



# **7th Annual Legislative Conference**

## **April 14, 2023**





## **ICUNJ's 14 non-profit, independent colleges and universities are an important, strategic asset within the State's higher education system**

- Provide fourteen additional options for students to CHOOSE college or university setting that best fits their needs – size, location, culture, program offerings, etc.
- Offer additional opportunities for students to continue education in New Jersey rather than leaving
- Serve diverse racial, ethnic and economic populations that match public sector and state's diverse demographics
- Provide high quality undergraduate and graduate education in wide variety of disciplines to meet workforce demands

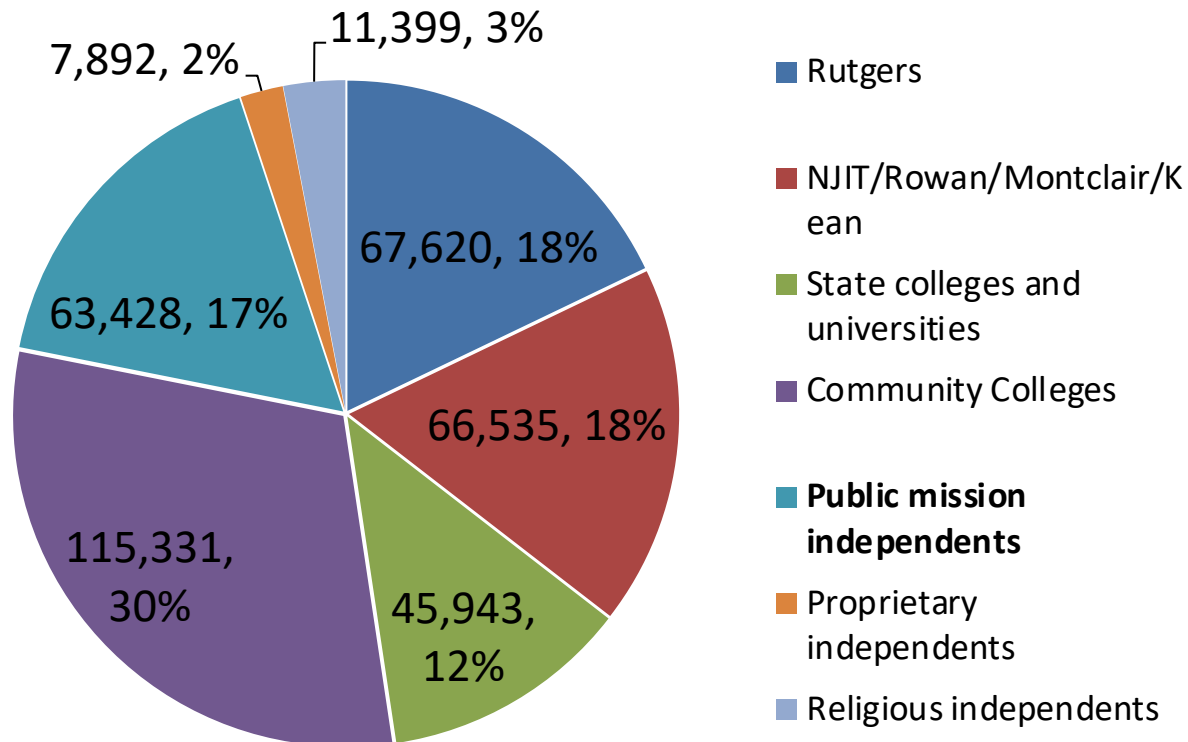
## **ICUNJ's 14 non-profit, independent colleges and universities are an important, strategic asset within the State's higher education system**

- Provide opportunities for valuable and important research that will help support the State's economic growth
- Attract out-of-state and international students to offset out-migration
- Results with limited taxpayer funding – approximately \$120 million with over 95% directly to students through financial aid programs
- Economic impact of between \$4 billion and \$4.5 billion – as high as \$30 to \$1 return on state investment

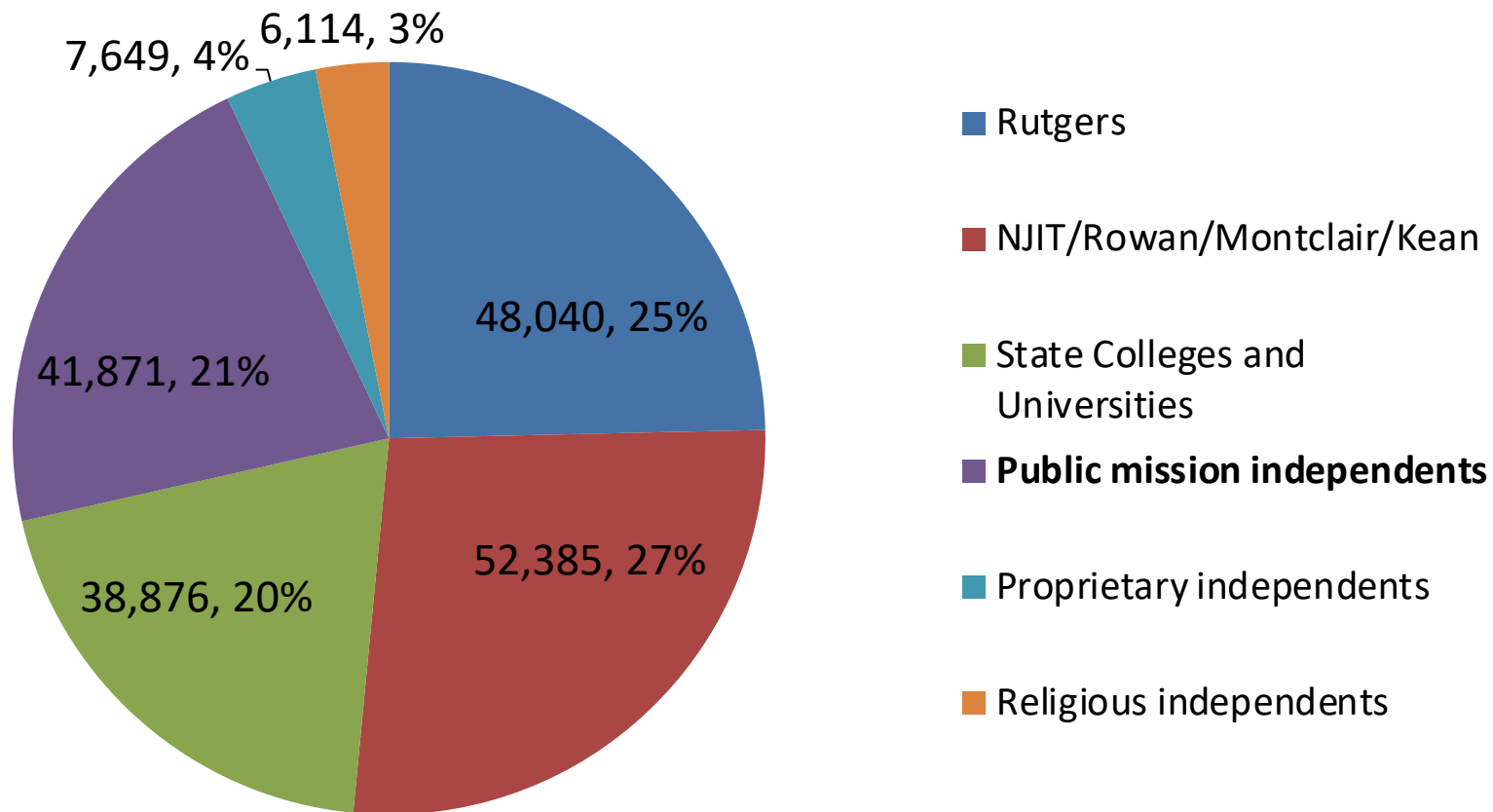
## Importance of independent colleges and universities highlighted in 2010 “Kean Commission” report

- “Overall, the independent colleges and universities **expand the diversity and choice** afforded to New Jersey’s college students, and they have done so for a long time.”
- “New Jersey’s independent colleges and universities **serve an important public purpose**. They annually award almost as many baccalaureate degrees and advance degrees – master’s, professional, and doctorate – as New Jersey’s three public research institutions.”

