

18A:3-14

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:3-14; (State Colleges--increased financial autonomy)  
18A:64-1 et al

LAWS OF: 1986  
CHAPTER 42

BILL NO: A1173

Sponsor(s): Rocco

Date Introduced: Pre-filed

Committee: Assembly: Higher Education and Regulated Professions  
Senate: Education

Amended during passage: Yes Substituted for S1469 (not attached since identical to A1173). Amendments during passage denoted by asterisks.

Date of Passage: Assembly: February 13, 1986  
Senate: June 2, 1986

Date of Approval: July 9, 1986

Following statements are attached if available:

Sponsor statement: Yes Attached: Assembly amendments, adopted 6-9-86 and Senate amendments, adopted 5-15-86 (with statements)

Committee statement: Assembly Yes  
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: ~~No~~ Yes

Hearings: ~~No~~ Yes

(over)

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See newspaper clipping file in New Jersey Reference Department under "N.J.-Colleges and Universities-1986."

974.901 New Jersey. Governor. (Kean, 1982--)  
G52 Fifth annual message, January 14, 1986.  
(pp. 51-52--attached)

Report, referred to in statements:

974.90 N.J. Commission on the Future of the State Colleges toward a  
C697 University of New Jersey, the report of the Commission. . . .  
1984 February, 1984. Trenton, 1984.

See also:

974.90 New Jersey. Legislature. Assembly. Higher Education and Regulated  
C697 Professions Committee.  
1984d Public hearing, held 10-5-84, 10-10-84 and 10-24-84, Jersey City, Trenton,  
Glassboro, 1984.

Also attached: Governor Kean's conditional veto S1442 during 1984-85 Legislative Session.

7-9-86

[SECOND OFFICIAL COPY REPRINT]

## ASSEMBLY, No. 1173

## STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman ROCCO

AN ACT concerning State colleges, and revising parts of the  
statutory law.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. N. J. S. 18A:3-14 is amended to read as follows:

2 18A:3-14. The Board of Higher Education shall:

3 a. Conduct research on higher educational needs;

4 b. Develop and maintain a comprehensive master plan which  
5 shall be long range in nature and be regularly revised and updated;

6 c. Establish new colleges, schools, units, divisions, institutes,  
7 departments, branches, campuses, as required by the master plan,  
8 provided that provision is made therefore in the annual or a supple-  
9 mental or special appropriation act of the Legislature or otherwise;

10 d. Establish minimum admission standards for all public institu-  
11 tions of higher education, except that nothing in this chapter shall  
12 be construed to prevent individual institutions from establishing  
13 higher minimum admission requirements;

14 e. Establish minimum standards for all public institutions of  
15 higher education for degree granting, approve new programs and  
16 degrees and approve discontinuance of degrees and educational  
17 programs as required. Nothing, however, in this law shall be con-  
18 strued to prevent individual institutions from establishing higher  
19 minimum standards for degree granting. "Programs" as used in  
20 this subsection means areas or fields in which degrees or nondegree  
21 certificates might be granted and shall not include individual  
22 courses nor course content nor shall it include the course com-  
23 position of areas or fields already in existence;

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted January 30, 1986.

\*\*—Senate committee amendments adopted May 12, 1986.

\*\*\*—Senate amendments adopted May 15, 1986.

\*\*\*\*—Assembly amendment adopted June 9, 1986.

24 f. Receive all budget requests from the institutions, coordinate  
25 and balance such requests, and submit a combined request for  
26 appropriations annually to the Governor;

27 g. Be an agency of communication with the federal government  
28 on public funds available to the State for higher education, and  
29 receive and recommend the disbursement of such funds by the  
30 State;

31 h. Set policy on salary and fringe benefits, and establish general  
32 personnel policies for the public institutions of higher education;

33 i. Coordinate with the State Board of Education and the com-  
34 missioner to effectuate and advance public education at all levels;

35 j. Encourage harmonious and cooperative relationship between  
36 public and private institutions of higher education;

37 k. Review periodically existing programs of instruction, re-  
38 search, and public service in the public institutions of higher  
39 education, and advise them of desirable change;

40 l. Keep the Governor, the Legislature, and the public informed  
41 of the needs and accomplishments, both qualitative and quantita-  
42 tive, of public higher education in New Jersey through published  
43 reports, releases, conferences, and other means;

44 m. License institutions of higher education pursuant to the au-  
45 thority of sections 18A:68-3 to 18A:68-5 inclusive;

46 n. Approve the basis or conditions for conferring degrees pur-  
47 suant to the authority of sections 18A:68-6 to 18A:68-8 inclusive;

48 o. Exercise enforcement powers as provided by sections  
49 18A:68-9 to 18A:68-11 inclusive;

50 p. Require from institutions of higher education such reports as  
51 may be necessary to enable the board to perform the duties imposed  
52 upon it by statute;

53 q. Make to the Governor and the Legislature such recommenda-  
54 tions as the board deems necessary with regard to appropriations  
55 that may be required for services, lands, buildings, and equipment  
56 to be furnished by institutions of higher education other than the  
57 State University of New Jersey and make contracts in behalf of the  
58 State with such institutions in accordance with legislative appro-  
59 priations; provided, that no disbursement of moneys so appro-  
60 priated shall be made to any such institution or institutions utilized  
61 by the State for the purpose of public higher education, except on  
62 recommendation of the board; and the board shall see to the  
63 application of the money for such purposes;

64 r. Exercise visitorial general powers of supervision and control

64 r. Exercise visitorial general powers of supervision and control  
65 over such institutions of higher education as may be utilized by the  
66 State. Its visitorial general powers of supervision and control are  
67 hereby defined as visiting such institutions of higher education to

68 examine into their manner of conducting their affairs and to enforce  
69 an observance of the laws of the State;

70 s. **Fix and determine tuition rates and other fees to be paid by**  
71 **students at the State colleges except fees for room and board which**  
72 **will be established by the board of trustees of each respective State**  
73 **college within guidelines established by the Board of Higher**  
74 **Education.]**

75 *Establish guidelines within which the board of trustees of each*  
76 *respective State college shall establish tuition rates and all other*  
77 *fees to be paid by students at each respective State college;*

78 *t. Review and approve institutional plans of each State college*  
79 *consistent with the provisions of chapter 64 of this Title.*

1 2. N. J. S. 18A:64-1 is amended to read as follows:

2 18A:64-1. The Legislature hereby finds that it is in the best  
3 interest of the State that the State colleges shall be and continue  
4 to be given a high degree of self-government and that the govern-  
5 ment and conduct of the colleges shall be free of partisanship.  
6 The Legislature finds further that a decentralization of authority  
7 and decision-making to the boards of trustees and administrators  
8 of the State colleges in the areas of personnel, budget execution,  
9 purchasing and contracting will enhance the idea of self-govern-  
10 ment. Such colleges shall be maintained for the purpose of pro-  
11 viding higher education in the liberal arts and sciences and various  
12 professional areas including the science of education and the art  
13 of teaching at such places as may be provided by law. The names  
14 of the colleges shall be designated by the *board of trustees with the*  
15 *approval of the board of higher education.* The name of each of  
16 the existing State colleges shall continue the same unless a new  
17 name is so designated.

1 3. N. J. S. 18A:64-3 is amended to read as follows:

2 18A:64-3. Each such board of trustees shall consist of nine  
3 citizens of the State, not more than three of whom shall reside in  
4 any one county and of whom at least two shall be women who shall  
5 be appointed by the Board of Higher Education, subject to the ap-  
6 proval of the Governor. *In addition to the citizen members, the*  
7 *Chancellor of Higher Education, or the **\*\*[Chancellor's]\*\****  
8 *\*\*chancellor's\*\* designee, shall serve on each board as an ex officio*  
9 *nonvoting member.* The term of office of appointed members shall  
10 be for six years beginning on July 1 and ending on June 30 except  
11 that of the members first appointed, two shall be appointed for  
12 terms expiring June 30, 1967; two for terms expiring June 30, 1968;  
13 two for terms expiring June 30, 1969; one for a term expiring June  
14 30, 1970; one for a term expiring June 30, 1971; and one for a term  
15 expiring June 30, 1972. Each member shall serve until his successor

16 shall have been appointed and qualified and vacancies shall be filled  
 17 in the same manner as the original appointment for the remainder  
 18 of the unexpired term. Any member of a board of trustees may be  
 19 removed by the Governor for cause upon notice and opportunity to  
 20 be heard.

