thank you.

SENATOR EWING: Carolyn Landis.

C A R O L Y N L A N D I S: I am Carolyn Landis. I am a member of the Board of Higher Education, by virtue of the fact that I serve as a Trustee of the New Jersey Institute of Technology. I also serve as a Trustee of two private colleges in other states. I chair the board at one of those schools. I also completed eight years of service on the Middle States Commission on Higher Education, representing them as Vice-Chairman for the last several years.

I have thought a lot about the higher education policy. The purported purpose of S-1118 is to grant greater autonomy to public institutions of higher education. In fact, however, S-1118 has very little additional autonomy given to most of the institutions. The State colleges benefit most directly, but not in great measure.

The primary impact is to transfer power and authority from the Chancellor, in particular, and the Board of Higher

Education to the Governor. Others have suggested amendments which might ameliorate that wholesale transfer of power, but even in total those amendments are inadequate. In order to grant increased autonomy to State colleges and simultaneously avoid a disastrous dismantling of the higher education governance system, the Legislature must, in my opinion, do one of the following: Either strike all portions of S-1118 except those provisions which specifically assign to the State colleges -- and, in some cases, the community colleges -- and to their boards the same powers now enjoyed by public research universities, and establish a blue-ribbon commission to conduct a thorough and inclusive evaluation of the existing structure to recommend further restructuring, if necessary.

Alternatively, the Legislature could withdraw S-1118 and pass S-1119. Regardless of the alternative chosen, it is imperative that a thorough and deliberative process be established for evaluating the existing structure and proposing revisions.

It is also imperative that the existing structure and any revised structure be evaluated against the standards of unity, - principal department status, accountability, and political insulation.

I, and other members of the Board of Higher Education, would be pleased to cooperate in such an endeavor.

Thank you for your time. I would be glad to answer any questions.

SENATOR MacINNES: If I may, Ms. Landis, could you just clarify your comment about the autonomy of the State colleges in relationship to the research universities, and what your recommendation is there?

MS. LANDIS: It is my understanding that the purpose of this legislation is to grant greater autonomy to the institutions. When I read both the report of the Advisory Panel and specific sections of the bill, I don't see any

significant changes in the autonomy currently enjoyed by the New Jersey Institute of Technology, Rutgers, or UMDNJ.

SENATOR MacINNES: I see. Do you think they need to receive greater grants of autonomy?

MS. LANDIS: I think it would be the best way to accomplish the intent of the legislation to give that type of autonomy to the State colleges and, to some extent, to the community colleges. Because of the county relationships, there are differences. I do not believe it is necessary to grant additional autonomy to the senior institutions. They function quite well as it is. I do believe it is a tragedy to destroy very valuable functions in the process.

SENATOR MacINNES: Thank you.

SENATOR EWING: Thank you.

MS. LANDIS: Thank you.

SENATOR EWING: Robert Polakowski? (no response)
John Wilson? (no response) Linda Epps? (no response)
Haskell Rhett? (affirmative response from audience) Mr. Rhett is President of the Woodrow Wilson Foundation.

H A S K E L L R H E T T: Thank you, Mr. Chairman.

I am a member of the Governor's Advisory Panel on Higher Education and Restructuring, I am not going to file written testimony, that Panel report contains my views on the restructuring, but I have a few comments I would like to make.

As you indicated, my day job is President of the Woodrow Wilson Foundation in Princeton, a national educational foundation. For 12 years, I worked in State government as Assistant Chancellor of the Department of Higher Education, responsible, in turn, for designing the student aid programs and operating them, and finally as Chief Fiscal Officer of the Department in charge of its budget operations. Just as my friend, Carolyn Landis, I am a Trustee of independent colleges in other states, as well as independent schools. And I am a

Trustee of Trenton State College, where I am Chairman of the Finance Committee.

I totally support, as a Trustee both here and elsewhere, the increasing of autonomy granted to boards of trustees. I am concerned about the misinformation that is present throughout this and other hearings I have attended about what boards of trustees do and how they do it. I know there is an interest here in how we set tuition. At Trenton State College, for instance, that buck stops pretty close to my desk as Chairman of the Finance Committee. I can tell you that we are not going to raise tuition 24 percent, or 25 percent, or any of the other kinds of numbers you have heard. Nor does the tuition model we have created even allow parameters like that into it.

I think you have to understand that those of us who have taken the oath of public office as State college trustees, take an oath to serve the State of New Jersey and to serve the public good. As we consider tuition, as others have testified, we look at the Higher Education Price Index for the goods and services we have to pay for. We look at the inflation rate, and we try to keep tuition as low as possible. It is not our purpose to raise it beyond any limit that would affect the access to college, because in our college, and in many others, we would have to generate the financial aid to match that tuition increase to keep the level of access open. At Trenton State, we are quite willing to defend our access and, more importantly, our retention rate for disadvantaged and minority students, whose access without quality education and a degree would be a joke.

Currently, we are looking at if the salary accounts are fully funded, and if attrition is treated as it is put forth by the Governor's Office, we are looking at a tuition increase of 3.5 percent, potentially, at Trenton State. If some of those parameters do not work, we are looking at

tutions that might be as high as 5 percent. If the tuition should, because of budget shortages, go beyond the 3.5 percent of the TAG Program, we would, of course, make up supplemental grants for those TAG students, so that, in effect, we would find the resources to make those TAG students whole.

I must add that currently the TAG table at Trenton State College falls far short of tuition, and falls far short of any other State college's relation to tuition, what I can only view as a punitive measure from the Board and Department of Higher Education. Our students are disadvantaged in the TAG Program, and I can tell you, as the architect of the Program, that that was not its design, to be used as a political tool.

But anyway, the range of tuition we are considering, I think, is one that will keep access open, and is not open to some of the rhetorical charges I have read about and heard about.

I am also concerned that people feel we are losing the buffer against political influence. In my view, the proper buffer against political influence at a college is its board of trustees. Thanks to a visit of one Kaleab Muhammad this year, our trustees had a full A to Z exercise in how to act as a buffer against political influence. Some of your colleagues approached us directly, and said that our State appropriations would be cut if that speaker were allowed to speak on our campus. It was not the Board of Higher Education nor the Department nor the Chancellor that defended the right of free speech on our campus. It was our Board. It was our Board that told our President to go ahead with the plans to have that speaker and, indeed, we did.

Let me say one more thing about access in terms of disadvantaged students. We have a successful EOF Program on our campus. There are some limitations to the EOF Program. I worked with that program closely, and am proud to have received one of its leadership awards. I used to sit on the EOF Board.

None of us concerned with that program would say it is perfect, just as no student assistance program is perfect. And there are some limitations about income in the EOF Program that often, in certain populations, work against perfect access.

So at Trenton State we have taken our own resources and have expanded -- starting next fall -- with a Trenton State College-funded EOF Program that keeps the same absolutely necessary tutoring, mentoring, summer support, tracking systems. These students will get all the educational treatments necessary for the EOF Program. We are putting our funds in to extend beyond some of the income guidelines for the program that we find prohibitive with the students we are trying to attract to Trenton State in the terms of access.

A couple of comments that have been made in other testimony-- I would just like to comment on those in terms of the discussions in the Panel as we came to our report. One is, take a close look at the student aid administration during what I think should be a time of transition. Our Panel report was unequivocal in that the student aid administration should be combined under the statutes of the New Jersey Higher Education Assistance Authority, a powerful set of statutes that predate the establishment of the Board of Higher Education. That is not what is embodied in the Senate bill, and I understand why. There are a number of changes that cannot be done immediately, and should be done in a transition period. But I am worried about things like all of the Student Assistance Boards' regulations such as TAG tables and other arcane technical regulations having to go through the Commission as well.

It seems to me that if the impetus of this bill is to recognize the autonomy and competence of public boards in this State that the Student Assistance Board should be able to move quickly to enable its own student assistance to reach students without the delays necessary of double-stepping regulations

through boards. We experience some of these problems just due to calendar in the Board of Higher Education, not due to contrary interests.

The matter of Cabinet level status: It was our thought, as I recollect it, in the Commission, that Cabinet level status should be assigned to the Chair of the Commission on Higher Education. There is some testimony that urges you to consider granting Cabinet level status to the Executive Director of the staff. We thought it more important to have a public member of the Commission leading the Commission to have that status, rather than the staff director. I think we were clear about that.

I would agree with my friend, colleague, and mentor, Ted Hollander, that visitation rates -- visitorial powers, I guess would be the legal way to say it, are dynamite, and you ought to look carefully to whom, or to what agency they are assigned. We suffered at Trenton State from the visitorial powers of the State Board of Higher Education. I do not believe that the 18 months of investigation into our housing program, into a program approved by the State Board of Higher Education, if you looked at the cost, if you looked at the staff time, and if you looked at the quality of the result in terms of a report, or, for that matter, of the tangible results of that visitation-- I do not think you would see that as a worthwhile expenditure of State dollars. There was a case, incidentally, where our State college found it necessary to have its own legal counsel, because we would have had a conflict of having the Attorney General advise the visited and the visitor otherwise.

With regard to the budget process, there well might be some clarification needed. It is difficult to read the proposed statute and see if the intent of the Panel was to have institutions submit a budget directly to OMB, and a copy of the budget to the Presidents' Council and the Commission, who would

then have the responsibility, as Ted had inquired in his testimony, of who puts together a summary budget. I would suggest that the Commission would do so, but the intent of the Panel was not to recommend that the Commission have the budgetary powers that Ted and I once enjoyed as we put together the State Board's budget, but rather to advise in a policy sense on the priorities for expenditure, especially those marginal expenditures that are new initiatives above the funding base. But there definitely ought to be a coordinated approach to that budget. It does not restrain the institution's ability through their board of trustees to present budgets directly to Treasury.

I do support the idea of TAG entitlement. Should any of you be interested in looking at how this is done, New York State has its Tuition Assistance Program, called TAP, which is an entitlement in New York State statute. You could talk to the people in Albany, as well as look at their statutes to see how effective that has been. I think it has been one of the most effective access mechanisms in the United States. I only wish that the Federal government felt as strongly about the Pell program as Albany, the Board of Regents, and the Governor in New York feel about the exemplary TAP program.

Finally, on a relatively minor note, I notice that the veterans' approval agency of the Department of Higher Education is preliminarily assigned to Military and Veterans' Affairs. I am not so sure about that. That is a relatively arcane small activity, but it is a licensure activity. It does not provide benefits directly to veterans. If it did, it should go to Military and Veterans' Affairs probably. But what it does is simply approve, institution by institution, the eligibility for participation in veterans' programs. Thus, wherever the licensure function goes, I would think that the veterans' approval agency should follow.

I would be glad to answer any questions about these remarks.

SENATOR EWING: Thank you.

Senator MacInnes?

SENATOR MACINNES: Senator Martin can go.

SENATOR EWING: Is he older than you?

SENATOR MACINNES: He is senior, yes.

SENATOR EWING: Yes, okay. Senator Martin?

SENATOR MARTIN: A couple of points you raised: You spoke about the fact that there should be some need, perhaps, for some fine-tuning with respect to the process of the budget. As I understand it -- and you alluded to this -- under this proposal, each college will have to go to the Department of the Treasury and -- negotiate isn't the word -- but ultimately the reconciliation as to whatever dollars will flow to that State college, or other institution, will be determined vis-a-vis directly the Department of the Treasury. That is the way the statute is written, or the legislation is written now.

Isn't that going to be very cumbersome if each college has to do their own negotiation with the Department of the Treasury?

MR. RHETT: Well, each college now does its own negotiation with the Department of Higher Education, and then, strange to say, their attention does not diminish or stray when it becomes the Governor's budget and is sent to the Legislature. Each college, as all of you well know, tracks their own interests into the Legislature and finally into the appropriation. From a college board of trustees' point of view there isn't much difference there.

In other words, we do not formulate a budget that represents what is needed at a college, throw it over the hopper, or over the transom into some hopper and then go sit by the TV to see what we are going to get. We negotiate--

SENATOR MARTIN: Well, let me ask you, in your expertise and Ted Hollander's expertise, when they came to you, with your, you know, just your background in the educational arena, especially with higher ed, it would be different, I would think-- If someone came with a proposal that was new, it seems to me that you would have, perhaps, with your expertise, more of an ability to be able to just instinctively have a feeling for what the dollars might be and whether the program was worthwhile, as opposed to someone in the Department of the Treasury whose -- his or hers-- responsibilities are across-the-board, and not geared toward education. Do you foresee someone who is going to be hired in the Department of the Treasury who is going to be someone like yourself had been in the Department of Higher Ed?

MR. RHETT: I would sure hope that I would foresee a higher education unit, or a higher education budget analyst in Treasury, yes. I would think that, as we speak-- I am not an expert on the current operations of Treasury, but I certainly know that in the past there were budget analysts assigned to specific departments who had expertise in those areas. Indeed, when we had a budget officer, as there still exists a budget officer in the Department, there is sort of a lively commerce in people back and forth. As someone reaches a certain level or seeks a promotion, they might to to Treasury or come from Treasury to the Department. There is a shared knowledge that, in my day, even extended to some of the legislative analysts who specialized in higher education. So I do not think there is a-- I guess this is kind of self-demeaning. There is not a terrible lot I knew about higher education budgets that was not shared by people, in my day, both in the legislative staff and on Treasury's staff.

SENATOR MARTIN: Well, given the fact that we are still crafting this legislation, would you like to see some more structure in this legislation regarding what you suggested

as far as a policy -- as the suggestions review process of the Commission, and perhaps something more specific as far as the Department of the Treasury is concerned? I am looking for suggestions.

MR. RHETT: No, I wouldn't, Senator. If I have any problems with legislation in general, it is that that kind of administrative detail seems, to me, to be best left out of statute itself. There may well be some regulatory explanations that, of course, have the force of law.

SENATOR MARTIN: Except that the Commission cannot make rules and regs under this. I guess it would be through the Department of the Treasury.

MR. RHETT: Well, the Commission has regulatory powers. Anybody in the higher education arena to which you assign licensure has de facto regulatory powers. You could not set up a Commission that had no regulatory powers and ask them to license.

SENATOR MARTIN: Yesterday, we got a conflicting opinion on that. I am not entirely sure whether the Commission can set rules or regs. I am not suggesting that you are wrong. I just simply do not know.

MR. RHETT: No, I am simply saying that with some-- I will defer to others to argue out what the Commission should be, but I am simply saying as we recommended it from the Panel, it was manifestly a Commission that would have selected regulatory powers. The two that I recall distinctly being discussed at length-- One was the regulatory power of licensure. That one cannot get lost in the shuffle, and I can say that as a veteran of-- Some old hands in Higher Education remember the college that Carl McIntyre tried to found down in Cape May someplace. We used our licensure powers to stop the Radio College of America, or something like that, that they tried to put up.

The other one is with regard to programs. The Commission, in our Panel report, clearly had approval power -- final approval power -- over programs that would change an institution's mission. That would answer the charge of-- Someone who spoke earlier said that every State college should not have an engineering school. I quite agree. Were a college to propose having a law school, a medical school, or something like that, it would be a change of mission, and it would come to the Commission, and its verdict would be final. So there are some, as proposed, regulatory powers.

SENATOR MARTIN: Well, they could do that, I would submit, without necessarily the rule-making authority. They could simply approve or not approve under the statute.

But aside from that, you mentioned the fact that you thought the Chair of the Commission should be the spokesperson, the quasi-Cabinet person. Do you envision-- I have some concern that the person who does that-- I cannot imagine someone who could do this without devoting almost full-time to this responsibility, and yet it is a voluntary position. The spectrum of individuals who might be able to devote that type of resource -- that time and attention, to me, seems to be relatively small.

When you discussed this in your advisory group, what did you envision? You know, what is the universe of people who could handle that function?

MR. RHETT: I think it is the same universe of people we have seen provide years of dedicated service to the State Board of Higher Education, people whom I much admire. They have put heavy-duty time into that public enterprise. I think there are a lot of people in this State of exceptional ability and experience who would be able to do this, based on my experience with the State Board of Higher Education.

SENATOR MARTIN: But you would agree that it is limiting, because there are not many people who have the

economic and perhaps the other, you know, time opportunities to be able to not only serve on the Commission, but also act as the spokesperson for that group with Cabinet status, because that would be the only Cabinet position, that I am aware of, in which the person was not a full-time paid person of the State.

MR. RHETT: That's true in New Jersey, yes.) In other states, I am under the impression, there are models like that. Certainly the model that I discussed on the Panel was Cabinet status such as on the Federal front for the United States Trade Ambassador or the Ambassador of the United Nations, in the sense that this person would not be a de facto full-time member of the Governor's Cabinet, but would be asked to attend any discussion that bore on higher education. Again, that has not been done in New Jersey. That is a departure. But I do think there is a pool of people-- I mean, let's face it, there are limitations on who serves in the legislative office. Not all citizens have the wherewithal to devote the time that you do, at the pay level, with expense to whatever their other occupation is. So one has to deal within those parameters both in legislative public life and also in my own experience as a volunteer.

SENATOR MARTIN: If I may, just one other area. You are a Trustee of Trenton State. Now, I know there was testimony yesterday that I think Trenton State's tuition is \$800 more than the Jersey City State College. The two Presidents were here speaking simultaneously. Is Trenton State the highest tuition among the State colleges in New Jersey?

MR. RHETT: I do not have those figures in my head. If it isn't, I am sure it is in the top bracket of the State colleges.

SENATOR MARTIN: The differential-- You testified, and I am not second guessing the fact that the cost you set is as low as you deem you can provide and still provide quality, access, and the other criteria. And yet, there is a

differential. Do you see that differential growing among the State colleges with independence?

I mean, let's put this in perspective as I understand it. Trenton State enjoys a reputation which, I think, is without-- It is the highest that I know of for a State college in New Jersey. Given that reputation, if Trenton State increases its tuition, it may, in fact, actually create more of a reputation that differentiates itself from the other State colleges, as I see it.

MR. RHETT: I can speak for the current crop of trustees at Trenton State College who do not believe in what in higher education is called the "Chivas Regal" theory, which is you price up the product and put it on the shelf at a high price and it attracts a better market.

SENATOR MARTIN: But I have seen some of the publications and you laud your faculty, as well you should, but with more money, if you were able to separate yourself out as far as tuition, it seems to me with increased revenues, you would be able to attract an even more prestigious faculty, and you would be able to have certain types of facilities, it seems to me, that would create an even more attractive environment for Trenton State.

I am concerned that given that temptation that-- I am not saying that is bad for quality. All I am saying is, I do have some concern that there may be a growing differential. Yesterday, it was only spoken of in terms of mission of the schools, but it seems to me that with the potential for additional resources, some colleges may be able to do well, with others doing less well.

MR. RHETT: This is a good conversation. I can only give you examples. We could go on for awhile, which I am sure none of you want. One example would be: What would drive our tuition? What is one of the forces that I currently have to grapple with in that role? It is our stated mission to reduce

our adjunct faculty rate. We want to be a distinguished, residential, liberal arts college. We do not want to change our name to "University." We do not want to take on a mission beyond the one we have already taken on. We want a very attractive place in which to come to study with distinguished faculty, and we want the best public liberal arts college we can put together.

To do that, we have to look at our current adjunct faculty rate, which is 19 percent, and our goal as the Board of Trustees -- our stated goal in our five-year institutional plan, copied to the Department of Higher Education, currently going through our governance process, up for a vote next week in a public meeting, is to bring that down to 15 percent, at about 1 percent a year. That is probably the most costly and threatening thing in terms of tuition increases. That is as big a driver as I can summon up right now. I, myself, think that 15 percent is probably a pretty good rate for a State college that is next to a State capitol, because I want to keep the door open for adjunct faculty from State government to work in public policy courses, criminal justice courses, and other things for adjunct faculty to bring the latest news in. Nineteen percent we think is too high. If you had other State college trustees sitting here with me, you would see some rates that are very, very high. I have talked to county college trustees who have adjunct faculties as high as 60 percent. That does not mean that adjunct faculties are bad. It just means that for our mission we want to create tenure track faculty lines to draw the best faculty in America, which is one reason we put in our Faculty Housing Program, by the way.

So that is the kind of thing that does drive tuition, and that is the kind of tension we have as we discuss our budget in our governance system at Trenton State with the students, with the faculty, with the administration, heading toward public meetings where, as you have espoused, we talk

about setting tuition in the Board meetings. That is the kind of problem we have. There is no doubt that if State support goes down, we then, just as others have said, face that kind of knife-edge balancing act where you say, "Well, I wonder if we can keep the goal with regard to adjunct faculty and who teaches our students." Are we going to raise tuition to support that goal, or are we going to keep tuition low and forget about that goal? That is the kind of tension that exists at almost every Board meeting I have been to at that place. And there is no one answer.

SENATOR EWING: Yes, Senator MacInnes?

SENATOR MacINNES: Haskell, is the selectivity of Trenton State College in its admissions process-- I mean, that is what I look at and say-- That gives you some flexibility in terms of setting tuition rates that is not available to Jersey City State College, which probably accepts nearly 100 percent of the applicants. Am I correct that Trenton State does not accept all applicants and that it enjoys a selective rating in terms of admissions?

MR. RHETT: My impression from the data, Senator, is that Trenton State is virtually as selective as Rutgers College or Douglass College. So in the public sector we are in a highly selective group.

SENATOR MacINNES: And within that, is it not, therefore, possible -- following up on Senator Martin's question -- that if State support decreases, and if your drive for excellence continues, that a consequence of that in balancing that carefully and in trying to keep it as low as possible would be tuition rate increases that are beyond what you would like, and will be driven, in part, by the demand-driven expression by students that they want to be at your place, and they are willing to pay to be there?

MR. RHETT: Well, if we accepted only those who were willing to pay the full freight, I suppose that would be a

danger. In fact, one of our goals is diversity. The data reflect that. As I indicated earlier, we are going beyond the size and scope of the State EOF Program this year with a college-sponsored adjunct to that -- a supplement to that EOF Program to ensure a larger number of economically and educationally disadvantaged students.

It is a concern. One could say we have a better market in which to raise tuition than other people do, but I am trying to convey the message to you that that is not the appetite, or the intention of our Board of Trustees.

SENATOR MacINNES: I am not saying it is the intention; I am just saying that it is an inevitable consequence of the economic circumstances you are inheriting. You are going to be moving, if the Governor continues the policy of placing a cap on tuition aid grants and decreasing institutional support-- You are going to be facing the probability -- not just the possibility, but the probability of a two-tiered tuition system where, in fact, you will be driven to accept students who can both meet the higher academic standards that are being set and will require less financial assistance from whatever source to attend Trenton State College. Right? Isn't that what happens in the private sector?

MR. RHETT: It means if you define the box that way-- We are trying to get out of the box. We are meeting with the Trenton State College Foundation, which raises private funds, and more and more funds each year. All of the proceeds from the Foundation go to financial aid. They do not go into the operating budget. They go into financial aid.

SENATOR MacINNES: Approximately how much does the Trenton State College Foundation contribute for financial aid?

MR. RHETT: I think about half a million a year, current operating--

SENATOR MacINNES: What is your total budget for financial aid?

MR. RHETT: I do not recall that figure.

SENATOR MacINNES: Is it \$5 million, or \$1 million?

MR. RHETT: It is probably \$3 million, or something like that.

SENATOR MacINNES: What is the total budget for the institution?

MR. RHETT: I don't recall that, Senator. I'm sorry. I did not bring the numbers with me.

SENATOR MacINNES: Do you mean you can't give me a magnitude-- I mean, are we talking-- Is this \$100 million? Aren't you Chair of the Finance Committee?

MR. RHETT: Yes, I'm sorry. I got off of an airplane from elsewhere and this is just not something I would go to the numbers on.

SENATOR MacINNES: With so many other facts rolling with such ease off your-- Well, that's all right.

The point is, while it is to be commended that Trenton State is making efforts to raise funds privately, and it is to be commended that it has held out standards of excellence, it seems to me-- The only point I am trying to make is, given our current financial circumstances with the State budget and with the policy of this administration, it seems that the likely outcome of this is going to be that the laws of supply and demand, which are, in fact, the stated objective of this administration -- that the consequence of the laws of supply and demand working will be a two-tiered tuition policy at Trenton State College, and a response that will allow you at Trenton State College, within the marketplace, to increase its tuition rates in sort of the way feared by Senator Martin's questions-- It seems there will be a growing gap between the tuition charged at Trenton State and Jersey City State, to use an example.

MR. RHETT: Just a question for information: Is that the two tiers-- I am a little unclear about what a two-tiered tuition policy is.

SENATOR MacINNES: You have tuition aid grant students at Trenton State College. I'm saying, assuming the administration continues its policy that there will be a mandated cap on the increase that can be charged to those students receiving the tuition aid grant, with no allowance for other students, then you will create a two-tiered system. That is the two-tier system I am talking about. That would be true at Jersey City State or at Trenton State. All I'm talking about is, given the market forces, Trenton State College, faced with its conflicting aspirations to minimize tuition increases and to maximize high-cost quality programs, will respond to the market forces with tuition rate increases that are higher than those that could be imposed at colleges that do not demand the same student demand.

I mean, I would be stunned if that didn't happen, if the facts are as you lay them out. I think that was the drift of what Senator Martin was trying to get out. It may be unavoidable. It may be inevitable. It is not immoral, by the way. I am just saying it looks like that-- That seems to be the direction we are going here, given the very strong statements by the administration about marketplace forces on tuition policies. All right? The operation of marketplace forces on tuition policies, a limitation on the increase for tuition for TAG students, and a decrease in State support. Those are the facts -- incontrovertible. All right?

MR. RHETT: Only one fact I would argue with. I would simply say the decrease in State support-- I do not take that as a fact of life, nor do I see the proposed budget for Trenton State College with fully funded salary accounts as a decrease.

SENATOR MacINNES: Well, the budget as I looked at it-- The number for 1995 was lower than the number for 1994. I think that is a decrease in support.

SENATOR EWING: Rudy -- Assemblyman Garcia?

ASSEMBLYMAN GARCIA: I would just like to ask you a question as a Trustee: If you are faced with a cut in your budget next year, would you look toward-- What would be the area you would look toward in cutting? Would it be, like, the remedial programs that are offered? If they eliminate that -- is that \$40 million in remedial aid for State colleges across the State? (no response) Do you think other trustees at other universities would be able to continue providing those services without increasing tuitions?

MR. RHETT: I think it would be a disaster in New Jersey if one were to take diminished support as a reason to cut those services. Those are the last services I would cut. My off-the-wall answer to you is that we would have to delay some contributions from our reserves to capital plans we have. We would have to divert those reserve contributions to operating budgets to cover. But I know I would not cut those. I would hope that other trustees wouldn't either.

ASSEMBLYMAN GARCIA: So you think it would be a disaster to cut that. So maybe as a State we shouldn't look toward cutting those.

MR. RHETT: You know, the fact of life is, this is a very diverse State. It has a diverse population that is changing virtually day by day with immigration. I think that any institution of higher education that does anything that restricts access or diversity is -- the nicest word I can think of is counterproductive. I think the real word is probably "suicidal." It is detrimental to the survival of that institution.

ASSEMBLYMAN GARCIA: Thank you. I'll call you back next year.

MR. RHETT: I'll be here.

SENATOR EWING: Are you up for reelection?

ASSEMBLYMAN GARCIA: No. When the Governor cuts that program.

SENATOR EWING: Thank you.

I don't know whether we should take a 10-minute break and do some calisthenics or what. We have been asking them to key up the room a bit, but the chiller has been turned off for over two hours.

John Wilson and Linda Epps.

J O H N B. W I L S O N: Good morning, Chairman Ewing, Chairman Rocco, members of the Assembly and Senate Education Committee. My name is John Wilson. I am President of the Association of Independent Colleges and Universities in New Jersey. I am joined today by my colleague, Bob Polakowski, our Vice President, who needs no introduction to you, and by Linda Epps, who is the Vice President for Student Affairs at Bloomfield College, who is here to speak today on behalf of our 15 institutions.

Linda?

L I N D A E P P S: Thank you.

Good morning. As stated, I am Vice President for Student Affairs at Bloomfield College. I am here to testify on behalf of the Association of Independent Colleges and Universities in New Jersey.

I want to begin by first commending the Governor's Advisory Panel for a job well done. I am sure it was no easy task to develop a plan to restructure higher education in New Jersey in just a few short weeks. We appreciate their thoughtful analysis, and have confidence in their integrity. The recommendations they made represent an important contribution to a process that will continue to unfold.

