



NEW JERSEY

Association of State Colleges and Universities

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Dr. Harvey Kesselman Testimony before Assembly Budget Committee Hearing

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On behalf of The New Jersey Presidents' Council, which represents our state's fifty-seven public and private, two and four-year colleges and universities, we thank you for the opportunity to present our Fiscal Year 2020 Budget Statement.

Permit us first to applaud the Secretary of Higher Education, Dr. Zakiya Smith-Ellis and her staff, on the creation of an urgently-needed strategic plan for higher education.

We also would like to commend the Governor and the legislature for re-establishing the New Jersey Commission on Science, Innovation and Technology, and for the focus on furthering an innovation economy.

These are two extremely important initiatives given that our national economy has experienced significant job growth and is increasingly dependent upon highly credentialed individuals.

For example, it has been estimated that by next year 65% of all jobs will require postsecondary education beyond high school, 35% will require at least a bachelor's degree, and 30% will require some college or an associate's degree.

The fastest-growing fields – STEM, healthcare professionals, and community services – also have the highest demand for employees with postsecondary education, as do New Jersey's important industrial and commercial clusters in Bio/Pharmaceuticals and Life Sciences, Transportation, Logistics and Distribution, Financial Services, Advanced Manufacturing and Tourism.

Collectively, New Jersey colleges and universities educate citizens and prepare our workforce for more than 400,000 students annually. Even given that statistic, New Jersey remains the nation's leading net-exporter of college bound students. Overall, 55% of all New Jersey high school graduates who attend college leave the state to pursue higher education.

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*The College of New Jersey
Kean University
Montclair State University*

*New Jersey City University
Ramapo College of New Jersey
Rowan University*

*Stockton University
Thomas Edison State University
William Paterson University*

If this problem of outmigration continues, more than 31,000 college-bound students will leave New Jersey each year, and many never return after graduation. A highly educated workforce is simply not viable if our best and brightest continue to leave the state at this rate.

An important study conducted in 2016 by NCHEMS, the National Center for Higher Education Management Systems, identified several issues that need to be addressed in order to help reverse this trend. They include:

- ◆ Underfunding of the state's public two-year institutions;
- ◆ Underfunding and inequities in the allocation of state funding to the public four-year institutions;
- ◆ Underfunding of the state's research universities, particularly in comparison to other states;
- ◆ Heavy reliance on tuition revenue rather than state funding to support general operations, and the failure of the state's largest need-based financial aid program to assure affordability; and
- ◆ The absence of a policy framework that can inform decisions about investments in new capital assets and the maintenance of existing assets.

To set New Jersey on a pathway to growth and stability, the state must, therefore, **increase** and **rationalize** funding for all public higher education and it must support and reform the TAG program.

In addition, the state should restore support to eligible independent institutions, and continue to protect and sustain its highly successful Educational Opportunity Fund program.

As the Assembly is well aware, colleges and universities are important economic engines for our state. We employ tens of thousands of New Jersey residents, invest billions of dollars into the economy, and act as anchor institutions to revitalize struggling cities.

To strengthen these efforts, the state should consider a referendum to approve another Building Our Future Bond Act that would support capital and infrastructure projects including addressing much needed deferred maintenance.

Such investments, when carefully and wisely made, contribute in multiple ways to sustaining and growing the state's economy. But, the lack of a regular and predictable plan for capital investment has yielded high debt burdens that contribute significantly to higher tuitions and decrease affordability.

All of us in New Jersey aspire to be a state in which our students choose to pursue their higher education and can afford and access quality programs necessary to produce a highly prepared citizenry that supports the innovation economy that will pave the way for a prosperous future.