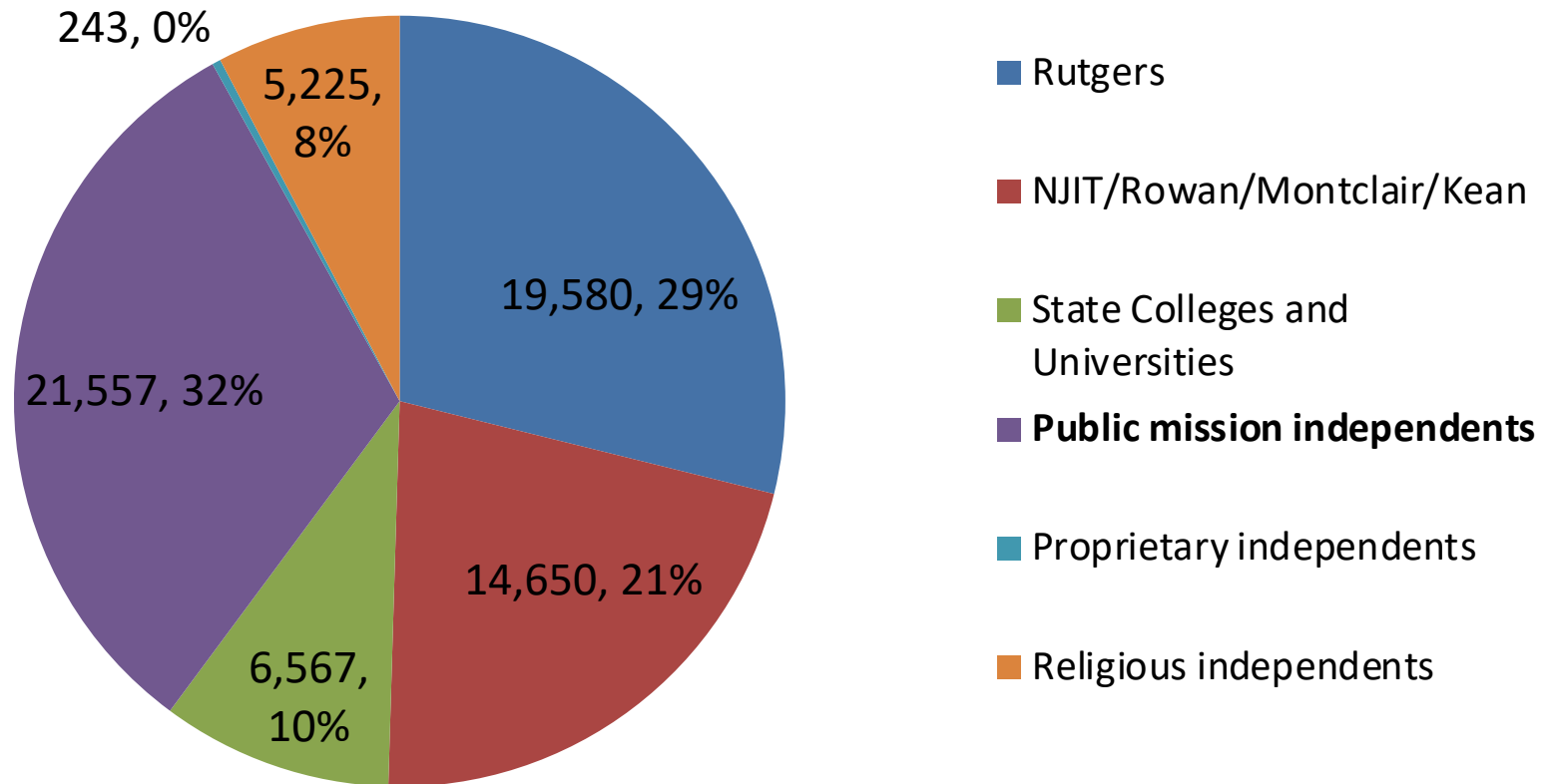
# Over 63,000 students attend non-profit public mission independent colleges and universities Fall 2022



# Over one in five of four year undergraduate students attend non-profit public mission independent colleges and universities Fall 2022