We are extremely pleased that the role of independent colleges and universities has been reaffirmed once again as integral to New Jersey's system of higher education. We look forward to working as full partners within the structure.

As I mentioned in testimony to the Advisory Panel last month, for over 25 years, higher education in New Jersey has

been blessed with little, if any (indiscernible) warfare that has plagued many other states. A strong case can be made that this phenomena is a result of the independent sector's essential role in the State's higher education system. Evidence supports this claim. Over 10 percent of our undergraduates are transfers from the State's community colleges.

Independent colleges and universities pursue an expressly public mission: to provide access to high quality education to the students of New Jersey. Eighty percent of the students attending the independent colleges are from New Jersey, and the colleges provide the State with a large population of its graduates. Based on the Advisory Panel's report, it appears that the Panel shares our contention that independent colleges and universities are an essential part of the State's overall system.

We hope the enlightened position of the past will continue to be the guiding philosophy of New Jersey's treatment of our schools. This continuity of policy will help to prevent chaos among institutions and, more importantly, among current students, prospective students, and their families.

We are also gratified that the two statewide initiatives -- the Student Assistance Grants and the Educational Opportunity Fund -- have remained priorities. These two programs safeguard New Jersey's commitment to equity and access for all of its citizens. The Student Assistance Board and the Educational Opportunities Fund Board have complemented each other in working to ensure that minority students, indeed, less well off students of all races and educationally advantaged students receive a fair chance at succeeding in attaining the American dream. No one can argue the notion that a college education is vital for most Americans in order to be successful in their chosen careers. I think few would disagree that the SAB and EOF boards have played an

important role in keeping the needs of students as a priority in not only the institutions, but for the Legislature, the Governor, and the citizens of New Jersey.

In the independent sector, over 23 percent of all of our students are minority. For the last several years, our proportion of first-time, full-time freshmen who have traditionally been excluded because of race, class, and gender, has been over 25 percent. There are few states and not many independent colleges around the country that can make such a claim. Indeed, many public institutions around the country do not have the record of New Jersey's independent colleges, or that of New Jersey's public institutions.

Independent Colleges and Universities will continue to uphold the pledge that all New Jersey residents, regardless of economic, social, or cultural backgrounds, will have access to the very best higher education at prices they can afford. In this spirit, the independent education sector looks forward to a structure that promotes collaboration and cooperation, and one that does not let institutional autonomy become the unwitting vehicle for the elimination of these students; these students who are the least free in our society; these students who have a right to educational advancement. The new structure must retain enough authority so that should a college abandon its commitment to these segments of New Jersey's population, they can be called into account.

Given the fact that by the year 2000 nearly 40 percent of our high school students will be representatives of those populations that have been traditionally excluded, I sincerely believe that this is one of the pressing issues of the State.

This brings me to my final point: While some question whether the politization of high education can be prevented, we believe that the Commission on Higher Education may be able to fulfill that role, if given appropriate powers. If we could change one aspect of the plan, we would recommend that the

Commission Chair have full Cabinet status, rather than being invited to attend when higher education issues are to be discussed.

We make this recommendation because there are numerous important issues facing our State that might not look to have a higher education component, but, in fact, do. Such areas could include: commerce, economic development, research and development, and health care. The Chair should be at the Cabinet table at all times.

Once again, I thank you for the opportunity to testify today, and let you know that I, Bloomfield College, and the entire independent sector stand ready to work with the Commission and the Presidents' Council in order to achieve the most effective, efficient, and fair system for our education in New Jersey.

Thank you.

SENATOR EWING: Can you give us a copy of your remarks?

MS. EPPS: Sure, of course.

MR. WILSON: Mr. Chairman, I have just a few more points that I would like to make before we would be available for questions.

SENATOR EWING: All right.

MR. WILSON: The first is, we are very pleased that the independent sector is included in the restructuring plan. We are particularly pleased by the priority the plan shows for student financial aid. As mentioned by Mr. Rhett, the earlier testifier, we would have preferred the Higher Education Services Corporation model for the delivery of student financial aid, which came out of the Advisory Panel on Restructuring. However, since the first year of operation will include a full study of the financial aid delivery service, we do have hope that on the horizon that Services Corporation might still be achieved.

Another concern of ours is the fact that the trustees who will be invited to be members of the Commission on Higher Education will have terms that expire without them being replaced. We feel the expertise and experience of the trustees in Higher Education is such that they do belong as full partners in the Commission, particularly when you consider that the overall mission of the Commission is coordinating, rather than regulating. There is a regulatory piece, but it is not the majority of the Commission's role. We feel that to have the trustee terms expire would be robbing the Commission of a very valuable resource long term.

A third process that I would like to mention is the visitorial powers. I believe Chancellor Hollander testified on that earlier this morning. We feel there is a redundancy to these visitorial powers that are already guaranteed through the federally mandated, State postsecondary review entity, the accreditation process, and the State licensure process. So we feel there is a redundancy in terms of the visitorial powers.

Thank you, Mr. Chairman.

SENATOR EWING: Thank you very much.

Vincent Altieri, President, New Jersey State Federation of Teachers, and there is someone else -- Ms. Mary Reberio. Mr. Altieri?

V I N C E N T E . A L T I E R E: Yes, sir.

I would like to thank the Committee for giving me the opportunity to address it this morning on this issue. Obviously, since this is almost the end of the second day of testimony, a lot has been said, and I will try to make my remarks brief and right to the point.

Let me say at the outset, I am the President of the New Jersey State Federation of Teachers, which is the statewide affiliate of the American Federation of Teachers. We represent 13,000 educators, including the faculties of the State colleges

and many of the community colleges, as well as support staff in those institutions.

We are here today to testify in total opposition to this proposed legislation. Let me make it clear at the outset that being the President of a labor organization, in this case primarily educators, we have no love for bureaucracy. We have had our share of disagreements, as a matter of fact, over the years with the Department of Higher Education, the Board of Higher Education, or the Chancellor of Higher Education, whomever they may have been on various occasions.

Furthermore, we have no self-interest in defending any existing persons' jobs, if you will, whether it be the members of the Board of Higher Ed, whether it be the Chancellor of Higher Ed, or whether it be the people who work in the Department of Higher Ed. We are here strictly to address the merits of the legislation as we see that impact on the future of higher education in the State.

Since you have already had a full day yesterday of obviously very lively testimony, from what I read in this morning's papers, even though I already prepared my remarks, when I was driving down here from my home in East Hanover -- it is about an hour and a half ride -- I said to myself, "Now, what am I going to say that people have not already said?" And of course, I sat through this morning's testimony, and other people have said some of the things I was going to say.

But I will be very brief, as I said, and right to the point. First of all, we oppose the legislation for some of the reasons that have already been stated. Number one, the issue of accountability. There is no question in our minds that the accountability in the proposed system is paper-thin. It looks good on paper. We predict that the reality is that it will fall flat on its face in practice; that many things will occur, not necessarily here in Trenton or at the State level, but at the individual campus or college site things are going to occur

where accountability is going to break down. We think there is already some history to prove that in other areas that the State has dealt with.

One of the issues, certainly, where we agree with other speakers is the issue of tuition increases, whether it is 5 percent, 10 percent, 20 percent, or whatever. As was stated not too long ago by Senator MacInnes, it is very clear to us that given the Governor's stated policy and, in fact, from what I read this morning, assuming that quote was accurate by the Advisory -- by the consultant to the Advisory Commission who testified here yesterday -- that, in fact, it was because of the policy, if you will, that there would be no new money for higher education. That was the rationale, really, for what has been going on here.

If you take that in conjunction with market forces, tuition increases are inevitable. There is no question in our minds about that. We just want the advocates of the legislation, the people who proposed this, to be honest with the public about that.

There is another issue, certainly, and that is the issue of the accessibility if tuition rates do go up by students who are economically or otherwise disadvantaged. There is no question in our minds that this is a concern that has not been addressed properly.

One other issue which I did not hear brought up this morning -- and I don't know if it came up yesterday in testimony -- is the issue of labor relations. I will predict right here and now that if this is passed and goes into effect, many of these institutions-- I believe the Vice President of Essex County College, Dr. Patrick, made reference to this, so it is not just from my side of the fence, so to speak. It is interesting and, frankly, it was refreshing to hear someone from an institution who you would think has a self-interest in advocating this say the same thing I am going to say. The

colleges are going, in fact, to wind up spending huge sums of money, hundreds of dollars per hour, thousands of dollars per week, to hire lawyers and/or consultants to deal with things such as labor relations, where heretofore that has been done, basically, through the State, in effect, at a much more efficient and cost-effective figure.

We already have experience with one community college under the existing system, where they have spent in excess of \$200,000 to a law firm to try -- in terms of negotiating with our faculty local there and, in fact, I could provide the Committee, if it wanted, with the record of the testimony we had at PERC where this lawyer in the firm that was representing the college was trying to reopen issues that were settled over the last 20 years collectively, either by the courts or by PERC.

Now, it is clear in our minds -- it is easy for us to say this, but it is clear -- that that was simply a stalling antiunion technique. My point is, they are already doing it now, and if this legislation goes through, I would guarantee you that this would happen on a grand scale. So the taxpayers of the State of New Jersey, of which I am one, are going to find out that what we were promised is not being delivered; i.e., an efficient and an effective use of our tax dollars.

Another issue that I read about, and therefore I would like to comment on, is simply that I think if you look at the legislative history of what has happened here in terms of this, the fact of the matter is that until March 15 of this year, there was never any public discussion of abolishing the Department of Higher Ed or the Board of Higher Ed; and since March 15, a discussion of what to do in the absence of the existing structure, which, as I said, we have no great love for. We have no personal agenda in seeing it protected.

But all of the discussion that has occurred since, and all the ideas, are, if anything, highly improvisatory -- improvisational, rather, in nature. Every time someone raises

an objection or a question of what will happen if, then someone else has to think of something to put in this bill. I have never seen, and I am sure many of you have never seen in your careers, as many amendments proposed from people who have outstanding credentials in the world of higher education. Yes, there are some advocates of this legislation from higher ed, and frequently they seem to be, in my opinion, from those institutions and those positions where there would be an increase in power and prestige, and that is expected. But if you look at people from higher education who have testified, or, for that matter, who have just talked in public about this, the general consensus is that this proposal is really probably the worst idea that has hit higher ed in this century in this State.

Now, we are political realists. As was stated this morning by Chancellor Hollander, the administration would like to see this proposal go through, and the administration is fortunate enough to have a political majority in the Legislature, so that the chances of it going through are better than average, let's say. But our task is not just to sit here and go over ad nauseam for you, hour upon hour, of what if this and what if that in terms of each little item in the legislation, but to address this with the public, and that is what we are doing right now in terms of the political realities.

The political reality is that this legislation may very well go through. The political reality is that if you look at it, it has more holes in it than my wife's spaghetti strainer. The political reality is that I have never heard until now sponsors of legislation say, "Yes, two years from now we are going to look at this and see how it is working." In 99 percent of major structural or policy changes, whoever advocates it always says, "You need five years forward to look out and see how it is working. Some people say it won't work." But to say, "Yes, two years from now we are going to

look at this, reexamine it and see how we are doing," I think implies a lack of confidence on the part of the people we see advocating it. I think it is an admission -- a subtle admission -- that they are not really sure how it is going to work.

The fact is, the State, as some of you know already, is already grappling with an error that it made, I believe, in 1987, passing another law where it is now up to the State Department of Education, not Higher Ed, to try to define whether or not the law they passed in '87 to take over State-school-operated districts, specifically now Jersey City and Paterson-- The Subcommittee that reported to the State Board of Ed on May 4 said, "Well, now we have gone five years into that legislation. We have had five years of experience to see how it has worked, and we don't know how to define whether or not we have succeeded, because we don't know how to define what success is."

When I read that -- because I was not present at that meeting -- report, I fell off my chair. I thought that was the most damning admission of failure that I had ever seen in my life. The truth of the matter is, here we are presented with a situation which, I fear, is going to rerun that history. Two years, four years, ten years down the road, we are going to be asking ourselves that question: "How do we know if we have succeeded? How do we know if we didn't succeed?"

If anyone else other than the administration proposed this legislation, if we had come forward to you today with this, I think everyone knows that anyone else would have been laughed out of the room. This legislation is bad from start to finish. It is not a question of fine-tuning it. It is not a question of amending it. It is not a question of trying to work out some details. The political history since March 15 shows one thing -- it is very clear -- that since the State Legislature voted to reduce taxes, it also voted

simultaneously, obviously, therefore to reduce revenues. Someone had to make a determination about what level of government, what agencies would be cut first. Five percent is a small reduction, so the dollar figure really isn't that hard to deal with. So it was easy to look around and find targets as to who could afford, you know, 5 percent in terms of that dollar target.

But the point is, somebody looked around and said, "What agencies can we cut that will have the least likelihood of fomenting political resistance in the inevitable legislative process?" Somebody said, "Well, let's target Higher Ed, because not too many people pay attention to it that much. It is not a darling of the public in a political sense." They thought it was vulnerable. They were wrong. People care. People care about their schools. People care about their colleges. People care about State government. We are getting that reaction from more and more people every day in the general public; that this idea is wrong -- flat out.

Now, all of you, obviously, are elected officials, as I am. Since we are all politicians -- and I do not mean that in a derogatory sense -- we only have one thing with the public, and that is credibility. We can say to them that this is going to be a great idea, that it is going to work out, that everything will be fine. Generally, people tend to go along at the outset. But as time goes on and the public finds out that it is not fine and it is not the real world and things are not going right, we lose credibility. Ultimately, when we lose credibility with the public not only do we lose our jobs, but we do them a disservice.

I am pleading with you today to reject this legislation, not to make the mistake that the State made seven years ago.

Thank you.

SENATOR EWING: Thank you very much.

Jennifer Stanton? Is she here? (affirmative response from audience) Are there three of you together? (affirmative response from audience) Come on up. Also, Sharon Ginsberg and Staci Berger.

S H A R O N G I N S B E R G: Good afternoon. My name is Sharon Ginsberg. I now attend Rutgers University. The largest goal in my life is to graduate from college, and it seems that the State makes it very difficult for people in my situation to do so. My family falls into that category where we make too much money to qualify for financial aid or grants, but with not enough money to pay for tuition, and now it rises and rises.

I started out at the County College of Morris because of tuition. It was less money. I was afraid of tuition hikes, so I went to schools in California which has less tuition for its residents. I went to school there, and when it came time to look for a university, there was no school that impressed me more than Rutgers, so I came back to New Jersey.

I came back to Rutgers, and I started full-time. Unfortunately, my brother started school at the same time when I came back. My parents could not afford both tuitions, so I had to drop down to part-time and work full-time to be able to afford both. I am really afraid right now that if the Board of Higher Education is cut, then they will raise tuition because the Board of Governors and the college President are not accountable to us. They do not really look at what the students need. They are not really in touch with what the students are going through.

An example is: This winter, when school first started and the snow was really bad and it was a negative 20 degrees outside, I had school every day. We would stand outside at the bus stops waiting for the buses just to get to classes. Since the roads were so bad, the buses were running every two hours. So I would be standing outside for an hour and a half in the

freezing cold. My body was frozen, and the President of Rutgers rode by in a limousine. It kind of shows you, like, how close he is with what the students are going through.

It really scares me that someone who is so out of touch with what the students need and what the students are going through just to make it through college, to be working full-time, to be working as many hours as they are to go to school full-time, to be able to afford tuition, to be able to afford books and everything-- They are just not looking at that. They are looking at other things, like, things that just do not seem to be important to the students. You know, the students are what make the school run.

What I am here to ask you is to please show me that my perception of the State's attitude on education for the students that were allowed to go, and who were encouraged to go to higher education, is wrong. Show that you really want students to get an education, and you really want us to go to school here in New Jersey, because it is a wonderful State.

Thank you.

JENNIFER STANTON: I am Jennifer Stanton. Right now, I am a student at Rutgers. I am a representative on the Rutgers College Governing Association. I started out my higher education in the County College of Morris, which was a very fine college to go to. It gave me a good base for my education. While I was there, I also got a lot of experience. I was editor of the paper. You know, I did a lot of things outside of just the school work, and I really enjoyed my time there. However, my experience there was cut short, because I did have to work 35 hours a week to try to get myself through school.

I really have a great fear of this legislation. I see the Board of Higher Ed as a buffer between the school administration and the State. You know, the Board of Higher Ed has been working for us as county colleges and as universities,

and has been doing a good job. I mean, yes, there was a 5.5 percent tuition hike at Rutgers last year, but that was nominal compared to what had been suggested.

There has been a lot of talk about budget meetings and how much input students and community members have into tuition hikes as far as the Board of Governors or Board of Trustees are concerned. Let me give you an example at Rutgers just how much input we have: The budget hearing -- the tuition hearings for the Board of Governors were held at 9:00 on a Wednesday morning. The only notice given was a small, little advertisement in the school newspaper that this was going to happen. Wednesday mornings are when the largest percentage of classes are, so not many students could make it. The few students who did make it there spoke and were basically ignored. I could see the boredom in the faces of the people who were supposed to be listening and taking an interest in us and representing us. It scares me. These people are supposed to be protecting the students' interests, protecting the interests of the universities.

Students make up 78 percent of the Rutgers University community, but these people weren't even listening to us. The Board of Higher Education, if nothing else, will listen to us and will address our needs. My parents have depleted their savings trying to help me to get through school. They are about to sell their house, because they can no longer afford to live in New Jersey. That is a sad thing, because I grew up here. I spent 17 years of my life here, and I would like to finish my education here. If there is no longer a Board of Higher Ed to protect me from unfettered tuition hikes, I am not going to be able to do that. That is what scares me. So I am asking you to reject this legislation and protect my interests.

Thank you.

SENATOR EWING: Thank you.

S T A C I B E R G E R: Good afternoon. I am Staci Berger, the Executive Director of United Students of New Jersey. We are the State student association representing 50,000 students through their student government associations at Hudson County Community College, William Paterson College of New Jersey, Rowan College of New Jersey, Livingston College at Rutgers, Rutgers University, the Newark College of Arts and Sciences, and Graduate and Undergraduate Student Governments at NJIT. We work with Passaic County Community College, the County College of Morris, and a few others that have yet to make formal announcements of their relationship with us.

As you may know, we have repeatedly made public our opposition to this legislation for many of the same reasons that other members of the higher education community, faculty, support staff, members of the Board of Higher Ed have come forward to express before you. However, as students, we have a special and unique role in the educational process. It is we who primarily foot the bill and for us that all of this is being done.

This legislation flies directly in the face of what students and their families have demonstrated they need. Contrary to what Mr. Amos MacInnes said yesterday, we need more democratic decision making, more accountability, fewer administrators, lower tuitions, more financial aid, a larger share of the State appropriation budget, and the unequivocal unyielding protection of our right to access the institutions which receive our tax dollars.

I am not going to waste your time today with a laundry list of what is wrong with this bill. We know, and the people know, that you know this is a mistake. You know that this legislation means the destruction of the higher education system. So, instead, I am going to discuss today what students expect from their elected representatives.

In U.S. history, we were taught that the government operates by the will of the majority; that it can only function fully if those elected as representatives act out the wishes of those who elected them. We are all smart people here, and anyone can see that this process has directly contradicted how government is supposed to operate. This proposal was put together without one iota, not one bit of student input or participation. The idea that anyone but students could possibly know better what is wrong on our campuses is not only ludicrous, but insulting. We live there; we study there; we eat the disgusting dining hall food there; we learn there; we get stuck on line time and time again there; and we deserve to be represented in the decision-making process. Not the token representation that has been proposed in S-1118, two student representatives voting at the State colleges, one graduate student of a county college who does not have the right to vote on the Board of Trustees, and no voting representatives at NJIT or at Rutgers. We do not call that autonomy. We call that "taxation without representation."

The Board of Higher Ed, yes, it has no student representation, and we would sure like to change that. But the Commission that has been proposed has no student representation, and we have not been given any indication that it will have student representation. The Board of Trustee member from Trenton State who spoke earlier this morning referred to the TAP program in New York State. I have had a lot of familiarity with their State student association, the Student Association of the State Universities of New York and the United Student Senate, which represents the Kearny students in the system. Both of those State student associations have automatic representation on all of the higher education financial aid boards in the state. We do not have that here in New Jersey. If we are going to look at other state models, we certainly should look at New York, where the state legislature

determines tuition levels in accord with the Board of Regents at each of the institutions, and with a tremendous amount of public input, a commitment to low tuition, and access and affordability.

The faculty, students, and staff are the lifeblood of the campuses, yet the unelected and unaccountable boards of trustees are the people who are being given a huge chunk of power. This includes the right to set tuition and fees. New Jersey has the sixth highest cost of attendance in the nation. Two years ago, we were the fourth highest. We have only dropped two notches because some of the people in the Legislature were brave enough to offer a tuition incentive cap. I hope you understand the impact you have had in the past two years on middle-income and working-class families who kept their kids in our schools because they could afford to.

By passing this legislation, you would essentially be turning your back on the millions of people who might someday want a degree from our schools. We only want the right to learn, and we do not think that is too much to ask. Yes, there is blood on our campus, but not at the Department of Higher Ed, and certainly not at the Board. Lord knows there are times we have not liked either of those two institutions, but I implore you, before you eliminate them, to do an audit of our institutions as we have been asking for years to find out where our money really goes. Tuition goes up. There is no cost of education formula. We are not told why tuition needs to go up, only that we get a term bill in August. If we do not pay it, we are deregistered and assessed a \$50 fine for not paying it on time.

If you pass this legislation, you will have given up all possibility of ever controlling or eliminating the real educational bureaucracy found at the local level. We need your help to make our campuses affordable and accessible. We need you to find out why people are sitting on classroom floors

taking exams, literally under tables, taking an extra year or more to graduate or not graduate at all, when tuition keeps going through the roof. We need to know why you are refusing to help us. Students and their families know that this whole proposal has been a poorly orchestrated attempt to sell off our colleges. This debate comes at an interesting time.

The first base budget reductions will happen this year. No one, not us, not the faculty, not the staff, can really talk about the 1.7 percent reduction to our budgets, while we are having to deal with losing the only independent board we have. Instead, the Governor is making us run around to defend what little structural power we have, while she hacks away at our budgets.

What we do not understand is why the legislators are allowing themselves to be ken and fodder for the Governor. Folks know this bill violates the very spirit of what the legislators were elected to do. You cannot do this in good conscience or in bad. Do not pass this bill, any part of it. Do not try to amend it. We, the students of New Jersey, do not want it, and we certainly do not want it done in our name.

Thank you.

SENATOR EWING: Thank you.

MS. GINSBERG: Are there any questions?

ASSEMBLYMAN WOLFE: I have a question.

SENATOR EWING: Yes, Assemblyman Wolfe?

ASSEMBLYMAN WOLFE: You represent the United Students of New Jersey?

MS. BERGER: Yes.

ASSEMBLYMAN WOLFE: Are there any other student organizations that represent students in New Jersey?

MS. BERGER: Not at the State level, no. We are the only student association. There was, two years ago, a Coalition of Student Governments, but it wasn't funded, it did not have staff, and it therefore failed.

ASSEMBLYMAN WOLFE: So you represent all the college campuses?

MS. BERGER: Not every college campus, but a significant portion of them, and cost sector -- community colleges, State colleges.

ASSEMBLYMAN WOLFE: Is there a president of the United Students of New Jersey?

MS. BERGER: We have a Chair. We have a Board of Directors. Our Chair is Compton Hubbart from Hudson County Community College, and Gina Guarri (names spelled phonetically) is our Vice Chair. She testified yesterday. I am their staff person.

ASSEMBLYMAN WOLFE: Okay. Right.

SENATOR EWING: Senator Martin, do you have a question?

SENATOR MARTIN: I take it that rather than having increased autonomy, it is your position that you would rather see more State control of Rutgers and the other institutions. Is that part of your message?

MS. STANTON: I am not looking for State control per se. I am looking for State assistance. I don't believe that the Board of Governors or this Council of Presidents have the best interests of the students at heart. I believe the Board of Higher Education had the best interests of the students at heart, worked to cap tuition, worked to better the lives of the students, and worked to increase accessibility and affordability.

SENATOR MARTIN: I am just trying to get-- There are several different themes, one of which is greater student participation in decision making. I think that is one thing that came through. So, regardless of whatever, if legislation is enacted, for example-- I heard your position. You are opposed that there is a Commission that is going to take the place of the Board, which has many of the same responsibilities, maybe not quite as extensive. You would seek

participation on that Board as a minimum. I am not saying you agree with the concept, but you would at least agree that there should be student representation on any board that is going to make decisions that involve student institutions.

I guess your biggest fear is, not the only one, but your biggest concern is connected to tuitions, how they are set and if there are increases that those increases would at least go to areas that you think are going to improve programs for students, as opposed to other missions, if you will, that colleges and universities may use those moneys for.

MS. BERGER: If I may just respond to that, the question of whether we want State control or not State control--

SENATOR MARTIN: Maybe State "oversight" would have been a better word.

MS. BERGER: Well, they are State institutions, and they are paid for by State dollars. The taxpayer has the right to be represented in those institutions. By eliminating the Board and by turning those institutions over to the boards of trustees-- We don't even know who half of these people are. They are self-appointing boards. They pick their own successors, and they make a recommendation to the Governor, who then nominates one of the three people who have been selected from, you know, a very small pool.

You asked earlier who would sit as the Commission head. You're right, there is a very small group of people who would be able to do that, the same way as there is a small group of people who are able to serve on boards of trustees. Our concern is that the people for whom the institution exists have no structural representation in the current process nor under the proposed new process. It is not so much a matter of State oversight, as it is a matter of taxpayer oversight. The people who are footing the bill need to be represented, whether that comes out of having a different -- whether that needs to be dealt with separately, in other words, changing the way

that the boards of trustees are selected so that people from the community who live there, people who pay the bills who go there, and the people who work there are somehow represented on those boards. That needs to happen, regardless of whether you pass this bill or not. There are still fundamental structural problems, which is why we do not think that giving more power to boards of trustees that are not selected properly in the first place is really a smart thing to do.

We would much rather see the problems at the campus level, both in governance and in the financial areas, be addressed before you start to make changes at the State level. If you are going to give more power to the local systems that are not running properly in the first place, why do campuses have millions of dollars worth of debt that they can't pay, and then they are borrowing against tuition dollars? Why doesn't that get checked by somebody? Why do we have to wait until push comes to shove over the sixth highest public tuition in the country before somebody says that something is really wrong? Tuition has gone up consistently in this State, double digits for the last, you know, decade, and no one has said, "Where is the money going to?"

We can't do that. I would love to run an audit myself of every institution in the State, but they are not going to turn those papers over to me. I can't do that. They won't give it to me. They must give it to you people. That is why we are asking for your help.

SENATOR MARTIN: Just one other question: Ms. Stanton, you said you graduated from CCM and now you are at Rutgers.

MS. STANTON: Yes.

SENATOR MARTIN: Did you see any difference as far as administration per se in the two institutions? Can you offer us some model, or you're not--

MS. STANTON: They are about the same. Rutgers University has about the same administration. There is a Board of Trustees--

SENATOR MARTIN: The problems you were expressing you saw at both of those institutions--

MS. STANTON: Yes.

SENATOR MARTIN: --so it wasn't the university status of Rutgers or the--

MS. STANTON: No, not at all.

SENATOR MARTIN: --community college governance procedures at CCM?

MS. STANTON: It is a general trend at colleges that the administration is far removed from the college or university community.

SENATOR MARTIN: Thank you.

ASSEMBLYMAN WOLFE: Mr. Chairman?

SENATOR EWING: Yes, Assemblyman Wolfe?

ASSEMBLYMAN WOLFE: I am pleased to hear that at least two of you are graduates of community colleges. I think that certainly speaks well of the education you got before you got to Rutgers.

I am still not clear on some of the things you are asking for. You are asking for the ability to be part of the budget process, to see the budget or to see the audit? What is it that you are seeking?

MS. BERGER: We want it all. We would like an audit of the last five, six, or ten years of what the State colleges, community colleges, Rutgers, NJIT, and UMDNJ have done with the money you have given them. We should not have to ask for that.

Secondly, in the fiduciary process of applying for budget funds every year and for raising tuition, there needs to be some kind of-- Other states have what is called the "cost of education formula." Arizona, New York, and California figure out how much the institution is going to spend based on

what they need to operate, and then subtract that from what they are getting from the state, and then figure out how much each student should be responsible for. Some years-- In Arizona last year, it was a negative 3 percent. Even though the state had dropped their amount of money, it was a negative 3 percent for what each student was supposed to have to contribute. They got a tuition freeze based on a formula, based on how much it actually cost to educate those students.