1 4. N. J. S. 18A:64-6 is amended to read as follows:

2 18A:64-6. The board of trustees of a State college shall, subject  
 3 to the general policies, guidelines, and procedures set by the Board  
 4 of Higher Education, have general supervision over and shall be  
 5 vested with the conduct of the college. It shall, subject to the  
 6 general policies, guidelines, and procedures set by the Board of  
 7 Higher Education, have the power and duty to:

8 a. Adopt and use a corporate seal;

9 b. Determine the educational curriculum and program of the  
 10 college;

11 c. Determine policies for the organization, administration and  
 12 development of the college;

13 d. Study the educational and financial needs of the college;  
 14 annually acquaint the Governor and Legislature with the condition  
 15 of the college; and prepare, and after concurrence by and jointly  
 16 with the Board of Higher Education, present the annual budget  
 17 to the Governor and Legislature, subject to the rules and regula-  
 18 tions of the Department of the Treasury, Division of Budget and  
 19 Accounting, and] in accordance with law;

20 e. [Notwithstanding the provisions of P. L. 1944, c. 112:

21 (i) direct and control the expenditures of the college in ac-  
 22 cordance with the provisions of the budget, the quarterly allo-  
 23 cations of the Department of the Treasury, the appropriations  
 24 acts of the Legislature and the provisions of this act, and in  
 25 accordance with the terms, of any applicable trusts, gifts,  
 26 bequests, or other special provisions;

27 (ii) empower the president of the college or such other officer  
 28 as he may, with the approval of the board of trustees,  
 29 designate, to enter into contracts and agreements, create en-  
 30 cumbrances, incur obligations and execute instruments of  
 31 indebtedness all in accordance with the policies adopted by the  
 32 board of trustees, the provisions of the budget, the appropria-  
 33 tions acts of the Legislature, and subject to the provisions of  
 34 this act and any regulations, policies, guidelines and procedures  
 35 adopted pursuant thereto;

36 (iii) file with the Department of the Treasury, Division of  
 37 Budget and Accounting, the name of the fiscal officer or officers  
 38 approved by the trustees of the college pursuant to (ii) above:  
 39 who shall have the duty to ascertain that all contracts, agree-

40 ments, obligations, encumbrances, or instruments of indebted-  
 41 ness are made in accordance with (ii) above and that sufficient  
 42 funds are legally available for the expenditure; and

43 (iv) transmit statements of indebtedness to the Director of  
 44 the Division of Budget and Accounting who shall execute and  
 45 register warrant checks in settlement of those statements and  
 46 shall transmit them forthwith to the State Treasurer who shall  
 47 thereupon sign and deliver the same to the payees.】

48 *Disburse all moneys appropriated to the college by the Legis-*  
 49 *lature and all moneys received from tuition, fees, auxiliary services*  
 50 *and other sources;*

51 f. 【Transfer funds between the primary expenditure accounts  
 52 only after approval by the Department of Higher Education, the  
 53 Division of Budget and Accounting, and the Legislative Budget  
 54 and Finance Director;】

55 *Direct and control expenditures and transfers of funds appro-*  
 56 *priated to the college and tuition received by the college in accor-*  
 57 *dance with the provisions of the State budget and appropriation*  
 58 *acts of the Legislature, reporting changes and additions thereto and*  
 59 *transfers thereof to the Director of the Division of Budget and*  
 60 *Accounting in the State Department of the Treasury and to the*  
 61 *Chancellor of Higher Education and as to funds received from other*  
 62 *sources, direct and control expenditures and transfers in accor-*  
 63 *dance with the terms of any applicable trusts, gifts, bequests, or*  
 64 *other special provisions. All accounts of the college shall be subject*  
 65 *to audit by the State at any time;*

66 g. 【With the approval of the Board of Higher Education】 *In*  
 67 *accordance with the provisions of the State Budget and appropria-*  
 68 *tion acts of the Legislature, appoint and fix the compensation of a*  
 69 *president of the college who shall be the executive officer of the*  
 70 *college and an ex officio member of the board of trustees, without*  
 71 *vote and shall serve at the pleasure of the board of trustees;*

72 h. Notwithstanding the provisions of Title 11, Civil Service, of  
 73 the Revised Statutes, upon nomination by the president appoint a  
 74 treasurer and such deans and other professional members of the  
 75 academic, administrative and teaching staffs *\*as defined in section*  
 76 *13 of P. L. . . . ., c. . . . (C. . . . .) (now pending before the*  
 77 *Legislature as this bill)\** as shall be required and fix their com-  
 78 pensation and terms of employment in accordance with salary  
 79 ranges and policies adopted by the Board of Higher Education,  
 80 and concurred in by the Governor which salary policies shall pre-  
 81 scribe qualifications for various classifications and shall limit the  
 81A percentage of the education staff that may be in any given classifi-  
 81B cation;

- 82 i. **[Appoint]** *Upon nomination by the president, appoint, remove,*  
 83 *promote and transfer such other officers, agents or employees as*  
 84 *may be required for carrying out the purposes of the college and*  
 85 *assign their duties, determine their salaries and prescribe qualifica-*  
 86 *tions for all positions, all in accordance with the provisions of Title*  
 87 *11, Civil Service, of the Revised Statutes;*
- 88 j. Grant diplomas, certificates and degrees;
- 89 k. **[Subject to the general policies, guidelines and procedures**  
 90 **established by the Board of Higher Education and concurred in by**  
 91 **the State Treasurer and the Director of the Division of Purchase**  
 92 **and Property,]** *Pursuant to the provisions of the "State College*  
 93 *Contracts Law," P. L. . . . , c. . . . (C. . . . .) (now pending*  
 94 *before the Legislature as \***[Senate Bill No. 1443 of 1984 and]**\**  
 95 *Assembly Bill No. \***[2795]**\* \*1177\* \*\*OCR and Senate Bill No.*  
 96 *1470\*\* of \***[1984]**\* \*1986\*) enter into contracts and agreements for*  
 97 *the purchase of lands, buildings, equipment, materials, supplies and*  
 98 *services; enter into contracts and agreements with the State or any*  
 99 *of its political subdivisions or with the United States, or with any*  
 100 *public body, department or other agency of the State or the United*  
 101 *States or with any individual, firm, or corporation which are deemed*  
 102 *necessary or advisable by the board for carrying out the purposes*  
 102A *of the college;*
- 103 l. If necessary, take and condemn land and other property in the  
 104 manner provided by **[chapter 1 of Title 20, Eminent Domain, of the**  
 105 **Revised Statutes]** *the "Eminent Domain Act of 1971," P. L. 1971,*  
 106 *c. 361 (C. 20:3-1 et seq.), whenever authorized by law to purchase*  
 107 *land or other property;*
- 108 m. Adopt, after consultation with the president and faculty,  
 109 bylaws and make and promulgate such rules, regulations and  
 110 orders, not inconsistent with the provisions of this article that are  
 111 necessary and proper for the administration and operation of the  
 112 college and the carrying out of its purposes;
- 113 n. Establish fees for room and board sufficient for the operation,  
 114 maintenance, and rental of student housing and food service  
 115 facilities**[.];**
- 116 o. *Fix and determine, within guidelines established by the Board*  
 117 *of Higher Education, tuition rates, and other fees to be paid by*  
 118 *students;*
- 119 p. *Accept from any government or governmental department,*  
 120 *agency or other public or private body or from any other source*  
 121 *grants or contributions of money or property which the board may*  
 122 *use for or in aid of any of its purposes;*
- 123 q. *Acquire by gift, purchase, condemnation or otherwise, own,*



124 lease, dispose of, use and operate property, whether real, personal  
 125 or mixed, or any interest therein, which is necessary or desirable  
 126 for college purposes;

127 r. Employ architects to plan buildings; secure bids for the con-  
 128 struction of buildings and for the equipment thereof; make con-  
 129 tracts for the construction of buildings and for equipment; and  
 130 supervise the construction of buildings. All capital expenditures  
 131 in excess of \$500,000.00 shall be subject to the approval of the Board  
 132 of Higher Education;

133 s. Manage and maintain, and provide for the payment of all  
 134 charges and expenses in respect to all properties utilized by the  
 135 college;

136 t. Borrow money for the needs of the college, as deemed requisite  
 137 by the board, in such amounts, and for such time and upon such  
 138 terms as may be determined by the board, provided that this bor-  
 139 rowing shall not be deemed or construed to create or constitute a  
 140 debt, liability, or a loan or pledge of the credit, or be payable out  
 141 of property or funds, other than moneys appropriated for that  
 142 purpose, of the State;

143 u. Authorize any new program, educational department or  
 144 school which will require, at the time of establishment or thereafter,  
 145 an additional expenditure of money, if **\*\*the\*\*** establishment  
 146 thereof is approved by the Board of Higher Education and pro-  
 147 vision is made therefor by law; and

148 v. Formulate and submit to the Board of Higher Education an  
 149 institutional plan consistent with the rules and regulations of the  
 150 Board of Higher Education.