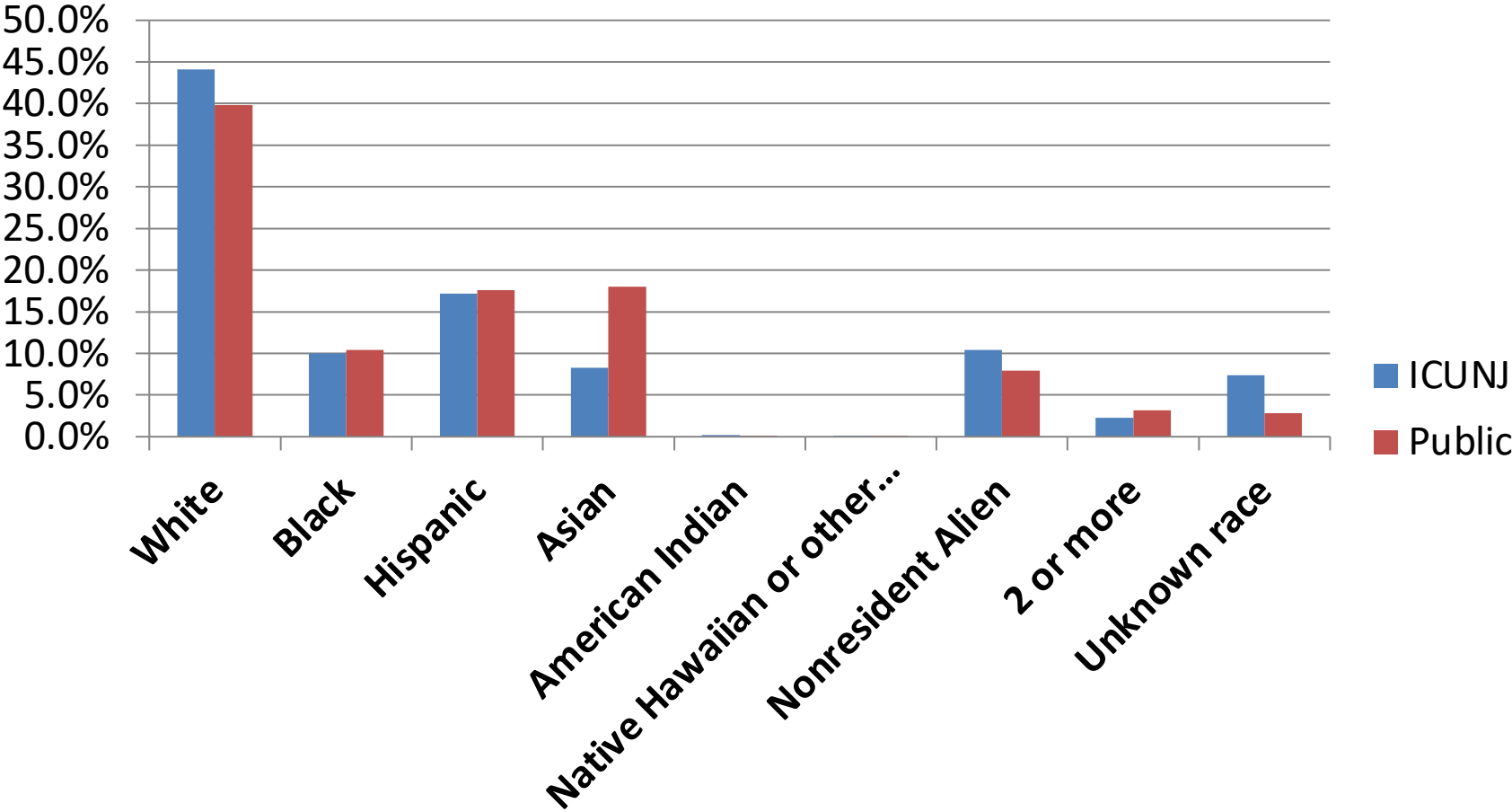


# Nearly one-third of graduate and professional students attend independent colleges and universities Fall 2022

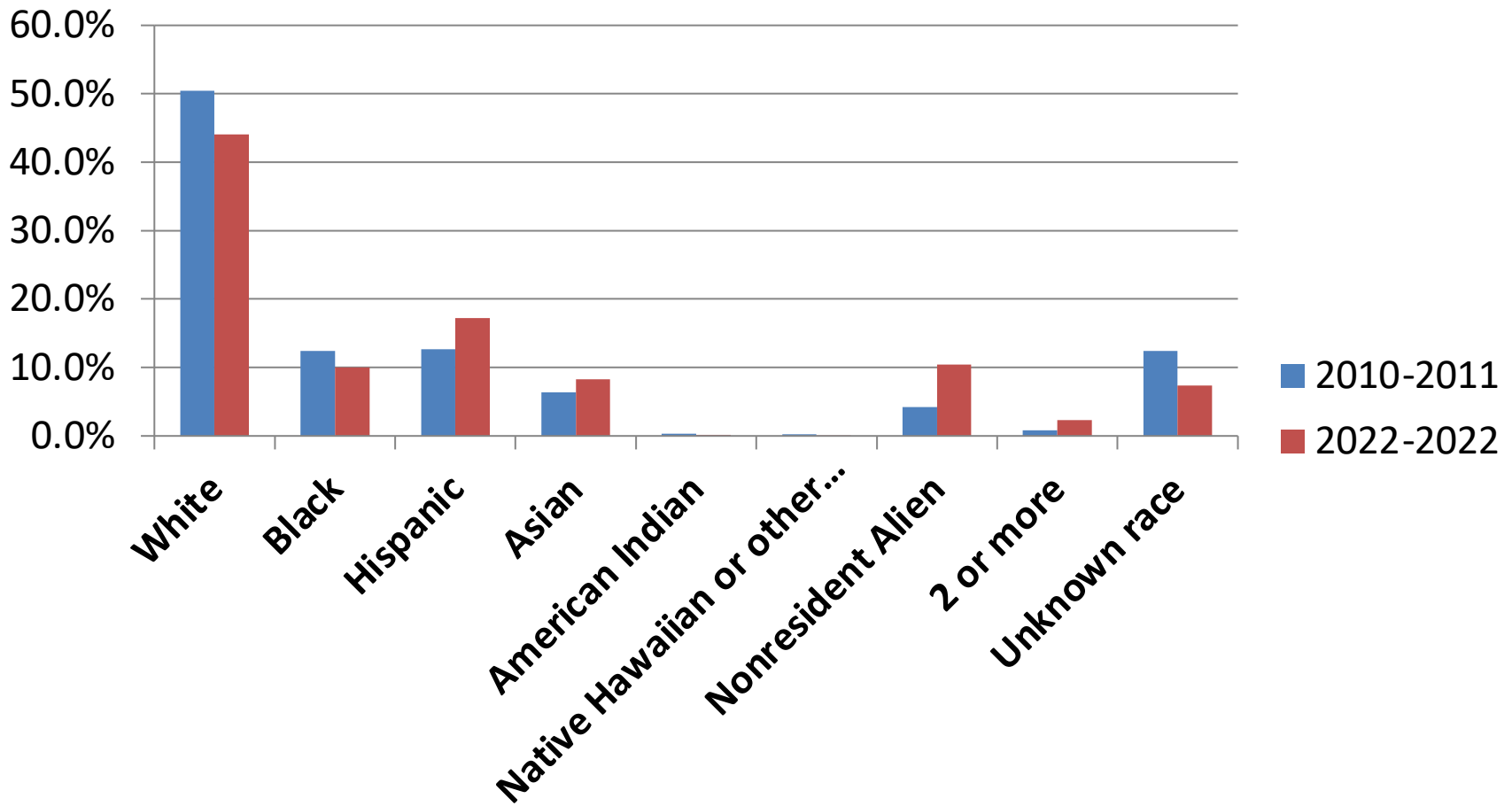




# Diversity in undergraduate enrollment at independent colleges is similar to public colleges (2021 - 2022)



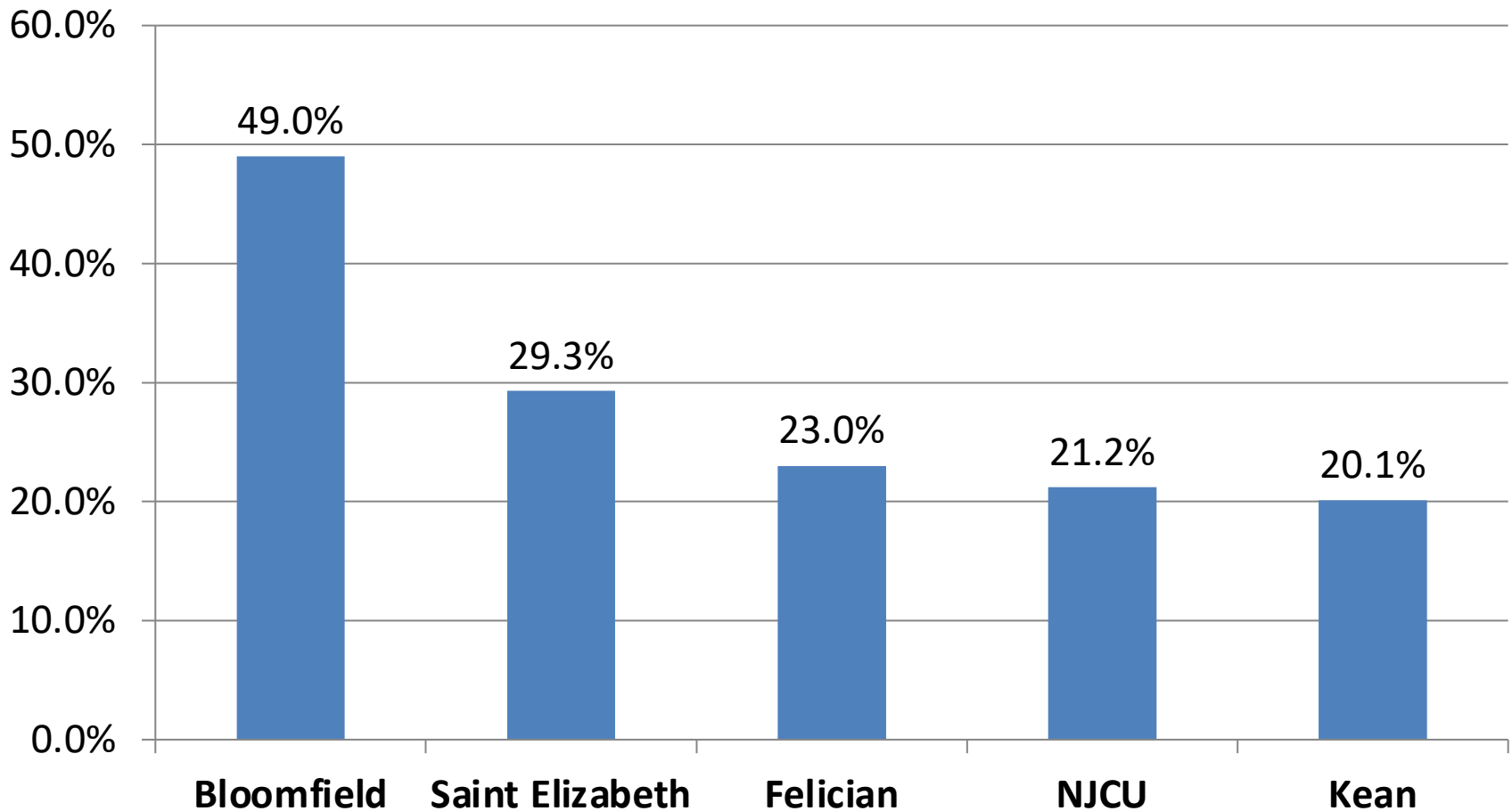
# Diversity in undergraduate enrollment at independent colleges has shifted from 2010-2011 to 2021-2022



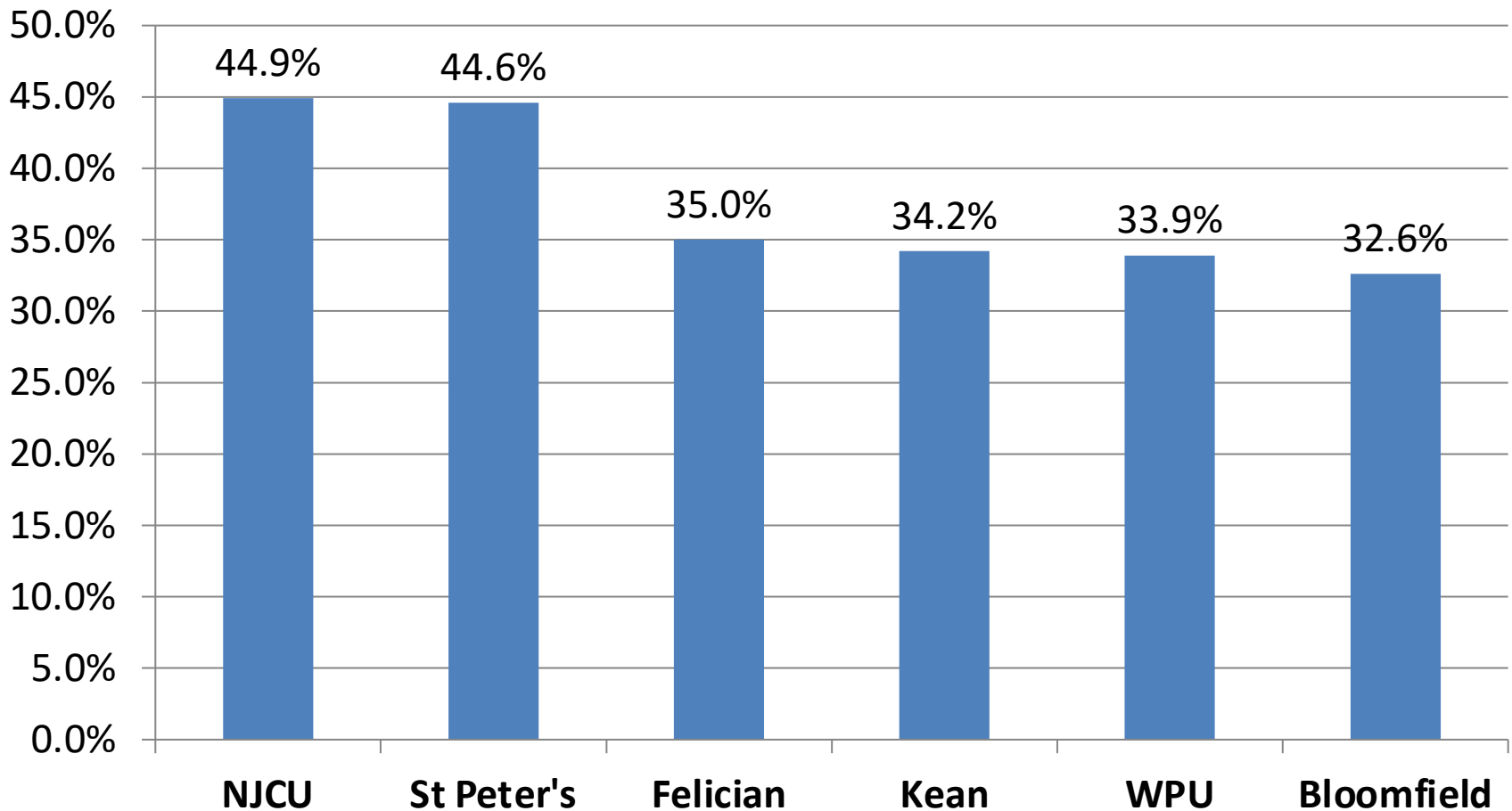
## **More than half of State's Four-Year Minority Serving Institutions are ICUNJ members**