We have no idea in New Jersey what it genuinely cost to educate our students. Until we have that, we shouldn't be paying tuition increases above the rate of inflation. There should be no reason why we have to pay more, when we are not even sure what we are getting.

Does that answer your question?

ASSEMBLYMAN WOLFE: I am talking about clarification, maybe not from you, but from our staff whether, as a public body which receives public funds, the institution is required to make its audit. It would seem to me that it should. Whether it has to or not I am not clear.

MS. BERGER: They do independent audits. I am familiar with the fact that some of them do do their own management audits, but not audits of their actual operations, and certainly not ones that are legislatively overseen. In other words, they can hire someone to come in and do a managerial audit, and then come out with the numbers they want. We don't have something, you know, nonpaid for. We don't have a consulting firm, or an investing firm, for that matter, Assemblyman.

ASSEMBLYMAN WOLFE: I have just been advised that the audits are public.

MS. BERGER: Not for Rutgers.

ASSEMBLYMAN WOLFE: You should be able to see your own.

MS. BERGER: Not for Rutgers it's not.

ASSEMBLYMAN WOLFE: You should be able to see your own.

MS. BERGER: But there is no-- Is it a State-done audit, or is it a privately financed audit by the management of those institutions?

SENATOR EWING: Which audit, the one the county does or the one the State does?

MS. FAZZARI: Well, an audit has to be-- This has to be submitted to the Board, and that is public. Should the State auditor go in there--

MS. BERGER: They hire their own, as opposed to the State hiring somebody. They hire someone who is going to come up with the numbers that they want. For example, in 1986, when the Middle States evaluation team came through Rutgers, they said that Rutgers was the most -- and I don't mean to harp on Rutgers, because it is certainly not the only place where there is a problem-- In 1986, when the Middle States evaluation team reported on Rutgers and did their evaluation, they said it was the most bureaucratic, red-tape institution they had seen anywhere. Last year, when Rutgers released their own independently financed audit, this audit came out and said that they had the least red tape of any other public university in the country. Somebody is not telling the truth. It is just that simple. We need someone to go in there and find out what the truth really is. Certainly, the people who have a \$100,000 or more a year job are not going to go in there and say we should cut our own jobs. They are just not going to do that.

If you really want to get to the heart of the bloat and the heart of the bureaucracy, you have to go to the campus level. It's that simple.

ASSEMBLYMAN WOLFE: First of all, you are like my wife. You tell me not to interrupt you. I got that signal.

I have been advised that the Rutgers audit is in the Rutgers Library.

MS. BERGER: It is not that the audits are not public, it's who does the audit.

ASSEMBLYMAN WOLFE: Oh, wait a minute. I thought your complaint when you came here was-- You're saying that currently and in this bill the audit of the budget of the institution where you attend is not available to you. We have just been advised that it is available to you.

MS. BERGER: That's not-- Maybe I didn't make that clear. I am not a student. I am a graduate at Livingston. I graduated last year. The problem is not that the audits are not public. The problem is who's doing the audits. If CCM can hire an auditing firm to come in and give them the numbers that they want them to give them, just like when you hire a consulting firm-- You don't hire somebody to do something that is going to be against your interests. You hire them to do something that is going to further your interests. If you want to prove that you are small staffed and bare bones and don't have a lot of bloat, you are going to hire somebody who can give you numbers that show that. Everybody knows that numbers can be played with. So unless we have a public -- public in the sense that it is done by the Legislature, not public in the sense that you can go look at it in the library-- I guess that is the misunderstanding. In other words, a State-commissioned audit, where the State Legislature would determine who does the actual audit, or you have somebody from the Department of the Treasury do it, or whatever State department does auditing of its own institutions.

SENATOR EWING: Do you feel the person doing the audit is not doing it properly?

MS. BERGER: Well, I don't know if they are doing it properly or the numbers they are being given are not proper.

SENATOR EWING: But you said that what you are worrying about is who does the audit.

MS. BERGER: Right.

SENATOR EWING: Do you mean what company does the audit, or what firm does the audit?

MS. BERGER: Not specifically.

SENATOR EWING: Oh.

MS. BERGER: I mean, I don't care if it is Firm A, B, C, D, it doesn't matter. It is who is investigating-- If you do an audit of your personal assets and you are trying to prove that you are poor, you are going to hire someone to prove you are poor. If you are doing a personal -- you know, an audit of your personal assets to show that you are wealthy, you are going to hire someone to show that you are wealthy. It depends on what you want to get out of the audit when you are doing it yourself. Am I not speaking English? I feel that this shouldn't be this complicated.

SENATOR EWING: Okay. Thank you. Thank you, ladies.

MS. BERGER: Thank you.

SENATOR EWING: Henry Grier -- Green? (no response)
Eddie Manning? (no response) Judith Cambria? (no response)

Are you Mr. Manning?

E D D I E J. M A N N I N G, Ed.D.: Yes, I am.

SENATOR EWING: Oh, okay. You're from Livingston College?

DR. MANNING: I am from Livingston College, Rutgers University.

SENATOR EWING: Representing the EOF.

DR. MANNING: Right.

SENATOR EWING: Please proceed. Thank you.

DR. MANNING: Good afternoon.

Senator Ewing, members of the Committee, I am Dr. Eddie Manning, Assistant Dean and Acting Director of the Livingston College Equal Opportunity Fund, representing the Professional Association of that Fund. I recognize that in speaking before you today, you are fully aware of the Educational Opportunity Fund and have demonstrated a long-term commitment to its future existence and the integrity of the program.

I would like to highlight several issues that need to be considered to truly meet the mandates for EOF's future that both the Governor and the Legislature agree are necessary in preserving EOF's independence.

The Higher Education Restructuring Act of 1994 sets in motion the elimination of the Board and Department of Higher Education; establishes a subcabinet level Commission of Higher Education located in, but not of the Treasury Department; establishes an advisory/policy body, the Council of Presidents; and vastly increases powers of local trustee boards to establish institutional missions and set tuitions, fees, and admissions standards.

The Educational Opportunity Fund program and the EOF Board of Directors will be located under the Commission of Higher Education. The EOF Board and program remain intact, with no significant changes in the legislation from what now exists, except the role of the Chancellor is shifted to the Commission. The Student Assistance Board will be retained for at least another year under the Office of Student Assistance. A year will be taken to study student aid delivery prior to any major changes in that structure taking place.

EOF, both statewide and at the campus level, will be confronted with a radically different higher education governance and coordination structure. The challenge will be to ensure institutional commitment and accountability for EOF and minorities. This will be difficult to support, because the new governance structure not only provides increased powers to institutions and reduced resources at the State level, but also to the potential dispersal of EOF Program responsibilities under the Commission which will be in, but not of the Department of State using the resources of the Office of Student Assistance which will be in, but not of the Department of the Treasury. I do not have to remind you that the downsizing and dispersal of EOF functions and staff to various

offices within DHE has affected our ability to plan, provide timely research, develop new program models, and provide technical assistance to institutions.

In addition, the proposed legislation indicates there are several governance and structural issues that will be studied and revisited next year. These include higher education funding and the coordination and delivery of student aid. Both of these will directly affect EOF. These changes pose a significant challenge to ensure that commitment and accountability to access, affordability, and strengthening for EOF and minorities are maintained.

The State's demographics, future workforce needs, citizenship, and civic vitality requirements demand that our colleges and universities continue to provide broad access and affordability and become more successful in educating minorities and those from disadvantaged backgrounds. A stronger, more visible EOF Program is essential to the statewide and individual institution's efforts. It is important to note that based on experience in New Jersey, other states, and research literature there is no evidence of widespread acceptance or institutional commitment to access and needs of minority and disadvantaged students without strong State level leadership and coordination. Within the proposed new framework for higher education coordination and governance, the following recommendations are essential for future viability of EOF:

- 1) The Commission's level of authority and commitment to access, affordability, and equity: A high level of assurance needs to be given that the proposed changes do not signal or give license to the diminution of commitment to EOF and minority students at our public colleges and universities. One way of ensuring this is that priority must be given to holding institutions accountable for EOF minority access and outcomes in the budget process.

2) Among their top priorities, the Commission and the Presidents' Council should develop -- and include -- in their planning and higher education initiatives to the Governor, steps to strengthen the statewide mission of providing educational opportunity through EOF.

3) Language should be added to the proposed legislation requiring all institutions that receive public support to participate in the statewide mission of providing educational opportunity through EOF.

4) EOF representation in the committee or task forces that will study the future of higher education funding, structure, and student aid delivery.

5) The EOF Board must be able to develop policies that govern the operations of the program, including: developing the annual request, in consultation with institutions; policies governing the distribution of annual appropriations to institutions; regulations governing eligibility and minimum expectations for institutions, including the 10 percent goal and use of EOF funds; maintaining adequate accountability measures to ensure institutions meet the spirit and intent of the legislation and regulations and are taking steps to improve the quality of services for EOF students.

6) Long-standing EOF Board vacancies be filled immediately with citizens who are committed and bring the resources, stature, and talents to ensure that EOF is strengthened and the New Jersey system of higher education is committed and accountable to diversity and equity.

7) Policies and accountability mechanisms to ensure that institutional authority to set tuition and fees and admissions policies will not reduce or eliminate access and affordability for EOF students.

8) The legislation should specifically reference an EOF central staff to support the work of the EOF Board. There

must be adequate central staff resources maintained to carry out the program's goals and activities and to support the Board.

9) Availability of adequate levels of annual funding to ensure EOF students are able to afford the cost of attendance at our colleges and universities and that institutions are able to improve the quality of educational services for EOF students.

10) Assurance that EOF retains carry-forward ability to help cushion the effect of a level appropriation. This will be crucial for Fiscal Year 1995 to ensure that for the upcoming year there will be no dilution of services and support for students.

11) The elimination of the New Jersey College Basic Skills Placement Test will adversely impact campus programs' abilities to identify students and to ensure their placement in the proper course sequence. If this is not restored, it will be an added expense placed on programs in terms of staff time, test development, scoring, and placement activities.

It is our understanding that specific suggested changes are in the process of being discussed and finalized with Senator Ewing.

I have for distribution a sample of these changes which I hope you will consider.

Thank you, Mr. Chairman, for your consideration and your time.

SENATOR EWING: Thank you, Dr. Manning. We will certainly take your changes under consideration.

Are there any questions? Senator MacInnes?

SENATOR MacINNES: Just as a point of information, is eligibility for participation in the EOF Program defined by economic disadvantage, or is it defined by racial or ethnic identification, or is it both?

DR. MANNING: It is partially defined by the prior. The latter has nothing to do with it. It is primarily--

SENATOR MacINNES: So it is for economically disadvantaged people?

DR. MANNING: It is economic disadvantage, as well as academic underpreparedness.

SENATOR MacINNES: Okay.

SENATOR MARTIN: I didn't hear that last answer. As well as what?

DR. MANNING: Academic underpreparedness. Generally, students who come into the colleges and universities through EOF scored differently or lower on standardized measures than students who come through regular admissions.

SENATOR EWING: Thank you very much, Dr. Manning.

Judith Cambria?

J U D I T H C A M B R I A: Good afternoon. Thank you for the opportunity to address you today.

I am Judith Cambria. I am the Chairperson of the EOF Board of Directors, having served on that Board for many years. I am testifying today on behalf of the Educational Opportunity Fund Board of Directors.

The Board met this last Monday in emergency session to review the proposed legislation which would restructure higher education. Our testimony today reflects some positive provisions affecting EOF, as well as concerns raised by the proposed system.

I am pleased that I have the opportunity to -- as it has so worked out -- follow the testimony of the EOF Professional Association. The list of generic-- That listing he gave you is one that has been worked, as we work all the time in the EOF, in cooperation-- The Central Office, the EOF Board, and the campus personnel continually work together on all of the issues. We do not have any problems of intrusion or feelings of that, because we have a collegial, cooperative relationship.

For instance, we just finished-- According to the sunset regulations, you have to review and revise your regulations every five years. We spent over a year with campus personnel and State office personnel working together to completely revise our regulations to make them less intrusive, to make them easier to understand. When we circulated them to the Presidents, the comments we got back were generally just so favorable, saying, "Thank you for improving these, reducing the number of regulations we have to do, and making them more understandable." So, I just want to let you know that we do have a very, very collegial and cooperative relationship.

The EOF Board, when this proposed change was announced, agreed that it was both their legal and their moral responsibility to guarantee the continued existence and success of EOF, regardless of what changes occur. To that end, the EOF Board has engaged in dialogue with all concerned parties to work for the most efficient, effective, and accountable EOF Program possible. We believe the future well-being of New Jersey depends on it, and that our students and our State deserve no less.

Today, we are continuing this dialogue with you, the Legislature, who will be acting upon this.

First, on the positive side, the proposed legislation clearly meets one of the basic requirements set by all those concerned with opportunities in higher education for educationally and economically disadvantaged students. Those are the words we use, "educationally and economically disadvantaged." All people of all races, colors, creeds, etc. are eligible for this program. The basic requirement is the continuation of the status of the present Board as a policy-making entity with power to make and enforce regulations, allocate funds, and monitor and evaluate performance. Based on what we need to do to have an effective

and an accountable program, we could not have accepted anything less.

The Board has found -- it does find unacceptable the restructuring of financial aid functions recommended by the Hartman Panel, in which EOF would lose voting membership in the body which would control student assistance programs. EOF presently has a voting representative on the Student Assistance Board. Because TAG is the essential base of financial assistance for EOF students, the Board simply cannot accept nonvoting status in any changes which will be proposed in the next year.

Having said that, the EOF Board is concerned with several changes embodied in S-1118 which have the potential to affect EOF students negatively. Chief among these is the issue of affordability. Access, retention, and graduation of EOF students are all threatened by moving the unrestricted power to set tuition and fees to individual institutions of higher education. It should be very clear that EOF students already are under enormous financial strain, because of the failure of the State to increase EOF grants to keep pace with increasing nontuition costs. Recently, for the very first time, tuition aid grants were set that failed to cover the full costs for the neediest students. Significant numbers of EOF students already are forced to drop out of college, not because they cannot meet academic standards, but because they simply do not have sufficient fiscal resources to continue.

Large increases in tuition, which very well may not be covered by tuition aid grants because of State fiscal policies and constraints, will impact most heavily on EOF students who are the poorest of the college population. Increases in fees, which are more likely to occur as they are less visible than tuition increases, are not covered by a State aid program such as TAG. EOF's experience with its Article III grants is that increasing grants for costs other than tuition is so difficult

politically that it has occurred only a few times in our 25-year history. That money is the part of the grants that goes to our students to cover costs other than tuition. We have found, when we went to the Legislature and asked for more money for Article III, that, indeed, yes, we could get more money if we increased the number of students, but we could not get money-- It would be very, very difficult and very infrequent that we could get money to increase the grant to meet rising costs.

The effect of either tuition or fee increases will be manifested in fewer EOF eligible students attending college and greater numbers who will be forced to leave before graduation. This will not just be a series of individual tragedies, but will impact negatively on the future economic well-being of New Jersey.

The Board is equally concerned with the issue of access. What means does the proposed restructured system provide to assure that access to all types of institutions and to all eligible students is not denied by colleges and universities declining to participate in the EOF Program? In the face of already reduced fiscal resources and the likelihood of further reductions in State support because of reductions in State tax sources, the pressures on colleges to avoid the costs of services which will enable underprepared students to succeed will escalate dramatically. We know that even in good times, attacks on the provisions of basic skills and other student development programs were never absent. None of the proposed entities, including the Commission, appear to have the authority and the power to stop an institution from shedding these responsibilities by simply not recruiting or admitting less prepared students. Colleges already have the right to set their admission standards, and they are being given the power to confirm and change their mission somewhat. How do we know they will not change their mission so that they won't have to

serve these kinds of people? Despite the EOF Board's status, we are not confident we have the power to require participation and would feel more assured if participation was required for institutions receiving TAG funds.

This has been said here before, but I can say this: I have served 18 years on the EOF Board. I have chaired it for 7 of those 18, and I did the budget for all the other years. The truth of the matter is that experience in New Jersey and in other states, and the literature from across the country, provide no evidence of widespread acceptance or institutional commitment to the access and needs of minority and disadvantaged students unless the State plays a strong role.

I can tell you that there are institutions in this State which will continue to be marvelous supporters of EOF and will go far beyond what EOF requires of them because they have a commitment. I can also tell you that there are quite a number of others which would be very happy to drop it tomorrow.

We are also concerned that access may be limited by a reduction in the size and enrollment of New Jersey institutions of higher education. I am not sure where, but our regulations require that a specified proportion of entering full-time freshmen must be EOF students. If institutions are closed or enrollment reduced, access for EOF-eligible students will suffer a proportionate reduction.

We are very concerned that in only the fourth line of this legislation-- The first line gives it its title. The second line says, "The Legislature finds and declares that--" and a. under that says, "the institutions of higher education are one of the most valuable and underutilized resources--" That is a very frightening word to us in EOF. "Underutilized" says you do not need this much. You can close some of them. You can reduce its size. The minute you do that, I can tell you, the very first students who will not be on our campuses

will be the EOF students. It is a very frightening word. We would use the word "underfunded."

The EOF Board knows we already are unable to serve all those who could benefit from our program. Many individuals formerly eligible for EOF can no longer be served, because lack of funding has forced the Board to freeze our income eligibility guidelines. As a matter of fact, you heard Haskell Rhett, earlier, allude to this; that Trenton State had gone above the guidelines and was providing its own money. We would love to change those guidelines, but if we do we cannot serve all the people who could come in. We are very concerned that we not cut out those we already serve.

We should also point out that minority populations across New Jersey are growing rapidly, thus increasing the need for additional places for EOF students in New Jersey colleges.

We feel it is essential that the EOF Board retain authority, which we now have, or which we have had in the past, to develop the statewide annual EOF budget request and the power to allocate funds to individual institutions. It is clear in the legislation that the Board has the power to administer funds appropriated by the Legislature. We would really like a little more clarity in the statute to assure that the budgeting responsibilities remain with the Board. Now you should be aware that we know that once we make up that budget, it goes to other places where they will make the final determination, including the Legislature, which obviously makes the final determination when you pass the budget. But we want to continue to have the power to make that original budget so we can present the real needs of the EOF, and then it will continue to go through the process. Then whatever amount is given to us, we allocate it to institutions.

Another reason we are very concerned about that is that we have developed an extraordinarily sophisticated system for allocating our resources based on the success and the

performance of each individual campus program. We have an extraordinary system of gathering data so we know who has the best results in graduation, who is doing the best in retention, who is serving our target population as appropriately as they should, and who has the most students who are making progress toward graduation. All of those are taken into consideration. Those that do better get more money. Those that do not do as well get less. We think it is the way dollars should be given out in many other programs, and we do not want to lose that accountability and the ability to reward those who succeed.

As has been mentioned before, we are also concerned -- very concerned -- that the elimination of the New Jersey College Basic Skills Placement Test will significantly affect EOF. This is the assessment that is used to measure the academic preparation and remedial needs of our students. If institutions do not provide some kind of substitute testing, we in EOF will require additional funding to carry out this essential placement process.

We are also concerned with the availability of developmental and remedial courses when economic pressures grow on the budgets of colleges and universities. EOF provides money for counseling, tutoring, those kinds of things. During the summer, we provide the developmental courses through our Article IV moneys. But the colleges and universities, on the whole, provide the developmental kinds of programs.

To give you an example of the kind of pressures on that, I was recently informed that at the Rutgers College Campus in Newark, where they had a loss of faculty lines, the Faculty Senate voted to reduce all of the lines out of the developmental/remedial area. It is not surprising that they would vote to do so if they have more power than those others who don't even have a vote necessarily in that area. But it is a major concern that these will not be available when the pressures are put on.

Just to say from the Board our feelings, assuring that higher education is available to the large population of poor and minority students with the talent, potential, and drive to learn is essential to the economic well-being of New Jersey. But, in addition, it will strengthen the fabric of our society, add to the political vitality of our State, and reduce division between classes and races by providing real opportunity for all.

Thank you very much for the opportunity to speak to you today.

SENATOR EWING: Thank you very much.

Are there any questions?

ASSEMBLYMAN BRYANT: Yes, Mr. Chairman.

I want to first thank you for your testimony. I think, hopefully, we were really listening as to what was really given to us about access and admission. I don't think we can fix this thing 20 years backwards, where we don't mandate access and we don't mandate that our people receiving public funds -- don't allow folks who are (indiscernible) from being part of the major fabric of our universities. For us to do that in 1994 says something about the New Jersey Legislature. Now, if we don't have it in the bill, and that is my understanding, we need to really correct those kinds of things, because if we are trying to change the dynamics of who will be part of what I call a multicultural higher education, then we ought to say that. But I think it is going to cause strife in this most urbanized State in the Union if, in fact, we are not guaranteeing, as we dismantle our education, that there is going to be access to students.

I hope everybody heard what was presented because it is very, very important in their ability to make sure that it is not an elective kind of thing on our public universities. I hope that the Chairman -- since it is his bill -- will be hoping to do some of those changes to make sure that that occurs.

I appreciate your testimony, because that is really a very big concern in a lot of communities. Are we now changing the dynamics of what a university looks like?

MS. CAMBRIA: I would just like to say that I know I have heard Senator Ewing in the past, and I know he is a supporter of the EOF Program. As a matter of fact, I don't know of any legislator who-- You know, I have never, in recent years-- I can remember some past years when I had some, but I don't know that, so I believe that when we speak to you that you will listen with an open heart to our concerns, because I believe you believe the same things we do: that all must have opportunity, and we cannot afford not to have that.

SENATOR EWING: No. I feel strongly about the EOF Program, there is no question about that -- and the TAG program. We have to have those and keep them up.

ASSEMBLYMAN BRYANT: I think the point she is making, Senator, is that it is also an access issue.

SENATOR EWING: Definitely.

ASSEMBLYMAN BRYANT: We are starting to have public institutions saying, "I don't want to have EOF, because it is not in my interest to have it." We need to make sure that the bill states that EOF has to be part of it, if you want to take public dollars. I think that is the point she was making, Senator.

SENATOR EWING: Senator Martin.

SENATOR MARTIN: Just for some clarification: You say on page 3 of your testimony, and this much I do know, "As you may be aware, regulations require that a specified proportion of entering full-time freshmen must be EOF students." Does that vary from school to school?

MS. CAMBRIA: The only difference is that we have two institutions, county colleges -- two institutions that came to us at the Board and said, "Based on the demographics of our county, we are incapable of reaching this. We just have so few

minorities." We had, again, a cooperative look. We went over this. In those two cases, we reduced that percentage for those specific county colleges. If someone else came with demographic information-- It is not appropriate to do at the State colleges, because they can serve anywhere in the State.

SENATOR MARTIN: Absent those two exceptions, is the number the same for all the other institutions?

MS. CAMBRIA: Yes. It is our belief, frankly, that that does not mean they all have the same numbers. In some ways, there is a problem with that, because some then tend to think of it as a ceiling, not a floor.

On the other hand, it is better to have a floor and assure that everyone does participate. But this is in our regulations. We are not sure whether-- We would like to see it more clarified and have it in the legislation.

SENATOR MARTIN: What happens if an institution doesn't meet the 10 percent?

MS. CAMBRIA: Well, we have been attempting-- We have had college presidents come before us to answer as to why they had failed to meet that 10 percent. That has happened a number of times. They have had to then come with programs or assurances that their institution would be working to improve those numbers. We have much more compliance now that we did in the early years after this. It took the colleges a number of years to realize that we were serious about it and that it was important.

Incidentally, this did not come, originally, from the EOF Board. This came, originally, from the Board of Higher Education. We did not feel that we had the power, and they did not feel that we had the power, so this regulation originated with the Board of Higher Education.

SENATOR MARTIN: Theoretically, maybe actually, if a college does not meet its goal or, as you suggested before, the schools do a better job as far as graduating their students and

meeting the objectives of a program-- They will receive more money if they do a better job? And the reverse might be, if you do not do a good job, you are going to get less funds.

MS. CAMBRIA: The reverse is also true. That does happen. However, what we are talking about here is EOF dollars, which is a relatively small number of dollars. There are some institutions which, quite frankly, would say, "That's all right, you keep your dollars. I don't have to match them now," because they are required to match a certain percentage of them. "We will just do without it, because it is an expensive program to run."

What we would prefer, and what we were working with and actually doing with the Board of Higher Education was, we served on the Minority Affairs Committee -- two members of our Board served on that -- and we came to an agreement with them that we would provide the Board of Higher Education with information about how the individual colleges were doing in EOF, which could be used at the time of budget discussions with the institutions of higher education, so that could be used to say, "Your regular budget, not just your EOF budget, can be affected by your failure -- if you fail to carry out the mission and the statewide policy that is involved here."

SENATOR MARTIN: One other question: If we no longer have the test -- I forget the name of it--

MS. CAMBRIA: The Basic Skills Test -- the college Basic Skills Test.

SENATOR MARTIN: --the Basic Skills Test, could you accept the HSPT Test as a substitute?

MS. CAMBRIA: No.

SENATOR MARTIN: We had testimony yesterday that said that the two are not the same--

MS. CAMBRIA: They're not.

SENATOR MARTIN: --although it seems to me that they are pretty close.

MS. CAMBRIA: Well, no. I will tell you, if you would look at the results, you would realize that they are not the same. If you look at the numbers passing the HSPTs and the results of the college Basic Skills--

SENATOR MARTIN: Well, I wasn't interested in the results, but the testing.

MS. CAMBRIA: No, it's--

SENATOR MARTIN: They are both testing essentially reading and writing skills, and math skills, as I understand it, I mean, generally.

MS. CAMBRIA: I also think you ought to be aware that they have very, very different purposes. One is a gate, a barrier, that says: "Unless you pass this, you do not get your high school diploma." Therefore, the pressures on that test are generally not to push it so high. Remember, as many people don't go to college as go to college.

The other one is for a very different purpose. Its purpose is to take whoever comes through the gates of a public college -- if a private one wants to do it, they can, but they are not required to -- to determine what weaknesses you have for college -- to succeed in college level work. If you have weaknesses, then to place you in an appropriate setting so that those weaknesses can be ameliorated. That is very important for statewide policy purposes as a tax base, because we wasted a hell of a lot of money on those who drop out.

SENATOR MARTIN: I don't dispute that there are different purposes. I'll try it differently. Do you see something that is readily available as a substitute for the Basic Skills Test?

MS. CAMBRIA: There are other tests that can be used. Somebody, the EOF Board, or somebody, would probably be looking at what-- We would have to do a study to recommend what might be the best ones. We would probably go out and check with-- I am sure some of our institutions use additional tests beyond

what we have. We would probably look to them for their advice and input, too. But it is something that has to be done.

SENATOR MARTIN: As a practical matter, though, it seems to me that the institutions would still need to be able to try and place their students as far as whatever skills deficiencies they have, for their own purpose.

MS. CAMBRIA: I believe that raises a larger issue. The Board of Higher Education and the Department were those who pushed the whole Basic Skills movement to assure that students who came in with deficiencies would have an opportunity to have those deficiencies removed, so that they could succeed. I am not sure what the powers of the Commission are. I am not sure whether that would continue and, again, whether the price is going to be, "Let's get rid of it." (some testimony lost to transcriber; Senator Martin and witness talking over each other) I mean, those are the uncertainties, and that is not just EOF students. That is for others as well.

ASSEMBLYMAN WOLFE: I just have a question for Assemblyman Bryant. What is it, again, that you asked Senator Ewing for? I want to make sure that we are doing the same thing.

ASSEMBLYMAN BRYANT: Well, one of the things I am worried about is sensibility. I mean, part of the public policy of this State is that we are going to have a mix of students in our public colleges, whether that means EOF students, which means problematic. Right now, through the Board of Higher Education, that is accomplished. In the bill presently, they can walk away from it, and you could end up having a Rowan, which just got \$100 million, saying, "Fine, keep your money. We don't want EOF students. We would rather just go out in the competitive market and get whatever else. We just won't take those kinds of dollars." Therefore, we are going to end up really dramatically changing the ability of folks to be there.

ASSEMBLYMAN WOLFE: You are basically looking for a substantial continuation of the commitment that currently exists towards that program.

