

Testimony before the Assembly Higher Education Committee
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Good morning Chairman Diegnan and members of the Committee. Thank you for the opportunity to talk with you today about New Jersey's higher education system and the challenges facing higher education in this state and across the entire nation.

NJ is blessed with 57 diverse colleges and universities – 3 public research universities, 9 state colleges and universities, 19 community colleges, 14 independent institutions with a public mission, 4 proprietary schools, and 8 theological and rabbinical institutions.

The students who attend these colleges and universities benefit personally, but society as a whole benefits as well. Colleges and universities are key contributors to social mobility, economic growth and productivity, higher quality healthcare, workforce preparation, global competitiveness, civic participation, and service to communities.

Our higher education system operates within a tripartite governance structure:

- The Commission on Higher Education is charged with statewide policy and planning, institutional licensure, information and research dissemination, advocacy for higher education, and administration of various programs.
- The Presidents' Council advises the Commission, Legislature, and Governor in various areas, promotes collaboration, and is responsible for general program review and articulation and transfer.
- College and university governing boards have ultimate responsibility for the governance of individual institutions.

This governance structure provides a good deal of autonomy to the institutions, but they are not completely independent. They operate within a coordinated system and state laws, and most of them are supported to some degree by public dollars.

In 1994, the Legislature and Governor wisely built into the governance structure a level of coordination to balance the institutional missions, visions, and ambitions with the state's interests and needs.

The Legislature and Governor also wisely called for the Commission, in consultation with the Presidents' Council, to develop and regularly update a long-range plan for higher education.

A Blueprint for Excellence, the state's plan for higher education is an evolving document that provides an aspirational vision and specific objectives and goals to realize that vision. Each of you recently received a copy of the 2005 update of the *Blueprint*; it is the first of what will be annual updates to assess and report progress and to revise the plan as circumstances warrant.

Since its adoption in late 2003, the *Blueprint* has guided the work of the Commission at the state level. And of course, it is equally important that it guide the work at the institutional level, particularly as it pertains to achieving the key performance measures such as:

- improving student outcomes – from preschool to graduate school,
- increasing external research funding, and
- enhancing efforts to address critical workforce needs.

Ideally, the *Blueprint* will also assist in guiding your work as legislators and that of the new Administration.

Unfortunately, state policy to guide the higher education system has long been absent in some critical areas. And the long-range plan is seeking to change that. Last summer, as called for in the *Blueprint*, the Commission initiated a process for the development of sound public policy in two areas.

Two task forces are now underway to develop policy recommendations for consideration. Key leaders from state government, higher education, and the private sector have come together to:

- recommend a long-term state plan to support capital needs at colleges and universities, and
- recommend a policy for operating support of the public research universities and the state colleges and universities to fill the void that has existed since the mid 1980s.

The recommendations from these Task Forces will be presented to the Commission on Higher Education. The Commission will then discuss the recommendations and seek public input before submitting formal policy recommendations to the Legislature and Administration for consideration.

The desired outcome is the development of state policy in these areas – as well as others – to guide institutional and state planning and decision-making.

The state policy and support for higher education that you will shape in the near- and long-term will have far reaching effects beyond the realm of academia.

There is a growing realization that higher education is a cornerstone of the state's competitiveness agenda in the global and changing landscape

Today you can find any number of recent reports about the state's and America's declining competitiveness in the global economy – and there's a link in all of those reports to educational attainment.

The U.S. has been known to have the finest system of higher education in world for over 50 years in terms of access, graduates, and research -- but that claim to fame is now clearly under challenge.

In fact, many countries are now approaching, equaling, or surpassing U.S. educational attainment.

The National Commission on Accountability in Higher Education recently concluded that in light of increasing global competition, low rates of college completion, and a college access and success gap for disadvantaged students, there is a driving need to improve America's performance in higher education. The skills of the workforce and income levels in the United States are projected to decline over the next two decades if states do not improve the education of all racial/ethnic and income groups. That trend presents a major challenge to higher education to provide more, and more diverse students with the sophisticated skills and knowledge to succeed in the workplace. And these dire projections and challenges come at a time of severe fiscal constraints.

In fact, we are asking colleges and universities:

1. To prepare far more students for the workforce – many of them students who come unprepared to do college work
2. To increase the number of students served without sacrificing quality – in fact, we need to improve the quality and student outcomes
3. To prepare students more efficiently – that is - reduce the time to degree completion and minimize the cost to students

And we need to do this in the midst of significant state and national fiscal constraints.

This is enormous challenge – but it's a challenge we must address – and address successfully, because the state's and nation's economic competitiveness are at stake.

It is clear that colleges and universities will not be able to address these needs without additional support and some significant changes – new ways of thinking and new ways of doing things.

There are many fine examples of innovative, flexible programs and initiatives at institutions – innovations that have increased access to higher education and better prepared highly skilled graduates.

But given the magnitude of workforce and economic demands and the high stakes involved, major and systemic changes and advances will be necessary.

So as not to leave you only with the daunting challenges we face, it's important to point out as well that New Jersey is actually in a better position to address these challenges than most states, from several perspectives. Let me give you a few examples:

1. Based on a recent study, New Jersey leads the nation in college participation rate of low-income students (43.7%). That is, low-income students between the ages of 18 to 24 in New Jersey have a better chance of going to college than their counterparts in any other state. Credit for this achievement is due in large part to the state's longstanding commitment to need-based aid, such as TAG and EOF.

There is still a significant gap, however, between the rate of attendance for low-income and high-income students. But collaborative initiatives to improve education from preschool to high school and early intervention programs for disadvantaged students are beginning to close that gap. For example, based on initial data from the Commission's federal GEAR UP grants (\$12 million in 1999 and \$20.9 million in 2005), low-income students who completed the NJ GEAR UP program went on to postsecondary education at a rate similar to that of students from high-income families.

2. New Jersey is among the top states in the nation in the percent of population with a bachelor's degree or higher – despite the fact that many students leave the state to go to college. A recent report on migration patterns across the nation shows that New Jersey benefits from immigration of college-educated citizens, which provided a net gain of about 45,000 residents with baccalaureate degrees or higher between 1995 and 2000. The key to maintaining this benefit, of course, is maintaining the businesses – the jobs – that bring them here and that provide employment opportunities for those who attend college here as well.
3. Changes in public higher education enrollments in New Jersey – as well as changes in educational appropriations per full-time equivalent student – exceeded the national average between 1991 and 2004. That is certainly positive. But it is important to note, that New Jersey's percent change in appropriations was -5.8 percent in constant 2004 dollars – and still above the -12.0 percent national average, demonstrating a disturbing national trend. Nevertheless, New Jersey is better off than many states.

We are fortunate to be in a somewhat better position in these and other areas, but the challenges are still extraordinary.

With the start of the new year, a new Legislative session, and a new Administration, we have an opportunity to regroup – so to speak. And the formation of this committee is a very positive step. The Commission is committed to working with you.

And ideally, organizational changes that evolve within the new Administration will result in

1. a clear voice for higher education in the executive branch of state government – something that has been missing, and
2. more systemic collaboration to achieve student and state higher education goals.

Once again, I thank you for providing this opportunity to begin what I hope will be a continuing dialogue. As we move forward together, the Commission anticipates working collaboratively with policymakers, presidents, and other stakeholders to enhance education at all levels and sustain the economic competitiveness and prosperity of the state and the nation.