

State of New Jersey
Commission of Investigation



February 9, 2009
Immediate Release

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**SENATE PANEL
HEARS FROM SCI
ON HIGHER EDUCATION
REFORMS**

TRENTON – SCI Executive Director Alan A. Rockoff told the Senate Education Committee this afternoon that legislation stemming from the Commission’s reform recommendations would provide “necessary safeguards” for public higher education governance in New Jersey.

The text of Rockoff’s prepared remarks are attached.



Statement
Alan A. Rockoff
Executive Director
New Jersey State Commission of Investigation
Senate Education Committee
February 9, 2009

Good afternoon, Madam Chairperson and members of the Committee.

I'm Alan Rockoff, Executive Director of the State Commission of Investigation.

In behalf of our Chair, Cary Edwards, and the full Commission, I thank you for the opportunity once again to address issues of paramount importance to us all-to the higher education community, to taxpayers at large, and to students and parents everywhere who worry about the cost of attending college here in New Jersey.

Public higher education is one of our most valuable assets. Billions in tax and tuition dollars are invested in State colleges and universities every year, and the dividends are substantial and worthwhile: students who graduate to become

world-class professionals engage in research at the cutting edge of international innovations and maintain a reputation for academic excellence and achievement.

Simply put, this system is a public treasure.

And, like any public treasure, it deserves and demands to be safeguarded by strong, transparent and accountable governance and by independent oversight.

This bill before you today, S-1609, would provide some necessary safeguards.

It would do so by implementing core recommendations made by the SCI in the Fall of 2007 at the completion of a comprehensive investigation of public higher education governance. The findings of that unprecedented statewide inquiry made the case for sweeping reform, and this legislation represents an important step toward that goal. Senators Lesniak and Whelan's sponsorship and co-sponsorship by Senator Weinberg of this bill speaks volumes about the Senate's dedication to good government in the service of New Jersey taxpayers. Similarly, on the Assembly side, where the legislation is known as A-3245, our appreciation goes out to Assemblyman Deignan, Assemblyman Cryan, Assemblywomen Watson-Coleman and Wagner, and Assemblyman Rodriguez for

moving this bill thru the Education Committee and onto the Appropriations Committee.

Ladies and gentlemen, the State of New Jersey withdrew from oversight of public higher education 15 years ago, and the consequential harvest of that withdrawal has been bitter and lasting.

We are all quite familiar with the litany of investigations by state and federal authorities and the media in this realm in recent years, and there is no need to belabor them here.

Suffice it to say, you have recognized it's time to do something about it.

And the answer does not lie in the past. Just as history has shown that the State's wholesale disengagement in 1994 was a mistake, it would be unwise and reckless to turn back the clock. As the SCI stated in its report, New Jersey does not need to reinvent that sort of burdensome and unnecessary bureaucracy.

But let's face facts: we are talking about annual system-wide expenditures approaching \$6 billion in combined tuition, fees and state tax appropriations. By way of stark contrast, a paltry \$1.4 million a year is spent on the New Jersey Commission on Higher Education, an information clearinghouse which is all that remains of the State's former oversight apparatus.

A better balance must be struck, a reasonable cost benefit oriented balance.

Institutional autonomy and self-governance are important and must be maintained – but not at the expense of oversight, accountability and transparency. We need to think about the enormous savings that could result from even a modest investment in truly effective oversight and improved governance.

The legislation before you would set the stage for the balance. It would give state college and university governing boards new tools to govern themselves effectively while at the same time providing the tax- and tuition-paying public greater assurance that their money is being spent efficiently and productively.

Academic freedom and institutional distinctiveness are not antithetic with accountability and transparency. Public funding of higher education requires rational state oversight. New Jersey currently possesses neither a strong regulatory coordinating agency nor a centralized university system. The Legislature and Governor should decide which course to follow.

Most significantly, under this bill, public higher education would once again enjoy official Cabinet-level state – finally returning to its rightful place at the table of high-level government policy-making in New Jersey. Not as a dictator or overlord, but as an advocate for state colleges and universities to oversee their governance and to work with them to fulfill their potential.

A Secretary of Higher Education would create direction for governing boards of each school to establish orderly committee structures for proper internal oversight of vital matters related to auditing, compensation, contract procurement, and the selection of diverse and qualified trustees as is befitting highly funded institutions of higher learning.

It would set up a new code of standards and transparency for lobbyists hired by state colleges and universities, and it would afford appropriate legal protection for employees and governing board members who blow the whistle on questionable or patently improper practices.

All of these reforms and other initiatives in this bill, such as the formation and funding of carefully-crafted and regulated public – private partnerships in the development of capital improvements within the state public colleges and

university system are major steps in the right direction. Could more be done? Well, to be perfectly honest, the bill doesn't address everything the SCI recommended.

We continue to urge dialogue at the highest levels of government to reach a consensus as to the creation and design of a comprehensive and cohesive plan for the unification of higher educational needs for the next several generations of students in New Jersey. The debate should focus on how best to re-write the charters to integrate all of our research institutions, our state universities and colleges into an orderly network to avoid overlapping development of missions and aspirations of these separate and semi-autonomous public institutions.

This is the moment in our history when the Governor and the Legislature can reverse this decentralization and create a truly effective statewide system of public higher education with resulting improvement of academic quality and cost efficiency.

But this is a process, and we understand that going forward. Thank you again, Mr. Chairman, for allowing us to be part of it.