ASSEMBLYMAN BRYANT: I think we have to. I mean, that is what the--

MS. CAMBRIA: May I just suggest that if you wanted to put it into legislation, you could say those who accept TAG funds must participate in the EOF. You know, I don't think anyone would turn down TAG moneys.

SENATOR EWING: Thank you.

Dr. Melvin Edelstein.

M E L V I N E D E L S T E I N, Ph.D.: First, I would like to thank you for giving me the opportunity to address you. My name is Melvin Edelstein. I am a Professor of History at William Paterson College. I am also a member of the Faculty Senate there, and I am a graduate of Princeton University, where I received my Ph.D. in 1965.

I am here today because I have two major concerns, which I will address, but I do want to state in the beginning that the President of my college, Arnold Speert, who I am sure you know, is one of the most zealous defenders and supporters of Governor Whitman's plan. You may not be aware, however, that the Faculty Senate at William Paterson College voted unanimously to reject the plan and to urge the Legislature to reject the plan and support S-1119.

I might also add that although the Board of Trustees at William Paterson College has not yet taken a stand, I was at a Board meeting recently and there is a great deal of concern about the Governor's proposal. I am sure you are also aware that the President of my alma mater, Princeton, Harold Shapiro, has been very concerned about the Governor's proposal, because he experienced something like it at Michigan, and there are some deep concerns.

In any case, I am not going to address the whole proposal. I am sure you have heard a lot of testimony. I am just going to address two specific concerns.

It seems to me that the Governor's proposal is based on one fundamental, logical flaw, which I fear will doom the whole enterprise. It is based on the assumption that along with greater autonomy and responsibility to the local boards of trustees and presidents, there will be greater accountability. In my opinion, there is little accountability now of the boards to the public whose interests they represent, of the presidents to the board, and I feel there may be even less so under what is proposed, but certainly I do not see how they would be more. But they will have more power and more autonomy, but not necessarily any greater accountability.

If you think of yourselves, you are all elected officials and, therefore, you are accountable. The system of the boards of trustees is essentially a nondemocratic system in a country that is fundamentally democratic. I am a Professor of French History. There are no boards of trustees in France, nor are there any on the continent of Europe. They are all democracies. So we have -- I cannot say a unique system, it may exist in England, but essentially we have a very different model of education than other countries, because we have boards of trustees representing the public, yet the public is in no way involved in choosing the boards or holding the boards accountable.

I would like to refer to a letter I wrote to the Governor on April 4. I have still not received an answer. I sent that letter to the Hartman Commission. I had intended to go, but I was not able to go. I just want to bring your attention to the fundamental problem.

I wrote: "I am confused and concerned about one aspect of your proposal to eliminate the B.H.E., the D.H.E., and the Chancellor. How will the presidents and boards of

trustees be held accountable? Perhaps you can clarify how this is now, and how it will be done in the future.

"In your speech to the Legislature, you are quoted as saying: 'But more important, we will put responsibility and accountability for our colleges where it belongs, with the individual college presidents and their boards of trustees.' On March 28, The Beacon, which is the newspaper at William Paterson College, quoted the President: 'President Speert said that he thought the best change in this structure is the greater accountability for college presidents and their boards of trustees.'"

I then cited The Star-Ledger, which quoted Governor Kean: "Any structure should provide a statewide system of accountability and responsibility." I am sure you are all aware that Donald Silberman, President of the AFT, has criticized the proposal, claiming: "Colleges would become the private fiefdoms of local boards of trustees and their presidents." So we have two opposing positions. But I do believe that the Whitman proposal stands or falls on the proposition that with increased responsibility, autonomy, and power, there will be increased accountability. I do not see that.

Let me call your attention to legislation. Since you are legislators, you may have looked at -- I believe it is a statute -- 18A:6043, which deals with the boards of trustees' membership term removal. Of course, it is based on the fact that then the Board of Higher Education appoints members to the boards of trustees on the approval of the Governor. That, obviously, will have to be struck from the legislation.

More importantly, 18A:6046, powers and duties: This gives the powers and duties of the board of trustees. It goes through V -- from A to V -- so there are quite a lot of powers. I am struck by one fundamental omission -- accountability. That, however, can be found in the Trustee

Committee, Board of Higher Education, Criteria and Procedure for the Recruitment and Appointment of Trustees. On page 5, it mentions, "Trustees' duties include appointing, supporting, and evaluating the president," so there is no legislation that I know of, other than the Board of Higher Education's guidelines, that says anything about the president being evaluated by the board. How you are held accountable without an evaluation is beyond my comprehension.

Let me turn directly to the specific questions I raised. Under the present system, proposed members of the board of trustees are screened by the Board of Higher Education, and then are appointed by the Governor. Presumably that will be done. The question then is: How will the Governor choose the members of the boards of trustees? More importantly, once they are chosen, how will they be held accountable? They are accountable to the Governor, as they are now. How is she going to hold them accountable? Are they accountable individually, collectively, annually, after their six-year term? On what criteria? I have yet to hear how members of the boards of trustees are held accountable. Does anyone keep a record of their attendance? Does anyone keep a record of their voting? Does anyone know what they stand for? And the public, of course, which is represented by the boards, isn't even involved. It is an incredible system where individuals represent the public in a democracy, but there is no accountability of the board members to the public.

More importantly, because it is easier to deal with, the accountability of the president, which has been one of my major crusades at my institution. Has any president, including Arnold Speert, who has come before you, who has lauded the system of greater autonomy and responsibility, asked you to put into legislation any statement about how they will be held accountable to their boards? As I said, that is not in the statute; it is in the guidelines of the BHE. I think it is

vitaly important, if you are going to give these presidents greater power, greater responsibility, that there be greater -- or, period, accountability.

I can tell you now, which you might know, that under the present system, presidents set the agenda of the board meetings. The board has nothing to do with it. Although the board is the one that hires the president, monitors the president, and can fire the president, I know for a fact that presidents do not even share with their boards matters of information that they should get. So it is a very strange system when a president is held accountable to a board. The president sets the agenda, and keeps information private. How is the board going to hold the president accountable?

Let me come back to a situation at my college which I think illustrates the problem: Four years ago, the Faculty Senate at William Paterson College voted no confidence in President Speert. He was retained, of course. The Board hired a consultant that year to evaluate the President. It just so happened to coincide with the Faculty Senate of "no confidence." The Board had not hired a consultant the previous three years; it has not hired a consultant since.

This year, the Faculty Senate carried out an evaluation of the President based on a document I presented. Needless to say, I had a major hand in the Senate voting to do that. Strangely enough, the Board just named a four-member committee to assess the President. The coincidences are, shall we say, rather striking.

My concern is: Do other boards have similar assessment committees to assess or evaluate the presidents? Do they hire consultants, or do they have to wait for votes of no confidence by the faculty to incite the boards to do what they are supposed to do by the BHE guidelines, but not by legislation? So, if you are serious about giving greater autonomy and responsibility to the boards, then you should be

serious about the question of accountability. There is little now. You are giving more power, more responsibility, and no more, probably less, accountability, yet the Governor is always talking about accountability. So are you. That's all I ever hear. "There is going to be greater accountability." No one has said how. You don't even have legislation now that requires it. As I said, it is in the BHE guidelines; it is not in your statute.

I would like to turn to the second problem--

SENATOR MacINNES: Excuse me, Mr. Chairman.

SENATOR EWING: Yes?

SENATOR MacINNES: A question for Dr. Edelstein.

SENATOR EWING: Sure.

SENATOR MacINNES: Would you be satisfied if we considered an amendment to the bill as proposed, but would include specific requirements for evaluation of the president of each institution?

DR. EDELSTEIN: Absolutely. I think if you don't, you are hoodwinking the public.

SENATOR MacINNES: Okay.

DR. EDELSTEIN: The public is represented by the board that is supposed to evaluate the president, and you are -- not you, I do not mean you -- but the public is being told that along with greater autonomy and responsibility there will be greater accountability, yet it is nowhere to be seen.

SENATOR MacINNES: I understand. I get your argument.

DR. EDELSTEIN: So I would urge--

SENATOR MacINNES: I get your argument.

SENATOR EWING: Continue on, please, Professor.

DR. EDELSTEIN: Okay. The next point is interrelated, and that is the issue of centralized data collection and dissemination, because I believe that in a democracy you have to have a free press and you have to have public information.

The Board of Higher Education, I believe, has done an outstanding job through its committee -- well, it is not a committee, but through the Office of Policy Research, etc. in collecting data. I have used it myself on my campus, and I believe the Board of Trustees at my campus is, in fact, quite well-informed about many issues because of that data. They would not have been otherwise.

You cannot have accountability without some kind of centralized data-collection system. Even President Speert has come out in favor of that. If you abolish the Board, I assume this Office will go. However, the function need not go, and the people need not go. I would urge you to have in your legislation some mechanism for centralized data collection and dissemination, because the collection of the data without making it public is meaningless. There is no way you can hold institutions accountable unless we know how they are performing, unless we know the outcomes. There is no way a board can hold a president accountable unless this information is available and there is some way to compare.

I will conclude with, in my opinion, if you are going to abolish the DHE, which I, needless to say, do not support, minimally you should ensure that what the Governor has insisted upon become a reality; namely, that there be some system of accountability, minimally of the president to the board, and possibly of the board to the public. Also, that there be a guarantee for centralized data collection, dissemination, and publication. Otherwise, there is no accountability.

SENATOR EWING: Thank you, Professor.

Are there any questions? (no response)

Thank you very much, Professor.

Linda Dye, American Federation of Teachers, William Paterson College? Is Linda here? (affirmative response from audience)

L I N D A D Y E, Ph.D.: Good afternoon. I don't want this to be the William Paterson College one-two Alka Selzer punch, but I want you to know a little bit about me. My doctorate is a Ph.D., which is a Doctor of Philosophy, supposedly granted to people who think and look for logic. I was a member of Governor Whitman's Transition Team for Higher Education. I am a career educator in higher education. I have been an academic adviser for approximately 1000 public college students over a 27-year period. I am the parent of two college students myself, and I am a concerned citizen in terms of government and politics.

My notes for this, and I had a few copies which will come around, are called "Used Car Salespersons, Rio-Rancho Land Developers, and Politicians"--

SENATOR EWING: Who's who up here?

Dr. Dye: That will be something where if the shoe fits, you will wear it -- if it is the right one. (laughter)

The reason I want to use this is because it is a metaphor. It is not an attempt at name-calling to anyone, but these are the possibilities of characterization.

The New Jersey Legislature, in its wisdom, passed legislation which allowed New Jersey consumers three days to change their minds if they found that they had signed a contract for goods that they didn't really want. We all know that high-pressure sales tactics can weaken a buyer's resistance and coerce them into signing on the dotted line, when it is really not the right thing to do.

I have been thinking about coming down here now for a week, and wondering what it is that I could say that would be different and meaningful. What I find is that I have read it all, all 138 pages, and I am overwhelmed by it. There is just so much in there that I could not choose one item. So I have to talk not about the specific items in the five minutes

allowed to me, but I think I need to talk more about the process.

The metaphor equivalent for the New Jersey higher education issue is the megapowered pressure to hurry the proposed S-1118 legislation into law by June 30, 1994. If the proposed legislation is good, then adequate time should be given to the study of the proposal to confirm its strengths. Instead, what we have is a demonic rush to close honest debate and examination so the proposed plan cannot be exposed to public scrutiny. If the plan is as wonderful as the proponents say, then they should not be embarrassed or fearful of what might be discerned by a thorough review. It is kind of like getting that car, you know, "This is the price. If you sign right now you get it. If you don't sign, you cannot have that price tomorrow." If it is really a good deal, the price will be there the next time you come back.

The education and economic opportunities of the students of today and the "would-be" students of tomorrow are in jeopardy. Most of the students I advise at William Paterson College work about 30 hours a week while taking 12 credits per semester. They work for minimum wages, have no health care, and live at home to keep expenses at a minimum. They are children of working, lower- and middle-class families. If we, as a populace, allow the continued underfunding of higher education to proceed, the college presidents will rely more heavily on the only other significant and reliable source of funding -- the increase of tuition, fees, and room and board. Ultimately, our students will become underemployed, they will pay less in taxes, and the economic tax base of the State will shrink.

Today, the short-term prize is the money that will not be allocated for public higher education if college presidents can increase their operating revenue through increased costs to students and their families. The higher education portion of

the budget is the largest pot of unmandated money in the State budget -- over a billion dollars. Cutting State support for higher education will create a pork barrel which can be used for other projects. I would argue that higher education is the highest priority, because it provides the business and service world with an educated workforce, and increases the tax base provided by noncollege graduates by a factor of six.

If people do not make decent incomes they cannot buy the products and services of the rich. The flow of money becomes stagnated and instead of having an ever-increasing ripple effect of economic security and prosperity, we will have a downward spiral into depression, not necessarily always economic, but I think moral and psychological. People see the door shutting and they become depressed by it. I did not want to say this policy was elitist. However, the reality is that the rich will continue to send their children out-of-state anyway, and the poor and middle class will find it impossibly difficult to get a degree in the State.

Anything that is worthwhile is worth studying. You cannot possibly know all that is in this legislation, nor can you have had time to ferret out the implications of the legislation. This was made evident by the information recently brought to light regarding the huge land and property gift to be given to the colleges. On May 21 -- last Saturday -- while talking to some of the William Paterson College Board of Trustees, they stated that it was clear to them that it probably would be necessary to sell off college assets if higher education funding continued to decrease. Since you are considering amending the legislation to reflect a deletion regarding the transfer of State assets to colleges, there is even less urgency to rush this legislation. The college presidents will not be able to sell their assets and, therefore, the burden and responsibility for financial support of higher education will still remain with State government for the coming year.

It is entirely possible that, after study, part or even all of the legislation might be good. If it is sound, people will understand and work to adapt to its demands. As a member of the Transition Team, I watched people I had never met, people with many skills and interests -- lawyers, accountants, educators, businesspeople, and public policy makers -- study the higher education enterprise and work to prepare their recommendations to the Governor. I was proud to serve with those citizens, and never once felt that there was an ax to grind, a vested interest, or political partisanship.

We collected data to examine, and from this information made our recommendations. We had a stack of pertinent information about this thick (demonstrates with thumb and forefinger) on objective evidence supporting the various recommendations we had. The committee felt higher education was well-managed, did have a vision, was seriously underfunded, was a terrific value for what was invested, and should, because of many years of decreasing revenue, receive an increase in funding, rather than another cut. The recommendation of the committee to increase funding as per the arguments put forward by our Chancellor was not taken lightly. We knew that the Governor wanted to find ways to cut costs, but this did not seem a way, in the long run, that would help us to cut costs, because every time we take away from the higher education activities, in the long run we end up losing, because we do not have the same workforce and they are not making the same kind of money that comes back into education.

After having completed all this research, one must wonder, "What was the purpose of the original Transition Team?" Was it duplicity or just a very late, rash idea announced two hours before the Governor gave her budget message? This dissolution of DHE, BHE, and the Chancellor's position was never on the table for discussion for the

Transition Team, nor was it mentioned in the State of the State Message.

The reality is, very few people think this legislation is a good idea for the people of New Jersey. People vote for politicians based primarily on their perception of the candidates' ability to be trusted. If you allow partisan politics to be the dominant force in your decision making, you will decrease the trust level of all politicians. If you agree to delay and study the strengths and weaknesses for the long-term benefit of the people of New Jersey, your trust factor will automatically increase.

I ask that you please vote for S-1119, which asks for a year-long study of higher education. If you do that, then I will know that your name should not be included in the title of this paper, which is, "Used Car Salespersons, Rio-Rancho Land Developers, and Politicians."

Thank you.

SENATOR EWING: Are there any questions? (no response)

Thank you very much, Doctor.

Chancellor Goldberg -- to continue.

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 :
Yes. I am pleased to be able to return.

SENATOR EWING: Well, we appreciate your making the effort to come back. I'm sorry. We finally stopped last night at 6:00.

CHANCELLOR GOLDBERG: If, for any reason, I cannot finish today, I would be happy to be here tomorrow.

SENATOR EWING: Okay. I'll see if I can get the key, and we'll come in.

CHANCELLOR GOLDBERG: Okay.

You will recall that yesterday I suggested some specific amendments dealing with advice and consent by the Legislature on appointments, protections through term appointments, and removal only for cause, as opposed to removal

at will. I suggested an amendment dealing with increased powers for the Commission, as opposed to increased powers for the Governor, particularly with regard to the visitorial rights now held by the State Board of Higher Education. I suggested that Higher Education be left as one of the 20 principal departments of State government or exempted from the Executive Reorganization Act, so that we would have some stability in Higher Education after the turmoil we have been having since March 15.

I suggested specific amendments for changing the composition of the Commission, leaving the Trustee members on the Commission in perpetuity, as opposed to removing them after four years, and suggested that students be placed on the Commission. I suggested better protection for our statewide EOF effort, keeping the 18A appeals process, inserting a legislative check on tuition and fee increases, and continued use of the Attorney General for legal services.

I would now like to continue by offering a set of additional amendments.

Under the bill, in my judgment, employers and students lose some of the meaning and value of the degree. I would urge that you carefully look at, and have staff analyze which regulations of the Board of Higher Education are to continue under S-1118 and which disappear, and ask yourselves the question: "Are those who are now slated to disappear important for the vitality of Higher Education and for the State? Disappearing will be regulations such that there will be no criteria for the granting of academic credit. There will be no statewide minimum standards attesting to what an associate degree means, what a baccalaureate degree means, etc. No standards, I would argue, will mean a cheapening of the degree. Even more serious, in my judgment, is that the bill, as drafted, could lead to New Jersey becoming a haven for

diploma mills and fly-by-night colleges. Reason? There are no minimum standards or criteria with the passage of S-1118 as now drafted.

Obviously, I would urge that you put appropriate language continuing all of the regulations of the State Board in the bill.

Under the bill, students lose as regulations governing full-faith and credit are no longer in force. I do not understand why anyone would not continue a regulation which allows county college students to move easily to four-year institutions in the State. Careless bill drafting? Or, is there some purpose behind deleting that particular regulation?

Remedy: I would suggest building in a requirement so that a community college graduate could move into a senior public institution as a junior in full standing, having to complete only two more years to graduate with a degree in the same field.

I urge that you put some of the regulatory language into statute, because I am concerned that it was dropped out of the initial S-1118, and I am afraid that even if you say it should continue for a certain period, the Commission might reverse it. I urge you to put specific language in the bill.

I would also suggest that under the bill, in my judgment, the Legislature, and eventually the public, will lose as we move to what I would call a "secret, hidden budget request process." The Commission will not play the same role as the Board of Higher Education in submitting a coordinated budget request for all higher education institutions, sectors, and programs -- a coordinated request adopted in public. You will, therefore, lose an independent voice to that of the Governor, an independent voice which for 27 years has set forth its view of the resource needs of higher education.

Remedy: Use the exact same statutory language in current 18A in S-1118 to ensure that there is an independent

voice speaking about the resource needs of higher education. The language in S-1118, to me, is very confusing, and when you add it all up, it does not say, "The Commission will, in public, adopt a coordinated budget request for higher education and make that available to the Governor and the Legislature."

Under the bill, the Legislature and the general public will lose and nonperforming institutions will gain as we wipe out public accountability. I ask you to read the Hartman Panel report for intent, and to read the various parts of S-1118. Try to add them up. I think you will find less accountability.

The Commission, I would suggest, in statute, should be charged with issuing reports that demonstrate public accountability. There is no accountability power for the Commission. I would also suggest that, in statute, you require the maintenance of a central data collection system. Particularly, I urge that the Legislature provide for the continuance of the sure system that stands for the student unit record enrollment system, and that this excellent data system be further developed and expanded. That system provides not only a historical perspective, but roughly, I would say, half of the accountability data now made public by the State Board of Higher Education.

I would also suggest, given the intent in the Hartman Panel report, that the legislation particularly call for the issuance, every year, of a report card on institutional performance, institution by institution. I also urge you, by legislation, to reestablish the College Outcomes Evaluation Program held in the late '80s to be a national model of assessment of higher education. I would also say that was a program which was an early casualty of the lack of institutional interest in the issuance of institutional specific data.

I have here for you, and I will leave, copies of some material which might help to form the basis of the annual

report card. I would be happy, either now after I finish testifying, or at some later date, to talk about the nature of some of the formats we are providing.

Let me also point out the matter of those regulations which continue and those regulations which do not continue under S-1118 and note something you may have noted, or maybe you did not note it, that the bill wipes out the regulation and the requirement that institutions evaluate each and every academic program at least once every five years. Why is that regulation not to continue according to S-1118? Sloppy drafting, or expression of legislative intent?

I would also call to your attention something called I.P.E.D.S. That is the Federal data collection system which collects information on higher education institutions. That Federal data collection material is built into our current issuance of reports on higher education. As I understand S-1118, there is no longer a requirement that the I.P.E.D.S. data be submitted through the State to the Federal government, leaving institutions to submit the data directly to the Federal government, further removing from you and the general public accountability information on our institutions.

If I may, now, let me read a statement from Mr. Albert Merck, the immediate past Chair of the State Board of Higher Education, who has a particular interest in accountability. He is unable to be here today, as he was unable to attend the hearing yesterday, but I would like to read for the record before this Committee a public statement of his:

"I would like a moment to summarize my views regarding the proposed legislation." He is referencing S-1118. "Whatever its purpose and its larger goals--" Excuse me, I will start over again.

SENATOR EWING: He was never very good in English. I went to school with him.

CHANCELLOR GOLDBERG: I know that, and that is my problem. (laughter)

"Whatever its purpose, its larger goals are nowhere stated. Its complications, omissions, and lack of checks and balances illustrate, as nothing else can, the difficulties of hastily attempting to rearrange the State agencies responsible for higher education.

"I have joined with the State Board and others in calling for the necessary time to carefully think through the goals and purposes needed to assure the future of higher education in this State. Not having this done was clearly a mistake. Perhaps our legislators will see the need for caution.

"I agree with the announced goal to give our colleges and universities maximum autonomy, including negotiations with the bargaining unit -- not in the bill. But because these are public institutions using taxpayers' money, and because market forces have very little effect on largely subsidized units, there is a need to amend the bill to reward those whose institutions that are progressing toward their own goal of excellence" -- another error! -- "and to penalize those institutions which are failing to do so. This can be done by including within the proposed structure, an agency to apply the principles and methods of accountability which must be included to justify the award of such large amounts of responsibility.

"The bill should institutionalize rewards and penalties based on measurable performance. If the Treasury and OMB have current, valid, and sufficient data on which to base their funding, they will be largely freed from the pressure to distribute budgetary allocations in relation to political flack. That peril would be avoided and a truly innovative system would be created. Assessment can, and should be made on an institutional and statewide basis. Legislation can, and should be devised to build in the means to do so.

"I will urge such a cause to whomever I can."

Let me now move on to my next point.

Under the bill, in my judgment, taxpayers' interests lose, as colleges will be able to mount new costly academic programs, even if duplicative. Colleges will be able to construct new specialized laboratories, even if duplicative. There will be no checks and balances.

Remedy: Amend the bill to require review and approval by the Commission of costly and perhaps unneeded and perhaps duplicative programs and facilities.

Another point: Under the bill, in my judgment, taxpayers' interests will suffer, since the bill will give institutions the right to invest cash balances, despite the superb track record of the State Division of Investments. Risk investments can lead to the lose of taxpayer moneys. We need to look no further than the very recent sale of a Trenton State College house for about \$28,000 below purchase price. Colleges and universities are not run by investors. They are run by educators. Leave investment decisions to investment experts.

I suggest an amendment that would require institutions to continue the use of the State Division of Investments.

SENATOR EWING: Chancellor, am I correct in saying that UMDNJ does its own, and Rutgers does its own, and NJIT does its own investments?

CHANCELLOR GOLDBERG: The answer is, "Yes."

SENATOR EWING: Those three do.

CHANCELLOR GOLDBERG: They are much larger in size.

SENATOR EWING: Yes, but all the other institutions of higher education come under the State Investment Council?

CHANCELLOR GOLDBERG: Among the senior publics, yes. I would urge that that be continued. New Jersey has one of the finest track records from its Division of Investments.

I would have commented here on the issue of the State land being given, but I heard guests today saying that you have an amendment that takes care of that.

On another point, I am concerned that the bill assigns State level responsibilities to the Presidents' Council, but does not provide for State funding to support its activities. Instead, the Council would have to rely on dues collected from the colleges, at the expense of their own budgets, dollars that the Appropriations Act would intend to be spent on programs and services for students. If two-thirds of the presidents do not agree on what their dues should support, the function or draft statute assigned to the Council of Presidents simply will not get done. I do not think you would consider this to be the right way to fulfill a set of statutory responsibilities.

I suggest a remedy by amendment to the statute which would be to provide a budget for the Presidents' Council. If they have a meaningful role to play, you ought to fund them.

You might also want to require, through amendment, that the Executive Committee of the Presidents' Council fall under the clauses of the Open Public Meetings Act. You will note that the full Presidents' Council is only required to meet twice a year. Given, therefore, the responsibilities assigned to the Presidents' Council, it will be doing its public business through its Executive Committee. To close off those deliberations to you and the public would be a serious error.

If you are going to provide a budget to the Council of Presidents so that it can really operate in an appropriate fashion, I urge you to amend S-1118 as it is now written to remove the mandate that the State and county colleges must pay dues, respectively, to the Council of County Colleges and the State College Governing Boards Association. Those two entities, with the creation of the Council of Presidents, strike me as being redundant. Clearly, it is taxpayer money and student tuition and fees which flow to those two organizations. Let's give our students at least some little break.

As a further protection of taxpayers' dollars, I would urge an amendment to S-1118, an amendment regarding the annual audits of the institutions. But I would also say that you might want to review the statute, because it was a little unclear to me whether an annual audit by a CPA firm was required. That requirement might have been wiped out, since some of the Board of Higher Education's regulations will not continue. Now, it does state that the, I think, Executive Director of the Office of Student Assistance can audit student assistance, and I think it says something about that the Treasurer can audit everything else at the colleges, but I do not view that as an appropriate substitute to protect the public, an appropriate substitute for the annual audit we now require by CPA firms. So you might want to look at the legislation carefully to clarify that an annual audit is needed.

I would suggest some additional specification, particularly if you do not change the current legislation to reinstate the use of the Attorney General as the lawyer for our institutions. I would suggest that the CPA audit specifically set forth, as part of the audit, precisely how much the colleges spend on legislative relations, public relations, and external legal services. As part of that, it might be instructive to take a look not only at this fiscal year when the audit is done for this fiscal year, but require that it be done for the past fiscal year, so that you have a base of information against which you can compare what I believe will be an escalating expenditure institution by institution for lobbyists and attorneys. This, by the way--

SENATOR MARTIN: Just for clarification: You said three. The second one was public relations, the last one was legal costs. What was the first one?

CHANCELLOR GOLDBERG: Governmental relations, legislative relations. I mean, the audit firm will have to be a little sophisticated, because the person might be called

"Special Assistant to the President," but I am sure CPA firms will be able to figure out a way to do it. We want to protect the public's money, because it is the public's money.

I would also say that if you continue funding for the Council of County Colleges through mandatory dues, and if you continue funding for the State College Governing Boards Association through mandatory dues, you ought to require, in the public CPA audit of those two entities, since they are, in effect, using public funds, a special audit in terms of governmental relations' expenditures and legal expenditures.

As an example, right at this moment, for communications consulting, one of Trenton's best known governmental relations firms is hard at work in support of S-1118. I think these types of expenditures ought to be identified and made public.

SENATOR MARTIN: Should we include the president's salary if we are talking about public relations and lobbyists?

CHANCELLOR GOLDBERG: I would let the individual CPA firms, or perhaps you might want to ask the State CPA Society to define the nature of the audit program. On the other hand, yes, I do think there will be a shift under the new proposed structure in the way the time of our college and university presidents is spent.

Now, if I may, I would like to briefly summarize some overarching points which I hold in common with Mr. Wiley, BHE Chair.

The structure inherent in S-1118 has been touted as a means to meet numerous State goals. I would argue, instead, that the proposal promotes few of these goals. Instead of ensuring the higher education system that works together to meet statewide needs, this proposal encourages a balkanization of higher education. It delegates higher education to a status below that of military and veterans' affairs, or K-12 education. The proposal, in my opinion, is not smart

government. Rather than promoting a strong and independent system -- I underline system and I underline independent -- the proposal just does not open up higher education to political intrusion, it is, as worded -- the bill, as worded, is political intrusion itself.