1 5. N. J. S. 18A:64-13 is amended to read as follows:

2 18A:64-13. **\*[Pupils]\*** **\*Students\*** in each State college who are  
 3 residents of New Jersey shall be required to pay each year a mini-  
 4 mum tuition fee **[of \$50.00,]** and nonresidents of the State shall  
 5 pay an additional fee. Such fees and any increase of the minimum  
 6 tuition fee shall be determined by *each college board of trustees*  
 7 *pursuant to guidelines set by the Board of Higher Education. The*  
 8 *board of trustees may waive the payment **\*[of up to 2%]\*** of the*  
 9 *college's anticipated tuition revenues to accomplish mission-related*  
 10 *or policy goals.*

1 6. N. J. S. 18A:64-14 is amended to read as follows:

2 18A:64-14. Each State college may require students to furnish  
 3 such textbooks and incidental supplies and to pay such general  
 4 school fees as may be fixed by the board of **[higher education]**  
 5 *trustees.* The board of trustees shall provide apparatus and such  
 6 books and supplies as are not required to be furnished by students  
 7 as provided in this section.

1 7. N. J. S. 18A:64-18 is amended to read as follows:

2 18A:64-18. **【All moneys received in connection with the opera-**  
 3 **tion of the State colleges shall be deposited in a special account of**  
 4 **the General State Fund and shall be available for use by the State**  
 5 **college subject to the provisions of its annual appropriation, except**  
 6 **that:】**

7 a. Moneys which are derived by the State colleges as room and  
 8 board revenues from student housing and food service facilities  
 9 and which are not pledged for the payment of principal and interest  
 10 on bonds of this State and which are in excess of sums required  
 11 for the operation, maintenance, and rental of such facilities, shall  
 12 be retained **【by the State Treasurer】** in a separate account **【for】**  
 13 *by* each college and may be expended by each college for the cost of  
 14 operation, maintenance and rental of such facilities in subsequent  
 15 years. The unexpended balance in any such account at the end of  
 16 any fiscal year shall **【be retained in such account for the purposes**  
 17 **of this act and shall】** not lapse into the General Treasury.

18 b. Moneys which are derived from student union building fees  
 19 collected at a State college, which are in excess of the sums required  
 20 for the operation, maintenance and rental of such a facility, shall  
 21 be retained **【by the State Treasurer】** in a separate account **【for】**  
 22 *by* each college and may be expended by each college for the cost  
 23 of operation, maintenance and rental of such facilities in subsequent  
 24 years. The unexpended balance of any such account at the end of  
 25 any fiscal year shall **【be retained in such account for the purposes**  
 26 **of this act and shall】** not lapse into the General Treasury.

27 c. Moneys which are derived from the operation of parking  
 28 facilities, *and any other facilities financed by student fees* which  
 29 are in excess of sums required for the operation and maintenance  
 30 of such facilities at a State college, shall **【, with the approval of the**  
 31 **State Treasurer,】** be retained in a separate account **【for】** *by* each  
 32 college and may be expended by each college for the cost of opera-  
 33 tion, maintenance and rental of such facilities in subsequent years.  
 34 The unexpended balance of any such account at the end of any fiscal  
 35 year shall **【be retained in such account for the purposes of this act**  
 36 **and shall】** not lapse into the General Treasury.

37 d. *No revenues received pursuant to this section shall be trans-*  
 38 *ferred from their respective accounts if contractual obligations*  
 39 *between the college, the New Jersey **\*\*【Education】\*\*** **\*\*Educa-***  
 40 *tional\*\* Facilities Authority and the Board of Higher Education*  
 41 *prohibit these actions.*

1 8. (New section) a. Funds appropriated by the State for the  
 2 operation of the State colleges shall be paid to each college in

3 12 equal installments on the first day of each month; except that  
4 Thomas A. Edison College of New Jersey shall have its appro-  
5 priated funds paid to it on a quarterly installment basis.

6 b. Any unexpended balance at the end of any fiscal year shall be  
7 retained and may be expended by each college in subsequent fiscal  
8 years.

1 9. (New section) All functions, powers and duties relating to the  
2 investment or reinvestment of funds within the jurisdiction of the  
3 board of trustees including the purchase, sale or exchange of any  
4 investments or securities shall be exercised and performed by the  
5 Director of the Division of Investment in the Department of the  
6 Treasury in accordance with the provisions of P. L. 1950, c. 270  
7 (C. 52:18A-79 et seq.). Before any investment, reinvestment, pur-  
8 chase, sale or exchange shall be made by the director for or on  
9 behalf of the board of trustees, the Director of the Division of In-  
10 vestment shall submit the details thereof to the board, which shall,  
11 itself or by its finance committee, within 48 hours, exclusive of  
12 Sundays and public holidays, after the submission to it, file with  
13 the director its written acceptance or rejection of the proposed  
14 investment, reinvestment, purchase, sale or exchange; and the di-  
15 rector shall have authority to make the investment, reinvestment,  
16 purchase, sale or exchange for or on behalf of the board, unless  
17 there shall have been filed with him a written rejection thereof by  
18 the board or its finance committee as herein provided. The board  
19 of trustees shall determine from time to time the cash requirements  
20 of the various funds and accounts established by it and the amount  
21 available for investment, all of which shall be certified to the State  
22 Treasurer and the Director of the Division of Investment. All  
23 earnings on investments shall be retained by each State college.

24 The finance committee of the board of trustees shall consist of  
25 three members of the board who shall be appointed in the same  
26 manner and for the same term as other committees of the board  
27 are appointed.

1 10. (New section) The Director of the Division of Investment,  
2 in addition to other investments presently or from time to time  
3 hereafter authorized by law, shall have authority, subject to any  
4 acceptance required, to invest and reinvest the funds in, and to  
5 acquire for or on behalf of the board, bonds or other evidence of  
6 indebtedness or capital stock or other securities issued by any com-  
7 pany incorporated within the United States or within the Dominion  
8 of Canada, which shall be authorized or approved for investment  
9 by regulation of the State Investment Council in the Division of  
10 Investment and in which life insurance companies organized under  
11 the laws of this State may legally invest.

1 11. (New section) The State Treasurer shall be the custodian of  
 2 the board's investment funds, shall select all depositories and cus-  
 3 todians and shall negotiate and execute custody agreements in con-  
 4 nection with the assets or investments of any of these funds.

1 12. (New section) The Governor shall continue to function as  
 2 the public employer under the "New Jersey Employer-Employee  
 3 Relations Act," P. L. 1941, c. 100 (C. 34:13A-1 et seq.) and through  
 4 the Office of Employee Relations act as the chief spokesperson  
 5 with respect to all matters under negotiation. \***[A representative**  
 6 **of the New Jersey State College Governing Boards Association,**  
 7 **established pursuant to P. L. . . . , c. . . . (C. . . . .) (now pending**  
 8 **before the Legislature as Senate Bill No. 2398 and Assembly Bill**  
 9 **No. 2901 of 1984), and the Chancellor's office may attend negotia-**  
 10 **tions sessions. Nothing in this amendatory and supplementary act**  
 11 **shall be construed to alter the authorities and responsibilities of the**  
 12 **Governor, the Office of Employee Relations in the Department of the**  
 13 **Treasury, the Salary Adjustment Committee, the Civil Service**  
 14 **Commission, the Division of Classification and Compensation in the**  
 15 **Department of Civil Service, the Board of Higher Education, the**  
 16 **State colleges or any other State agency with respect to collective**  
 17 **negotiations and establishment of terms and conditions of em-**  
 18 **ployment.]** \* \*\*\*\***[\*\*\*Notwithstanding any other provisions of this**  
 19 **amendatory and supplementary act, the State Compensation Plan**  
 20 **and all other terms and conditions of employment for positions**  
 21 **included in collective bargaining units in the State Colleges which**  
 22 **are in effect on the date this act takes effect shall remain in effect**  
 23 **unless negotiated with the majority representative.\*\*\*]** \*\*\*\*