- Bloomfield College (HSI/PBI)
- Caldwell University (HSI)
- Fairleigh Dickinson University– Metro (HSI)
- Felician University (HSI)
- Saint Elizabeth University (HSI)
- Saint Peter's University (HSI)

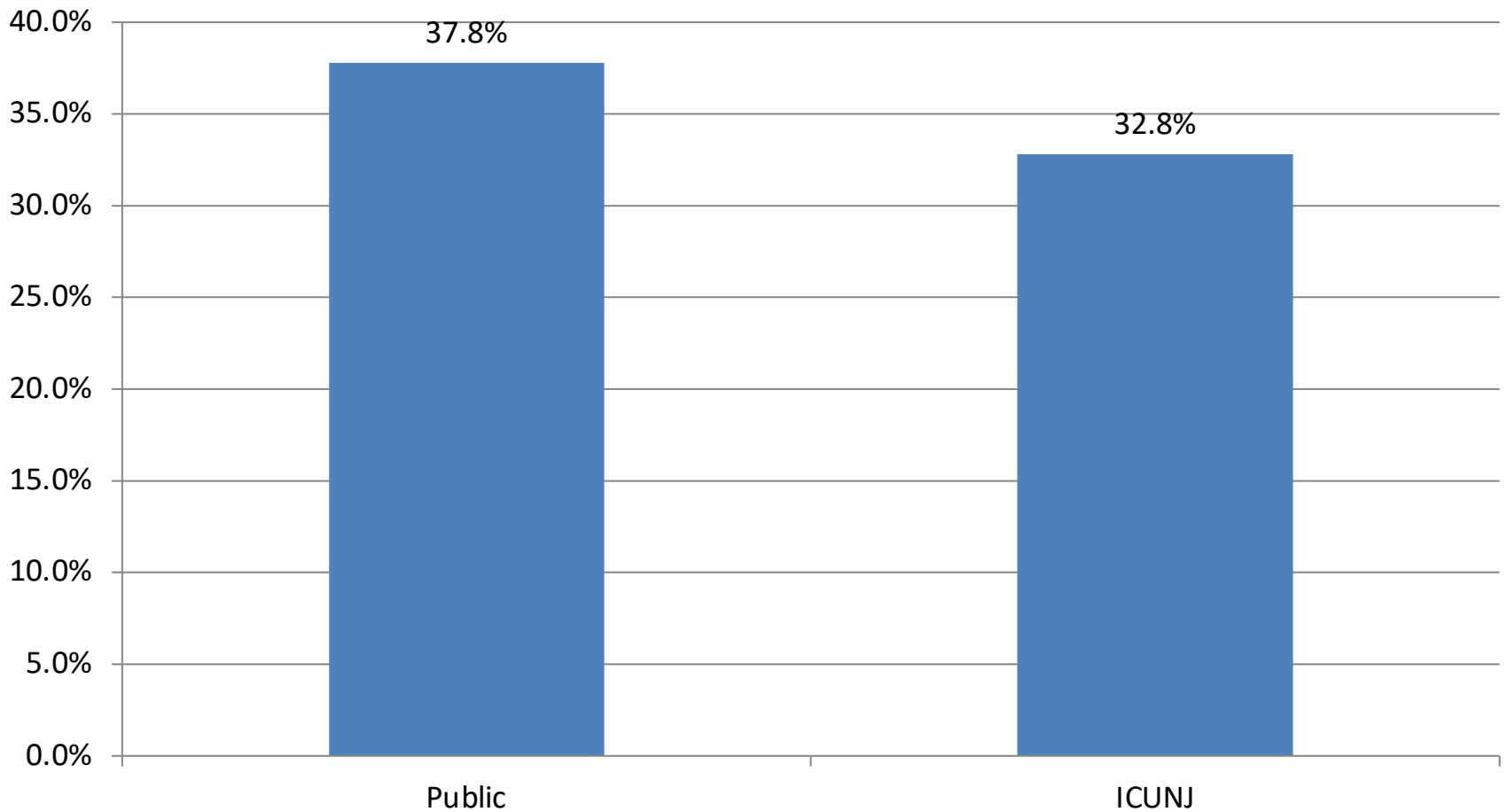
# Independent colleges and universities have three of the five highest percentage of African-American undergraduate enrollment (2021-2022)



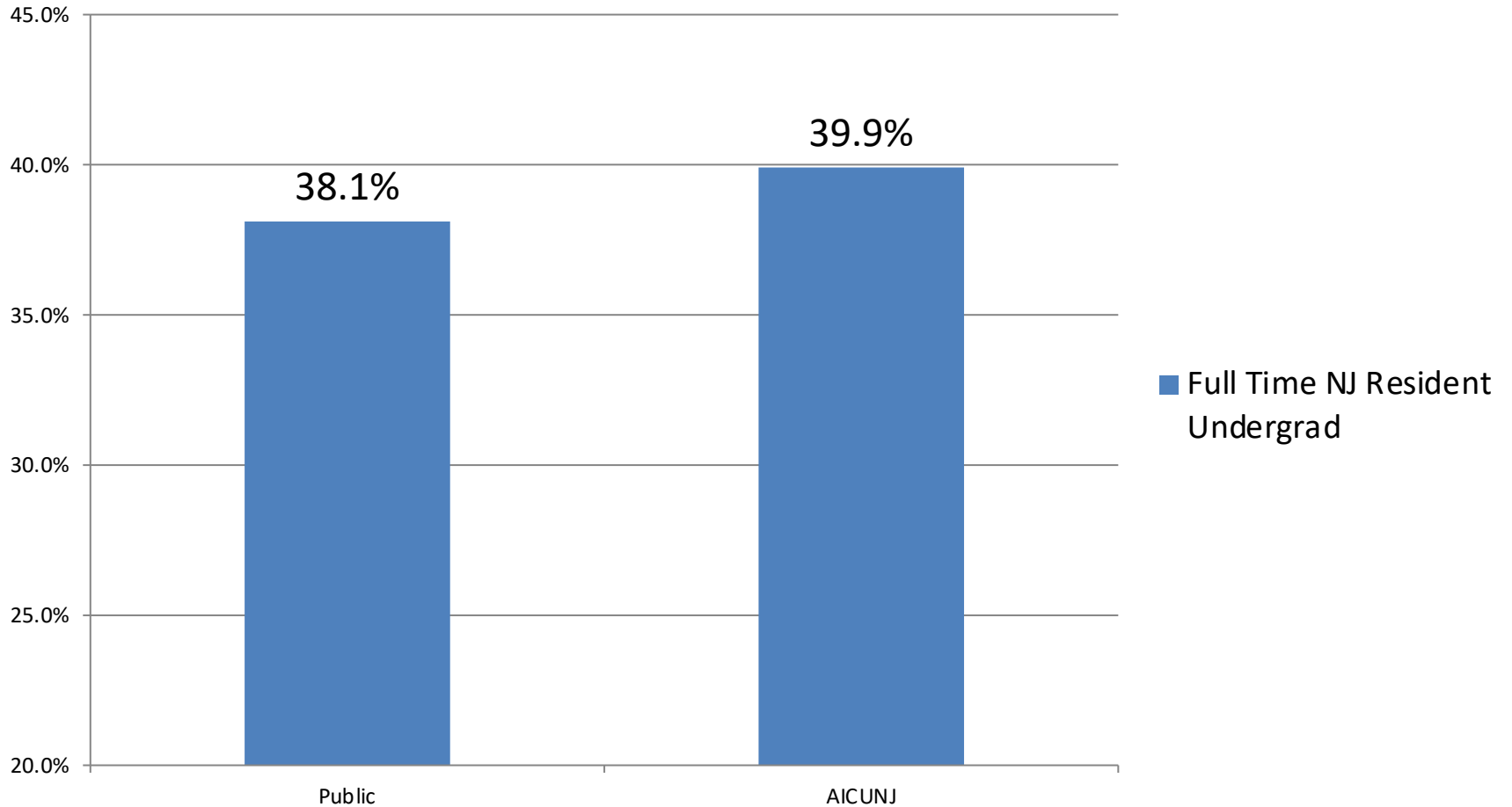
# Independent colleges and universities have three of the six highest percentage of Hispanic enrollment (2021-2022)