I hope that some of the amendments suggested regarding: legislative involvement in appointments; fixed terms for the Chair and the Executive Director; removal for cause, as opposed to at will; giving the Executive Director a sufficient-size staff; thinking about returning to the Commission some of the powers delegated out, diffused out to five other Cabinet officers-- I mean, I do not understand why, for example, the College Bound Program is given to the Commissioner of Education. I do not understand the intent there. I do not understand why our veteran affairs federally funded Veteran Affairs Office is given to the State Department of Military and Veterans' Affairs. Perhaps someone does not understand the critical role that that Office, now within the Department of Higher Education, plays in the licensing and accountability function now of the Department and the State Board. On the other hand, maybe people do understand, and the fragmentation was, and is deliberate.

If I may, I would like now to comment on some budget issues which relate, in my judgment, to S-1118.

ASSEMBLYMAN BRYANT: May I ask a question before you get there?

CHANCELLOR GOLDBERG: Sure.

ASSEMBLYMAN BRYANT: Let me ask a question: One of the things I hear from some of the college presidents, the whole notion which I am concerned with, is in terms of the duplication of academic programs where it becomes costly, because I think that is (indiscernible) of the public trust. More than that, we don't allow our public universities to

duplicate services that may either be not needed or could be very costly.

They suggested the paper tiger, in other words, there are no examples of where we stopped any university from ever opening up a new program, that they just willy-nilly start, so therefore, it really is not a real issue. Is that the truth?

CHANCELLOR GOLDBERG: No, it is not true. One could go back within the last two years, and one could ask Senator Ewing to share his information about the issue of engineering education at Trenton State College, which was a matter of major public controversy, which perhaps has, as part of its history, what we are about today (indiscernible) ties having anything to do with this. But Trenton State wanted to mount the full seven traditional degree programs in engineering, and they now have an Engineering Science Program I.

As another example: There are only -- I could be off by one program on this -- three associate and applied science degrees in laser optics. The reason for that is, we have one north, central, and south. As I say, I could be off. Maybe there are two in the north, or, you know, whatever. Why? Because those are very expensive programs. There are only two specialized facilities called Computer Integrated Manufacturing, or SIM Centers, and I thank all of you for your support over the last five years, support which we phased out over those five years, but still only to centers.

So, there are many examples of duplicative programs being stopped. We have pending in the Department four master degree programs in nursing by four northern institutions of higher education. I'll tell you that we need zero to four. That is I am going to tell you that it is an analytical question, and not a simple question. But under the current bill, as drafted, S-1118, nobody will do the analysis. If the analysis says zero or one, nobody will have the authority to stop it. It has won the other three from starting up.

SENATOR EWING: Excuse me for interrupting, but if it is not in their mission, they cannot go ahead and do it.

CHANCELLOR GOLDBERG: It is in their mission, because their mission says if they offer a master's degree in anything, they can offer a master's degree in everything. The bill only defines mission differentiation in terms of degree level. I mean, that is wide enough to drive through the biggest, broadest truck made in the world.

ASSEMBLYMAN BRYANT: That is exactly what I was saying, understanding that we have managed to reach the limited resources we have to maximize the potential in front of the program, but at the same time, not allowing us to waste resources in terms of a program that will either fail or work, because we have oversaturating throughout the State.

I wanted to make sure that the record is very clear that this is not just a case of (indiscernible) entirely, but is a real situation and we should deal with it -- or the Board has dealt with it -- and make sure that action is still contained somewhere within this legislation.

CHANCELLOR GOLDBERG: At the moment, it is not contained in the legislation.

In terms of budget issues which bear on the bill, I would urge you, given the stated purposes on page 1 of the bill, which talk about access, affordability, and quality-- I urge you to try to make that somewhat real for this year by increasing institutional support, because the Governor's budget proposal before you reduces institutional support. In return for that increased institutional support, for the Legislature to put a cap on increases in tuition and fees. Now, if you do not like the label, "Tuition Stabilization Plan," which you supported for the last two years, you might want to call it something else.

ASSEMBLYMAN WOLFE: Excuse me, before you go on. Go back to your previous statement. Where are these four new programs coming--

CHANCELLOR GOLDBERG: What institutions?

ASSEMBLYMAN WOLFE: Yes.

SENATOR EWING: The nursing programs?

ASSEMBLYMAN WOLFE: Yes.

CHANCELLOR GOLDBERG: Fairleigh Dickinson, University of Medicine and Dentistry, Kean, and Paterson. By the way, I raised that not to say that four are not needed. It may be that four are needed, or it may be zero.

ASSEMBLYMAN BRYANT: That wasn't my question. My question really was if, in fact, we found that they were not needed, we may stop one, or if we found that we only needed two, then we only allowed two, we would be prepared. But we absolutely do have something (indiscernible) from a statewide standpoint as to not allow just everybody who has the ability just to do it.

CHANCELLOR GOLDBERG: Yes. Right at the moment, the control is still there.

ASSEMBLYMAN WOLFE: Excuse me. Let me come back to-- Are they proposing additional facilities, or are they planning on using existing facilities? Are they going to build new laboratories? Are they proposing building hospitals?

CHANCELLOR GOLDBERG: That is all the sort of thing that we would have studied.

ASSEMBLYMAN WOLFE: But, I mean, you are telling this legislative Committee that there are four proposals that are duplicative. I'm saying--

CHANCELLOR GOLDBERG: No, I did not say that.

ASSEMBLYMAN WOLFE: Four programs.

CHANCELLOR GOLDBERG: I said four programs, of which zero to four might be needed. But I am saying that I'll bet there will be four under S-1118, because there is nobody to stop--

ASSEMBLYMAN WOLFE: I want to know-- You are implying that they are not necessary.

CHANCELLOR GOLDBERG: Not at all.

SENATOR MacINNES: No, he isn't.

SENATOR EWING: No, they have not done the analysis yet.

CHANCELLOR GOLDBERG: I'll say it again: Zero to four may be needed. They all may be needed. That is an analytical question. Only two might be needed. Under the current system of coordination, somebody has the ability to stop programs which are not needed. Under S-1118, that does not exist.

ASSEMBLYMAN WOLFE: All right. I am glad I asked that question then, because I was under the impression that you were trying to make the statement that there were four institutions that were seeking to develop a program which may be duplicative of other programs which are also being proposed.

CHANCELLOR GOLDBERG: They may. That is what I mean by saying zero to four may be needed.

ASSEMBLYMAN WOLFE: Okay. And you do not know that they are duplicative?

CHANCELLOR GOLDBERG: Absolutely, I do not know.

ASSEMBLYMAN WOLFE: Good.

ASSEMBLYMAN BRYANT: Excuse me, Mr. Chairman, let me clarify that. It was my question, and I said, "Was it a paper tiger that" (indiscernible) having an ability to stop programs from coming into existence is the fact that in the research we were able to determine that it was not needed and, therefore, it was a better use of public funds to tell folks, "You can't do this, but you might be able to that." I said, "Because some folks allege that is a paper tiger." We have never done that. We have never stopped anybody; we have never limited anybody. I asked the Chancellor just to give me some examples.

So he gave me some examples: Well, we stopped folks from going one through seven in engineering; they can just do

part one. And he gave me some other examples. The last one was that right now they have a proposal from four places, and they didn't know what (indiscernible). So, I mean, I think he was straightforward in terms of saying, "We might need four. We might come to find out that we need five up there."

CHANCELLOR GOLDBERG: Correct.

ASSEMBLYMAN BRYANT: You need to have someone have an analysis, and there is no analysis approached under the current bill that we can detect. They are trustees of the funds that we spend. Therefore, you need to have some protection of that trust, so people don't just willy-nilly go out and open up programs that they would like, regardless of any analysis. That, I think, is what he is saying.

SENATOR EWING: Senator Martin?

SENATOR MARTIN: I had understood that the problem that was just expressed by Assemblyman Bryant would have been corrected by language in the bill that talked about that one could not go beyond their programs.

Now, you, Chancellor, identified, I think on the first page, the definition of programmatic mission. Is that the source where you say it is big enough to drive a hole through, because that definition does suggest that it is based upon academic degrees which--

CHANCELLOR GOLDBERG: Levels, yes.

SENATOR MARTIN: As such, that doesn't seem to really be restrictive in any way as far as really reducing many opportunities to branch out, as it were, into all kinds of new areas that a college has not before been involved with.

CHANCELLOR GOLDBERG: It does not cover, for example, branch campuses, so you could theoretically see--

SENATOR MARTIN: When I said "branch out," I wasn't--
(laughter)

CHANCELLOR GOLDBERG: No. But as another illustration of why I think the programmatic mission concept, as it is defined in S-1118, falls far short and is not as good as giving the Commission a check and balance or a review and approval. Even if one wanted to truncate or streamline the process, I think, particularly if we are talking about a period of constrained resources, it is important to make sure that the taxpayer is getting the biggest bang for the buck.

SENATOR MARTIN: It seems to me that if we could tighten that definition in some form -- I don't know how tight you want it tightened -- that would probably be extremely helpful as far as preventing that possibility of duplication at least, because if once you go beyond your programmatic mission, then it would at least go before this Commission. It may not be able to do the analysis that the Department was able to do in the past, but it would provide some form of oversight which otherwise would not be there.

CHANCELLOR GOLDBERG: Well, see, it goes before the Commission, or to goes before, as I understand it now, the Council of Presidents, but the Council of Presidents can only advise the institution that it is costly, or duplicative, or unneeded. Nobody, as I read the current S-1118, can stop an institution from mounting any program, unless it is a program above and beyond the highest degree level the institution is now authorized to give. So you can't stop a program. You can't stop branch campuses. I mean, not that this would happen, but we are talking in a theoretical sense. I do not understand why Sussex Community College could not, without any review and approval, put a branch into Morris County, or vice versa.

SENATOR MARTIN: I knew exactly where it was heading when he-- (laughter)

CHANCELLOR GOLDBERG: I expect both of those presidents may have thought about that once or twice in a

moment of pique over the last three or four years, because at some times some of the tensions up there.

ASSEMBLYMAN BRYANT: Can we stop a trustee from changing a mission? As I read--

SENATOR MacINNES: Across degree lines.

SENATOR EWING: What?

SENATOR MacINNES: Across degree lines you can, yes.

ASSEMBLYMAN BRYANT: But there is a larger (indiscernible) besides degree lines. Can you stop them from changing their mission?

SENATOR EWING: No, the mission has to be approved by the Commission, doesn't it?

CHANCELLOR GOLDBERG: Yes. The mission has to be approved by the Commission, but people might want to look at what mission statements look like.

ASSEMBLYMAN BRYANT: They should see them.

CHANCELLOR GOLDBERG: They are so broad. You know, they are not an effective control or check and balance on much.

SENATOR EWING: I believe, Chancellor, you might have said, to a question I asked, that if the college gives a master's degree in math, they, therefore, can give a master's degree in any subject they want.

ASSEMBLYMAN BRYANT: That's right.

CHANCELLOR GOLDBERG: Yes.

SENATOR EWING: Is that correct?

SENATOR MacINNES: That's right.

SENATOR EWING: All these college presidents want to be "Mr. Big," and they want to have the most of this and the most of that.

CHANCELLOR GOLDBERG: Yes. Well, this is a field which allows them to do that, as currently worded.

By the way, I do believe that this was carefully drafted, that some of these points are not just quick, you know, errors in drafting, so that when regulations are not

continued -- certain ones are not continued, while others are continued, that it was deliberate not to continue those regulations.

If I may, then, continue, just in case you missed the last point on the budget, I will go back. On page 1 you set forth some goals in S-1118. I would urge, make them real. Increase institutional support in return for capping tuition and fee increases in Fiscal Year 1995. I would urge you to increase funding for our EOF Program and our independent institutions. I think that is called for, based on the general assertions and purposes you appear to intend from S-1118. I ask you to put more money into the Appropriations Act. I think there is zero money there now for a Commission staff of sufficient size so that the Commission is not a total paper tiger.

What is the size of the Commission staff to be? I would urge that the Legislature ought to study that issue, take a look at the responsibilities given the Commission under your amended S-1118, and make sure that there is parallelism between the responsibilities and the appropriation to the Commission.

As I mentioned before, I urge you to provide funding for the Council of Presidents, because it will be doing the public service of carrying out the public's business, and I know they will be open to the Public Meetings Act.

I would also urge funding for the Equipment Leasing Fund and the Facilities Trust Fund to capital mechanisms which you recently passed. I would say they are creative, and the bill says that the entire purpose of S-1118 is to unleash the creativity of our institutions. I urge you to help by funding those particular statutes in the Appropriations Act. I cannot help but -- with an aside -- mention that I find it interesting to note the source of the ideas which led to the Facilities Trust Fund and the Equipment Leasing Fund, and to specifically

note it was not institutional creativity, but the Budget Committee of the State Board of Higher Education.

As a final word, let me just say that I find the bill, as drafted, antismart government. For example, given the growing importance of higher education for people and the future of the State's economy, I do not understand why anyone would support taking away higher education status as a principle department of State government. The bill, as drafted, is, in my opinion, antistudent and antiparent, because there is no check and balance on tuition and fee increases. I hate to see that. The bill, as drafted, is antitraditional legislative prerogatives. For example, no advice and consent on appointments. The bill, as drafted, unfortunately, in my judgment, is antitaxpayer, because cost controls regarding duplicative programs are out the window. Further, the bill is antitaxpayer, because accountability has been de facto written out of higher education.

I would be happy to answer any questions.

SENATOR EWING: Chancellor, did you bring a set of notes that we could copy and then return the originals to you?

CHANCELLOR GOLDBERG: We will have them typed up. I worked on them during the ride back from my commencement address this morning. We will get them to you as soon as we can have them typed up. I am afraid to share with you some of my marginal comments. (laughter)

SENATOR EWING: Well, I don't want to share some of my marginal comments either -- with you or the administration.

SENATOR MARTIN: Chairman Ewing, I do not have a question, but I just want to say something to Chancellor Goldberg.

I have to recognize that this must be extremely difficult for you to come here, feeling as strongly as you do about the dismantling of your Department and what that means to you personally, as well as to the people in your Department.

But to come here two days in a row to offer constructive advice, given that set of circumstances, I think, for myself, I truly appreciate it. I think it is an act of courage, and I commend you for doing it.

CHANCELLOR GOLDBERG: Thank you very much. You did give me the opportunity and the opening, Senator, to mention the unclassified staff of the Department of Higher Education, the 38 talented individuals with over 400 years of collective expertise, which is going to be lost to the State, people who, within the last 10 days, were given notice of termination.

It just does not make sense, regardless of the structure, for the talent of those people to be lost solely because they served the State Board loyally, or served me and my predecessor loyally. Remember, there has not been one political appointment in the State Department of Higher Education for 27 years, unless you want to call Ralph, our first Chancellor, a political appointment.

SENATOR EWING: I definitely would call that--

CHANCELLOR GOLDBERG: But since that--

SENATOR EWING: Old PT boat Ralph.

SENATOR MacINNES: Ambassador to Chile.

CHANCELLOR GOLDBERG: It is unfortunate, and maybe I could suggest another amendment, particularly where it talks about classified staff transferring over. How about giving the unclassified professional staff rights to any jobs which are opened up because of this change, regardless of the entity, because there is a fragmentation. You have a Presidents' Council which is going to have a staff, and you are going to have a Commission which is going to have a staff, and you are going to have all sorts of staffs everywhere, if not immediately, then eventually. So I am making a plea for those unclassified professional staff people.

SENATOR EWING: Senator MacInnes has a question.

SENATOR MacINNES: Thank you, Mr. Chairman.

SENATOR EWING: I apologize, but I have an appointment in the Assembly regarding this bill.

SENATOR MacINNES: Mr. Chairman, before you leave, do I understand correctly that we are to try to move this bill at a meeting next Thursday, June 2?

SENATOR EWING: Correct; that is correct.

SENATOR MacINNES: In light of the discoveries that have been made just this afternoon, in fact, in the last half hour, in terms of the intention of S-1118, it did not seem to be understood thoroughly as we have considered this over the last couple of days. I would like to urge that we be given more time than is currently being allowed, number one, because it seems to me absolutely irresponsible to take a bill of this magnitude and of this length, with as many surprises as have been revealed in testimony in just these two days, and to move it out next Thursday. In fact, it would be a tremendous effort with the long weekend ahead of us just to prepare amendments to this to try to correct it.

SENATOR EWING: Well, we have Tuesday and Wednesday. You can give us the amendments.

SENATOR MacINNES: Thank you, sir. I was not planning to spend my entire Memorial Day weekend drafting amendments.

Number two, it would be interesting to know if the administration, which is putting forth this most radical measure in higher education in the last 30 years, is going to be a part of our deliberations on the 2nd by way of formal presentation, with an opportunity to ask questions. An awful lot has been revealed here, which has been characterized by the Chancellor as either sloppy drafting or intent. It would be good to know from the administration itself which is true in the number of examples that were given. There are other examples--

SENATOR EWING: Would you use it in the next campaign, then, if it were sloppy?

SENATOR MacINNES: There may not be another campaign for me, so that is not a material consideration.

SENATOR EWING: No, but the next gubernatorial campaign.

SENATOR MacINNES: There may not be any campaign of any kind by me, so that is not a consideration.

My question is a serious one as to whether or not the administration, which has been represented--

SENATOR EWING: We will have to ascertain whether they will. I would hope that they would appear, but whether they will or not, I do not know. I don't know whether--

SENATOR MacINNES: It would be astounding to me if they did not, but I would hope, sir, that we would--

SENATOR EWING: You can't tell everything by sounds, Senator MacInnes.

SENATOR MacINNES: Pardon me?

SENATOR EWING: You cannot tell everything by sounds. You said it doesn't sound to you like they are going to be there.

SENATOR MacINNES: No, it would be "astounding."

SENATOR EWING: Oh, "astounding."

SENATOR MacINNES: I would hope that my plea that this measure be given more time might be considered, because I am impressed, very impressed, by what has been revealed during these two days of public hearings. I appreciate the patience of the Chair in allowing the questioning that has taken place since mid-morning yesterday, anyway, and I think that there may, indeed, be other little land mines to be discovered as we go back through these 138 pages.

So I just hope we will be given more than the time presently scheduled, and that the administration will be present. It would be a shame--

SENATOR EWING: Well, also, we will be having a Committee meeting.

SENATOR MacINNES: It will be a shame for the Legislature if we get on this train and demean our role in consideration of the legislation. That is precisely what is being asked of us with the schedule that has been laid before us.

SENATOR EWING: Well, a lot of us have lived through QEA, and it was even worse there.

SENATOR MacINNES: That is exactly the point, isn't it?

SENATOR EWING: But it was worse there.

SENATOR MacINNES: That is exactly the point.

SENATOR EWING: There weren't any hearings like this, for two solid days.

SENATOR MacINNES: Exactly the point; exactly the point, isn't it?

SENATOR EWING: Just a minute, Senator MacInnes. When we have our Committee meeting, we are starting it, I believe, at 2:00, and we will go to 12:00 that night, if a thousand people show up. I don't give a damn how long, if the people want to be heard, they will be heard.

SENATOR MacINNES: Well, I hope that--

SENATOR EWING: Maybe it will be the 3rd that we let it out of Committee, if we have the Committee members around.

SENATOR MacINNES: While your schedule may be ambitious and your patience great, I would prefer that we take something that is this serious and not try to get it through Committee in an exhausted state. I would prefer that our role in this process be recognized, and we not be a part -- that we not volunteer to demean our role as members of the Legislature.

SENATOR EWING: Give us your amendments, please.

SENATOR MacINNES: I will try and have them ready.

SENATOR EWING: I wish you would, but I apologize to the Chancellor.

CHANCELLOR GOLDBERG: With whom should I leave this material? These are potential formats for the type of public accountability--

SENATOR EWING: How many copies do you have there?

CHANCELLOR GOLDBERG: Twenty or 30.

SENATOR EWING: Oh, fine, there are enough for everybody. Good.

CHANCELLOR GOLDBERG: Fifteen of each.

SENATOR EWING: Are you going to give us other notes or not?

CHANCELLOR GOLDBERG: Yes, just as soon as I have them typed up.

SENATOR EWING: Will you get them over to OLS?

CHANCELLOR GOLDBERG: Yes.

SENATOR EWING: To Deena Schorr's office. She will make sure that they are distributed to all of the Committee members.

CHANCELLOR GOLDBERG: We will continue to review the bill, because I have to say that our analysis is preliminary. We do not understand fully what has dropped out of existence based on S-1118, nor have we been able to thoroughly make a side-by-side comparison where it appears that something is in, but the wording has changed, therefore, perhaps, changing process or perhaps legislative intent.

SENATOR EWING: Senator MacInnes?

SENATOR MACINNES: A question, if I may, for the Chancellor.

Chancellor, if I may characterize quickly the testimony of the last two days as to the reasons for this legislation, I have heard, in terms of the Board and the Department and their role-- I have heard two things: One is that they are responsible for having -- for overseeing the development and the dramatic improvement in New Jersey's system of higher education and meeting all of the criteria set down by the Goheen Committee back in 1966, or whenever it was. I have heard, also, that in terms of the shortcomings of the Department, that program approvals sometimes take too long.

I do not mean to be cute about it, but that is the sum of the criticisms of the Department that I have heard. This has, in turn, been characterized by a number of people as "niggling oversight," "bureaucratic nightmare," or whatever.

Now, you have been a part of at least some of the earlier conversations in the administration on higher education issues. I am wondering if you are able to tell us, in your personal view, why has this been done? Why has the Governor recommended the abolition of the Department and the Board, and why on this schedule?

CHANCELLOR GOLDBERG: I can only surmise one thing. I take at face value the kind words spoken by the Governor when I met with her somewhere around December 20 -- but it could have been a few days before then. I take at face value the call telling me that I was on the team. I take at face value the press release issued by the Governor's Office that said that I was being nominated for another term. Then, you will recall, there was a little addendum which we called in to Carl Golden because I didn't need to be nominated for another term, or so I thought. (laughter) That shows my foolishness in trying to correct an error. And I take at face value the Transition Committee report, which said a lot of things in draft form, some of them a little contradictory at times, and some of them, I would say, not accurate. But I take at face value that that report, dated January 4, but given to me somewhere in mid-January, did not call for a restructuring, did not call for abolishing the Board and the Department.

So if I take all of that at face value, how am I to understand why the call to abolish the State Board and the Department, and to make sure now -- the only reference I will make ever about myself -- to make sure that on page 1 and throughout whatever sloppy draft that might have taken place elsewhere, nobody missed a substitution of something for the Chancellor, right, because he is dead on page 1 of the bill.

So I have to answer you, I do not understand it. I do not understand it, particularly when I think about what this State needs as it must become more economically competitive on a global basis. I do not understand why we are doing this when I think about the major forces that are driving this country in the way of change, and this State, particularly forces of technology -- computer technology, forces of major demographic shifts, all sorts of economic forces which say to me, "We do not want fragmentation. We want a better system of higher education," because there is a set of very complicated needs that we are going to have to meet.

I have to use a word you used to Senator Ewing. I have to say I am astounded. I do not understand the motivation. To say that the Board and the Chancellor, or the Boards and the Chancellors did a wonderful job for 27 years, in fact, they did such a wonderful job that they have put themselves out of business -- right? -- just does not make sense. It is not comprehensible.

SENATOR MacINNES: Thank you.

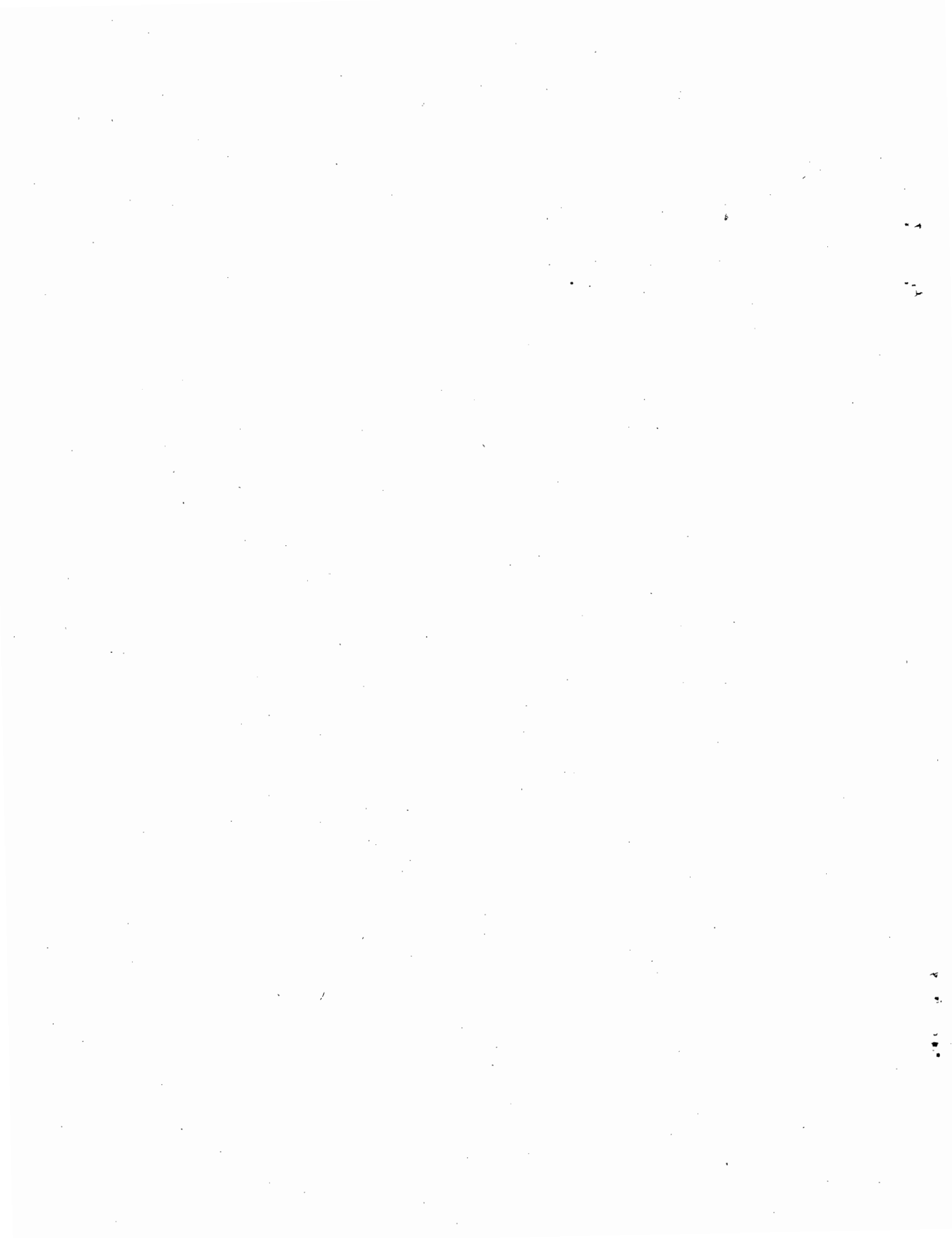
ASSEMBLYMAN WOLFE: Thank you, Chancellor. Is there anything else you would like to say?

CHANCELLOR GOLDBERG: No, thank you.