1 \***[13. (New section) All managerial professional positions cur-**  
 2 **rently listed as classified or unclassified positions pursuant to Title**  
 3 **11 of the Revised Statutes which are not presently included within**  
 4 **any bargaining unit shall be removed from the provisions of Title**  
 5 **11 of the Revised Statutes; however, any employee currently hold-**  
 6 **ing a classified position shall remain in the classified service if the**  
 7 **employee so desires.]**\*

1 \***13. (New section) Professional members of the academic, ad-**  
 2 **ministrative and teaching staffs shall include all faculty posi-**  
 3 **tions\*\*, current professional positions\*\* listed as unclassified posi-**  
 4 **tions pursuant to Title 11, Civil Service, of the Revised Statutes**  
 5 **and all professional positions currently listed as classified positions**  
 6 **pursuant to Title 11 of the Revised Statutes, which are not presently**  
 7 **included within any bargaining unit. All these positions shall be**  
 8 **removed from the provisions of Title 11 of the Revised Statutes;**  
 9 **however, any employee currently having classified status in a title**

10 *shall have the option of retaining all the rights and privileges of a*  
 11 *classified employee in that title for so long as the employee main-*  
 12 *tains uninterrupted service in, or is on an approved leave of absence*  
 13 *from, that title.\**

1 14. (New section) All State college faculty and professional  
 2 positions shall be removed from the jurisdiction of the Vacancy  
 3 Review Board, established pursuant to Executive Order No. 10  
 4 (1982).

1 15. (New section) Nothing in this amendatory and supplementary  
 2 act shall be construed or interpreted to contravene or modify the  
 3 provisions of the "New Jersey Employer-Employee Relations Act,"  
 4 P. L. 1941, c. 100 (C. 34:13A-1 et seq.) *\*\*\*or to limit or restrict*  
 5 *the scope of negotiations as provided pursuant to that law\*\*\*.*

1 *\*\*16. (New section) Nothing in this amendatory and supple-*  
 2 *mentary act shall be so construed as to deprive any person of any*  
 3 *tenure rights or of any other right or protection provided that*  
 4 *person under any pension law or retirement system of this State.\*\**

1 *\*\*[16.]\*\* \*\*17.\*\** (New section) Within five years of the effective  
 2 date of this amendatory and supplementary act the State Board of  
 3 Higher Education shall, in consultation with the New Jersey State  
 4 College Governing Boards Association established pursuant to P. L.  
 5 *\*1985\*, c. *\*161\** (C. *\*18A:64-45 et seq.\**) *\*[(now pending before the*  
 6 *Legislature as Senate Bill No. 2398 of 1984 and Assembly Bill No.*  
 7 *2901 of 1984)]\**, report to the Governor and the Legislature on the  
 8 extent to which the legislative intent of autonomy and self gov-  
 9 ernance of the State colleges has been achieved, the impact this  
 10 has had, the educational excellence of these institutions, and any  
 11 further changes, if any, which are necessary to achieve these ob-  
 12 jectives.*

1 *\*\*[17.]\*\* \*\*18.\*\** (New section) The State Board of Higher  
 2 Education shall establish a schedule for the implementation of the  
 3 provisions of this amendatory and supplementary act for each  
 4 State college, so that each college is able to effect an orderly transit-  
 5 tion to full autonomy without a disruption of its educational pro-  
 6 gram or fiscal position. However, the schedule shall provide for  
 7 full implementation by July 1, *\*[1988]\* \*1989\**.

1 *\*\*[18.]\*\* \*\*19.\*\** Sections 9, 10 and 11 of P. L. 1969, c. 145 (C.  
 2 18A:64-6.4, C. 18A:64-6.5 and C. 18A:64-6.6) are repealed.

1 *\*\*[19.]\*\* \*\*20.\*\** This act shall take effect immediately; however,  
 2 final implementation of its provisions shall be subject to the limita-  
 3 tion contained in section 17 herein.

HIGHER EDUCATION—COLLEGES, UNIVERSITIES

Provides a new system of governance for the State colleges making them autonomous under their respective boards of trustees under the general supervision of the Board of Higher Education.

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7 report to the Governor and the Legislature on the extent to which  
 8 the legislative intent of autonomy and self governance of the State  
 9 colleges has been achieved, the impact this has had, the educational  
 10 excellence of these institutions, and any further changes, if any,  
 11 which are necessary to achieve these objectives.

1 17. (New section) The State Board of Higher Education shall  
 2 establish a schedule for the implementation of the provisions of  
 3 this amendatory and supplementary act for each State college, so  
 4 that each college is able to effect an orderly transition to full  
 5 autonomy without a disruption of its educational program or fiscal  
 6 position. However, the schedule shall provide for full implementa-  
 7 tion by July 1, 1988.

1 18. Sections 9, 10 and 11 of P. L. 1969, c. 145 (C. 18A:64-6.4,  
 2 C. 18A:64-6.5 and C. 18A:64-6.6) are repealed.

1 19. This act shall take effect immediately; however, final im-  
 2 plementation of its provisions shall be subject to the limitation  
 3 contained in section 17 herein.

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#### STATEMENT

Although the statute which provided for the reorganization of the State college system expressed the intent of the Legislature that the colleges be given a high degree of self-government (N. J. S. 18A:64-1) some provisions of the law combined with certain administrative procedures have tended to severely restrict the colleges.

The lack of autonomy has been criticized by the Middle States Association, which gives the colleges national accreditation, by the State Department of Higher Education and most recently in the Report of the Commission on the Future of the State Colleges.

This bill reflects the recommendations of that commission as modified by the State Board of Higher Education on October 26, 1984. It provides for a governance system for the college similar to that recently enacted for the University of Medicine and Dentistry of New Jersey (P. L. 1981, c. 325).

The bill provides that the boards of trustees of each college:

1. Shall disburse all funds received by the college and transfer funds in accordance with the Appropriations Act or the terms of any trust, gift, bequest or special provision. As with other senior institutions of higher education, accounts could be audited at any time.

2. Fix tuition and fees, within guidelines established by the Board of Higher Education.

3. Accept grants and contributions; acquire, operate, manage and maintain college property.

4. Borrow money for the needs of the college, without creating a liability against the credit of the State.

5. Subject to the Board of Higher Education, authorize new programs or departments.

6. Collect, expend and transfer funds received from various student facilities.

7. Retain unexpended balances for use in subsequent years.

In addition, each board of trustees will be required to develop and submit to the Board of Higher Education a three-year institutional plan.

Also, the colleges would no longer be required to purchase through the Division of Purchase and Property. Instead, they would be under a "State College Contracts Law" to be established by companion legislation (S 1443). However, as with UMDNJ, investments shall be performed by the Director of the Division of Investments.

In terms of the employees of the college, the rights and privileges of all staff members will be preserved. Also, the bill makes clear that this will not contravene or modify the provisions of the New Jersey "Employer-Employee Relations Act," P. L. 1941, c. 100 (C. 34:13A-1 et seq.). Collective bargaining will continue to be conducted by the Governor's office of Employee Relations; however, a representative of the Chancellor's office and the State College Governing Board's Association may attend negotiating sessions.

Finally, the bill places the Chancellor on the colleges' boards of trustees; provides for a transition to the new system; and, requires a report in five years of the effectiveness of the new governance system.

The repealed sections gave the Director of the Division of Budget and Accounting the right to file charges against the executive or fiscal officer of a college (section 9 of P. L. 1969, c. 145, C. 18A:64-6.4); gave the State Treasurer the authority to establish a centralized payroll (section 10 of P. L. 1969, c. 145, C. 18A:64-6.5); and, gave the Governor the right to enjoin any expenditures of a college by executive order (section 11 of P. L. 1969, c. 145, C. 18A:64-6.6). These are repealed since the bill places the colleges under the constraints of the Appropriations Act, all other laws, regular audits and the general authority of the Board of Higher Education.

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**ASSEMBLY HIGHER EDUCATION AND REGULATED  
PROFESSIONS COMMITTEE**

STATEMENT TO

**ASSEMBLY, No. 1173**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 30, 1986

The Assembly Higher Education and Regulated Professions Committee favorably reports Assembly Bill No. 1173 with amendments.

