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New Jersey Enacts Fiscal Accountability Measures for Public Institutions of Higher Education

TRENTON – Legislation (S3406) Governor Phil Murphy has signed into law will enact new measures to ensure greater fiscal accountability and transparency at public institutions of higher education in New Jersey. Empowering the Office of the Secretary of Higher Education (OSHE) to work alongside public institutions in support of their long-term fiscal health, the law directs OSHE to implement policies such as annual financial reporting requirements and training for chief financial officers.

“Promoting fiscal accountability among our public institutions of higher education will not only benefit students and employees, but will also help the schools themselves avoid financial crises that could put their entire operation at risk,” **said Governor Murphy**. “This legislation will help ensure greater stability and transparency at public colleges and universities throughout our state so that these institutions can continue to provide New Jersey students with the high-quality education they deserve.”

“We have a responsibility to be good stewards of the significant investment students, their families and the state makes into higher education,” **said Secretary of Higher Education, Dr. Brian K. Bridges**. “That begins with financial transparency and the stronger accountability model this law now provides. By working with colleges and universities to safeguard those investments, we will ensure New Jersey is better equipped to build and leave a legacy of excellence in higher education.”

Specifically, the law requires New Jersey’s public institutions to submit annual fiscal monitoring reports to OSHE. It also gives the Secretary of Higher Education the authority to conduct comprehensive audits of a public institution’s finance and governance operations and to appoint a State monitor under certain circumstances that indicate financial instability.

In addition to requiring training for chief financial officers, the law also establishes that the Secretary of Higher Education will set out their duties and responsibilities and, in consultation

with the State Comptroller and the Attorney General, hold them accountable for violations of fiduciary responsibilities.

Legislative sponsors of the law include Senator Vin Gopal, Senator Joseph Cryan, and Assembly members Mila Jasey, Linda Carter and John McKeon.

“New Jersey’s public institutions of higher learning are among the best in the world, and among our state’s strongest assets. In order for universities to maintain that standing, they must be accountable to taxpayers with their fiscal management of resources,” **said Senator Gopal**. “Requiring public colleges and universities to submit an annual fiscal monitoring report will go a long way toward ensuring transparency and efficiency, as the institutions go about the task of preparing students for a 21st Century world.”

“This is an important step forward in bringing more oversight and accountability to the finances of New Jersey’s colleges and universities,” **said Senator Cryan**. “The taxpayers who help support higher education, and the students and families who pay the bills to attend these schools, need to know that their investments are used responsibly and effectively.”

“We must take all necessary steps to ensure our public institutions of higher education are financially stable and able to provide the full range of degrees, programs, activities and services that attracted students to their campus,” **said Assemblywoman Jasey, Chair of the Assembly Higher Education Committee**. “Bolstering OSHE’s oversight by requiring an annual fiscal monitoring report will add an additional layer of transparency while granting the Secretary the power to monitor each institution’s financial stability in real time and appoint a monitor to immediately intervene before an institution’s financial hardship becomes catastrophic. The transparency will help students and their families make an informed decision about their college choice, confident that the institution will be positioned to meet their individual needs.”

“Investing in the future of our students is not just a matter of hope, but a responsibility we must uphold,” **said Assemblywoman Carter**. “With this law, we fortify the foundations of education by requiring public institutions of higher learning to submit annual fiscal monitoring reports and ensure transparency and accountability in the management of funds. Empowering the Secretary of Higher Education to appoint a State monitor for certain institutions guarantees that no one is left behind in our pursuit of academic excellence.”

"This law marks a significant step towards ensuring the financial stability and operational accountability of our public institutions of higher education. With this law in place, we can be confident that our universities and colleges will be better equipped to manage their finances responsibly and transparently," **said Assemblyman McKeon**. "Addressing any financial challenge proactively will help ensure these school are in the best position to provide a quality education to their students."



