

Testimony before the Senate Education Committee
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Good afternoon Chairwoman Turner and members of the Committee, and thank you for providing the opportunity to talk with you today about New Jersey's governance structure for higher education.

I am speaking on behalf of the Commission on Higher Education. Chairman Mertz had planned to be here to testify as well, but he is not able to make it, and he sends his regrets. He has indicated he supports the comments I will make today, which are consistent with the Commission's discussion of this issue at a retreat last year and also reflective of findings in the 1999 statutorily required assessment of the structure.

This is an appropriate time to reflect on the changes of the 1994 Restructuring Act after 11 years, and it is always a good time to consider how to improve.

There are varying higher education structures across the nation, but there is no perfect model; all have strengths and weaknesses, and all can "work."

But the key is always going to be the commitment, integrity, and leadership of the individuals responsible for making the structure work.

New Jersey's structure is what I think of as "coordinated autonomy." That may sound like an oxymoron, but it's not. Autonomy means independence, and coordination means working together harmoniously on behalf of a common effort. The two are not mutually exclusive.

New Jersey's governance structure provides a great deal of independence or autonomy to the institutions, but they are not completely autonomous. They operate within a system and state laws, they are supported at varying levels by public dollars, and they have a public purpose and responsibility.

Some level of coordination is essential to balance the institutional missions, visions, and ambitions with the state's interests and needs. And the current system recognizes that and provides for it.

The current structure can work, and it has worked well in many respects; but, of course, as with any structure – there’s room for improvement.

The Chairwoman has asked that we consider strengths and weaknesses of the current structure so that we might consider improvements to ensure the most effective and efficient higher education system for the state and its people.

In response, I will mention several very positive aspects of the structure, and I will also comment on weaknesses and suggest how they might be addressed.

Strengths

The structure’s main strengths are based on five provisions of the Restructuring Act.

1. The Act eliminated excessive regulatory oversight and provided greater institutional autonomy and increased institutional creativity to implement diverse missions within a coordinated system.
2. It provided institutional flexibility in establishment of new programs and enhanced responsiveness of institutions to student, business community, and state needs.
3. It increased the level of collaboration among the institutions.
4. It increased involvement and responsibility of trustee boards at public institutions.
5. The Act instituted a regularly updated long-range plan for higher education and coordinated efforts to achieve state goals.

Many accomplishments and initiatives have occurred under the current structure, despite fiscal constraints. Some examples include increased enrollments, increased student financial aid, a statewide higher education data and video network, periodic investment in capital infrastructure, targeted grant programs to meet research and programmatic needs, an electronic transfer information system, and \$32 million in federal grants to support college readiness for disadvantaged students.

Weaknesses

I will describe what I believe are the three primary weaknesses of the existing governance structure. But to a large degree, these weaknesses are more a function of how the structure is operated than the structure itself.

1. There is no clear, central voice for higher education on behalf of state needs and public policy.

Higher education is a critical aspect of the state's infrastructure and economic prosperity, but it does not have a central voice with a consistent place at the state budget development or policy tables within the Administration, while every other major area of state government has that central voice.

The Governor (and his senior staff) and the Legislature would benefit from turning to a state-level higher education point person for advice and assistance as needed, as they do for every area. And it should be clear that this person represents the public policy voice for higher education at the state level, avoiding the current situation where all of the sectors, and sometimes all of the presidents, feel they should be at the table, and as a result, most often no one is.

A central state-level presence and voice could be achieved by reestablishing a cabinet-level position. Or it could be achieved by simply bringing the state higher education agency leader to the table – whether that be an executive director or some other title – to establish that ongoing communication and relationship to keep higher education at the state policy table.

At the same time, it is critical for the Administration and Legislature to keep communications open with institutional presidents. The very able and talented presidents of the colleges and universities provide valuable perspectives and advice – and they can best speak for the institutions.

Optimally, the structure will benefit from the strong, entrepreneurial and ambitious voice of the institutional presidents – balanced by a strong voice on behalf of the state and public policy.

The other essential element, of course, is the ear of policy makers; there has been no forum for regular conversations like this one, which leads to the second weakness.

2. The state lacks clear policy for higher education to guide the “coordinated autonomy” and work toward achieving state goals.

While the Commission and the Presidents’ Council each carry out their statutory responsibilities, there has not been a forum for public policy and decision making. State policy has long been absent in critical areas. The long-range plan for higher education, *A Blueprint for Excellence*, recognizes this and has initiated a process for the development of sound public policy for the future.

Two task forces are 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 methodology/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.

These recommendations will be presented to the Commission on Higher Education, and the Commission will seek input from stakeholders before submitting formal policy recommendations to the Administration and Legislature for consideration.

The ultimate desired outcome is the development of state policy in these and other critical areas to guide institutional and state planning and decision-making.

A state policy framework is an essential component of coordinated autonomy; it should provide general guidance for the Commission as it carries out its responsibilities for licensure and academic program decisions, funding and policy recommendations, program implementation, and general coordination on behalf of the state.

The state policy framework should also provide general guidance for institutional decisions regarding academic programs, enrollment growth, tuition and fees, and other areas. For example, general, long-term funding and tuition policy to guide institutional decisions could avoid periodic de facto limitations that inhibit effective planning and operations.

And there is one final weakness that is worthy of mention.

3. The system would benefit from a better articulated framework for accountability.

Public expectations of accountability for higher education outcomes have increased over the past decade, as have expectations for fiscal accountability, which have spilled over to the nonprofit sector from the new federal requirements placed on the corporate world.

The framework for accountability in the governance structure is not as clear as it should be, but we are making strides in that direction with the new long-range plan and its annual progress updates, which track improvements over time and include peer comparisons to provide a national context in which to view outcomes. The draft update of the plan will be released today, and I will provide copies through staff to the committee members.

The Commission does not have responsibility for fiscal accountability of the institutions, and rightfully so. Fiscal accountability belongs at the institutional level, and the trustees of the institutions must be equipped with the skills and knowledge to appropriately exercise that accountability. While individual sectors have various trustee development programs, it may be beneficial to have annual or biennial trustee conferences at the state level to further prepare trustees in this critical area.

Ideally, a clearly articulated accountability framework will meet public expectations for higher education accountability.

In summary, New Jersey has a higher education governance structure that can work. But this structure, like most, is dependent upon the goodwill of key stakeholders who must make it work effectively. Our structure is particularly dependent on that goodwill to promote collaboration, communication, and coordination. In fact, communication and collaboration among key stakeholders and entities is uneven at times, making the structure vulnerable.

But the greatest vulnerabilities lie in the lack of a central state voice for higher education, the lack of public policy, and the lack of an articulated accountability framework. We are already moving to address these shortcomings, and we look forward to working with you and other state policymakers to ensure that the governance structure provides the most effective and efficient higher education system for the state and its citizens.