This bill grants to the State colleges a greater degree of autonomy and provides for a new governance structure for the colleges similar to that enacted for the University of Medicine and Dentistry under P. L. 1981, c. 325.

As amended by committee, the bill provides that the boards of trustees of each college:

1. Shall disburse all funds received by the college and transfer funds in accordance with the Appropriations Act or the terms of any trust, gift, bequest or special provision. As with other senior institutions of higher education, accounts could be audited at any time.
2. Fix tuition and fees, within guidelines established by the Board of Higher Education.
3. Accept grants and contributions; acquire, operate, manage and maintain college property.
4. Borrow money for the needs of the college, without creating a liability against the credit of the State.
5. Subject to the Board of Higher Education, authorize new programs or departments.
6. Collect, expend and transfer funds received from various student facilities.
7. Retain unexpended balances for use in subsequent years.

In addition, each board of trustees will be required to develop and submit to the Board of Higher Education a three-year institutional plan.

Also, the colleges would no longer be required to purchase through the Division of Purchase and Property. Instead, they would be under a "State College Contracts Law" to be established by companion legislation. However, as with UMDNJ, investments shall be performed by the Director of the Division of Investments.

In terms of the employees of the college, professional staff members will be removed from the unclassified Civil Service, as will classified

positions which are not part of a bargaining unit. However, individuals currently in a classified Civil Service position may elect to remain in the classified service. Collective bargaining will continue to be conducted by the Governor's Office of Employee Relations.

Finally, the bill places the chancellor on the colleges' boards of trustees; provides for a transition to the new system; and, requires a report in five years on the effectiveness of the new governance system.

The repealed sections gave the Director of the Division of Budget and Accounting the right to file charges against the executive or fiscal officer of a college (section 9 of P. L. 1969, c. 145; C. 18A:64-6.4); gave the State Treasurer the authority to establish a centralized payroll (section 10 of P. L. 1969, c. 145; C. 18A:64-6.5); and, gave the Governor the right to enjoin any expenditures of a college by executive order (section 11 of P. L. 1969, c. 145; C. 18A:64-6.6). These are repealed since the bill places the colleges under the constraints of the Appropriations Act, all other laws, regular audits and the general authority of the Board of Higher Education.

The committee amended the bill to conform it to the recommendations contained in Governor Kean's conditional veto of Senate Bill No. 1442 (2nd OCR). Senate Bill No. 1442 was substituted for Assembly Bill No. 1951 during the 1984-85 legislative session.

The amendments do the following:

1. Delete from section 12 of the bill reference to the Chancellor of Higher Education and a representative of the State College Governing Boards Association attending negotiating sessions. Also delete from section 12 the listing of the different groups which play a role in collective negotiations;

2. Deletes the existing section 13 of the bill and adds a new section 13 which removes professional staff members from the unclassified Civil Service as well as classified positions which are not part of a bargaining unit. The section provides, however, that persons currently in a classified Civil Service position may choose to remain in the classified service;

3. Make a number of technical changes to clarify the bill.

**BACKGROUND:**

This bill reflects the recommendations contained in the February, 1984 report of the Commission of the Future of State Colleges as they were modified by the State Board of Higher Education on October 26, 1984. One of the basic findings of the report was that the fundamental problem of governance in the State colleges is that they have never enjoyed the level of autonomy normally thought of as a minimum condition for an effective college. This lack of autonomy has also been cited as a problem by the Middle States Association and the State Department of Higher Education.

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SENATE EDUCATION COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1173**

[OFFICIAL COPY REPRINT]

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 12, 1986

The Senate Education Committee favorably reports Assembly Bill No. 1173 OCR with Senate committee amendments.

This bill grants to the State colleges a greater degree of autonomy and provides for a new governance structure for the colleges similar to that enacted for the University of Medicine and Dentistry under P. L. 1981, c. 325.

As amended by committee, the bill provides that the boards of trustees of each college:

1. Shall disburse all funds received by the college and transfer funds in accordance with the Appropriations Act or the terms of any trust, gift, bequest or special provision. As with other senior institutions of higher education, accounts could be audited at any time.

2. Fix tuition and fees, within guidelines established by the Board of Higher Education.

3. Accept grants and contributions; acquire, operate, manage and maintain college property.

4. Borrow money for the needs of the college, without creating a liability against the credit of the State.

5. Subject to the Board of Higher Education, authorize new programs or departments.

6. Collect, expend and transfer funds received from various student facilities.

7. Retain unexpended balances for use in subsequent years.

In addition, each board of trustees will be required to develop and submit to the Board of Higher Education a three-year institutional plan.

Also, the colleges would no longer be required to purchase through the Division of Purchase and Property. Instead, they would be under a "State College Contracts Law" to be established by companion legislation. However, as with UMDNJ, investments shall be performed by the Director of the Division of Investments.

In terms of the employees of the college, professional staff members will be removed from the unclassified Civil Service, as will classified positions which are not part of a bargaining unit. However, individuals currently in a classified Civil Service position may elect to remain in the classified service. Collective bargaining will continue to be conducted by the Governor's Office of Employee Relations.

Finally, the bill places the chancellor on the colleges' boards of trustees; provides for a transition to the new system; and, requires a report in five years on the effectiveness of the new governance system.

The repealed sections gave the Director of the Division of Budget and Accounting the right to file charges against the executive or fiscal officer of a college (section 9 of P. L. 1969, c. 145; C. 18A :64-6.4); gave the State Treasurer the authority to establish a centralized payroll (section 10 of P. L. 1969, c. 145; C. 18A :64-6.5); and, gave the Governor the right to enjoin any expenditures of a college by executive order (section 11 of P. L. 1969, c. 145; C. 18A :64-6.6). These are repealed since the bill places the colleges under the constraints of the Appropriations Act, all other laws, regular audits and the general authority of the Board of Higher Education.

**BACKGROUND:**

This bill reflects the recommendations contained in the February, 1984 report of the Commission of the Future of State Colleges as they were modified by the State Board of Higher Education on October 26, 1984. One of the basic findings of the report was that the fundamental problem of governance in the State colleges is that they have never enjoyed the level of autonomy normally thought of as a minimum condition for an effective college. This law of autonomy has also been cited as a problem by the Middle States Association and the State Department of Higher Education.

**COMMITTEE AMENDMENTS:**

The committee added a new section to this bill (section 16) which provides that this act will not deprive anyone of existing tenure rights or of any right or protection provided under any pension law or retirement system of the State.

The remaining amendments make corrections in the text of the bill which are necessary to conform this bill to Senate Bill No. 1469 with Senate committee amendments.

to

**ADOPTED**

**MAY 15 1986**

Amend:

Page	Sec.	Line
10	12	18

After "ployment.]\*" insert "Notwithstanding any other provisions of this amendatory and supplementary act, the State Compensation Plan and all other terms and conditions of employment for positions included in collective bargaining units in the State Colleges which are in effect on the date this act takes effect shall remain in effect unless negotiated with the majority representative."

STATEMENT

This amendment assures that the increase in the Board of Higher Education's authority effectuated by this act will not be construed to nullify the State's obligation to negotiate proposed changes in the terms and conditions of employment of State College employees with their majority representative prior to implementation, as is required of all other public employers by the New Jersey Employer-Employee Relations Act.

**ADOPTED**

**MAY 15 1986**

ADOPTED

JUN 9 1986

ASSEMBLY Amendments  
Proposed by Assemblyman  
Rocco  
to

2ND Sen. Reprint

ASSEMBLY Bill No. 1173 OCR  
2nd Senate Reprint  
Sponsored by Assemblyman  
Rocco

Amend:

Page	Sec.	Line
10	12	18-23

Omit ~~entirely~~ "Notwithstanding any other provisions  
of this" on line 18; omit lines 19 through 23  
in their entirety.

STATEMENT

This amendment is intended to insure  
that the terms of the "New Jersey  
Employer-Employee Relations Act," P.L. 1941,  
c.100 (C.34:13A-1 et seq.) are not  
contravened or modified by the provisions of  
this ~~act~~ <sup>bill</sup>.

employers by the New Jersey Employer-Employee  
Relations Act.

