

18A:72B-15 to 18A:72B-24

LEGISLATIVE HISTORY CHECKLIST

NJSA 18A:72B-15 to 18A:72B-24 ("Independent College and University Assistance Act")

LAWS OF 1979 CHAPTER 132

Bill No. S1402

Sponsor(s) Feldman and others

Date Introduced October 19, 1978

Committee: Assembly Education

Senate Education; Revenue, Finance & Appropriations

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly June 14, 1979

Senate May 7, 1979

Date of approval July 6, 1979

Following statements are attached if available:

Sponsor statement	Yes	XX	
Committee Statement: Assembly	XXX	No	
Senate	Yes	XX	11-3-78 & 4-23-79
Fiscal Note	XXX	No	
Veto message	XXX	No	
Message on signing	XXX	No	
Following were printed:			
Reports	XXX	No	
Hearings	XXX	No	

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SENATE, No. 1402

STATE OF NEW JERSEY

INTRODUCED OCTOBER 19, 1978

By Senators FELDMAN, SCARDINO, HERBERT, SKEVIN,
YATES and LIPMAN

Referred to Committee on Education

AN ACT authorizing the Board of Higher Education to contract with eligible independent colleges and universities for educational services to the State and repealing "The Independent Colleges and Universities Utilization Act," P. L. 1972, c. 67.

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

1 1. This act shall be known and may be cited as the "Independent
2 College and University Assistance Act."

1 2. The Legislature finds and determines that:

2 a. This State remains committed by law and public policy to the
3 development and preservation of a planned and diverse system of
4 higher education which encompasses both public and independent
5 institutions. Independent institutions make an important contribu-
6 tion to higher education in the State and it is in the public interest
7 to assist these institutions in the provision and maintenance of
8 quality academic programs.

9 b. The provisions of this act will serve the cause of higher educa-
10 tion in this State by assuring maximum educational choice among
11 colleges and universities through the preservation of the vitality
12 and quality of independent institutions of higher education in this
13 State.

1 3. As used in this act:

2 a. "Eligible institution" or "institution" means only those in-
3 dependent institutions of higher education incorporated and located
4 in this State, which, by virtue of law or character or license, are
5 non-profit educational institutions empowered to grant academic
6 degrees and which provide a level of education which is equivalent

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

7 to the education provided by the State's public institutions of
 8 higher education as attested by the receipt of and continuation of
 9 regional accreditation by the Middle States Association of Colleges
 10 and Schools, and which are eligible to receive State aid under the
 11 provisions of the Constitution of the United States and the Con-
 12 stitution of the State of New Jersey. "Eligible institution" does
 13 not include any educational institution dedicated primarily to the
 14 preparation or training of ministers, priests, rabbis, or other pro-
 15 fessional persons in the field of religion.

16 b. "New Jersey Student" means any resident of this State as
 17 defined by regulations of the Board of Higher Education.

18 c. "Academic Year" means the normal period of attendance,
 19 excluding summer session, for a full-time undergraduate student
 20 to make a year's progress toward a degree.

21 d. "Full-time equivalent student ***in an eligible institution***"
 22 means a unit of ****[30]**** ***32*** undergraduate student credit
 23 hours as defined by regulations of the Board of Higher Education.

24 e. "Undergraduate student" means a student enrolled in a pro-
 25 gram leading to an associate or baccalaureate degree, or to a
 26 certificate, diploma or its equivalent, awarded by the institution.

27 f. "Direct per student support for the State college sector"
 28 means the average direct net State support per budgeted full-time
 29 equivalent student at the State colleges****[**, **exclusive of debt*
 30 *service and capital costs,** as derived from the State Appropriation
 30A ****[Handbook]**** **Act** for the preceding fiscal year**].**** ***This*
 31 *average shall be derived from the General Appropriation Act for*
 32 *the pre-budget year by taking the sum of the total appropriation*
 33 *amounts for all State colleges, except Thomas A. Edison College of*
 34 *New Jersey, subtracting from that sum debt service and capital*
 35 *costs and the sum of anticipated revenues at the State colleges,*
 36 *except Edison College, for tuitions, other student fees, School of*
 37 *Conservation, and miscellaneous; and dividing the remainder by*
 38 *the total number of budgeted full time equivalent students at the*
 39 *State colleges, as stipulated in language in said Appropriation*
 40 *Act.***

41 g. "Department" means the Department of Higher Education.

42 h. "Board" means the Board of Higher Education.

