

Dollar Increases Welcome, But Policy Trends Uncertain
State College/University Association on Proposed FY 2008 State Budget

Press Release
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According to Darryl Greer, executive director of the New Jersey Association of State Colleges and Universities (ASCU), the Administration's FY 2008 spending plan for higher education is encouraging, given that it increases spending in the wake of deep cuts of last year, but also can benefit from some refocused policy principles to fulfill a state vision for higher education opportunity and state prosperity.

Today, the Association, which represents The College of New Jersey, Kean University, Montclair State University, New Jersey City University, Ramapo College of New Jersey, Richard Stockton College of New Jersey, Rowan University, Thomas Edison State College and William Paterson University, released its [budget statement](#), prepared in conjunction with the meeting of the Assembly Budget Committee to review the higher education part of the budget.

The ASCU statement applauds the average four percent increase proposed by the governor for its members this year, which replaces about one-half of direct appropriations cut in FY 2007. Thomas Edison, which would lose money under the proposed plan, is the exception. The Association, too, expressed appreciation to Assembly Budget Chair Lou Greenwald for his diligence in preparing for the committee hearing.

It is anticipated that, when the collective bargaining process is completed by the state, the most urgent need of New Jersey's nine state colleges and universities will be funding to meet the costs of state-mandated salary increases, which remain unfunded in the Governor's proposed budget. Responsible projections suggest that the new costs for unfunded FY 2008 salary obligations could be very substantial. In addition, there is an existing need of approximately \$5.5 million for the unfunded portion of the deferred FY 2007 salary obligations. If additional monies become available, the nine state colleges and universities respectfully request that the Legislature consider the provision of all or some portion of the sum necessary for the payment of state-mandated salary increases.

ASCU appreciates an estimated \$2 million additional dollars will go to the institutions next year to help address current year deferred, state-negotiated employee salary mandates. However, Greer points out, there could be a potential significant funding gap for next year's salary increases, based on numbers projected from ongoing collective bargaining.

"Positive reform of state budgeting must include a commitment to meet state contractual obligations rather than pass them on to colleges and students," Greer says.

The Association also will focus cooperatively on:

- Getting adequate funding for the NJ STARS II merit aid program for two-year college transfer students to cover tuition at the state's four-year public colleges and universities. The program provides \$2,000 a semester or \$4,000 per academic year to encourage merit scholars at county colleges to continue their education at four-year public colleges and universities. This amount pays for about one-half of four-year college tuition and fees, leaving a funding gap of about \$850,000 for senior public institutions. ASCU, in cooperation with the county colleges, is requesting legislative action to increase the amount of the benefit closer to full cost of tuition and fees, thereby funding NJ STARS II at \$4,500 per student per semester.
- Reversing the scale back of the Outstanding Scholar Recruitment Program, designed to provide merit aid to high achieving four-year college/university students, and the Higher Education Incentive Endowment fund, to increase large private gift-giving to the institutions. State colleges/universities have found these programs to be valuable.
- Eliminating budgetary penalties on institutions that do not charge out-of-state students 100% of what it costs to educate them. Greer says the penalties jeopardize relations with institutions in other states that subsidize costs for thousands of New Jersey students. He believes this policy could also think the already limited share of out-of-state students who come to New Jersey to attend college (only about 5% of undergraduates) and start their careers here.

■ Emphasizing the need for the state to get behind a larger vision for higher education such as the Commission on Higher Education's "Blueprint for Excellence," which Greer says is "a dream supported by citizens, but too long deferred simply because the state is wrestling with severe budget problems and a difficult set of priorities."

The larger vision, according to the Association, would include an investment in higher education facilities. There has not been a voter-approved bond for higher education facilities in the state since 1988, and no ongoing facilities funding, placing a greater burden on students and families to finance facilities, which, in other states, is normally paid for by public funds.

The Association will work in cooperation with the New Jersey Presidents' Council, the Commission on Higher Education, and the Governor's office and New Jersey Legislature over the coming months to meet funding and accountability challenges.

ASCU institutions educate about 90,000 students, 95% of which are New Jerseyans; graduate about 45% of all baccalaureate graduates annually; and are cited as among the nation's top five most productive sets of comprehensive colleges and universities.