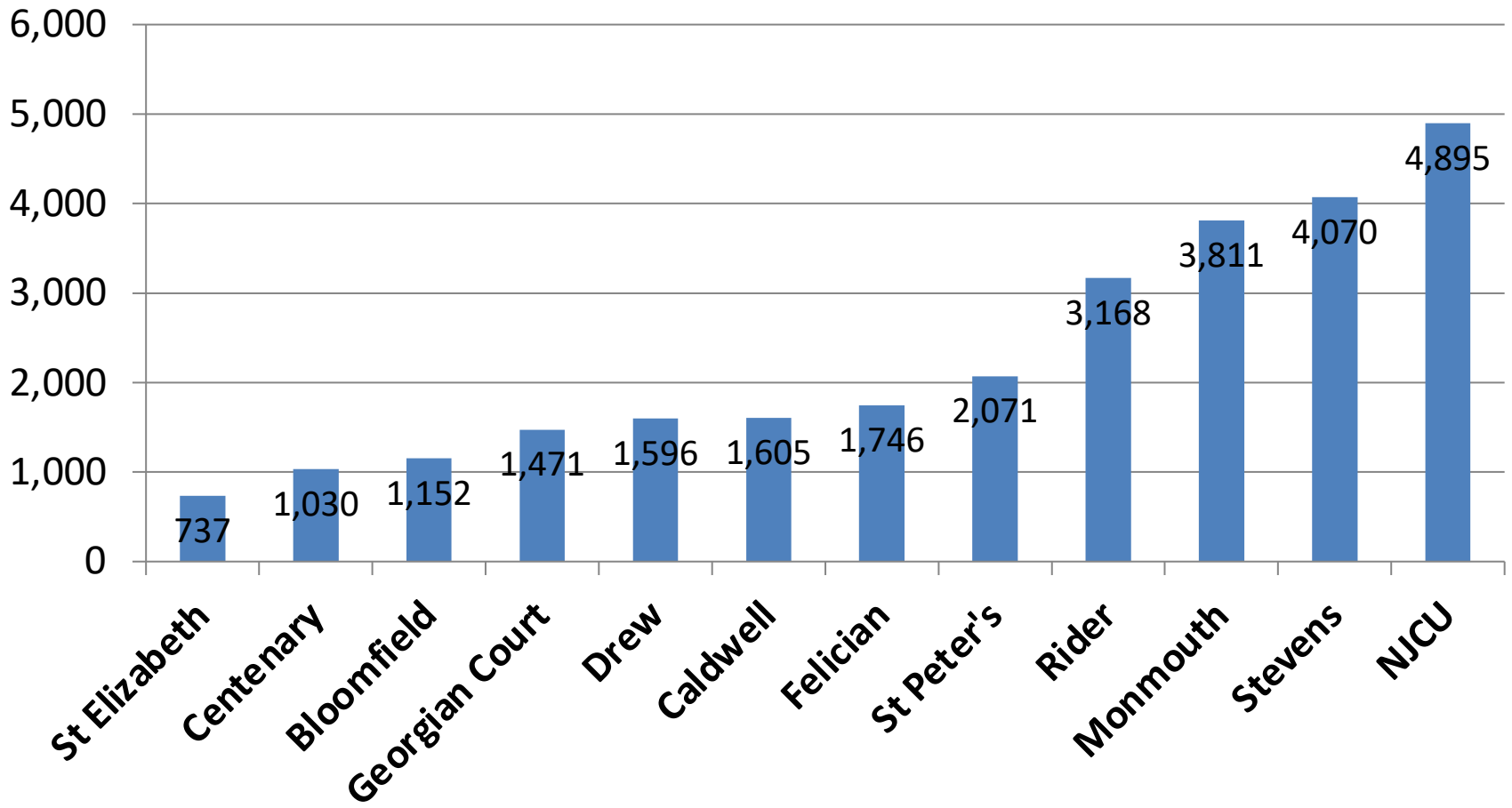
# Independent colleges and universities serve similar low-income population as senior public colleges and universities – federal PELL grants (2021-2022)



# Independent colleges and universities serve similar low-income populations as senior public colleges and universities (NJ resident full-time undergrads)– State TAG grants (2022-22)

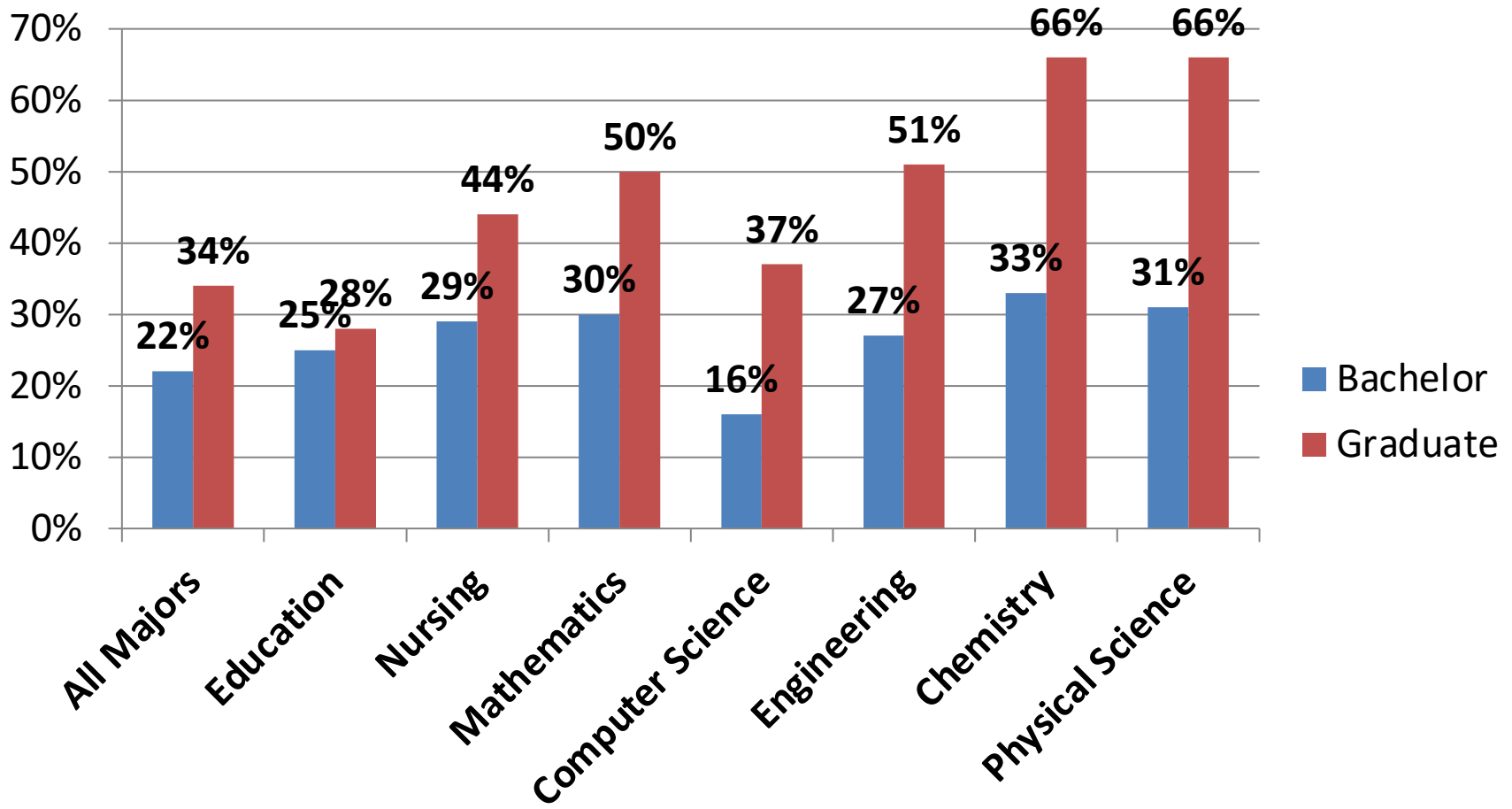


# Eleven independent colleges and universities have smaller undergraduate enrollment than the smallest state college or university – eight are less than half the size (Fall 2022)