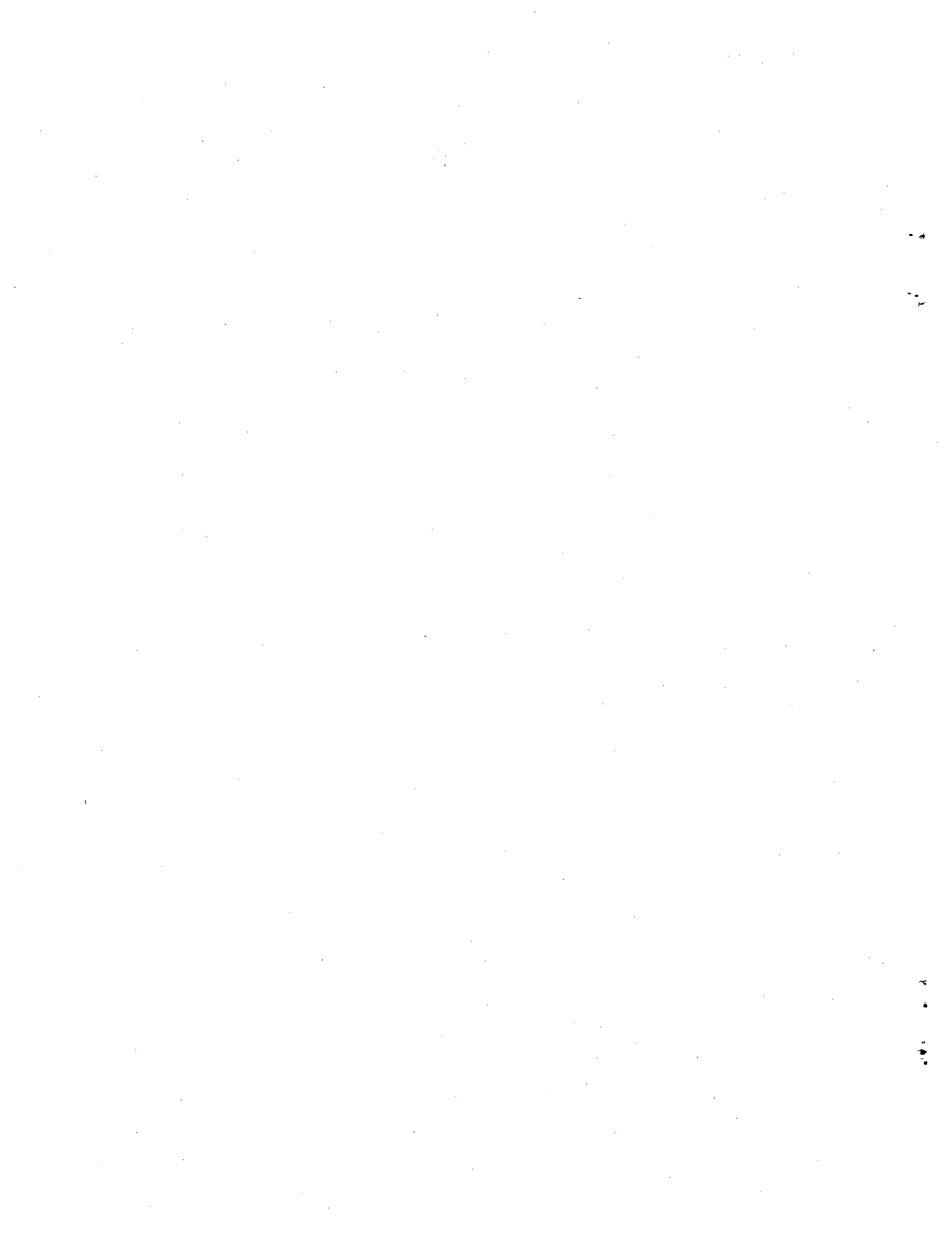
ASSEMBLYMAN WOLFE: Is Henry Green here, from Brookdale College? (no response) Ms. Mary Reberio, Somerset Business and Education Partnership? (no response) Marilla Orelena, Hudson County College? (no response)

I guess the hearing is adjourned. Thank you very much.

(HEARING CONCLUDED)



APPENDIX



Testimony of T. Edward (Ted) Hollander
Joint Public Hearing
Senate and Assembly Higher Education Committees
May 27, 1994

Senate Bill No. 1118 clearly carries out the intentions of the Governor -- to eliminate the Board and Department of Higher Education, to weaken and disperse the central focus for higher education in the state among a variety of state agencies, to reduce institutional accountability and to strengthen the role of the Executive in academic planning and control.

So proposed, I oppose the legislation because I believe that the abolition of the Board and the Department weakens academic freedom, will limit student access, will lessen quality, will result in increased costs and bureaucracy and serve badly the state's needs for educated and productive citizens.

You would not have expected me to say otherwise.

Having done so, I promised Senator Ewing that I would be constructive and offer my best shot at improving the bill. In political terms, consider my comments "damage control." But even if you accept my proposed amendments, I don't think you can fill the void created by the elimination of a State department and its replacement by an "executive agency."

My comments cover the following areas: Long-range planning needs; academic freedom and the autonomy of higher education; financing and the budget; accountability and access.

Strategic Planning and The Commission on Higher Education

The people of this state have higher education needs which have to be met if the state is to continue to be a place where people can find work and live in harmony. Beginning about five years from now and continuing at least until the first decade of the next century, freshman enrollments will rise significantly. We will need to increase the capacity of our system. The new students will be poor, inadequately prepared for college and drawn from racially diverse communities. They need to be able to enter programs of study that meet their needs and on terms they can afford. Whether they can do so will determine whether this state will flourish with its diversity or flounder because of dashed hopes, unfulfilled expectations and racial strife. Someone has to worry about this and other strategic issues facing higher education.

The Commission on Higher Education appears to be the agency designated in the Bill to meet this responsibility. To do so, the Commission must be independent, have budgetary authority, and be able to recruit and maintain a competent staff. As proposed, it is ill-equipped to do so.

Amend the legislation to provide for a Commission on Higher Education of eleven public members appointed by the Governor as proposed but with the advice and consent of the Senate. The chair person should be selected from among the Commission membership. The chair of the New Jersey President's Council should be *ex-officio* without vote. The Commission's own executive-director should also serve *ex-officio* without vote.

These amendments are designed to strengthen the Commission by including as its voting members persons who represent a broad public interest. Its autonomy is assured by permitting the members to select their own chair person.

The suggested amendments recognize that Commission members and college trustees have different and conflicting interests. The Commission is intended to serve the broad public interest for higher education. By law, the role of college trustees is to serve the interests of the institution over which they preside. Not the public interest, not the students' interests, not the faculty's interests, not the state's interests, trustees hold office to protect the institution's interests. And if there is a conflict between their institutions' interests and the interests of the people of the state, their role is to protect their institution. Each of the voting members of the Commission should be free of any conflicting institutional interest, especially during its start-up period when it must define the scope of its work, its priorities and choose its professional staff.

The Bill before you gives the governor power of appointment of the chair of the Commission. If the governor selects the chair person, then we might as well have a commission of one person. The remaining voices become irrelevant..

Amend the legislation to make the executive-director of the Commission a member of the governor's cabinet.

Not to do so is to denigrate higher education as a state function. More important though, a cabinet officer is able to work with colleagues to get things done for higher education. I can cite many examples of major

problems that I was able to resolve with cabinet colleagues that would not have been resolved if I did not have cabinet-level status.

Amend the legislation to give the Commission primary responsibility for budgeting and accountability.

I will discuss this recommendation later in my testimony.

Amend the legislation to delete The Commission's responsibility for advocacy for higher education. That responsibility would better be vested in the New Jersey President's Council.

The Council has the ability to assess the colleges and universities for funds that can be used effectively for advocacy and other purposes. More than likely the Council will have more funds available for its purposes than the Commission will be able to raise through the state's budget processes.

Amend the legislation to eliminate the three major assignments given to the Commission to complete during its first six months.

The legislation should define the Commission's powers, not its initial agenda. If these tasks are important to the Governor and the Commission is the best agency to deal with them, she should assign them to the Commission together with the necessary funds to carry them out. There are more important issues for the Commission to undertake as it organizes.

Academic Freedom and Autonomy

Amend the legislation to eliminate the Governor's "visitation" rights to institutions of higher education.

Higher education has flourished in this country under a tradition that provides a measured distance between the partisan political process and the governance of higher education. States have established systems of checks and balances to protect colleges from the foibles of their own political systems. Boards of trustees are established to protect institutions from direct state intrusion into their operations. This system is unique to the United States and several other democratic countries.

The proposed legislation -- and I am sure it is unintended -- gives the governor extraordinary powers over higher education. The legislation gives the governor "visitation" powers over colleges and universities. Surely the drafters of this bill did not know that "visitation" powers give

the holder, or anyone designated by the holder, the right to inspect any institution's programs, libraries, textbooks, courses, syllabi, faculty vita, research, faculty papers, publications and any other aspect of a college's operations. Visitation rights should be restricted to Boards and persons functioning within significant constraints. Misusing "visitation" as a pretext, a person can literally conduct an inquisition on a college campus. No elected official, especially a chief of state, should be vested with college visitation rights.

The proposed bill transfers additional powers to the trustees of the colleges and that is a step in the right direction. I especially applaud the authority extended to colleges to invest and reinvest their own funds, to determine controversies and disputes, to hold hearings and take testimony under oath and to retain legal counsel of their own choosing. The latter power is especially important because it permits the colleges to sue the state, a power they lack under the present legislation.

Amend the legislation to require Commission approval and State approval if institutions seek to dispose of land deeded to them under this Bill.

An institution's short-term interests may conflict with the state's long-term interests. Some of you may remember the "Montclair Landfill," controversy. The college had contracted to use a part of the campus for a land fill. The stink that arose in the community exceeded the potential from the land fill. The project was abandoned. You may also recall Ramapo College's lease of open space along Route 202 for the storage of unsold automobiles, the Rutgers sale of land at less than fair market value to a professional association, the sale of college lands for housing development and the intense pressure on Stockton State College to transfer land in the Pinelands as a site for an industrial park on its campus. All of these proposals or deals were in the best interests of the colleges, but they were not necessarily consistent with the state's "green acres" programs nor in the long-term interests of the colleges.

The public colleges and universities in New Jersey enjoy considerable autonomy because they receive their funds in a lump sum and have the authority to expend their own funds. The proposed legislation requires that the colleges submit their budgets directly to the Treasurer and transfers considerable authority over colleges' budgets to the Treasurer.

If the legislation does not already do so, I urge a provision that requires the Treasurer to transfer the state appropriations to the colleges in a lump sum, that the colleges not be constrained by line-item expenditure control, neither in the format for their budget

requests nor through the appropriations acts. If there is a conflict between the appropriations acts and this provision, this provision should prevail.

Financing and the Budget

Amend the Bill to require that all institutional and program budgets for higher education be submitted to the Commission which would recommend a single budget for higher education to the Governor and to the Legislature.

The comprehensive budget would include all institutional budgets and all of the program budgets for higher education functions located in the Treasurer's office. After the Commission assembles the budgets, it would hold hearings and consult with the New Jersey President's Council. The Commission would then recommend a comprehensive budget to the Governor and Legislature

As now written, *Senate Bill 1118* fragments the budgetary process. You need to clarify its meaning. The Commission is to review institutional budget requests and propose a coordinated budget policy to the Governor and the Legislature, whatever that means. The New Jersey President's Council is to make recommendations to the Governor, Legislature and Commission on overall levels of student aid and transmit to the Governor, Legislature and Commission a "general budget policy statement" regarding overall State funding levels. The college boards are to submit a request for State support to the Division of Budget and Accounting in the Department of Treasury and to the Commission. It is not clear how the budgets for the community colleges and independent colleges would be prepared nor how the criteria that drive their budgets would be determined. Budget requests would originate in a number of places, including the colleges, the Department of State, the Treasurer's office, the Commission, the New Jersey President's Council, the Council of County Colleges and the Association of Independent Colleges and Universities and would be coordinated somehow in the Treasurer's Office. Would the public have available an overall budget for higher education? If so, where would it be prepared and would it be subject to public hearings? How would the student-aid budget and EOF budget be coordinated with tuition policy at the colleges? Would there be separate administrative budgets for the Commission, the Council, the OSA, the EOF, and the authorities?

I urge that you consider preserving what worked best in the Department of Higher Education -- the preparation of a single budget for higher education which encompassed all of its programs.

Amend the Bill to require that the New Jersey President's Council, the Council of State Colleges and the Council of County Colleges submit their budgets to the Commission so that they may be disseminated publicly.

Amend the legislation to give the Commission the power to establish an overall tuition policy for the state.

Under the Bill, colleges and universities will be able to set their own tuition and that is both good news and bad news. The good news is that this additional autonomy places responsibility for annual tuition setting in the hands of trustees where it belongs. The bad news is that the trustees will find it easier to raise tuition than to cut costs or raise funds privately. The irony is that the higher the tuition, the less incentive the state has to subsidize higher education. If institutions do not exercise constraint, they will find that each tuition increase will result in further relative state reductions in the subsidy for higher education. Under the Governor's proposal, tuition may rise 20 - 25 % over the next two years while institutional budgets remain constant in real terms. The result is that low income families, through tuition increases, may replace part of the funds needed for income tax cuts for high income families.

I applaud the governor's recommendation that the New Jersey President's Council be given the power of assessment to finance its operations. The Council can provide higher education with a single voice to promote higher education and lobby for increased appropriations.

Accountability

Amend the Bill to give the Commission responsibility for defining the form, content and reporting requirements that will guide trustees about the information they should make available in partial fulfillment of their accountability to the public.

Under the proposed legislation, trustees are to be accountable to the public for fulfillment of the institution's mission and Statewide goals and for effective management of the institution. Trustees are accountable to the public, but they are not elected directly by the public. How are they accountable to the public? What do the words mean? What disclosures about institutional operations are required of trustees?

Every economist knows that the efficient allocation of capital in a free enterprise system requires that information be available widely and quickly to the market. The Securities and Exchange Commission assures the private institutions that raise funds report publicly about their operations.

If competition is to drive higher education, then students and their families also must have knowledge about institutions' operations and accomplishments. They need to know about admissions practices, costs, course availability, retention rates, graduation rates, class size, and educational effectiveness. Students also need to know whether remedial services are available if they are admitted with deficiencies. They need to know that courses required for graduation will be offered. They need to know that there will be available seats in those class rooms.

A Legislature that appropriates a billion dollars of tax payer money also should want to be assured that colleges and universities accomplish what they promise.

Access

If we down-size higher education at the undergraduate level or fail to provide capacity to meet expanding needs, you and I know who will be excluded. It will be the students from low-income families. They will be from urban high schools, The majority will be African-American and Hispanic students. They will be the students who most need higher education in order find jobs and become taxpayers.

I fear that the opportunities for such students will decline under the proposed Bill, not because of bad intentions, but because the Bill contains unintended hooks that will limit college-going opportunities.

First, tuition increases of the magnitude that colleges are likely to propose to meet their fiscal needs will discourage college attendance. Second the State continues to set a ceiling on tuition-aid increases. Third, colleges will no longer report regularly on their recruitment of special opportunity students, their graduation rates, and the racial composition of their classes. Fourth, state wide basic skills testing has been abandoned so that it will be impossible to determine whether students who are admitted and need remediation will ever receive it. Finally, colleges under financial pressure are most likely to reduce enrollments of students who require high-cost services, i.e., students who need remedial and other special services.

How do we assure continued access by those most in need?

Amend the Bill to make the tuition-aid program an entitlement program.

If the state is willing to permit colleges to raise tuition without restraint, then the state should also take responsibility for guaranteeing that tuition-aid is sufficient to cover whatever tuition public colleges and universities charge to resident undergraduate students. Low-income students should not be asked to undertake a risk that is properly a risk that the state should assume. The Treasurer will know how to recover such funds from the colleges if the state's policy is to require that colleges cover student-aid for tuition charges above state targets.

Amend the Bill to give the Commission clear responsibility for proposing program funding for all activities under the jurisdiction of the Student Assistance Board, the Educational Opportunity Fund, and the Higher Education Loan Authority.

The Bill, as written, spreads responsibility for the student-aid and loan programs among several agencies making it difficult to continue the coordinated system that has made New Jersey's programs a model for the nation.

Amend the Bill to give the Commission power to appoint Members of the Educational Opportunity Board Fund subject to the approval of the Governor.

The Educational Opportunity Fund Board is responsible to the Commission which appoints the director, but the members of the Board are now appointed by the Governor. Responsibility for the Educational Opportunity Fund program should be placed squarely with the Commission.

Amend the Legislation to require that the Basic Skills Testing Program be continued under the jurisdiction of the Commission.

Conclusion

I wish the Governor had chosen to appoint a Commission of Distinguished Citizens to undertake a longer and more thoughtful study of higher education. This approach might have resulted in a broad agreement on the issues and on the need for planned changes to the present system.

Instead we find ourselves involved in a sort of tragic-comedy. The state's orderly processes have given way to acerbic conflict and divisiveness. Higher education which had enjoyed bipartisan support for over twenty-five years has now become a partisan political issue. It is likely to continue to be so through the next gubernatorial election. That is a great tragedy for the State, for this Legislature, for higher education and for our institutions of higher education.

If this issue were not so partisan, I would have tried to persuade you to establish a blue-ribbon commission to define a model for higher education that would carry us into the twenty-first Century, instead of adopting this hastily prepared solution to an extraordinarily complex issue. If you want to do the right thing, that is what you should do. But I understand that the governor will have her way on this issue and that she leads the majority party that controls the legislature. In these circumstances, I ask that you amend the bill to make it a more constructive piece of legislation.

I do not want to relinquish the floor without recognizing the Board of Higher Education which has served this state so well for over thirty years. Its members, which have included some of the most distinguished citizens of this state, have devoted tens of thousand of hours of work to help make our system of higher what it is today. They have served generously without compensation and with little recognition. They deserve better than we have shown them in the debate thus far. If this bill should be enacted, I ask that the Legislature adopt a joint resolution recognizing their accomplishments and those of the Chancellor and his staff.

Whether you agree with the Chancellor or not, he has acted with dignity and courage in articulating the position of the Board of Higher Education. I hope you share my admiration for him and the way he has conducted himself in this debate.

The real victims of this Bill are the staff members of the Department of Higher Education who will be fired because of this change. They are dedicated state employees who served the people of this state with pride, integrity, competence and a deep love of higher education. Many have had over twenty years of service with the state. They are persons who rejected civil service status because they preferred to be evaluated under the collegial system they served. As a result, they now face the prospect of being put out on the street because of a power struggle that is no fault of their own. What a shabby way to treat some of the state's most devoted employees. I thank the members of the staff of the department

of higher education for all they have done for the people of the state.
And I apologize to them for all they have endured and may yet endure.



*Association of Independent Colleges
and Universities in New Jersey*

*Member Colleges
and Universities*

Bloomfield College
Caldwell College
Centenary College
College of Saint Elizabeth
Drew University
Fairleigh Dickinson University
Felician College
Georgian Court College
Monmouth College
Princeton University
Rider College
Saint Peter's College
Seton Hall University
Stevens Institute of Technology
Upsala College
Westminster Choir College

TESTIMONY on S-1118/A-75

Good day Chairman Ewing, Chairman Rocco, members of the Committees. Thank you very much for providing us with the opportunity to speak with you briefly today about the independent sector's thoughts regarding S-1118/A-75, the restructuring of higher education.

In our opinion, the process that has resulted in the bill before you today was indeed quick. But we believe that given the parameters the Governor provided for the Advisory Panel, more time for study would probably not have made a big difference in the final outcome. With respect to the Advisory Panel, we must say that we had great faith in the people who served on this committee. In particular, we feel that the representatives on the Panel from the independent sector were exceptionally strong.

The central point that I would like to make today is that we are extremely pleased that the role of the independent colleges and universities has once again been reaffirmed as integral to New Jersey's system of higher education. Our place in New Jersey's higher education delivery system remains relatively unchanged under the restructuring plan. Back in March when this process began, we were not completely confident that this would be the outcome and therefore we're especially happy that our contributions have once again been recognized.

We are also gratified that the student financial aid and the Educational Opportunity Fund programs have remained as very high priorities under the new restructuring plan. A strong financial aid program is one of the distinguishing characteristics of higher education in New Jersey. These are the programs that allow low- and middle-income students to attend the college of their choice in our state and should they begin to fail in that task, the citizens of our state will find their opportunities for advancement much diminished.

I would now like to make comments on several areas of the restructuring plan where we feel it could be greatly improved with modest change. The arrangement of having the Commission Chair specifically invited to Cabinet meetings for higher education issues is less acceptable than full participation in the Cabinet. We would recommend that the Commission Chair have full Cabinet status rather than being invited to attend when higher education items are to be discussed. We make this recommendation because there are numerous important issues facing our state that might not immediately appear to have a higher education component but in fact, do. These areas could include commerce, economic development, research and development, and health care. The Commission Chair should be at the Cabinet table at all times.

Similarly, we would argue that since the Commission is coordinating in function and not regulatory, there is no purpose served by extinguishing the terms of the six trustee members of the Commission. There is no doubt that the expertise of the institutional trustee members of the Commission (who in S-1118 will only be serving four year terms and then their slots will be removed from the Commission) will be able to provide the Commission with valuable expertise that will be most helpful in the Commission's deliberations. Since public members appointed by the Governor form the majority there is a safeguard against domination of the Commission by institutional trustees.

Overall, the independent sector supports restructuring as long as it does not change our relationship with state government. We do not believe that this relationship should change because one of the plan's primary results is that it makes the public institutions more like us in governance. Once again, let me thank you for the opportunity to speak before you today. The independent colleges and universities look forward to continuing to work with you as we seek to devise the best possible system of higher education for our students and the citizens of our state. Thank you.

John B. Wilson
President
Association of Independent Colleges
and Universities in New Jersey
Senate/Assembly Education Committees
May 27, 1994

EOF Amendments

- I. To Clarify that the Board alone has the authority to propose the Program Budget

213 4 (a) should read " The Business and operations of the fund, including the preparation of the annual budget request to be submitted to the Governor and Legislature, shall be administered by the board of directors subject to the general supervision of the Commission on Higher Education."

or change the following

215-6(a) "Prepare an annual budget request for the fund to be submitted to the Governor and Legislature and administer all funds appropriated by the Legislature."

- II. To Clarify that the Board can collect, Analyze and Use Data about the Programs

215 6(c) "through the commission on higher education be responsible to monitor and evaluate EOF student and program performance and report periodically in writing to the Governor and the legislature on the performance of its duties in accordance with the provisions of this act."



May 27, 1994

Department of History

TO: THE HONORABLE MEMBERS OF THE N.J. STATE SENATE & ASSEMBLY
EDUCATION COMMITTEE

FROM: MELVIN EDELSTEIN, PROFESSOR OF HISTORY
MEMBER OF THE FACULTY SENATE
PRINCETON UNIVERSITY PH. D.(1965)

RE: IN GRANTING GREATER AUTONOMY & RESPONSIBILITY TO THE INDIVIDUAL COLLEGE PRESIDENTS & BOARDS OF TRUSTEES, HOW WILL THE LEGISLATURE ENSURE THEIR ACCOUNTABILITY TO PROTECT THE PUBLIC INTEREST?

Attached, you will find my letters to Mary Hartman and Governor Whitman expressing my concern about the accountability of the Boards of Trustees and the college presidents. In addition, I fear that the Office of Policy, Planning & Research of the D.H.E. might be abolished, thereby eliminating any central data collection. Without that data, the performance of the state colleges & universities cannot be monitored and compared. Without the knowledge of the outcomes of public education, there cannot be any accountability. Without accountability of the local boards and presidents, the public interest will not be protected. Hence, the issues of central data collection and the publication of that data and accountability of the individual college Boards of Trustees and the presidents are intimately related.

I never received an answer to my questions from Governor Whitman. Does she have any proposal to protect the public interest by ensuring that greater accountability will be joined to greater autonomy and responsibility? Does the legislature have a means to protect the public interest by ensuring accountability?

- 1) How will new Board members be "screened" to ascertain that they are independent, non-partisan, public-spirited, and suitable? Who, or what, will replace the BHE Trustee Committee, which currently "screens" and interviews prospective candidates and maintains a candidate pool? Who, or what, will "screen" Board members, review their attendance records and performance when they are recommended by the Board chairperson for reappointment to another 6-year term? Will there be term limits?
- 2) How will the Board collectively, and individuals, be held accountable for their trusteeship, especially as they are appointed by the governor and not elected?
- 3) The BHE lists among the Board member's duties "the evaluation of the president." IT IS IMPERATIVE THAT EACH BOARD CONDUCT AN ANNUAL EVALUATION OF THE PRESIDENT TO ENSURE HIS/HER ACCOUNTABILITY. Each Board should name a presidential assessment or evaluation committee AS WPC'S BOARD JUST DID of at least 3 members. IT SHOULD BE REQUIRED TO SOLICIT INPUT FROM THE MEMBERS OF THE BARGAINING UNIT & STUDENTS. It should hire outside consultants periodically to evaluate the president's performance.



April 11, 1994

Department of History

Professor Mary S. Hartman
Dean of Douglass College
P.O. Box 270
New Brunswick, N.J. 08903-0270

Dear Dean Hartman:

I have called your secretary to reserve a spot to testify before your commission. In my address this Friday morning, I will focus on two special concerns of mine. I am sure that others will address the issues of advocacy, budgets, etc. I enclose a letter that I wrote to Governor Whitman on April 4th. I am submitting it to your commission as part of my testimony. In the letter, I raise what I consider to be a very important problem now, which will be aggravated by Governor Whitman's proposal to abolish the DHE. The governor claims that her proposal will put accountability where it belongs—with the individual college presidents and their boards of trustees. Donald Silberman, president of the AFT, has claimed that as a result "colleges would become the fiefdoms of local boards of trustees and their presidents." What criteria is currently used to assure the accountability of the local boards of trustees, which are fiduciary bodies? How will Governor Whitman select board members? Will the local boards just coopt themselves? Will they become the "rubber stamps" of the presidents, esp if they propose board members? What criteria will be used by Governor Whitman to ensure the accountability of the local board members? Will they be collectively responsible? individually? annually? only when they are reappointed? How does she propose to make these appointed, non-elected, board members accountable to the public, whose trust is their responsibility? President Silberman will be correct unless there is a sound system in place to hold local boards accountable and also to hold presidents accountable to the boards. At WPC, the Faculty Senate just initiated its own system of accountability of the president (Arnold Speert) and the 3 V.P.'s because it found the board's system defective.

Secondly, will the Office of Planning & Research be abolished? It provides valuable data, based on the development of the SURE tapes. As a result of its data analysis, we have ways to know and compare the effectiveness of the institutions' performance. If the DHE is abolished, I fear we will lose the splendid work of the Office of Planning and Research. I use their data to compare WPC's performance to that of the colleges in the public sector. What will replace the Office of Planning & Research if it is abolished? Will it be abolished?

These are only two of the many unanswered questions posed by the governor's proposal. I look forward to the answers.

Sincerely yours,

Melvin Edelstein
Melvin Edelstein

Professor of History
At-Large Member of the Faculty Senate
Princeton University Ph. D. (1965)



April 4, 1994

Department of History

The Honorable Christine Todd Whitman
Governor of the State of New Jersey
State House Annex
Trenton, N.J. 08625

Dear Governor Whitman:

I am confused and concerned about one aspect of your proposal to eliminate the B.H.E., D.H.E., & the Chancellor: how will the presidents and boards of trustees be held accountable? Perhaps you can clarify how this is, and will be, done.

In your speech to the legislature, you are quoted as saying, "But more important, we will put responsibility and accountability for our colleges where it belongs—with the individual college presidents and their boards of trustees." On March 28th, The Beacon, WPC's newspaper, states, "President Speert said that he thought the best change in this structure is the greater accountability for college presidents and their boards of trustees."

On the other hand, according to the Star-Ledger, on March 27th, former Governor Kean insisted that "any structure should provide a statewide system of accountability and responsibility." And the president of the AFT, Donald Silberman, has criticized your proposal, claiming, among other things, that "colleges would become the private fiefdoms of local boards of trustees and their presidents."

I am confused. Who is correct? You and President Speert? or former Governor Kean and Donald Silberman?

Since the local boards of trustees are supposed to protect the public interest, it is essential that they be accountable to the public whose interest they must protect. Yet, they are appointed and not elected. Since the presidents are supposed to be accountable to the boards of trustees, it is essential that a sound system of presidential accountability be in place.

First, how will board members be selected in the future so that they will protect the public interest? Under the present system, a committee of the B.H.E. recommends prospective local board members to the Chancellor, who recommends them to the governor, who appoints them for 6-year terms. They are screened first by the B.H.E. How will the new board members be selected in the future? How will they represent the public interest? How will partisan politics be kept out of board nominations?

There is a danger that presidents and/or boards will recommend prospective board members to the governor. That raises the danger cited by Silberman that "colleges will or might become the private fiefs of local boards of trustees and their presidents." Will the boards just be "rubber-stamps" for the presidents? how will they protect the public interest? Supporting the president is not the same as representing and supporting the "public interest".

Since the boards of trustees are supposed to protect the "public interest", how will they be held accountable to the public? How are these non-elected, appointed, trustees held accountable to the public now? Are they, or will they be, collectively accountable? how? annually? How is each individual board member held accountable now? in the future? Is there annual accountability? Does accountability come into play only when their 6-year term is over? when they are



Department of History

reappointed?

What criteria are used to hold the board members accountable? What criteria will be used under your plan? Does the governor examine their attendance record? their voting record? their responsiveness to the "public interest"? their support of the president? What are the criteria for holding board members accountable? Since the board members have a fiduciary responsibility, how are they held accountable to the public when they are not elected? Since they are appointed, or reappointed by the governor, how does the governor hold them accountable? How will you do it?