43 ***i.* "Pre-budget year" means the fiscal year preceding the year
 44 *in which the budget is implemented.***

1 4. The Board of Higher Education, subject to the availability of
 2 appropriations, is authorized to contract with eligible independent
 3 colleges and universities in this State to provide educational
 4 services to New Jersey students. Payment to the institutions shall

5 be based upon the number of full time equivalent New Jersey under-
 6 graduates enrolled during the ****[preceding academic]**** ****pre-**
 7 **budget**** year in the independent institutions multiplied by 25%
 8 of the level of direct per student support for the State college
 9 sector during the ****[preceding academic]**** ****pre-budget**** year.
 10 The total funding generated by the preceding formula shall be
 10A distributed as follows:

11 a. Ten percent of this total shall be divided equally among the
 12 eligible institutions. These "designated" amounts shall be awarded
 13 to each institution except in any instance where the amount of
 14 dollars designated for a particular institution under this section
 15 exceeds the total amount to be awarded to that institution under
 16 subsections b. and c. of this section. In such instances, the funds
 17 designated under subsection a. shall be reduced to equal the total
 18 of subsections b. and c., which shall be the amount awarded to the
 19 institution under this section. The difference between the amount
 20 designated and the amount awarded under this section shall be
 21 returned to the department.

22 b. Thirty-five percent shall be distributed on the basis of New
 23 Jersey students who received State financial aid or aid administered
 24 by such institutions of \$1,000.00 or more, in all cases exclusive of
 25 loans, during the ****[preceding academic]**** ****pre-budget**** year.

26 c. Fifty-five percent shall be distributed on the basis of New
 27 Jersey full-time equivalent students, as herein defined, enrolled in
 28 such institutions during the ****[preceding academic]**** ****pre-**
 28A **budget**** year.

29 The funds granted under this act may be used by the institutions
 30 for any purposes which they deem to be appropriate to maintaining
 31 or enhancing the quality of the academic offerings available to
 32 New Jersey students, except for purposes of sectarian instruction,
 33 the construction or maintenance of sectarian facilities, or for any
 34 other sectarian purpose or activity. ***For the purposes of this act*
 35 *the number of full time equivalent students at the eight State*
 36 *colleges for the 1979-80 academic year is 54,380.***

1 5. Funds received by an institution pursuant to this act shall be
 2 maintained in a separate ledger account. Each institution shall
 3 cause an audit of such account and of enrollment figures to be made
 4 annually by a certified public accountant and forwarded to the
 5 board. The board shall have the right to audit institutional records
 6 pertaining to this act. Each institution also shall furnish to the
 7 board a copy of its audited annual financial statement.

1 6. In the event any institution shall expend such funds in viola-
 2 tion of the provisions of this act or the rules or regulations of the

3 board, the board may suspend further aid to such institutions and
4 recover any such funds theretofore misspent.

1 7. The provisions of N. J. S. 18A:62-2 shall not be applicable
2 to this act.

1 8. The board shall promulgate rules and adopt policies and make
2 all determinations necessary for the proper administration and
3 enforcement of the provisions of this act.

1 9. In addition to the amount appropriated to the department for
2 allocation under the act, an amount not to exceed \$75,000.00 may
3 be appropriated to the department for the purpose of administering
4 this act.

1 10. If any part of this act shall be held invalid, such holding shall
2 not affect the validity of the remaining parts of this act. If a
3 part of this act is invalid in one or more of its applications, the
4 remaining parts of this act shall remain in effect in all valid appli-
5 cations that are severable from the invalid application.

1 ***11. If the funds appropriated for the purposes of this act are*
2 *insufficient to provide full funding under the formula contained*
3 *herein, then the funds shall be distributed to eligible institutions*
4 *on a pro rata basis with each eligible institution receiving a pro-*
5 *portionate reduction in funds.***

1 ****[11.]** **12.**** P. L. 1972, c. 67 (C. 18A:72B-1 *et seq.*) is
2 repealed.

1 ****[12.]** **13.**** This act shall take effect *****[July 1**[**,
2 1979]**** **of the year following enactment**]*** **immedi-**
3 **ately***.**

STATEMENT

The current method for allocating State aid to independent colleges and universities is based on the increased number of New Jersey students at each institution. Present legislation authorizes the payment of \$600.00 for each additional full-time New Jersey undergraduate student enrolled from the year before plus \$175.00 for each freshman and sophomore and \$225.00 for each junior and senior full-time New Jersey undergraduate student enrolled the previous year.

This bill ties the level of State aid to independent colleges and universities to 25% of the per student support level to the State colleges.

These funds would be distributed in the following manner:

1. Ten percent divided equally among all eligible institutions;
2. Thirty-five percent according to the number of New Jersey students receiving State financial aid or \$1,000.00 or more of aid administered by the institution;
3. Fifty-five percent according to the number of full-time equivalent students.

The new funding formula better reflects the fact that college enrollments are no longer growing but rather have stabilized. Funding based on the number of full-time equivalent rather than full-time only students acknowledges the increasing number of part-time students. Tying the level of aid to the independent colleges and universities to the level of support for the State colleges recognizes the fact that the same inflationary forces affect the public and private colleges and universities.

S1402(1979)

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1402

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 13, 1978

PROVISIONS:

The Senate Education Committee favorably reports this bill which revises the method for allocating State support for the independent colleges. The appropriation for this program will be calculated by multiplying the number of full-time equivalent (FTE) New Jersey undergraduates in the independent colleges by 25% of the average "direct per student support" for the State colleges (see "Background," below).