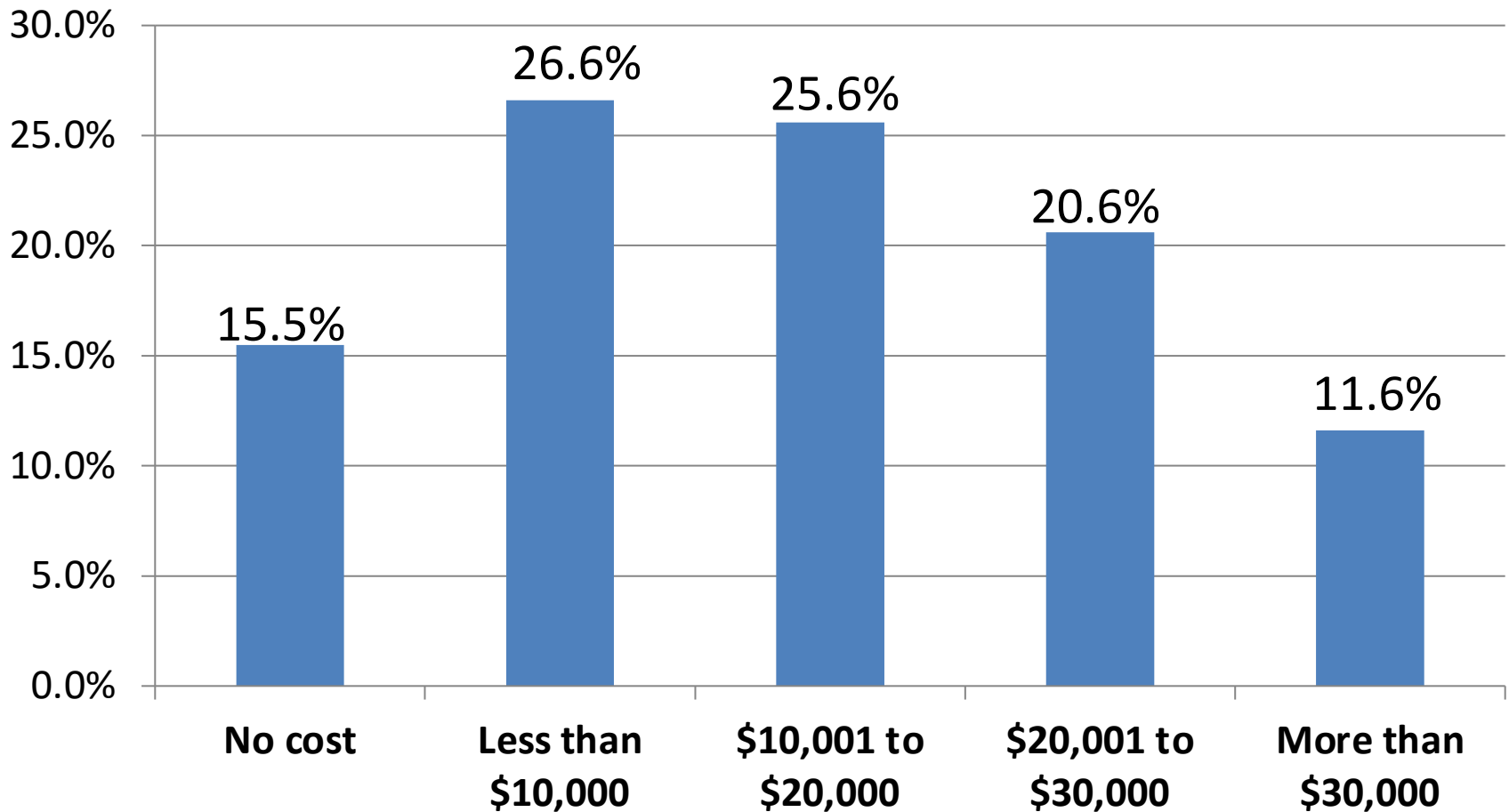
# Independent college and university graduates are helping to meet NJ's workforce demand of 21<sup>st</sup> century (2021 graduates)



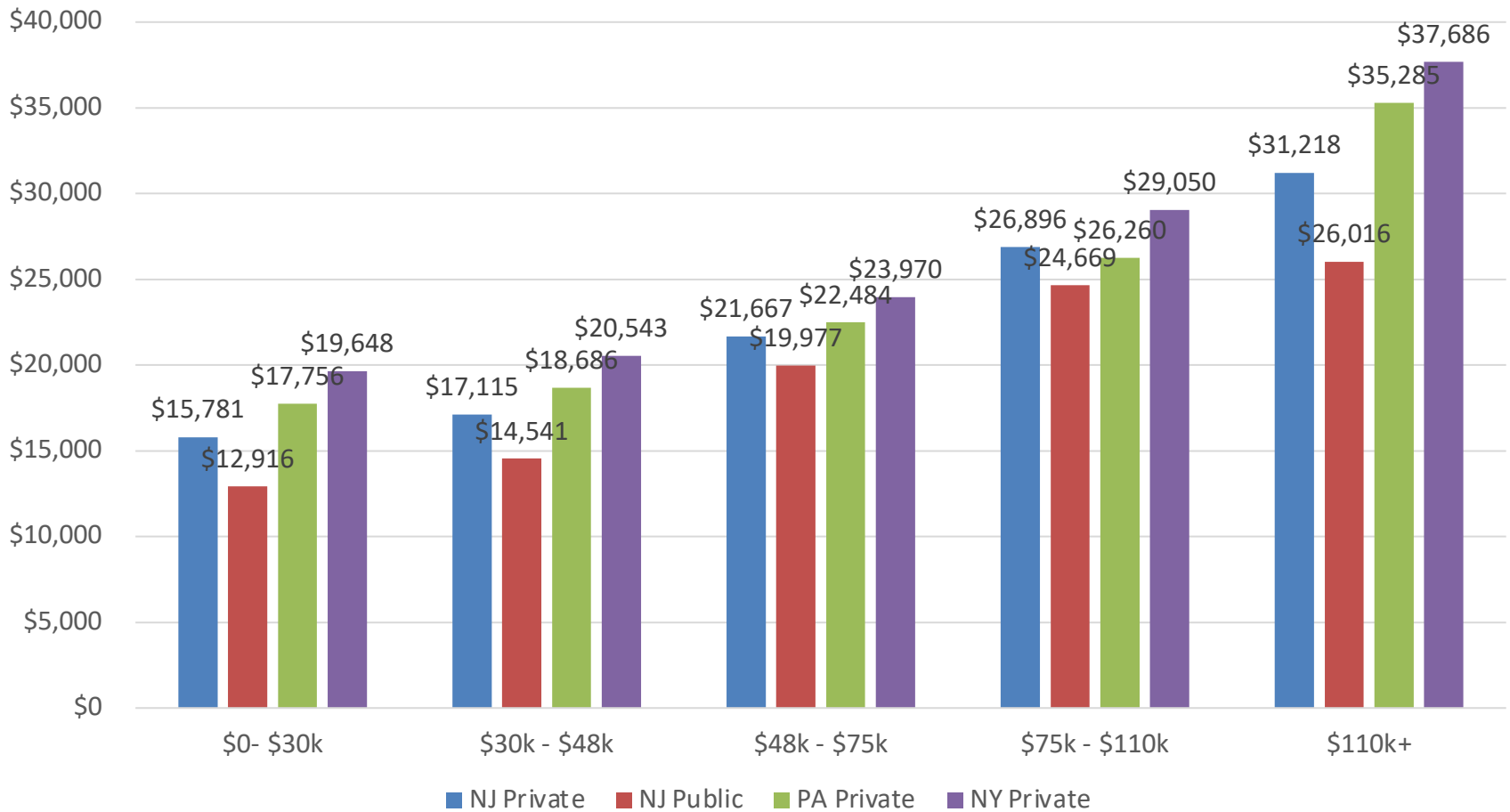
# Independent colleges and universities strive to keep cost down for students

- Provide over \$1 billion in institutional aid
- 95% of first time full-time undergraduate students receive some institutional aid including some “promise” programs
- Over 80% of all student aid comes from institutions
- Partnerships with county colleges
  - 2+2 programs
  - Guaranteed admission programs
  - Discounted tuition for transfers from county colleges
  - Degree completion at county college

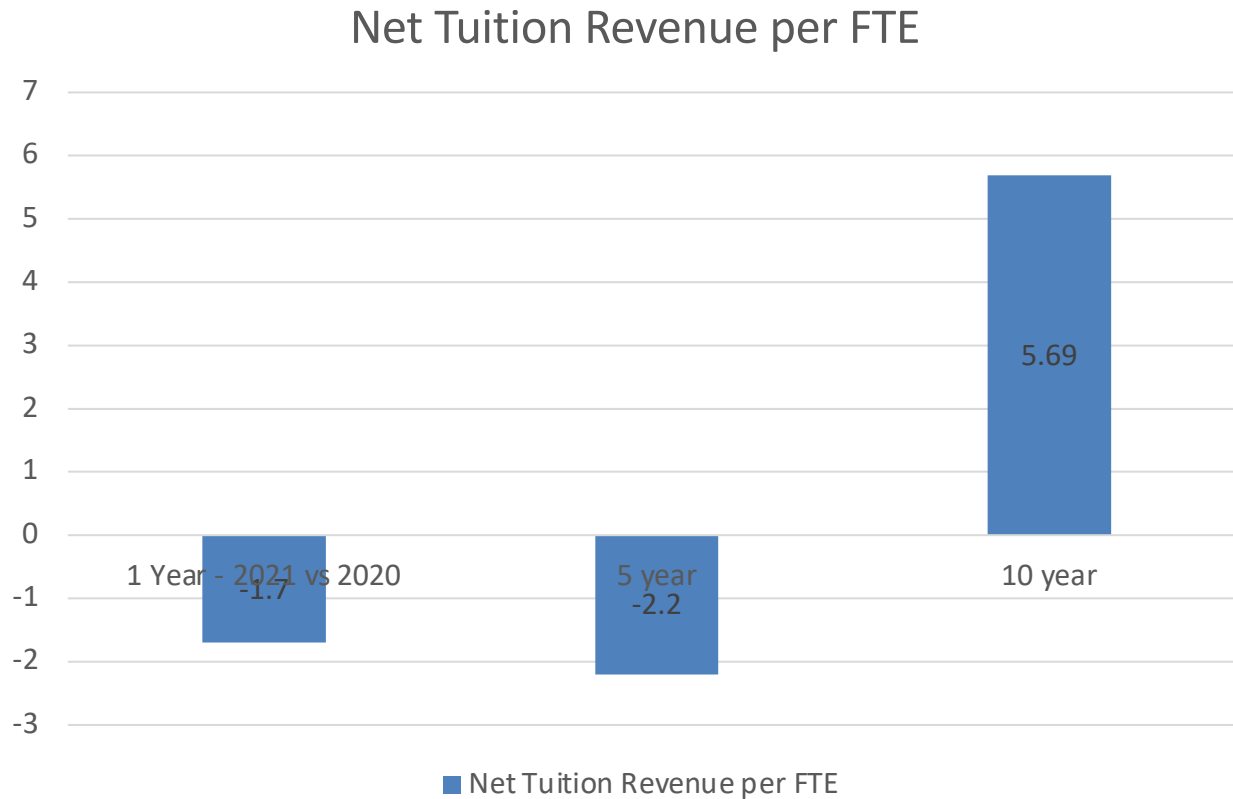
**15% of students attending ICUNJ institutions paid NOTHING and over 40% of students paid less than \$10,000 in tuition and mandatory fees in 2018-19 due to federal, state and institutional aid**