How are presidents held accountable to the boards of trustees? How will they be held accountable by the boards under your plan? Might the colleges become the "private fiefdoms" of the presidents, supported by a "rubber-stamp board" as Silberman argues? What might have happened, for example, if Chancellor Goldberg did not criticize the president and board of Kean College for not condemning the inflammatory remarks of a speaker? What might have happened if there was no oversight and review of Trenton State's policy of buying up houses and giving them to administrators?

At WPC, the Faculty Senate decided that the board's system for holding the president accountable was defective. It established its own system for evaluating the performance of the president and the V.P.'s. It will be used this year to evaluate the effectiveness of their performance. How will boards evaluate the effectiveness of the presidents?

In short, if your proposal truly puts responsibility and accountability where they belong, it is essential that there is a meaningful system of accountability of the board members and the presidents to really protect the public interest. The board members should be chosen on a non-partisan basis and they should be "representative" of the "public interest" which they are required to protect. The local boards should not just be "rubber stamps" for the presidents.

I look forward to your answers in the hope that you can clarify this confusing issue.

Sincerely yours,

A handwritten signature in cursive script that reads "Melvin Edelstein".

Melvin Edelstein

Professor of History

At-Large Member of the Faculty Senate

INTRODUCTION

The William Paterson College Faculty Senate has developed this survey to enable the campus community to participate in the important task of institutional self-evaluation more fully than previously possible. A college community truly committed to achieving community, excellence and diversity will vigorously seek to examine every aspect and all levels of service from as many perspectives as possible. In this spirit, the Faculty Senate asks your thoughtful and objective participation in the evaluation of the WPC administration.

To encourage maximum participation and candor, this survey is being given anonymously.

DO NOT PUT YOUR NAME ANYWHERE ON THIS FORM.

To enable the Senate to interpret the results better, a few demographic questions are included.

Thank you for your participation in this project.

DEMOGRAPHIC INFORMATION

I am a member of the: Faculty _____
Librarians _____
Professional Staff _____

(If a Faculty member) I am a member of the School of: Arts and Communication _____
Education and Human Services _____
Humanities, Management, and Social Sciences _____
Science and Health _____

RANK: Professor _____ Associate Professor _____ Assistant Professor _____ Instructor _____

(If a member of the Professional Staff) I report to the Vice-President for:

Academic Affairs _____ Administration and Finance _____ Enrollment Management _____ Other _____

I have been employed at WPC for:

0 - 5 years _____ 6 - 10 years _____ 11 - 15 years _____ 16 - 20 years _____ 21 - 25 years _____ more than 25 years _____

SCORING

Each question asks you to assess the administrator's performance on a scale in which the values represent:

PLEASE NOTE:

N = I have insufficient knowledge of or no opinion on the administrator's performance on this question or I believe the question is not part of the administrator's job. (These answers will not be averaged in the data analysis.)

5 = excellent performance or I strongly agree with this statement,

4 = good performance or I agree with this statement.

3 = average performance or I agree and disagree with this statement in approximately equal measures.

2 = below average performance or I disagree with this statement.

1 = poor performance or I strongly disagree with this statement.

THE PRESIDENT

Questions regarding the President of William Paterson College have been roughly grouped into four broad categories: Leadership, Communication, Fiscal Management, and Personal and Interpersonal Qualities.

PART ONE: LEADERSHIP

THE PRESIDENT HAS EFFECTIVELY CONTRIBUTED TO:	Strongly Agree <-> Strongly Disagree Excellent <-> Poor					
1. clearly articulating a vision for the college.	5	4	3	2	1	N
2. implementing the Mission Statement.	5	4	3	2	1	N
3. enhancing the academic and intellectual quality of the institution.	5	4	3	2	1	N
4. developing and implementing long-range planning.	5	4	3	2	1	N
5. developing and implementing assessment.	5	4	3	2	1	N
6. promoting participatory governance.	5	4	3	2	1	N
7. fostering mutual respect and cooperation.	5	4	3	2	1	N
8. developing a more diverse college community.	5	4	3	2	1	N
9. fostering an environment conducive to high morale.	5	4	3	2	1	N
10. dispelling the "climate of distrust" and the "culture of confrontation" noted in the Middle States report.	5	4	3	2	1	N
11. supporting others in their efforts to achieve institutional goals.	5	4	3	2	1	N
12. addressing fairly and adequately the issues related to students.	5	4	3	2	1	N
13. putting together a highly competent team of administrators.	5	4	3	2	1	N
14. promoting administrative accountability.	5	4	3	2	1	N
15. motivating faculty and staff to do their best.	5	4	3	2	1	N
16. setting appropriate standards for student admissions and performance.	5	4	3	2	1	N
<u>Overall, I rate the President's LEADERSHIP as:</u>	5	4	3	2	1	N

PART TWO: COMMUNICATION

THE PRESIDENT EFFECTIVELY:

1. communicates his/her and the institution's positions to the college community.	5	4	3	2	1	N
2. presents the rationale behind administrative actions and decisions.	5	4	3	2	1	N
3. represents the institution to the external community.	5	4	3	2	1	N
4. promotes a positive image of the college.	5	4	3	2	1	N
5. "markets" the college internally and externally.	5	4	3	2	1	N
<u>Overall, I rate the President's COMMUNICATION as:</u>	5	4	3	2	1	N

PART THREE: FINANCIAL MANAGEMENT

Strongly Agree <-> Strongly Disagree
Excellent <-> Poor

THE PRESIDENT:

1. provides sound fiscal management to promote the quality of education.	5	4	3	2	1	N
2. responds to fiscal exigencies in a sensitive manner.	5	4	3	2	1	N
3. efficiently uses resources in achieving the goals of the Mission Statement.	5	4	3	2	1	N
4. is effective in attracting private funds to the institution.	5	4	3	2	1	N
5. encourages input from faculty and staff on budgetary priorities.	5	4	3	2	1	N
<u>Overall, I rate the President's FINANCIAL MANAGEMENT as:</u>	5	4	3	2	1	N

PART FOUR: PERSONAL AND INTERPERSONAL QUALITIES

THE PRESIDENT:

1. is accessible.	5	4	3	2	1	N
2. is sensitive to the concerns of faculty and staff members.	5	4	3	2	1	N
3. seeks a wide range of opinions on important college matters.	5	4	3	2	1	N
4. is credible, straight-forward and honest in his/her relations with members of the college community.	5	4	3	2	1	N
5. is sensitive to issues of race and ethnicity.	5	4	3	2	1	N
6. is sensitive to issues of gender.	5	4	3	2	1	N
7. is sensitive to issues of sexual orientation.	5	4	3	2	1	N
8. keeps well-informed on current educational issues.	5	4	3	2	1	N
9. makes fair and equitable decisions.	5	4	3	2	1	N
10. treats faculty and staff with respect and dignity.	5	4	3	2	1	N

Overall, I rate the President's PERSONAL AND INTERPERSONAL QUALITIES as: 5 4 3 2 1 N

PART FIVE: OVERALL EVALUATION

Taking all aspects of presidential performance into account, I rate the President's OVERALL PERFORMANCE as: 5 4 3 2 1 N

PART SIX: Additional comments on any aspect(s) of the President's performance

THE VICE-PRESIDENT for ACADEMIC AFFAIRS and PROVOST

Questions regarding the Vice-President for Academic Affairs and Provost have been roughly grouped into three broad categories: Academic Leadership, Communication, and Personal and Interpersonal Qualities.

PART ONE: ACADEMIC LEADERSHIP

THE VICE-PRESIDENT FOR ACADEMIC AFFAIRS AND PROVOST HAS EFFECTIVELY CONTRIBUTED TO:

Strongly Agree <-> Strongly Disagree
Excellent <-> Poor

1. clearly articulating an academic vision for the college.	5	4	3	2	1	N
2. implementing the academic goals of the Mission Statement.	5	4	3	2	1	N
3. setting high academic and intellectual standards for the institution.	5	4	3	2	1	N
4. developing and implementing long-range academic planning.	5	4	3	2	1	N
5. developing and implementing assessment.	5	4	3	2	1	N
6. promoting participatory governance.	5	4	3	2	1	N
7. fostering mutual respect and cooperation.	5	4	3	2	1	N
8. recruiting and supporting a more diverse faculty.	5	4	3	2	1	N
9. fostering an environment conducive to high morale.	5	4	3	2	1	N
10. dispelling the "climate of distrust" and the "culture of confrontation" noted in the Middle States report.	5	4	3	2	1	N
11. supporting others in their efforts to achieve departmental, school, and institutional goals.	5	4	3	2	1	N
12. addressing fairly and adequately student-related concerns.	5	4	3	2	1	N
13. putting together a highly competent team of administrators.	5	4	3	2	1	N
14. promoting administrative accountability.	5	4	3	2	1	N
15. motivating faculty and academic staff to do their best.	5	4	3	2	1	N
16. promoting faculty development in teaching and scholarship.	5	4	3	2	1	N
17. encouraging the faculty to develop innovative pedagogy.	5	4	3	2	1	N
18. establishing a coherent General Education program.	5	4	3	2	1	N

Overall, I rate the Vice-President for Academic Affairs and Provost's ACADEMIC LEADERSHIP as:

5 4 3 2 1 N

PART TWO: COMMUNICATION

THE VICE-PRESIDENT FOR ACADEMIC AFFAIRS AND PROVOST EFFECTIVELY:

1. communicates the institution's academic position to the college

5 4 3 2 1 N

	Strongly Agree <-> Strongly Disagree Excellent <-> Poor					
2. presents the rationale behind her/his administrative actions and decisions.	5	4	3	2	1	N
3. communicates her/his expectations of the faculty and librarians in terms of professional performance.	5	4	3	2	1	N
4. works cooperatively with the committees that report to her/him.	5	4	3	2	1	N
5. listens to the faculty and staff, and responds meaningfully to their input.	5	4	3	2	1	N

Overall, I rate the Vice-President For Academic Affairs and Provost's COMMUNICATION as:

	5	4	3	2	1	N
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PART THREE: PERSONAL AND INTERPERSONAL QUALITIES

THE VICE-PRESIDENT FOR ACADEMIC AFFAIRS AND PROVOST:

1. is accessible.	5	4	3	2	1	N
2. is sensitive to the concerns of faculty and staff members.	5	4	3	2	1	N
3. seeks a wide range of opinions on important academic matters.	5	4	3	2	1	N
4. is credible, straight-forward and honest in her/his relations with members of the college community.	5	4	3	2	1	N
5. is sensitive to issues of race and ethnicity.	5	4	3	2	1	N
6. is sensitive to issues of gender.	5	4	3	2	1	N
7. is sensitive to issues of sexual orientation.	5	4	3	2	1	N
8. keeps well-informed on current educational issues.	5	4	3	2	1	N
9. makes fair and equitable decisions.	5	4	3	2	1	N
10. treats faculty and staff with dignity and respect.	5	4	3	2	1	N

Overall, I rate the Vice-President for Academic Affairs and Provost's PERSONAL AND INTERPERSONAL QUALITIES as:

	5	4	3	2	1	N
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PART FOUR: OVERALL EVALUATION

Taking all aspects of the Vice-President for Academic Affairs and Provost's performance into account, I rate her/his OVERALL PERFORMANCE as:

	5	4	3	2	1	N
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PART FIVE: Additional comments on any aspect(s) of the performance of the Vice-President for Academic Affairs and Provost

THE VICE-PRESIDENT FOR ADMINISTRATION AND FINANCE

Questions regarding the Vice-President for Administration and Finance have been roughly grouped into three broad categories: Leadership and Financial Management, Communication, and Personal and Interpersonal Qualities.

PART ONE: LEADERSHIP AND FINANCIAL MANAGEMENT

THE VICE-PRESIDENT FOR ADMINISTRATION AND FINANCE HAS EFFECTIVELY CONTRIBUTED TO:

Strongly Agree <-> Strongly Disagree
Excellent <-> Poor

1. developing long-range financial planning.	5	4	3	2	1	N
2. implementing long-range financial plans.	5	4	3	2	1	N
3. putting together a highly competent team of administrators.	5	4	3	2	1	N
4. promoting administrative accountability.	5	4	3	2	1	N
5. maintaining safe, clean, and pleasant facilities and work environment.	5	4	3	2	1	N
6. providing adequate equipment and non-academic supplies.	5	4	3	2	1	N
7. streamlining and simplifying the administrative process.	5	4	3	2	1	N
8. maintaining campus security.	5	4	3	2	1	N
9. fostering mutual respect and cooperation.	5	4	3	2	1	N
10. dispelling the "climate of distrust" and the "culture of confrontation" noted in the Middle states report.	5	4	3	2	1	N
<u>Overall, I rate the Vice-President for Administration and Finance's LEADERSHIP and FINANCIAL MANAGEMENT as:</u>	5	4	3	2	1	N

PART TWO: COMMUNICATION

THE VICE-PRESIDENT FOR ADMINISTRATION AND FINANCE EFFECTIVELY:

1. promotes college-wide understanding of financial matters.	5	4	3	2	1	N
2. presents the rationale behind financial and budgetary actions and decisions.	5	4	3	2	1	N
3. "markets" the college internally and externally.	5	4	3	2	1	N
<u>Overall, I rate the Vice-President for Administration and Finance's COMMUNICATION as:</u>	5	4	3	2	1	N

PART THREE: PERSONAL AND INTERPERSONAL QUALITIES

Strongly Agree <-> Strongly Disagree
Excellent <-> Poor

THE VICE-PRESIDENT FOR ADMINISTRATION AND FINANCE:

1. is accessible.	5	4	3	2	1	N
2. is sensitive to the concerns of faculty and staff members in budgetary matters.	5	4	3	2	1	N
3. seeks a wide range of opinions on important budgetary matters.	5	4	3	2	1	N
4. is credible, straight-forward and honest in his/her relations with members of the college community.	5	4	3	2	1	N
5. is sensitive to issues of race and ethnicity.	5	4	3	2	1	N
6. is sensitive to issues of gender.	5	4	3	2	1	N
7. is sensitive to issues of sexual orientation.	5	4	3	2	1	N
8. keeps well-informed on current educational financial issues.	5	4	3	2	1	N
9. makes fair and equitable decisions.	5	4	3	2	1	N
10. treats faculty and staff with dignity and respect.	5	4	3	2	1	N

PART FOUR: OVERALL EVALUATION

Taking all aspects of the Vice-President for Administration and Finance's performance into account, I rate his/her OVERALL PERFORMANCE as:

5 4 3 2 1 N

PART FIVE: Additional comments on any aspect(s) of the performance of the Vice-President for Administration and Finance.

THE VICE-PRESIDENT FOR ENROLLMENT MANAGEMENT AND STUDENT SERVICES

Questions regarding the Vice-President for Enrollment Management and Student Services have been roughly grouped into three broad categories: Leadership, Communication, and Personal and Interpersonal Qualities.

PART ONE: LEADERSHIP

THE VICE-PRESIDENT FOR ENROLLMENT MANAGEMENT AND STUDENT SERVICES HAS EFFECTIVELY CONTRIBUTED TO:

Strongly Agree <-> Strongly Disagree
Excellent <-> Poor

1. communicating a vision for the college.	5	4	3	2	1	N
2. implementing the student-related goals of the Mission Statement.	5	4	3	2	1	N
3. enhancing the academic and intellectual environment of the institution.	5	4	3	2	1	N
4. promoting participatory governance and decision-making.	5	4	3	2	1	N
5. fostering mutual respect and cooperation.	5	4	3	2	1	N
6. dispelling the "climate of distrust" and the "culture of confrontation" noted in the Middle States report.	5	4	3	2	1	N
7. encouraging student, faculty, and staff involvement in student recruitment and development.	5	4	3	2	1	N
8. addressing fairly and adequately student-related issues.	5	4	3	2	1	N
9. recruiting qualified students.	5	4	3	2	1	N
10. recruiting a diverse student body.	5	4	3	2	1	N
11. streamlining and simplifying the registration process.	5	4	3	2	1	N
12. promoting a better advisement process.	5	4	3	2	1	N
13. implementing programs and processes which promote student development beyond the classroom.	5	4	3	2	1	N
14. promoting better management of the financial aid process	5	4	3	2	1	N
15. providing excellent student services.	5	4	3	2	1	N
16. promoting the social and psychological well-being of the student.	5	4	3	2	1	N
17. promoting sound management of the dormitories.	5	4	3	2	1	N
18. improving the retention and graduation rates.	5	4	3	2	1	N
19. putting together a highly competent team of administrators.	5	4	3	2	1	N
20. promoting administrative accountability.	5	4	3	2	1	N
<u>Overall, I rate the Vice-President for Enrollment Management and Student Services' LEADERSHIP as:</u>	5	4	3	2	1	N

PART TWO: COMMUNICATION

THE VICE-PRESIDENT FOR ENROLLMENT MANAGEMENT AND STUDENT SERVICES EFFECTIVELY:

**Strongly Agree <-> Strongly Disagree
Excellent <-> Poor**

- | | | | | | | |
|--|---|---|---|---|---|---|
| 1. communicates the institution's academic position to the college community. | 5 | 4 | 3 | 2 | 1 | N |
| 2. presents the rationale behind administrative actions and decisions. | 5 | 4 | 3 | 2 | 1 | N |
| 3. represents the institution to the external community | 5 | 4 | 3 | 2 | 1 | N |
| 4. promotes a positive image of the college. | 5 | 4 | 3 | 2 | 1 | N |
| 5. communicates the vision of the college in student recruitment and student development activities. | 5 | 4 | 3 | 2 | 1 | N |
| 6. "markets" the college internally and externally. | 5 | 4 | 3 | 2 | 1 | N |

Overall, I rate the Vice-President for Enrollment Management and Students Services' COMMUNICATION as:

5 4 3 2 1 N

PART THREE: PERSONAL AND INTERPERSONAL QUALITIES

THE VICE-PRESIDENT FOR ENROLLMENT MANAGEMENT AND STUDENT SERVICES:

- | | | | | | | |
|---|---|---|---|---|---|---|
| 1. is accessible. | 5 | 4 | 3 | 2 | 1 | N |
| 2. is sensitive to the concerns of students, faculty, and staff members. | 5 | 4 | 3 | 2 | 1 | N |
| 3. seeks a wide range of opinions on important student matters. | 5 | 4 | 3 | 2 | 1 | N |
| 4. is credible, straight-forward and honest in his/her relations with members of the college community. | 5 | 4 | 3 | 2 | 1 | N |
| 5. is sensitive to issues of race and ethnicity. | 5 | 4 | 3 | 2 | 1 | N |
| 6. is sensitive to issues of gender. | 5 | 4 | 3 | 2 | 1 | N |
| 7. is sensitive to issues of sexual orientation. | 5 | 4 | 3 | 2 | 1 | N |
| 8. keeps well-informed on current student recruitment and development issues. | 5 | 4 | 3 | 2 | 1 | N |
| 9. makes fair and equitable decisions. | 5 | 4 | 3 | 2 | 1 | N |
| 10. treats faculty and staff with dignity and respect. | 5 | 4 | 3 | 2 | 1 | N |

PART FOUR: OVERALL EVALUATION

Taking all aspects of the performance of the Vice-President for Enrollment Management and Student Services into account, I rate his/her

OVERALL PERFORMANCE as:

5 4 3 2 1 N

PART FIVE: Additional comments on any aspect(s) of the performance of the Vice-President for Enrollment Management and Student Services.

TESTIMONY TO THE JOINT EDUCATION COMMITTEES
ON S-1118 AND A-75

LEGISLATION TO RESTRUCTURE HIGHER EDUCATION

EDWARD D. GOLDBERG, PH.D.
CHANCELLOR OF HIGHER EDUCATION

MAY 26 and 27, 1994

THANK YOU SENATOR EWING AND ASSEMBLYMAN ROCCO. MR. WILEY HAS GIVEN YOU A SENSE OF THE BIG PICTURE, AND I WOULD LIKE TO FOCUS IN SLIGHTLY MORE DETAIL ON SOME OF THE ELEMENTS OF THE BILL THAT I VIEW AS PARTICULARLY DANGEROUS AND ILL-CONCEIVED.

I DO SO WITHIN THE FOLLOWING CONTEXT:

1. NO SOUND REASONS HAVE BEEN ADVANCED TO SUPPORT A PROPOSAL TO DISMANTLE THE STATE BOARD OF HIGHER EDUCATION AND THE CURRENT FORM OF STATEWIDE COORDINATING AND OVERSIGHT.
2. THE DECISION-MAKING PROCESS BEFORE THE ANNOUNCEMENT ON MARCH 15TH AND AFTER MARCH 15TH IS A MODEL OF HOW NOT TO FORMULATE PUBLIC POLICY. COMPARE THIS YEAR'S PROCESS TO THE ONE USED BY GOVERNOR HUGHES AND THE LEGISLATURE IN THE 1960's.
3. THE TWO DAYS OF PUBLIC HEARINGS ANNOUNCED BY THE SENATE AND ASSEMBLY EDUCATION COMMITTEES, WITH THE FIVE MINUTE LIMITATION ON SPEAKERS, WILL NOT CORRECT THE PROCESS; ONLY S-1119 WILL DO THAT.

- 2 -

4. ONE COULD SPEND MONTHS IN DIALOGUE ABOUT ALTERNATIVE WAYS TO "RESTRUCTURE HIGHER EDUCATION" AND HOW TO CLEAN UP S-1118. LET ME, AS AN EXAMPLE, SHARE SOME THOUGHTS ON JUST ONE PHRASE, ON PAGE ONE (SECTION 2A) OF S-1118. IT SAYS OUR INSTITUTIONS ARE "UNDERUTILIZED RESOURCES." LET ME DO SO, BEFORE I SUGGEST SOME MAJOR CHANGES, SIMPLY TO DEMONSTRATE THAT IT'S HARD TO FIND A CLAUSE OR PAGE THAT DOES NOT DEMAND THOUGHT AND DIALOGUE.

"UNDERUTILIZED, INDEED!"

WE HAVE MORE STUDENTS THAN EVER;
MORE TIES WITH K-12; AND,
MORE TIES WITH INDUSTRY.

WE ARE NOT "UNDERUTILIZED," WE ARE UNDERFUNDED; AND THE PROPOSED GOVERNOR'S BUDGET WILL PROVIDE EVEN LESS FUNDING AND RESULT IN EVEN LESS SERVICE. WE DO NOT HAVE EXCESS CAPACITY AND THEREFORE ARE NOT UNDERUTILIZED. BUT WE DO HAVE CERTAIN EXCESSES: TOO MANY ADJUNCT FACULTY; TOO MANY STUDENTS PER CLASS; TOO MANY STUDENTS CHASING TOO FEW ACADEMIC SUPPORT SERVICES; TOO LARGE A DEFERRED MAINTENANCE BACKLOG; TOO FEW NET SQUARE FEET OF BUILDING SPACE PER STUDENT; TOO MANY STUDENTS NOT PERSISTING TO GRADUATION; TUITIONS WHICH ARE ALREADY TOO HIGH.

AGAIN, WE'RE NOT "UNDERUTILIZED," WE'RE UNDERFUNDED. THE BILL IS SIMPLY WRONG IN ASSERTING THAT WE'RE "UNDERUTILIZED." THROUGHOUT ITS 138 PAGES, THE BILL IS SIMPLY WRONG FOR NEW JERSEY AND ITS CITIZENS.

LET ME SAY AT THE OUTSET THAT MY LIST OF CHANGES IS NOT EXHAUSTIVE. IT MERELY REPRESENTS THOSE ELEMENTS OF

28X

- 3 -

THE LEGISLATION THAT FAIRLY LEAP OFF THE PAGE, BEGGING TO BE AMENDED.

ONE WAY OF ANALYZING THIS BILL IS TO FOCUS ON THE POSITION TO WHICH THE GREATEST POWER WILL FLOW. THAT POSITION IS THE GOVERNOR. THIS GOVERNOR, AND THE NEXT GOVERNOR, AND THE NEXT GOVERNOR, AND THE NEXT.

THE GOVERNOR WILL HAVE FULL AND COMPLETE APPOINTMENT AUTHORITY FOR ALL MEMBERS OF THE COMMISSION ON HIGHER EDUCATION. ***I RECOMMEND ADVICE AND CONSENT.***

THE GOVERNOR WILL HAVE FULL AND COMPLETE APPOINTMENT AUTHORITY FOR THE COMMISSION CHAIR. ***I RECOMMEND ELECTION BY THE COMMISSION OF ITS OFFICERS.***

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO REMOVE THE COMMISSION CHAIR AT WILL. ***THE CHAIR SHOULD HAVE A SPECIFIC TERM; AND BE SUBJECT TO REMOVAL ONLY FOR CAUSE.***

THE GOVERNOR WILL HAVE FULL AND COMPLETE APPOINTMENT AUTHORITY FOR THE EXECUTIVE DIRECTOR OF STUDENT ASSISTANCE PROGRAMS. ***THIS APPOINTMENT SHOULD BE MADE ONLY WITH THE ADVICE AND CONSENT OF THE LEGISLATURE.***

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO REMOVE THE EXECUTIVE DIRECTOR OF STUDENT ASSISTANCE AT WILL. ***REMOVAL SHOULD BE ONLY FOR CAUSE.***

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO APPOINT MEMBERS OF STATE COLLEGE BOARDS OF TRUSTEES. ***TRUSTEE APPOINTMENTS SHOULD BE MADE ONLY WITH THE ADVICE AND CONSENT OF THE LEGISLATURE.***

29X

- 4 -

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO APPOINT TWO COUNTY COLLEGE TRUSTEES. **TRUSTEE APPOINTMENTS SHOULD BE MADE ONLY WITH THE ADVICE AND CONSENT OF THE LEGISLATURE.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE GENERAL POWERS OF SUPERVISION AND CONTROL OVER THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY. **THIS POWER SHOULD BELONG TO THE COMMISSION.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE GENERAL POWERS OF SUPERVISION AND CONTROL OVER RUTGERS, THE STATE UNIVERSITY. **THIS POWER SHOULD BELONG TO THE COMMISSION.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO APPOINT ALL PUBLIC MEMBERS OF THE EDUCATIONAL OPPORTUNITY FUND BOARD OF DIRECTORS. **APPOINTMENTS TO THE EOF BOARD SHOULD BE MADE ONLY WITH THE ADVICE AND CONSENT OF THE LEGISLATURE.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO VISIT, EXAMINE AND INSPECT THE EDUCATIONAL FACILITIES AUTHORITY. **THIS POWER SHOULD BE LODGED WITH THE COMMISSION.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE VISITORIAL AUTHORITY FOR ALL INSTITUTIONS OF HIGHER EDUCATION. **THIS POWER SHOULD REST WITH THE COMMISSION.**

THE GOVERNOR WILL HAVE FULL AND COMPLETE AUTHORITY TO ISSUE SUBPOENAS, COMPELLING THE PRODUCTION OF BOOKS AND PAPERS. **THIS POWER SHOULD REST WITH THE COMMISSION.**

30X

- 5 -

BUT POWER TO THE GOVERNOR IS NOT THE ONLY TYPE OF INAPPROPRIATE SHIFT OF POWERS MANIFEST IN THIS BILL. I WOULD POINT OUT A NUMBER OF OTHERS, AS WELL.

#1 HIGHER EDUCATION LOSES POWER RELATIVE TO OTHER STATE FUNCTIONS THROUGH LOSS OF STATUS AS A PRINCIPAL STATE DEPARTMENT. MILITARY AFFAIRS, TREASURY AND K-12 EDUCATION GET SOME OF BHE/DHE FUNCTIONS.

REMEDY: RETAIN HIGHER EDUCATION AS A PRINCIPAL DEPARTMENT. IF NOT, EXEMPT HIGHER EDUCATION FROM THE EXECUTIVE REORGANIZATION ACT SO THAT FUTURE REORGANIZATIONS CANNOT BE RUSHED THROUGH EVEN FASTER THAN THIS ONE.

#2 INITIAL EXPERTISE OF THE COMMISSION WILL BE LOW, AND PRESIDENTS' COUNCIL EXPERTISE WILL BE HIGH. THIS IS AN INAPPROPRIATE IMBALANCE. FURTHER, THE 27-YEAR BUILDUP OF EXPERTISE ON THE PART OF PUBLIC BHE MEMBERS WILL BE LOST.