ADOPTED

MAY 15 1986

AM  
OF  
S  
A

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

April 26, 1985

SENATE BILL NO. 1442 (2ND OCR)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 1442 (2nd OCR) with my recommendations for reconsideration.

This bill provides for a State college governing system which would further the autonomy of State colleges by decentralizing authority and placing the decision-making in the Board of Trustees and Administrators of the individual State colleges.

As I indicated in my State of the State message this past January, I strongly support the concept of State college autonomy. I view this autonomy as the most important change in the governance of the State colleges in almost two decades.

In recent years, I have seen the State colleges update their general education programs and raise the standards for both their faculty and students. With this truly commendable effort, State colleges are on the brink of becoming among the very best State colleges in the nation and this autonomy package holds the key to allowing the colleges to pursue the excellence they are so close to achieving. Unfortunately, due to a series of amendments adopted by this Legislature which tie the hands of the State colleges, I find that I cannot sign this bill as it appears before me today.

On February 14, 1985, Sections 12 and 13 of this bill were amended at what I believe was, the expense of the future of State college autonomy. I shall, therefore, address these counterproductive amendments in this message.

The first objectionable portion of the bill appears in Section 12 and addresses the makeup of the negotiating team. As originally drafted, the bill provided for a representative of the State College Governing Board's Association and the Chancellor's Office to be full members of the negotiating team. However, many interested parties expressed great dissatisfaction with this and were successful in amending this section to decrease their membership to "observer status."

Throughout the amendment process, my office was contacted by various representatives of the affected unions who expressed a desire to preserve the

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

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"status quo" with respect to the negotiating team. In weighing the pros and cons of the arguments, I believe that the negotiating team should remain as it has in the past. Moreover, under this "status quo," I shall retain my authority to function as the public employer under the "New Jersey Employer-Employee Relations Act," P.L. 1941, C.100.

Another objectionable portion of Section 12 seeks to specifically list the various entities which play a role in collective negotiations and the establishment of terms and conditions of employment. As originally drafted, this bill was silent as to the involvement of these entities. I believe that maintaining this silence, by removing the restrictive language, will provide an opportunity for collective bargaining to evolve into a more productive form.

I advocate, therefore, the deletion of all of Section 12, except the initial reference to the functions of my Office of Employee Relations with respect to all matters regarding negotiations. I believe that my decision to excise the remainder of Section 12 and remain silent as to the composition of the negotiating team serves to clarify my role with respect to bargaining as well as to preserve the "status quo."

The third objectionable portion of this bill appears in Section 13, which discusses the exclusion of employees from Civil Service. The original intention of this section was to remove from Civil Service all managerial positions, whether classified or unclassified, and all professional positions. The overriding purpose behind this was to grant State college's autonomy from Civil Service restrictions, especially regarding educational professionals who must act independently on the basis of experience in rendering services to students. Moreover, this section was added to remedy the fact that New Jersey State college faculty are the only higher education faculty in the United States to be regulated in any way by a system of Civil Service. However, subsequent amendments to Section 13 effectively precluded removal of all teaching and non teaching professionals from the confines of the Civil Service system. Rather, the amended bill removed from Civil Service only the classified and unclassified managers who are not part of any bargaining unit.

It is my strong belief that autonomous colleges must demand a high level of professionalism from their faculty and educational staff. As the colleges



STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

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respond to changing times and student needs, they must be free to do so without the excessive entanglements inherent in the present Civil Service system. For these reasons, I have redrafted the original language to remove the teaching and nonteaching professionals from their present status in civil service. In addition, I have afforded certain protection to the managerial employees by allowing those who are currently classified to retain all rights and privileges of classified employees so long as they maintain uninterrupted service in, or are on an approved leave of absence from, that position.

Since the amendments to Sections 12 and 13 were first adopted by this Legislature, I have instructed my office to seek their removal. I maintain today, as I have in the past, that for the State colleges to function effectively, they must be permitted to exercise the same authority in fiscal and personnel affairs as do the other senior public institutions. It is very clear to me that the time has come to give each State college the operational autonomy needed to pursue its own strengths and mission within a more flexible framework.

Finally, I addressed several technical concerns in the bill. One in particular, is the reference in Section 5 of the bill to the fixed two percent tuition waiver. I am removing the two percent cap in order to allow the individual state colleges to make their own determination as to the appropriate tuition waiver percentage they wish to extend to their college community. I believe this amendment comports with the autonomy concept.

Accordingly, I herewith return Senate Bill No. 1442 (2nd OCR) and recommend that it be amended as follows:

<u>Page 6, Section 4, Line 73:</u>	After "staffs" insert "as defined in section 13 of P.L. . . . ., c. . . . (C. . . . .) (now pending before the Legislature as Senate Bill No. 1442 (2nd OCR) of 1984),"
<u>Page 6, Section 4, Line 77:</u>	Omit "policies" insert "policies"
<u>Page 8, Section 5, Line 2:</u>	Omit "Pupils" insert "Students"

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

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- Page 8, Section 5, Line 8: Omit "of up to 2%"
- Page 10, Section 12, Lines 5 to 19: Omit "A representative of the" on line 5 and omit lines 6 through 19 in entirety.
- Page 11, Section 13, Lines 5-11: Omit lines 5 through 11 in entirety and insert: "Professional members of the academic, administrative and teaching staffs shall include all faculty positions, current professional positions listed as unclassified positions pursuant to Title 11, Civil Service, of the Revised Statutes and all professional positions currently listed as classified positions pursuant to Title 11 of the Revised Statutes which are not presently included within any bargaining unit. All these positions shall be removed from the provisions of Title 11 of the Revised Statutes; however, any employee currently having classified status in a title shall have the option of retaining all the rights and privileges of a classified employee in that title for so long as the employee maintains uninterrupted service in, or is on an approved leave of absence from, that title."

Respectfully,  
/s/ Thomas H. Kean  
GOVERNOR

[seal]

Attest:  
/s/ W. Cary Edwards  
Chief Counsel



11/11  
661

# OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**

**Contact:** CARL GOLDEN  
609-292-8956 OR 292-6000 EXIT. 207

**TRENTON, N.J. 08625**

**Release: WED., JULY 9, 1986**

Governor Thomas H. Kean today signed legislation extending operating autonomy to New Jersey's State colleges --- legislation described by the Governor as a "declaration of independence" for the State's higher learning institutions.

The Governor also signed companion legislation to increase the threshold for public bidding advertisement from \$4,500 to \$7,500 for the State colleges.

The autonomy bill, A-1173, was sponsored by Assemblyman John Rocco, R-Camden, along with an identical Senate bill, S-1469, sponsored by Senator Matthew Feldman, D-Bergen. The bidding threshold legislation, A-1177 and S-1470, was under the same sponsorship.

Kean signed the two bills at a public ceremony in the Assembly Chamber.

The autonomy legislation expands significantly the powers and authority of the individual college boards of trustees and grants them responsibility for college operations.

Prior to the legislation becoming law, most of the operating authority for State colleges was held by the State Board of Higher Education.

Under the legislation signed today, the boards of trustees will be responsible for setting tuition costs, expenditures, employment practices, new programs and all financial matters.

- more -

July 9, 1986

The legislation also removes from the classified Civil Service all members of the academic, administrative and teaching staffs of the State colleges.

The legislation is effective immediately with full implementation scheduled by July 1, 1989.

The legislation increasing the bidding threshold brings the State colleges into conformance with other State agencies which operate under the \$7,500 threshold.

It provides, also, that the college board of trustees may contract or subcontract for work after consultation with representatives of the bargaining unit at the college which performs work similar to that being sought.

This legislation is effective immediately.

Attachment

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NEW JERSEY STATE LIBRARY

JUL 16 1986

185 W. State Street  
Trenton, N. J.

BEGANS

REMARKS OF GOVERNOR THOMAS H. KEAN

BILL SIGNING ON COLLEGE AUTONOMY

ASSEMBLY CHAMBERS

WEDNESDAY, JULY 9, 1986

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GOOD MORNING. THANK YOU ALL FOR COMING.

I WANT TO EXTEND A WELCOME TO ALL OUR DISTINGUISHED GUESTS, INCLUDING SENATOR MATTHEW FELDMAN, ASSEMBLYMAN JOHN ROCCO, CHANCELLOR TED HOLLANDER, HAROLD EICKHOFF, GEORGE PRUITT, JOHN MOORE, AND TOM GASSERT.

