



NEW JERSEY

Association of State Colleges and Universities

150 West State Street, Trenton NJ 08608 Phone (609) 989-1100 Fax: (609) 989-7017

FOR IMMEDIATE RELEASE

NJ Association of State Colleges & Universities' Position Statement on the Proposed FY 2009-2010 State Budget

Contact: Darryl G. Greer or Paul Shelly (609) 989-1100 office, Shelly cell (610) 504-7271

The austere budget proposed by Governor Corzine contains a cut of 5% in state appropriations to the nine state colleges and universities. Collectively, the colleges/universities would lose \$13.8 million, bringing the state appropriations down to the same level (in dollars, not adjusted for inflation) as the institutions received in FY 2000. This represents the 7th cut this decade. New Jersey has ranked near the bottom of the 50 states in higher education investment for more than five years.

The budget proposal is positive in addressing college affordability by increasing funding for New Jersey's key student aid program that reaches many low and middle income students: the Tuition Aid Grant (TAG) program.

Funding in the budget proposal for employee fringe benefits, often displayed as a budget "increase" for higher education, does not come to the colleges, but stays in state accounts to pay for mandated health, retirement and other benefits.

While college leaders acknowledge the governor's earnest efforts in difficult economic times, and important new support for student financial aid, this budget has little promise for the increased investment needed to move New Jersey in the positive direction envisioned by President Obama: making the United States number one globally in college degree production, within ten years.

Demand for public higher education in New Jersey is at an all-time high, and the colleges are serving 98,000 students, 20,000 more than a decade ago. Today, more than ever, higher education is universally viewed as a vital component to economic recovery. Nearly one-half of all New Jersey college graduates, annually, are from the nine state colleges and universities with applications at an all time high. The institutions rank third nationally for similar colleges among the states, in degree productivity.

How state negotiated salary increases are handled remains a major area of the budget proposal that requires further analysis. To mitigate the cuts the proposal anticipates savings through salary freezes. But the institutions cannot unilaterally impose such freezes or furloughs without changes in the labor contracts and tenure laws. These would have to be accomplished by the state through negotiation or mandated by legislation. For FY 2010, the nine state colleges are obligated to pay roughly \$25-30 million in mandated salary increases for bargaining unit members, unless the state is successful in winning or imposing a salary freeze.

The mandated increases come in two parts: a state negotiated cost of living increase (about 3.5%) and automatic state mandated increment increases (about 3.5% to 4.0%), both affecting about 70% of all employees.

www.njascu.org

*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
William Paterson University*

Overall, New Jersey's budget situation places even greater pressure on public college tuition in order to meet citizens' demand for high quality instruction, facilities and safe institutions.

The proposal does not appear to include any federal stimulus funds for higher education infrastructure projects. ASCU has compiled a list of potentially eligible projects, totaling \$500 million, immediately ready to create or support 9,000 jobs and strengthen the economy. Regarding the federal stimulus/recovery funds, New Jersey is one of only two states at risk of losing money that could go to higher education, if state funding fails to maintain an appropriate level of support, keyed to FY 2006. Unlike most other states, New Jersey does not provide ongoing appropriations for facilities. Facilities improvements for the past 20 years have been funded principally by student tuition and fees, helping to make public college tuition in New Jersey one of the highest in the nation.

State colleges/universities understand they must continue to manage effectively, by becoming more productive, while protecting access and quality for students. Within the past year, college presidents, working together through ASCU, have made public commitments in this regard through the New Jersey College Promise and Nine Strong for a Stronger New Jersey projects. They continue to strive to meet the mounting demand for affordable higher education, which is characteristic during economic downturns.

Speaking on behalf of the Association, CEO Darryl G. Greer says that "the colleges have significant good will with the legislature, and we pledge to work cooperatively with the governor and legislature so that we have a final budget that preserves, to the extent possible, college access, affordability, and quality."

The Association's budget-related priorities, some already part of the proposal, include:

- ◆ enhance student financial aid;
- ◆ minimize operating cuts to maintain quality and to broaden access and minimize tuition increases;
- ◆ increase flexibility in contracting and facilities construction to save money to serve more students and keep talent in New Jersey; and
- ◆ partner with state and federal government, business and labor on economic stimulus programs to help improve the business climate, protect and create jobs, and foster long-term economic prosperity for New Jerseyans.

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