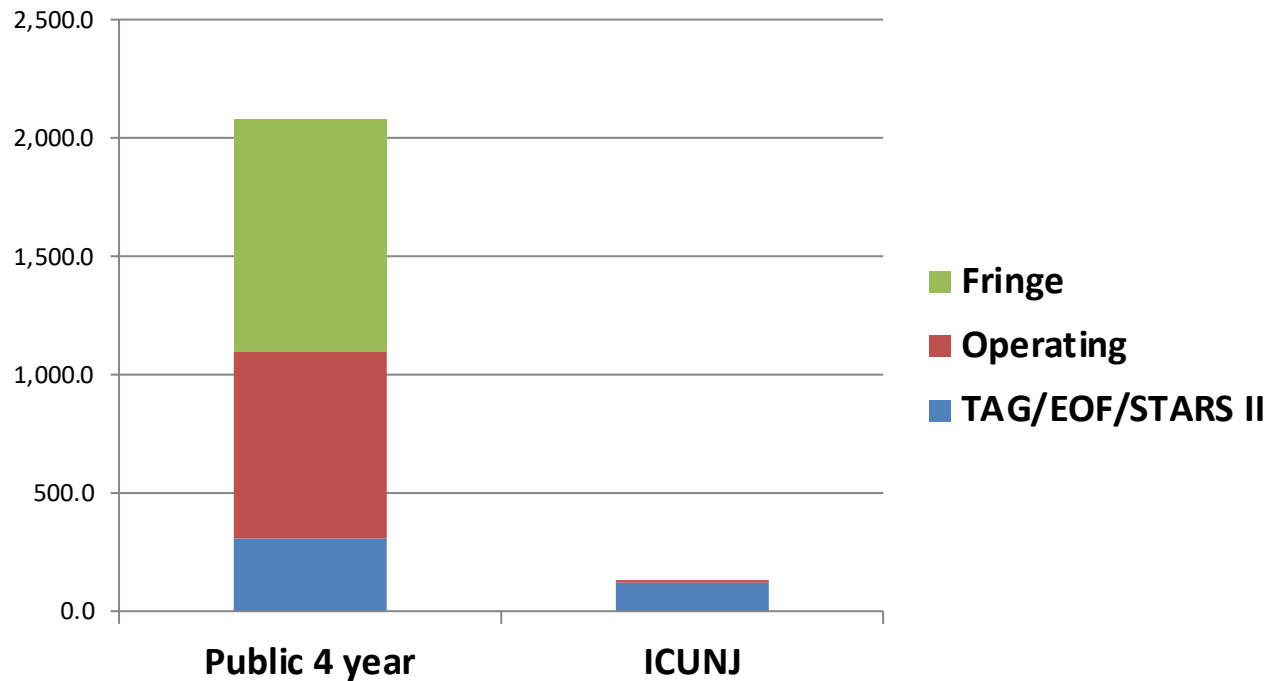
# NJ Independent colleges “net price” competitive with NJ public colleges and NY and PA independent colleges (2017-2018)



# NJ Independent Colleges Reduced “Net Tuition” Revenue over 5 years

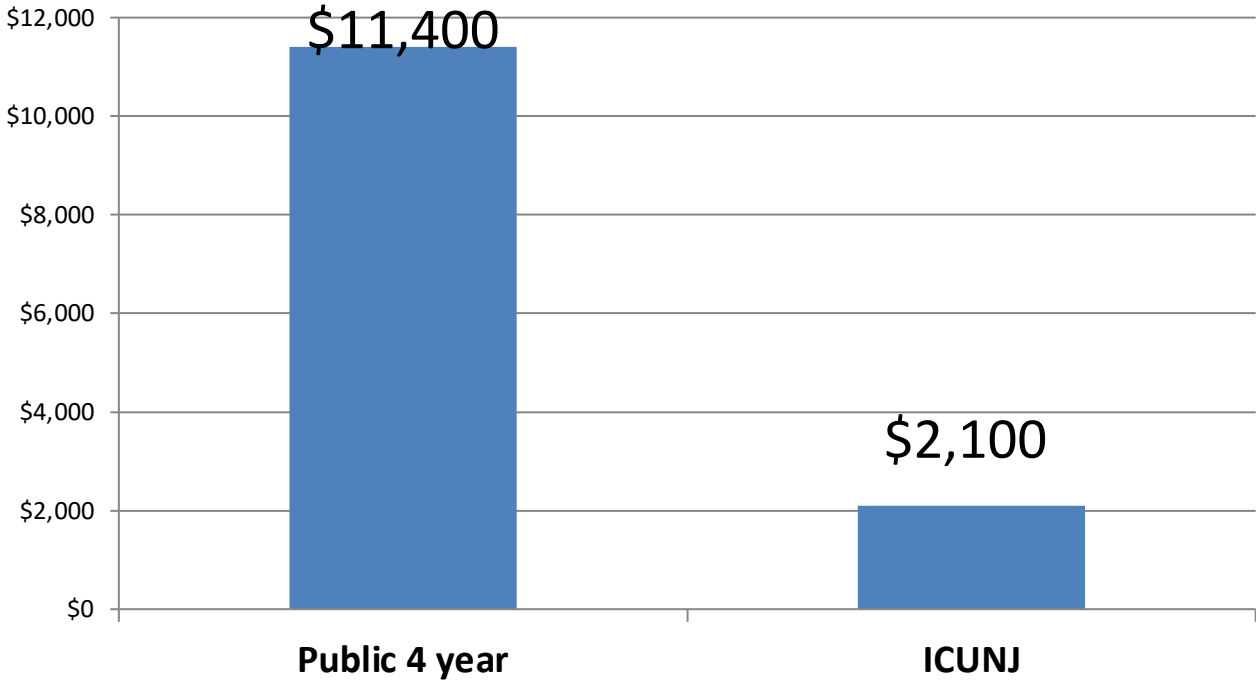


## Providing choice for students and providing results for workforce with limited state resources nearly \$1.9 billion vs \$129 million (FY 2022)



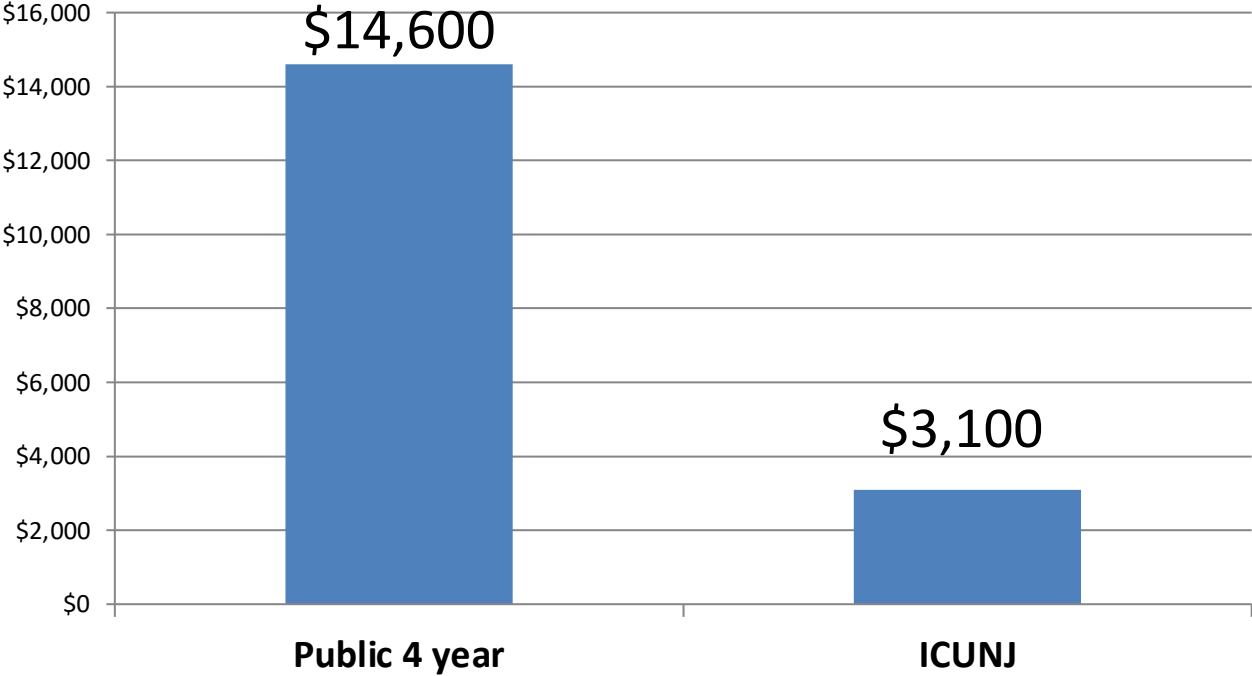
**Providing choice for students and providing results for workforce with limited state resources**