TODAY MARKS A WATERSHED IN NEW JERSEY HIGHER EDUCATION. IT IS A VICTORY FOR LEARNING AND A DEFEAT FOR BUREAUCRACY.

IN THE PAST TWO YEARS, OUR STATE COLLEGES HAVE WON NATIONAL ATTENTION FOR ORIGINALITY IN EDUCATION. BUT, AS I SAID IN MY STATE OF THE STATE ADDRESS IN JANUARY, ONE LARGE ROADBLOCK STILL EXISTS WHICH PREVENTS OUR COLLEGES FROM ACHIEVING THEIR TRUE POTENTIAL.

TODAY WE REMOVE THAT ROADBLOCK. TODAY WE SET OUR STATE COLLEGES FREE TO PURSUE EXCELLENCE. THESE BILLS ARE THE DECLARATION OF INDEPENDENCE FOR NEW JERSEY STATE COLLEGES.

---

UNTIL TODAY, OUR SEVEN STATE COLLEGES HAVE BEEN RUN MORE LIKE STATE AGENCIES THAN CENTERS OF LEARNING. THEY HAVE BEEN TANGLED IN BUREAUCRATIC RULES WHICH CHOKE CREATIVITY. LET ME GIVE YOU TWO EXAMPLES.

JERSEY CITY STATE WANTED TO HIRE A GIFTED PROFESSOR OF COMPUTER SCIENCE. THE RULES SAID PRESIDENT MAXWELL COULD PAY HIM NO MORE THAN \$30,000 -- A SUM TOO SMALL TO LURE HIM AWAY FROM HIS SCHOOL. JERSEY CITY STATE APPEALED THE SALARY LIMIT TO THE SALARY ADJUSTMENT COMMITTEE IN TRENTON. THEIR DECISION DIDN'T COME FOR SIX MONTHS. UNFORTUNATELY, THAT WAS SIX MONTHS TOO LATE. THE GIFTED PROFESSOR NOW WORKS IN ANOTHER STATE.

OR CONSIDER THIS.

TRENTON STATE WANTED TO SET UP A COMPUTER LABORATORY FOR ITS STUDENTS. THE MONEY WAS THERE. THE EQUIPMENT WAS THERE. ALL THEY LACKED WAS APPROVAL FROM TRENTON. TO GET THAT APPROVAL IT TOOK A SEMESTER -- A SEMESTER OUT OF THE LIVES OF STUDENTS WHO BADLY NEED TECHNICAL SKILLS TO COMPETE IN THE WORK WORLD.

TODAY WE PUT AN END TO ALL THE STORIES OF BUREAUCRATIC  
INERTIA.

THE COLLEGE AUTONOMY BILLS END THE RESTRICTIONS WHICH HAVE  
STIFLED OUR STATE COLLEGES.

THEY PUT CONTROL OVER TUITION, PURCHASING, FINANCING, AND  
PERSONNEL WHERE IT BELONGS -- IN THE HANDS OF THE COLLEGE  
PRESIDENTS AND COLLEGE BOARDS.

THEY GRANT THE STATE COLLEGES THE SAME FREEDOM THAT RUTGERS  
AND NEARLY EVERY OTHER AMERICAN COLLEGE AND UNIVERSITY HAS --  
THE FREEDOM TO PURSUE ACADEMIC EXCELLENCE.

BEFORE TODAY OUR COLLEGE PRESIDENTS, FACULTY, AND TRUSTEES  
HAD THE RESPONSIBILITY, BUT NOT THE POWER, TO PROVIDE A FIRST-  
RATE EDUCATION TO THE 70,000 STUDENTS IN OUR STATE COLLEGES.

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WITH THESE TWO BILLS, WE THRUST THAT POWER INTO THEIR HANDS. I CALL ON THE LEADERSHIP OF OUR STATE COLLEGES TO USE IT TO CREATE AN ATMOSPHERE OF LEARNING AND A LOVE OF EXCELLENCE ON EACH OF OUR SEVEN CAMPUSES. YOU ARE IN CHARGE NOW. YOU CAN'T BLAME THE BUREAUCRATS ANYMORE.

THE COLLEGE AUTONOMY LEGISLATION HAS SIGNIFICANCE THAT EXTENDS FAR BEYOND OUR BORDERS. ACROSS THIS COUNTRY, EDUCATION LEADERS ARE WATCHING NEW JERSEY. WITH PASSAGE OF THESE BILLS, WE ARE SHOWING THE NATION THAT WE HAVE FAITH IN THE ABILITY AND CREATIVITY OF OUR COLLEGE LEADERS.

;

THE STRUGGLE TO CREATE COLLEGE AUTONOMY HAS BEEN A LONG AND DIFFICULT ONE. BOTH SIDES FOUGHT FOR WHAT THEY BELIEVED TO BE THE CORRECT WAY TO RUN OUR COLLEGES. IT IS TIME NOW TO FORGET THE STRUGGLES OF THE PAST AND TURN TO THE FUTURE.

TWO WEEKS AGO I RECEIVED A LETTER FROM GEORGE PRUITT, PRESIDENT OF THOMAS A. EDISON COLLEGE HERE IN TRENTON. HE WROTE:

"THE PASSAGE OF THE AUTONOMY LEGISLATION REPRESENTS A HISTORIC TRIUMPH OF THE PUBLIC INTEREST . . . (BUT) IT REPRESENTS A BEGINNING, NOT AN END. WE STAND READY TO GO FORWARD."

I AM CONFIDENT THAT ALL SEVEN OF OUR COLLEGES ARE READY TO GO FORWARD, AS PRESIDENT PRUITT SO ELOQUENTLY PUT IT.

THE SCOTSMAN HARRY LAWDER ONCE SAID: "THE FUTURE IS NOT A GIFT -- IT IS AN ACHIEVEMENT." THIS LEGISLATION I SIGN TODAY IS NOT A GIFT TO OUR STATE COLLEGES, IT IS A WAY FOR THEM TO OBTAIN  
;  
GREAT ACHIEVEMENTS.

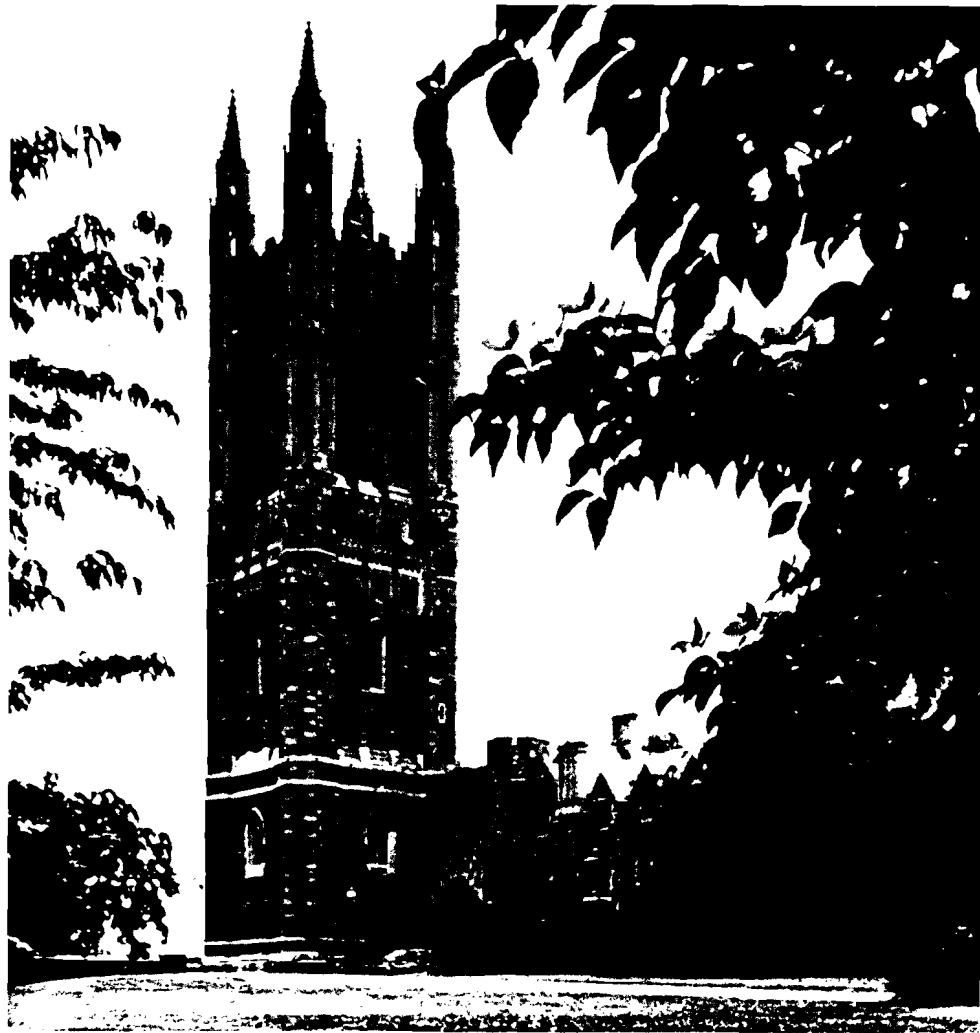
BEFORE I SIGN THESE TWO BILLS INTO LAW LET ME CALL UPON THE BILLS SPONSORS, SENATOR MATTHEW FELDMAN AND ASSEMBLYMAN JOHN ROCCO.