REMEDY: PLACE THREE PUBLIC MEMBERS OF THE BHE ONTO THE NEW COMMISSION.

#3 EXECUTIVE DIRECTOR OF THE COMMISSION WILL HAVE LITTLE POWER RELATIVE TO THE CHAIR OF THE COMMISSION AND THE CHAIR OF THE PRESIDENTS' COUNCIL.

THE CHAIR, ALTHOUGH AN UNPAID VOLUNTEER, IS MENTIONED AS ASSUMING CERTAIN RESPONSIBILITIES (FOR EXAMPLE, ATTENDING CABINET MEETINGS WHEN INVITED).

REMEDY: GIVE EXECUTIVE DIRECTOR THE AUTHORITY GIVEN TO THE COMMISSION CHAIR; MAKE THE EXECUTIVE

31X

- 6 -

**DIRECTOR AN EX-OFFICIO MEMBER OF THE COMMISSION,
AND ITS SECRETARY. GIVE HIM/HER A TERM APPOINTMENT,
AND SPECIFY THE NEED FOR PROFESSIONAL
QUALIFICATIONS AS OPPOSED TO POLITICAL ONES.
SPECIFY ADEQUATE STAFF, AND SPECIFY THAT STAFF IS TO
BE CHOSEN ON NON-POLITICAL GROUNDS.**

**#4 LOCAL BOARDS OF TRUSTEES, ON STATEWIDE MATTERS,
LOSE POWER RELATIVE TO THE PRESIDENTS.**

TRUSTEES, AFTER FOUR YEARS, LOSE SEATS ON THE
COMMISSION. "PRESIDENTS' COUNCIL" IS PERMANENT, AS IT ITS
PLACE ON THE COMMISSION.

**REMEDY: EITHER LEAVE TRUSTEES ON THE COMMISSION OR
REMOVE THE PRESIDENT FROM THE COMMISSION. BY THE
WAY, I WOULD ADD TWO STUDENTS TO THE COMMISSION.**

**#5 CAMPUS EOF PROGRAMS AND THE CENTRAL EOF BOARD
WILL LOSE POWER TO PRESIDENTS OF THE INSTITUTIONS.**

NO 18A APPEAL; SPLIT IN EOF FUNCTIONS; RESEARCH UNIT
MAY NOT COMPUTE PRC [PERFORMANCE REVIEW CRITERIA],
THEREFORE NO ACCOUNTABILITY. GOVERNOR'S FUTURE ABILITY
TO REORGANIZE IN 60 DAYS BY FILING A PLAN MAY IMPACT EOF
STRUCTURE; UNCLEAR WHO, IF ANYONE, MAKES THE OVERALL
STATEWIDE ANNUAL BUDGET REQUEST FOR EOF (LEADING ONE
TO BELIEVE IT WILL BE CAMPUS BY CAMPUS). THE BHE'S "10
PERCENT POLICY" APPEARS NOT TO CONTINUE.

**REMEDY: GIVE MORE EXPLICIT STATUTORY ASSURANCES TO
EOF.**

32X

#6 STUDENTS, FACULTY AND STAFF LOSE RELATIVE TO INSTITUTIONS.

THE LOSS OF 18A APPEALS IS A MAJOR LOSS OF DUE PROCESS RIGHTS.

REMEDY: RESTORE THE INEXPENSIVE, NON-COURT APPEALS PROCESS; WHY INCREASE LEGAL EXPENSES? ALSO, STOP THE GIVE-AWAY OF TAXPAYER DOLLARS TO PRIVATE LAW FIRMS. CONTINUE THE REQUIREMENT TO THE USE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL SERVICES.

#7 STUDENTS, PARENTS, FUTURE STUDENTS AND THEIR PARENTS WILL PAY A GREATER SHARE OF EDUCATIONAL AND GENERAL EXPENSES; INSTITUTIONAL MANAGEMENT WILL HAVE AN OPEN-ENDED LICENSE TO SPEND, GIVEN NO CHECKS AND BALANCES.

BUDGETS CAN ALWAYS BE BALANCED SINCE THERE WILL BE NO CHECKS AND BALANCES ON THE LEVEL OF TUITION AND FEE INCREASE. PRESSURE FOR INCREASED PRODUCTIVITY AND FOR A GOOD STATE APPROPRIATION FOR HIGHER EDUCATION WILL DISAPPEAR.

REMEDY: GIVE LEGISLATURE THE POWER IN THIS BILL TO CAP TUITION AND FEES. THE FREE MARKET WON'T DO IT AND NEITHER WILL THE COMMISSION. THE COMMISSION WILL REFLECT THE GOVERNOR'S VIEWS -- VARIABLE TUITION AND MARKET FORCES WILL ONLY LEAD TO HIGHER TUITION.

(END OF DAY ONE TESTIMONY)

* * *

I AM PLEASED TO RETURN TO FINISH THE TESTIMONY I BEGAN YESTERDAY. YOU WILL RECALL I SUGGESTED AMENDMENTS DEALING WITH

33X

- 8 -

- * ADVICE AND CONSENT ON APPOINTMENTS;
- * PROTECTIONS THROUGH TERM APPOINTMENTS AND REMOVAL ONLY FOR CAUSE;
- * INCREASED POWERS FOR THE COMMISSION INSTEAD OF THE GOVERNOR;
- * LEAVING HIGHER EDUCATION AS A PRINCIPAL DEPARTMENT OF STATE GOVERNMENT, OR EXEMPTION FROM THE EXECUTIVE REORGANIZATION ACT;
- * CHANGING THE COMPOSITION OF THE COMMISSION;
- * BETTER DEFINITION OF THE ROLE OF THE COMMISSION'S EXECUTIVE DIRECTOR;
- * BETTER PROTECTION FOR OUR STATEWIDE EOF EFFORT;
- * KEEPING OF THE 18A APPEALS PROCESS;
- * INSERTING A LEGISLATIVE CHECK ON TUITION AND FEE INCREASES;
- * AND CONTINUED USE OF THE ATTORNEY GENERAL FOR LEGAL SERVICES.

I NOW CONTINUE.

#8 UNDER S-1118, EMPLOYERS AND STUDENTS LOSE SOME OF THE MEANING AND VALUE OF THE DEGREE.

THERE WILL BE NO CRITERIA FOR THE GRANTING OF ACADEMIC CREDIT AND NO SETTING OF STATEWIDE MINIMUM STANDARDS OF CONTENT AND QUALITY FOR ACADEMIC

34X

- 9 -

DEGREE PROGRAMS. NO STANDARDS WILL MEAN A CHEAPENING OF THE DEGREE. THE BILL AS DRAFTED COULD ALSO LEAD TO DIPLOMA MILLS AND FLY-BY-NIGHT "COLLEGES" OPENING IN NEW JERSEY.

REMEDY: PUT LANGUAGE IN THE STATUTE REQUIRING TOUGH MINIMUM STANDARDS.

#9 UNDER S-1118, STUDENTS LOSE, AS REGULATIONS GOVERNING FULL FAITH AND CREDIT ARE NO LONGER IN FORCE. DID YOU KNOW THE BILL WIPED OUT THOSE PROTECTIONS FOR STUDENTS?

REMEDY: BUILD A REQUIREMENT INTO THE STATUTE SO THAT A COMMUNITY COLLEGE GRADUATE CAN MOVE INTO A SENIOR PUBLIC INSTITUTION AS A JUNIOR IN FULL STANDING, HAVING TO COMPLETE ONLY TWO MORE YEARS TO GRADUATE WITH A DEGREE IN THE SAME FIELD.

#10 UNDER S-1118, THE LEGISLATURE AND EVENTUALLY THE PUBLIC WILL LOSE, AS WE MOVE TO A SECRET BUDGET PROCESS.

THE COMMISSION WILL NOT PLAY THE SAME ROLE AS BHE IN SUBMITTING A COORDINATED BUDGET REQUEST FOR ALL HIGHER EDUCATION INSTITUTIONS, SECTORS AND PROGRAMS -- A COORDINATED REQUEST ADOPTED IN PUBLIC. THE HIGHER EDUCATION BUDGET REQUEST WILL BE HIDDEN FROM THE PUBLIC LIKE ALL OTHER STATE DEPARTMENTAL REQUESTS ARE HIDDEN FROM THE PUBLIC. NO INDEPENDENT, NONPARTISAN GROUP WILL ASSERT HIGHER EDUCATION'S TOTAL RESOURCE NEEDS.

REMEDY: GIVE THE COMMISSION THE SAME BUDGETARY POWERS AND RESPONSIBILITY NOW HELD BY THE BHE. USE THE EXACT WORDING THAT IS CURRENTLY IN STATUTE.

35X

- 10 -

#11 UNDER S-1118 THE LEGISLATURE AND THE GENERAL PUBLIC WILL LOSE, AND NON-PERFORMING INSTITUTIONS WILL GAIN AS WE WIPE OUT PUBLIC ACCOUNTABILITY WITH THIS BILL.

THERE WILL BE LESS ACCOUNTABILITY; LESS ATTENTION TO PRODUCTIVITY. THERE WILL BE NO INSTITUTION-SPECIFIC RESEARCH DATA. READ THE HARTMAN REPORT; READ THE BILL. THE STATE MUST NOT ABANDON ITS RESPONSIBILITY TO HOLD INSTITUTIONS PUBLICLY ACCOUNTABLE.

REMEDY: THE COMMISSION SHOULD BE CHARGED WITH ISSUING REPORTS THAT DEMONSTRATE PUBLIC ACCOUNTABILITY. THIS WILL REQUIRE THE MAINTENANCE OF A CENTRAL DATA COLLECTION SYSTEM, AND THEREFORE I URGE YOU TO ENSURE THAT THE LEGISLATION PROVIDES FOR THE CONTINUANCE OF THE "SURE SYSTEM" -- THE STUDENT UNIT RECORD ENROLLMENT SYSTEM -- AND THAT THIS EXCELLENT DATA SYSTEM BE FURTHER DEVELOPED AND EXPANDED.

BUT MAINTAINING THE SURE SYSTEM IS NOT ENOUGH. I URGE YOU TO REQUIRE THAT THE COMMISSION ISSUE AN ANNUAL REPORT CARD ON EACH PUBLIC INSTITUTION, AND I URGE YOU TO RE-ESTABLISH THE COLLEGE OUTCOMES EVALUATION PROGRAM, WHICH WAS AN EARLY CASUALTY OF THE LACK OF INSTITUTIONAL INTEREST IN THE ISSUANCE OF INSTITUTION-SPECIFIC DATA. THAT PROGRAM, KNOWN AS "COEP," HELD TREMENDOUS PROMISE FOR INFORMING THE STATE AND THE PUBLIC OF HOW MUCH AND HOW WELL STUDENTS ARE LEARNING, AND HOW STUDENTS WERE PROGRESSING.

I HAVE MATERIALS HERE FOR YOU TO REVIEW IN CONSIDERING THE REPORT CARD AND THE RE-

36X

- 11 -

ESTABLISHMENT OF COEP, AND I WOULD BE HAPPY TO DISCUSS THEM WITH YOU FURTHER, AT YOUR CONVENIENCE. BY THE WAY, DID YOU KNOW THAT THE BILL WIPES OUT THE REQUIREMENT THAT INSTITUTIONS EVALUATE EACH AND EVERY ACADEMIC PROGRAM AT LEAST EVERY FIVE YEARS? AND WHAT DO YOU THINK WILL HAPPEN WITH I.P.E.D.S. REPORTS IF THE BILL PASSES? I SUSPECT THEY'LL GO DIRECTLY TO THE FEDS. AMEND THE BILL TO REQUIRE PERIODIC EVALUATION OF ACADEMIC PROGRAMS, AND TO REQUIRE IPEDS DATA TO BE SUBMITTED TO THE COMMISSION.

MANY OF YOU MAY KNOW THAT ALBERT MERCK, THE IMMEDIATE PAST CHAIR OF THE STATE BOARD OF HIGHER EDUCATION, HAS A PARTICULAR INTEREST IN ACCOUNTABILITY. HE IS UNABLE TO BE HERE TODAY, BUT I WOULD LIKE TO READ FOR YOU A PUBLIC STATEMENT OF HIS. (SEE ATTACHED STATEMENT)

#12 UNDER S-1118, TAXPAYERS' INTERESTS LOSE, AS COLLEGES WILL BE ABLE TO MOUNT NEW, COSTLY ACADEMIC PROGRAMS EVEN IF DUPLICATIVE. COLLEGES WILL BE ABLE TO CONSTRUCT NEW SPECIALIZED LABORATORIES EVEN IF DUPLICATIVE. [THERE WILL BE NO CHECKS AND BALANCES.] TAXPAYER AND STUDENT TUITION WILL BE WASTED.

REMEDY: STOP INCREASING COSTS TO TAXPAYERS AND STUDENTS. AMEND THE BILL TO REQUIRE REVIEW AND APPROVAL BY THE COMMISSION OF COSTLY AND PERHAPS UNNEEDED OR DUPLICATIVE PROGRAMS AND FACILITIES.

#13 UNDER S-1118, TAXPAYERS' INTERESTS WILL SUFFER, SINCE THE BILL WILL GIVE INSTITUTIONS THE RIGHT TO INVEST CASH BALANCES, DESPITE THE SUPERB TRACK RECORD OF THE STATE DIVISION OF INVESTMENT. RISKY INVESTMENTS CAN LEAD TO LOSS OF TAXPAYER MONIES. WE NEED LOOK NO FURTHER THAN

37x

- 12 -

THE RECENT SALE OF A TRENTON STATE COLLEGE HOUSE FOR ABOUT 28 THOUSAND DOLLARS BELOW PURCHASE PRICE. COLLEGES AND UNIVERSITIES ARE NOT RUN BY INVESTORS; THEY ARE RUN BY EDUCATORS. LEAVE INVESTMENT DECISIONS TO INVESTMENT EXPERTS.

REMEDY: REQUIRE INSTITUTIONS TO CONTINUE USE OF THE DIVISION OF INVESTMENTS.

LET ME SAY I WOULD HAVE TAKEN THIS OPPORTUNITY TO EXPRESS GRAVE CONCERNS OVER "THE GREAT TAXPAYER LAND GIVE-AWAY"; OR THE TRANSFER OF STATE LAND TO THE STATE COLLEGES. I AM GREATLY RELIEVED THAT THAT PARTICULAR BIG MISTAKE IS APPARENTLY BEING AVOIDED. WILL YOUR AMENDMENT PREVENT THE SALE OF COUNTY COLLEGE LAND AND FACILITIES, FOR WHICH THE STATE PAID 50%?

#14 ON TO ANOTHER POINT: I AM CONCERNED THAT THE BILL ASSIGNS STATE LEVEL RESPONSIBILITIES TO THE PRESIDENTS' COUNCIL, BUT DOES NOT PROVIDE FOR STATE FUNDING TO SUPPORT ITS ACTIVITIES. INSTEAD, THE COUNCIL WOULD HAVE TO RELY ON DUES COLLECTED FROM THE COLLEGES AT THE EXPENSE OF THEIR OWN BUDGETS -- DOLLARS THAT THE APPROPRIATIONS ACT WOULD INTEND TO BE SPENT ON PROGRAMS AND SERVICES FOR STUDENTS. AND IF TWO-THIRDS OF THE PRESIDENTS DO NOT AGREE ON WHAT THEIR DUES SHOULD SUPPORT, THE FUNCTIONS SIMPLY WILL NOT GET DONE. I DON'T THINK THAT YOU WOULD CONSIDER THIS TO BE THE RIGHT WAY TO FULFILL A SET OF STATUTORY RESPONSIBILITIES. **THE REMEDY WOULD BE TO PROVIDE A STATE APPROPRIATED BUDGET FOR THE PRESIDENTS' COUNCIL. YOU SHOULD ALSO REQUIRE THE EXECUTIVE COMMITTEE OF THE PRESIDENTS' COUNCIL TO FALL UNDER THE OPEN PUBLIC MEETINGS ACT, SINCE THE FULL COUNCIL IS REQUIRED TO MEET ONLY TWICE A YEAR AND THEREFORE IT IS THE EXECUTIVE COMMITTEE WHICH WILL BE THE DE FACTO COUNCIL.**

38X

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WHILE PROVIDING A BUDGET TO THE COUNCIL, YOU SHOULD REMOVE THE MANDATE THAT THE STATE AND COUNTY COLLEGES PAY DUES TO ORGANIZATIONS SUCH AS THE COUNCIL OF COUNTY COLLEGES AND THE STATE COLLEGE GOVERNING BOARDS ASSOCIATION WHICH, WITH THE CREATION OF SUCH A PRESIDENTS' COUNCIL, WOULD BECOME ENTIRELY REDUNDANT.

#15 AS A FURTHER PROTECTION OF TAXPAYER DOLLARS I WOULD URGE YOU TO **REQUIRE THAT THE ANNUAL AUDIT REPORTS OF EACH INSTITUTION BY CPA FIRMS SHOW THE AMOUNT AND SOURCE OF DOLLARS SPENT ON LOBBYISTS AND LAWYERS.** ASK TO SEE PRECISELY HOW MUCH THE COLLEGES SPENT ON LEGISLATIVE RELATIONS, PUBLIC RELATIONS, AND EXTERNAL LEGAL SERVICES. IT MIGHT ALSO BE INSTRUCTIVE TO **COMPARE THOSE TOTALS FOR NEXT YEAR, WITH SIMILAR TOTALS FROM LAST YEAR AND THIS YEAR.**

NOW LET ME SUMMARIZE SOME OVERARCHING POINTS, WHICH I HOLD IN COMMON WITH STEPHEN WILEY, CHAIR OF THE BOARD OF HIGHER EDUCATION:

THE STRUCTURE INHERENT IN S-1118 HAS BEEN TOUTED AS A MEANS TO MEET NUMEROUS STATE GOALS. I WOULD ARGUE INSTEAD THAT THE PROPOSAL PROMOTES FEW OF THESE GOALS. INSTEAD OF ENSURING A HIGHER EDUCATION SYSTEM THAT WORKS TOGETHER TO MEET STATEWIDE NEEDS, THIS PROPOSAL ENCOURAGES A BALKANIZATION OF HIGHER EDUCATION. IT DELEGATES HIGHER EDUCATION TO A STATUS BELOW THAT OF MILITARY AND VETERANS AFFAIRS OR K THROUGH 12 EDUCATION. THIS PROPOSAL IS NOT "SMART GOVERNMENT."

The following bracketed paragraphs were omitted from Chancellor's oral testimony, due to the impending departure of the chair of the Senate Education Committee:

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[[RATHER THAN PROMOTING A STRONG AND INDEPENDENT SYSTEM OF HIGHER EDUCATION, THE PROPOSAL DOES NOT JUST OPEN UP HIGHER EDUCATION TO POLITICAL INTRUSION, IT IS, IN AND OF ITSELF, POLITICAL INTRUSION. THE COMMISSION CHAIR WOULD SERVE AT THE WILL OF THE GOVERNOR. SO WOULD THE EXECUTIVE DIRECTOR OF STUDENT ASSISTANCE PROGRAMS. THE MEMBERS OF THE COMMISSION ARE APPOINTED BY THE GOVERNOR WITHOUT CONFIRMATION BY THE LEGISLATIVE BRANCH OF GOVERNMENT. NUMEROUS FUNCTIONS, FORMALLY CENTRALIZED, WOULD BE PARCELLED OUT TO OTHER CABINET MEMBERS, ALL OF WHOM SERVE AT THE PLEASURE OF THE GOVERNOR AND AT LEAST ONE OF WHOM, THE TREASURER IS, BY ROLE, THE ENFORCER OF GUBERNATORIAL POLICY THROUGH THE BUDGET. THE PROTECTIONS THAT HAVE ENABLED A LEADER OF THE HIGHER EDUCATION SYSTEM TO SPEAK OUT ON CRITICAL ISSUES WOULD BE ELIMINATED. SO, TOO WOULD THE INDEPENDENT NON-PARTISAN BOARD. THERE WILL NO LONGER BE ANY "BUFFER OF INDEPENDENCE" FOR THE HIGHER EDUCATION SYSTEM. YOU HAVE SEEN EVIDENCE OF THIS ALREADY. FEW COLLEGE PRESIDENTS ARE WILLING TO CRITICIZE A BUDGET THAT WILL FORCE THEM TO CHOOSE BETWEEN QUALITY AND AFFORDABILITY. DOESN'T IT STRIKE YOU AS STRANGE THAT NOT EVEN ONE SENIOR PUBLIC INSTITUTION MENTIONED DURING YOUR BUDGET PROCESS THAT 4.2 MILLION DOLLARS WERE QUIETLY PULLED OUT OF THEIR BUDGETS LAST MONTH, CREATING DISPROPORTIONATE EFFECTS ACROSS INSTITUTIONS? THAT TYPE OF SILENCE IS NOT LIKELY TO HELP THE CITIZENS OF THE STATE.]]

[[WHILE ONE COULD ENGAGE IN VIGOROUS DEBATE WHETHER SOME FUNCTIONS CURRENTLY PERFORMED BY THE BOARD AND THE DEPARTMENT OF HIGHER EDUCATION COULD BE CHANGED, THE STRUCTURES ENVISIONED IN THIS PLAN DO NOT SEEM TO MAKE SENSE. WHY ARE WE TAKING THE FUNCTIONS OF ONE DEPARTMENT AND PARCELLING THEM OUT TO 46 INSTITUTIONAL GOVERNING BOARDS, A "PRESIDENT'S

46x

- 15 -

COUNCIL", A "NEW JERSEY COMMISSION ON HIGHER EDUCATION", AN "OFFICE OF STUDENT ASSISTANCE", THE TREASURER AND FIVE OTHER CABINET MEMBERS? WHY SHOULD THE COMMISSION'S BUDGET ROLES BE LIMITED TO ADVANCING A POLICY STATEMENT RATHER THAN A TRUE COORDINATED BUDGET BOTH FOR INSTITUTIONS AND FOR STUDENT ASSISTANCE? THERE ARE OVERLAPS AND REDUNDANCIES THROUGHOUT THE BILL RELATING TO WHO ADVISES, WHO RECOMMENDS AND WHO DOES WHAT IN COOPERATION WITH WHOM. THE PROPOSAL JUST DOESN'T MAKE SENSE. NOT TO CLEARLY FIX RESPONSIBILITY WILL LEAD TO TASKS NOT GETTING DONE.]]

[[YET DESPITE THE OVERLAPPING OF CERTAIN FUNCTIONS, THE PROPOSAL IS DEFICIENT IN TERMS OF CHECKS AND BALANCES. MOST REAL POWER AND AUTHORITY IS IN THE HANDS OF THE GOVERNOR AND THE TREASURER. THERE IS LITTLE IN THE PLAN THAT WOULD MEET THE STATED GOALS OF PROMOTING AFFORDABILITY OR INCREASING ACCOUNTABILITY. IN FACT, THE PLAN ENCOURAGES THE OPPOSITE BY REMOVING CRITICAL CHECKS AND BALANCES ON TUITION AND INSTITUTIONAL OUTCOMES. THIS MEANS THAT WE ARE CRAFTING A SYSTEM THAT CLEARLY HAS THE POTENTIAL TO SHORTCHANGE BOTH STUDENTS AND THE CITIZENS OF THIS STATE. RATHER THAN ENHANCING THE CURRENT SYSTEM OF HIGHER EDUCATION, WE ARE REMOVING THE BARRIERS THAT HELP PREVENT QUALITY EROSION AND RUNAWAY COLLEGE COSTS.]]

NOW, SOME CONCLUSIONS:

- * DO NOT DESTROY THE SYSTEM'S COHESION.
- * DO NOT DESTROY THE SYSTEM'S INDEPENDENCE.
- * DO NOT ABANDON REAL CHECKS AND BALANCES.

41X

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* DO NOT ABANDON REAL ACCOUNTABILITY -- FISCAL ACCOUNTABILITY AND PROGRAMMATIC ACCOUNTABILITY.

* DO NOT ABANDON PRINCIPALS OF ACCESS AND AFFORDABILITY.

I URGE SUPPORT OF S-1119, NOT S-1118, BECAUSE EVEN IF YOU AMENDED THE BILL TO INCLUDE EVERY ONE OF MY SUGGESTED AMENDMENTS, THE BILL WOULD BE FLAWED IN LIGHT OF THE TECHNOLOGICAL, DEMOGRAPHIC AND GLOBAL ECONOMIC FORCES IMPACTING HIGHER EDUCATION.

NOW, I WOULD LIKE TO COMMENT ON SOME BUDGET MATTERS WHICH RELATE TO THE BILL UNDER CONSIDERATION TODAY.

THERE WILL BE NO STATEWIDE COORDINATION OF SIGNIFICANCE UNDER THE BUDGET PROPOSED BY THE GOVERNOR, NOR WILL THERE BE ACCESS, AFFORDABILITY AND QUALITY --- GOALS REFERENCED IN THE BILL YOU ARE CONSIDERING TODAY. THE PROPOSED BUDGET WILL NOT FOSTER THE EXPLICIT INTENT OF THIS BILL. SO, WITH REGARD TO THE BUDGET:

*** I URGE YOU TO INCREASE INSTITUTIONAL SUPPORT AND IMPOSE A CAP ON TUITION AND FEE INCREASES. IF YOU DON'T LIKE THE LABEL "TUITION STABILIZATION PLAN" WHICH YOU SUPPORTED FOR TWO YEARS, CALL IT SOMETHING ELSE.**

*** I URGE YOU TO INCREASE FUNDING FOR OUR E.O.F. PROGRAMS AND OUR INDEPENDENT INSTITUTIONS.**

*** I URGE YOU TO PUT SOME MORE MONEY IN THE APPROPRIATIONS ACT FOR A COMMISSION STAFF OF SUFFICIENT SIZE SO THAT THE COMMISSION IS NOT A TOTAL PAPER TIGER. I**

42X

- 17 -

URGE YOU TO PROVIDE FUNDING FOR THE COUNCIL OF PRESIDENTS.

*** I URGE FUNDING OF THE EQUIPMENT LEASING FUND AND THE FACILITIES TRUST FUND.** THESE CAPITAL FUNDING MECHANISMS, IMPLEMENTED THROUGH LEGISLATION WHICH YOU RECENTLY APPROVED, ARE CREATIVE, INNOVATIVE, AND CRITICALLY NEEDED. IN FACT, THEY REPRESENT THE KIND OF "UNLEASHED CREATIVITY" CALLED FOR IN S-1118. IT IS IRONIC, HOWEVER, TO NOTE THAT THE IDEAS BEHIND THESE TWO PROGRAMS CAME NOT FROM THE INSTITUTIONS, BUT FROM OUR BHE BUDGET COMMITTEE.

AS A FINAL WORD, S-1118, AS DRAFTED, IS CONTRARY TO "SMART GOVERNMENT." GIVEN THE GROWING IMPORTANCE OF HIGHER EDUCATION FOR PEOPLE AND FOR THE STATE'S ECONOMY, WHY WOULD ANYONE SUPPORT TAKING AWAY HIGHER EDUCATION'S STATUS AS ONE OF THE PRINCIPAL DEPARTMENTS OF STATE GOVERNMENT?

THE BILL, AS DRAFTED, IS ANTI-STUDENT AND ANTI-PARENT. (E.G., NO CHECKS ON TUITION AND FEES.)

THE BILL, AS DRAFTED, IS CONTRARY TO TRADITIONAL LEGISLATIVE PREROGATIVE. (E.G., NO ADVICE AND CONSENT ON APPOINTMENTS.)

THE BILL, AS DRAFTED, IS ANTI-TAXPAYER. (E.G., COST CONTROLS REGARDING DUPLICATIVE PROGRAMS ARE OUT THE WINDOW, AND ACCOUNTABILITY IN HIGHER EDUCATION IS WRITTEN OUT OF NEW JERSEY STATUTE.)

I WILL BE HAPPY TO ANSWER ANY QUESTIONS. PLEASE NOTE, HOWEVER, THAT I WILL SUGGESTING FURTHER AMENDMENTS. I AM PARTICULARLY CONCERNED THAT SOME BHE REGULATIONS CONTINUE AND OTHERS DO NOT. I AM TRYING TO UNDERSTAND WHICH

43X

REGULATIONS FALL INTO WHICH CATEGORY, THEN AM TRYING TO UNDERSTAND WHETHER NON-CONTINUANCE IS A MATTER OF INTENT OR SLOPPY BILL DRAFTING, AND IF THERE IS "INTENT," WHAT IS THE INTENT?

44X