**\$11,400 per student vs \$2,100 per student (all students) (FY 2022)**



**Providing choice for students and providing results for workforce with limited state resources**

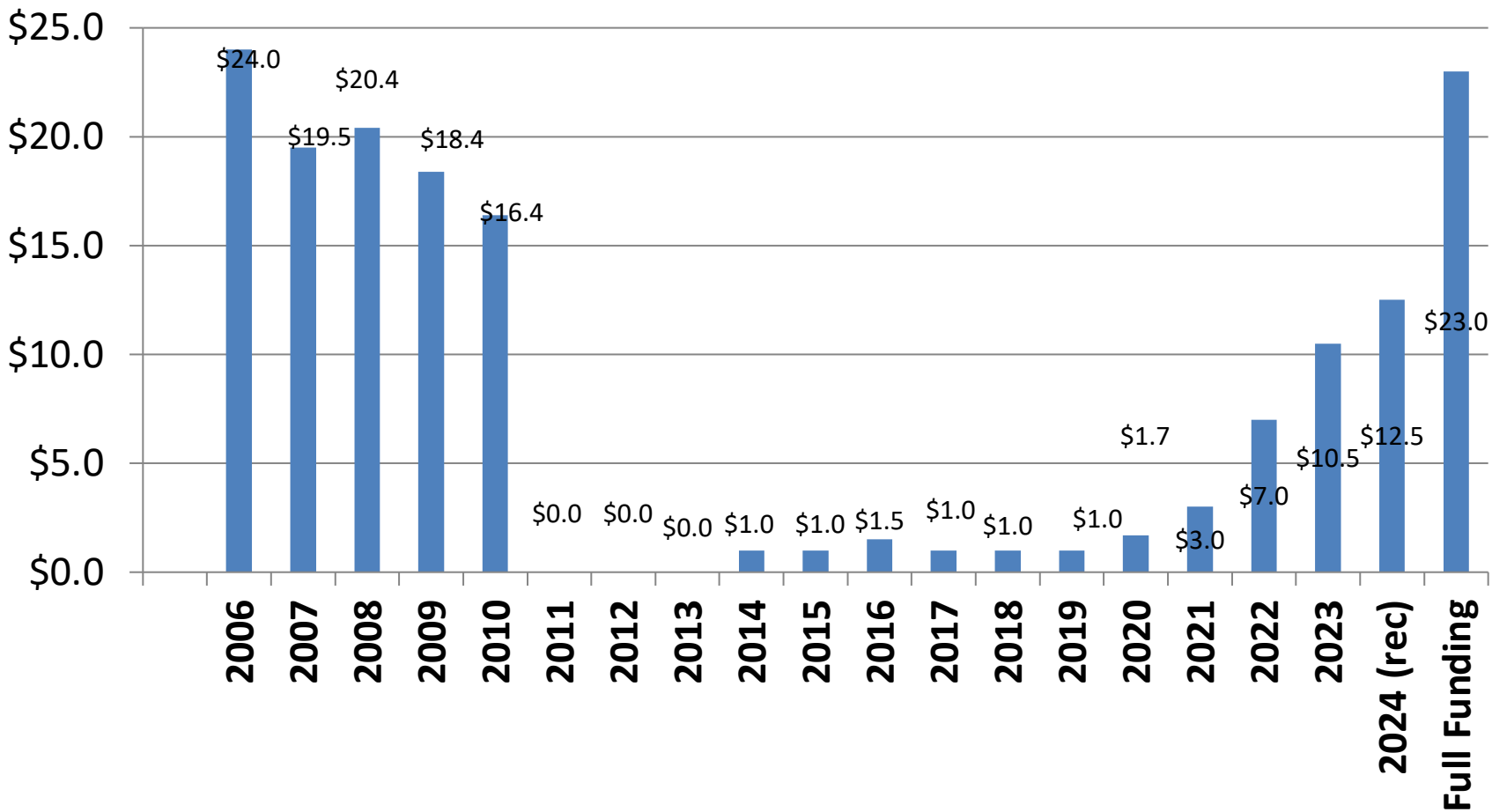
**\$14,600 per student vs \$3,100 per student (undergraduate only) (FY 2022)**





# Direct Operating Aid to ICUNJ Members

## FY 2006 to FY 2024



# **Independent colleges and universities provide over \$4 billion economic impact to NJ**

- \$35 - \$40 to \$1 return on state taxpayer investment
- Over 20,000 employees with payroll of over \$1.2 billion
- Additional contract employees in areas of facilities, food service, bookstores, etc.
- Additional money spent on private vendors and contractors including engineers, architects, lawyers, etc.

## **Independent colleges and universities provide over \$4 billion economic impact to NJ**

- Projected capital construction of nearly \$2 billion in 2022 and 2023
- Out-of-state and international students bring in new money to the state
- Nearly 600,000 living alumni with more than half still living in New Jersey
- Excited to work with Governor and Legislature on future economic development initiatives and growing economy

# Summary

- Our 14 independent, non-profit, public-mission colleges and universities are an important component of the overall higher education structure in New Jersey
- Work diligently to continue to provide the access and affordability to offer students more choices and opportunities to stay in New Jersey for college education thus limiting the out-migration
- Face numerous challenges in a market that is becoming more competitive
- Want to work cooperatively with Legislature and Governor on improving access, affordability and the quality of higher education in New Jersey

# FY 2024 BUDGET ISSUES

- Increase in operating aid
- Summer TAG for Summer 2024
- Inflationary increases in TAG awards
- Increase in EOF funding
- Capital Funding
- Garden State Guarantee

# ICUNJ FY 2024 Budget Requests

## Increase of \$4 million in operating aid line item

- Thank you for increasing operating aid from \$2 million in FY 2020 to proposed \$12.5 million in FY 2024
- We request a further increase operating aid line item from proposed \$11.5 million to \$15.5 million – when combined with \$1 million language appropriation the \$16.5 million would restore aid to the FY 2010 level but will still be below \$23 million full funding level
- Increase would provide funding to offset cost drivers including unprecedented inflation, offset enrollment declines, statutory and regulatory mandates and provide enhanced student services such as mental health

# **ICUNJ FY 2024 Budget Requests**

## **Continue Summer TAG for Summer 2024**

- Thank you for recent law to provide TAG to students in Summer 2023
- Requesting language in the FY 2024 budget to authorize HESAA to again use balances to provide TAG grants for Summer 2024
- Students need to know in advance as they plan their 2023-2024 course selection if TAG will be available in Summer 2024

# **ICUNJ FY 2024 Budget Requests**

## **Increase TAG awards by 3% to 4% for all students**

- Support Governor proposal to provide a 5% increase in awards for the poorest students (cell 1)
- Request \$6 million to \$8 million increase to provide a 3% to 4% increase for all other awards
- Support historical allocation of funding to all students
- Approximately 12,000 students (11,000 full time awards) at ICUNJ members received \$112 million in TAG awards in the 2021-2022 academic year



# ICUNJ FY 2024 Budget Requests

## Increase EOF Funding

- All sectors of the higher education community agree that the Educational Opportunity Fund is one of the most effective programs
- Request increase for direct grants to students as well as increase in support services program funding that is provided directly to institutions
- This program provides significant benefit to students and institutions provide their own funding to support even more students

# ICUNJ FY 2024 Budget Requests

## Additional Capital Funding

- Requesting state provide capital funding from either federal ARP funds or State Debt Avoidance funds for higher education capital
- Lack of reliable capital funding to maintain and expand campus facilities has an impact on student and faculty recruitment
- Students may be more attracted to the campus that has updated and modern facilities – the new shining object such as the new student center with rock wall
- Institutions primarily must rely on fundraising and student fees and tuition revenue to support capital projects
- Reality is many of the institutions have had to defer projects

## DISCUSSION ISSUES

# HOW ARE ICUNJ MEMBERS NAVIGATING CHALLENGES FACING HIGHER EDUCATION INSTITUTIONS

- Enrollment challenges – sector down by 4.1% since 2016; down by 12% if Stevens and Princeton excluded; public sector down 4%
  - Independent institutions (excluding Princeton) derive over 85% on average of revenue from students (tuition, fees, housing, meals)
  - COVID residual
  - Demographics – less high school graduates (peaks in 2026)
  - Economy and job market - \$25 warehouse jobs
  - Questions on value of higher education/public employers lifting degree requirement
- Inflation/Economy – costs, wage increases (two thirds of cost employee related), employee competition
- Affordability – “Promise” programs
- Outcomes – Graduation/Job Placement
- Continued impact of COVID – costs, lost revenue in housing and meals
- Mental Health
- Capital Needs