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THERE ARE MANY ELECTED OFFICIALS WITH GOOD IDEAS BUT FEW WITH THE PERSEVERANCE TO CARRY THEM OUT. MATTY AND JOHN HAVE FOUGHT FOR THIS LEGISLATION FOR YEARS. THEIR TENACITY HAS WON BETTER EDUCATIONS FOR THOUSANDS OF FUTURE NEW JERSEY COLLEGE STUDENTS.

MATTY?

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This center is one of only four in the nation equipped for this type of procedure. In August, Dr. David Goldenberg, President of the Center for Molecular Medicine and Immunology, received a \$9.7 million grant from the National Cancer Institute for his pioneering work into the early detection of cancer.

UMDNJ's accomplishments are impressive. The University can do more.

The National Institute of Health ranks UMDNJ among the top 100 universities and colleges that receive federal grants. That is good. But New Jersey should have an institution that ranks among the top twenty five.

UMDNJ has undergone much self scrutiny in the past year, and a plan for their future is emerging. This plan reflects the kind of vision that New Jersey, and increasingly, the rest of the nation, expects from our institutions of higher education.

We are approaching a strategic choice. Health care and its delivery are changing rapidly. Will New Jerseyans remain dependent for specialized care at out of state facilities? Will we strengthen our own capacities? We face several complex issues in this area. We must not

duplicate facilities. We must get the most service for the money we have. We must balance the needs of the region.

UMDNJ's plans are not yet complete, but, even now, there are parts of them that we can use for building. The state should support this planning. I call upon the Chancellor and the Board of Higher Education to work with the president, faculty and trustees of UMDNJ. In the budget I present to you next month, I will recommend a significant state appropriation to advance this effort.

The challenge to UMDNJ will be to complete their blueprint and hold it up to the scrutiny of the public and health care community around the nation. Like Rutgers and NJIT, UMDNJ can use incentives to improve. The state will further support UMDNJ by putting money behind the University's effort to recruit deans, department chairs and other faculty of the first rank.

New Jersey needs a first-rate health research university. With our incentives, I call on UMDNJ to make it happen.

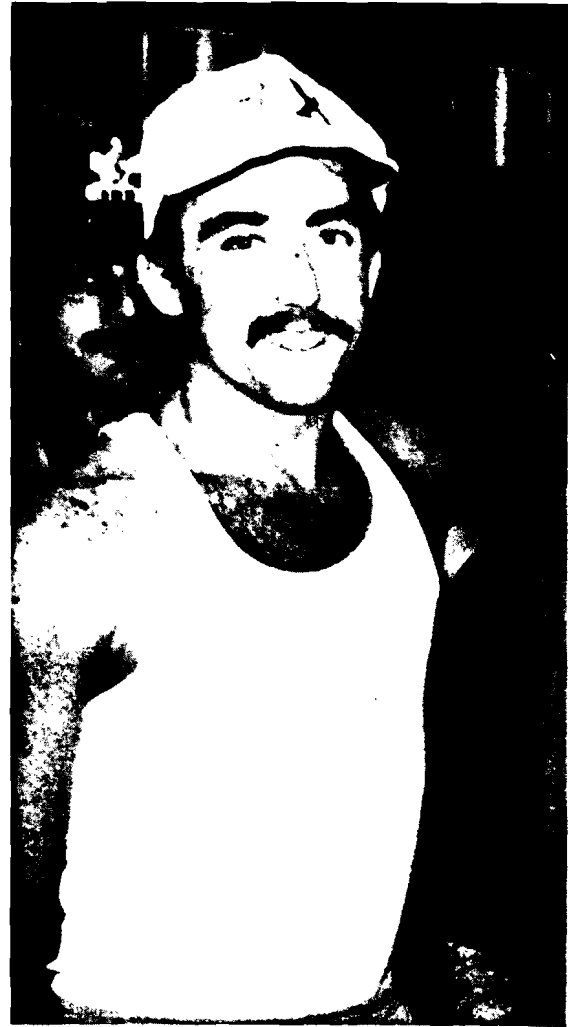
I also renew my challenge to New Jersey's nine state colleges. The competition engendered by last year's challenge grant was healthy. It provoked many of our colleges into the

kind of constructive self examination that can dramatically improve the education they offer.

Others agree with me. Terrel Bell, former Secretary of Education, Kenneth Clark, New York State Regent, and Barbara Newell, former Chancellor of the State University of Florida System, recently reviewed the state challenge grant program. They said: "we believe the challenge grant program has the potential to reshape higher education in New Jersey, and to show the way for the rest of the country. We know of no other state which has embarked on a similar path. The eyes of the nation's higher education community are focused on New Jersey, and rightly so."

These educators said something else, "the biggest challenge is yet to come: that of sustaining the momentum."

I want to renew the challenge. I want to sustain the momentum. Today, I call upon the Chancellor and the Board of Higher Education to convene all the state college presidents, all presidents of all the boards of trustees, the presidents of all the faculty senates and alumni associations. I intend to be there to deliver a message on behalf of all the



people of New Jersey.

The message is this: we look to these leaders to create colleges that are among the nation's best. We all have a stake in their success.

When I meet these campus leaders, I will tell them that this renewed challenge is not just another grant program. Later this month, I will ask you to pledge another significant challenge fund, but this money is not simply to go to proposals that were not funded last year. I want our state college leaders to examine the strengths of their campuses and to come up with new proposals that can move them into the future.

And I want to add something else. A word of thanks to all those who have participated in the challenge grant program. It is not easy being an education leader in New Jersey, because our expectations are so high.

There is something else we can do to help our state colleges. As I speak to you today, a large roadblock exists which prevents our colleges from reaching their true potential. Unfortunately, that roadblock exists because of legislative inaction.

We can remove that roadblock by enacting the most important higher

education reform in two decades: college autonomy legislation.

A year ago, in this message, I called for autonomy legislation that would create the conditions for excellence in our state colleges. The bill you gave me was so overlaid with new controls and restrictions that, on the advice of educational leaders, I rejected it.

College autonomy legislation is the foundation of renewal for New Jersey's

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*"College autonomy legislation is the foundation of renewal for New Jersey's state colleges."*

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state colleges. It does not set the colleges off on their own. Instead, it frees them of red tape and holds the presidents, trustees and faculty accountable. I do not think New Jersey should be the only state with its faculty in civil service. I don't think that the Treasury Department should make operational decisions for colleges. I do not think that Presidents should be above being held accountable at the bargaining table. And I don't like reading, as I did a month ago, a report from the University of Illinois placing New Jersey state colleges at the

top of the list of all the states in terms of the operational restraints on them.

I know that some faculty unions have opposed this bill. I do not intend that you ignore their views. We can not build first-rate colleges without the involvement of the faculty. They are the colleges. So I challenge them now to become partners in this effort. There has been ample discussion. Let us meet once again and try to resolve our differences. Then let us be counted for or against the future of New Jersey state colleges.

And while loosening bureaucratic controls, there is another piece of legislation that can help our state colleges. We need legislation that will encourage the early retirement of tenured faculty. Many of our colleges are finding it difficult to allocate faculty to keep pace with student demand in new instruction areas. An early retirement program will give our colleges the flexibility they need.

Last year, I asked education leaders to pull together to make colleges more accessible to our minority students. You responded. But one year of effort is not enough. Enrollment of minorities at our colleges and universities continues to decline.