The aid would be distributed as follows:

(1) 10% divided equally among the institutions.

(Note: Any institution which does not enroll a sufficient number of New Jersey students would lose part or all of this minimum aid.)

(2) 35% distributed according to the number of New Jersey students receiving State or institutional financial aid of \$1,000.00 or more.

(3) 55% distributed according to the number of New Jersey students enrolled.

The attached chart illustrates the differences between Senate Bill No 1402 and the current program of aid to independent colleges.

FISCAL IMPLICATIONS:

The FY 1979 appropriation	\$8,303,000
FY 1979 appropriation under Senate Bill No. 1402..	\$10,431,000
FY 1980 appropriation recommended by Board of Higher Education under current law	\$9,133,000
FY 1980—full entitlement—Senate Bill No. 1402.....	\$11,841,000

PROBLEM ADDRESSED:

The current statute provides aid for specific categories of students in a fixed dollar amount (see chart) and the major incentive is for expanding the enrollment of New Jersey students. This presents two major problems to the independent colleges.

First, the period of expansion in higher education has ended and we have entered a period of stability. This would indicate that some

change in the weighting of various categories of students is necessary if support is to be maintained.

Secondly, the fixed dollar amounts have not been adjusted for inflation. While there has been some increase in the actual dollar appropriation:—

FY 1973	\$7,000,000
FY 1979	\$8,303,000

this in no way reflects the increase in educational costs over this 6-year period.

An additional problem is that the current law only provides funding for full-time students. In all public sectors, funding is based on full-time equivalent students. This provides support for part-time students, who represent an increasingly large proportion of higher education enrollments.

COMMITTEE AMENDMENTS:

The Senate Education Committee amendments are designed to clarify the definition of "direct net per student support," which is one of the major components in the new aid to independents formula.

AID TO INDEPENDENT COLLEGES ACT

PRESENT PROGRAM

Funding: Subject to available appropriations—per student support fixed by category—maximum percent of total appropriations fixed for each category.

Categories: 1. Students with \$1,000.00 State/institutional aid, excluding loans.

\$300.00 per student.

22% of total appropriation.

2. N. J. students—65% of total appropriation.

Increased enrollment \$600.00

Freshman-sophomore 175.00

Junior-senior 225.00

(50% of total to be used to reduce cost to the student.)

3. Graduate and professional 10%

4. Libraries and computers 3%

Eligible institution—minimum total enrollment of 350.

“N. J. student”—1. A graduate of a N. J. high school, or

2. Parents domiciled in New Jersey.

Must be full-time.

SENATE BILL No. 1402

Funding: The number of FTE's × 25% of per FTE support at the State Colleges—maximum percent of total appropriation fixed for each category.

Categories: 1. Students with \$1,000.00 State/institutional aid, excluding loans.

35% of total appropriation.

2. N. J. students—55% of total appropriation.

3. 10% dividend among all eligible institutions.

Eligible institution—no minimum enrollment.

“N. J. student”—resident of New Jersey as defined by Board of Higher Education.

Part-time students are included in the FTE count.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO
SENATE, No. 1402

with committee amendments

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STATE OF NEW JERSEY

DATED: APRIL 23, 1979

Senate Bill No. 1402 OCR repeals “the Independent Colleges and Universities Utilization Act” (P. L. 1972, c. 67) and establishes in its place a new aid program for those schools, the “Independent College and University Assistance Act.”

The funding level for the “Independent College and University Assistance Act,” subject to the availability of appropriations, is determined by multiplying 25 percent of the average per pupil net State support for the State colleges by the number of New Jersey full-time equivalent students that are enrolled in the independent institutions. This total amount of money is then distributed to the eligible institutions based on the total number of New Jersey full-time equivalent students enrolled, the number of New Jersey full-time equivalent students receiving financial aid of \$1,000.00 or more, and an equal distribution of 10 percent of the total amount available for the program.

The statement prepared by the Senate Education Committee summarizes the major provisions of the bill and compares them with the provisions of the current program.

A fiscal note on the bill is not available. Estimates prepared by the Department of Higher Education, however, indicate that full funding of the new program in fiscal year 1979-80 would cost \$11.8 million, \$2.9 million more than the amount provided in the appropriation act for the current aid to independents program.

Committee Amendments

Amendments adopted by the committee provide greater specificity for the definition of “direct per student support for the State College Sector,” and provide for a clearer understanding of the time frame in which program costs are determined. The amendments also add a new section to the bill. It indicates that if the program is not fully funded, a pro rata distribution is to be made. The effective date is also changed from July 1, 1979 to July 1 of the year following enactment. Lastly, the committee changed from 30 to 32 the number of credit hours used to define a full-time equivalent student. This was done to be consistent with the procedure used for the State colleges.