

Assembly Budget Committee

April 27, 2025

**Testimony from Mildred Mihlon, President, Felician University
On behalf of New Jersey's Non-Profit Public Mission Universities**

Good morning, Chairwoman Pintor-Marín and members of the Assembly Budget Committee. I am Felician University President Mildred Mihlon, and I am here today to represent the thirteen non-profit public mission independent universities in this state.

The thirteen ICUNJ independent non-profit 'public mission' universities:

- Educate over 63,000 uniquely diverse students
- Offer 13 important options from which students can CHOOSE to best serve their individual needs and remain in the state
- Confer nearly 18,000 undergraduate and graduate degrees per year
- Provide nearly \$1.3 billion in institutional financial aid to nearly all students
- Employ over 20,000 directly and through outside vendors
- Generating approximately \$5 billion in economic benefit to the state
- Contribute significant benefits to New Jersey taxpayers through a remarkable \$35-40 to \$1 return on state investment, and
- Demonstrate their 'public mission' service through their actions in supporting their local communities and all of New Jersey higher education on a regular basis.

While we are all proud of the national and international reputation of Princeton University, it is important for policymakers and the public to understand that the remaining members of ICUNJ are very different institutions. We are not Princeton, nor are we other high-profile private universities in the region with very large endowments and a much higher percent of students from wealthy families. Many of our institutions have endowments that are smaller than those of New Jersey's public colleges and universities, and most are tuition-dependent institutions with little direct state operating support. Within this environment, we are managing an increasingly complex higher-education landscape while remaining deeply committed to providing an accessible, affordable, and high-quality education to New Jersey students.

The demographic and economic diversity of our students reflects the diversity of the State itself and underscores the essential role independent institutions play in New Jersey's higher-education ecosystem. We educate large numbers of first-generation students, working and adult students, and students with significant financial need--often with fewer institutional resources than public institutions.

Felician University offers one illustrative example of how ICUNJ institutions rise to this challenge. As a tuition-dependent institution with limited endowment resources, Felician serves a student population of nearly 2,700 that closely mirrors New Jersey's demographic and economic diversity. The University draws the

majority of its enrollment from Bergen, Passaic, and Hudson counties, and more than 95 percent of Felician graduates remain in New Jersey, contributing meaningfully to the State's workforce and economy.

More than 56 percent of Felician undergraduates receive federal Pell Grants, 44 percent rely on New Jersey's Tuition Aid Grant program, and 11 percent participate in EOF, demonstrating how essential state and federal need-based aid is to student access and persistence.

Even within these constraints, outcomes are strong and responsible. Less than half of Felician students borrow federal student loans, the median undergraduate debt is \$25,000, and the loan default rate is just 2.1 percent, which is well below national averages. Students persist and succeed, with strong first-year retention, solid post-graduation earnings, and a high percentage of graduates achieving positive career outcomes after graduation through employment, service or continued education. These results reflect both institutional accountability and the return on public investment in student aid.

Felician also demonstrates how ICUNJ institutions deliver competitive academic programs aligned with New Jersey's workforce needs. Our School of Nursing and Health Sciences prepares students for high-demand professions essential to the State's healthcare workforce and has earned national recognition for quality and outcomes. These achievements are not driven by excess resources, but by intentional focus, efficiency, and mission-driven leadership.

Most importantly, Felician's experience reflects the shared DNA of New Jersey's independent colleges and universities. Across ICUNJ, our institutions are guided by missions centered on purpose, service, integrity, leadership, and responsibility to the broader community. We educate the whole student, combining rigorous academics with ethical reasoning, civic engagement, and a commitment to contributing beyond self. In today's complex social, economic, and workforce environment, these values are not optional; they are essential.

Together, New Jersey's independent colleges and universities deliver access, excellence, and opportunity at scale. We prepare graduates who serve in hospitals, classrooms, businesses, and communities across the State--doing so efficiently, responsibly, and with a deep commitment to the public good.

We and all of the ICUNJ members are ready, willing, able, and need to be a part of the discussion on how the State moves forward with higher education and this Administration's goal of better coordination of higher education and workforce development while at the same time maintaining the core mission of higher education and the mission of serving the underserved and helping them change their lives and their families' lives.

Now let me move to the short-term issue of the proposed FY 2027 State Budget which we believe shortchanges the needs of the independent institutions and more importantly the students we serve.

First, we agree with the other sectors that a priority for our students is the restoration of some level of funding for Summer TAG grants for the Summer 2027 sessions. During the 2025 summer sessions 13,000 students at higher education institutions received \$30 million in TAG awards, reducing their costs substantially. At ICUNJ institutions, 1,100 students received \$3.6 million in awards.

The establishment of this program was one of the major accomplishments over the past few years, however, the commitment to the program and the students has waned with grants reduced to 50% in the Summer 2025 and now we are all here fighting for funding to allow the program to continue. Every dollar that the state

provides is likely one less dollar the student may have to borrow and allows the students to reduce the important “time to completion” for their degrees.

We recognize that full funding estimated at \$40 million to \$45 million may not be achievable this year. However, we strongly encourage maintaining the current 50 percent grant level and exploring an increase to 75 percent. Just as important, we urge greater consistency in funding this program so that it is not repeatedly expanded and reduced from year to year, creating unpredictability for students and institutions alike.

Second, we are requesting at least \$4 million to restore the reduction proposed by the Governor in the operating aid that is provided to the ICUNJ members. Specifically, the Governor has proposed a reduction from the \$9.6 million provided in FY 2026 to \$5.6 million in FY 2027. For comparison the operating aid for the four-year public institutions is \$976 million plus another over \$1 billion for fringe benefits.

This reduction is especially troubling given significant federal policy changes already underway that will disproportionately affect ICUNJ institutions and the students who depend on us for both access and opportunity. Beginning in the 2026–27 academic year, federal actions are expected to narrow Pell Grant eligibility and further constrain student and parent borrowing. While the details continue to develop, the direction is unmistakable: fewer federal dollars and increased pressure on institutions that primarily serve first-generation, low-income, and working students.

For ICUNJ schools—many of which rely heavily on Pell and state aid—cuts or instability at the state level compound these challenges and directly threaten affordability, persistence, and completion. The consequences extend well beyond enrollment numbers. Fewer students will be able to access the education and training needed to enter high-demand, high-paying fields essential to New Jersey’s economy, including nursing, healthcare, education, engineering, business, and technology. At a time of persistent workforce shortages and rising affordability concerns, destabilizing aid risks closing doors for the very students best positioned to meet the State’s most urgent economic and social needs.

Our sector was disappointed to see that independent institutions were the only group to experience a reduction in formula-based operating aid, particularly while public two-year and four-year institutions were held harmless. As a result, independent colleges and universities are now working simply to restore funding to last year’s level—funding that had already been reduced—while our public colleagues are positioned to seek enhancements. We fully respect the essential role of New Jersey’s public institutions and recognize the differences in our funding models. At the same time, the students we serve, their families, and our faculty, staff, and alumni are New Jersey residents and taxpayers. Independent institutions educate **16 percent of the State’s students**, including **more than 20 percent of four-year undergraduates** and **over 30 percent of graduate students**, and we value the opportunity to work collaboratively with the State to ensure that support for higher education reflects the full landscape of students and institutions contributing to New Jersey’s future.

Finally, as we move forward, the state must return to providing regular inflationary increases for the regular academic year TAG awards. With the Governor’s recommendation to maintain award levels at the current levels, awards for the lowest income students (cell 1), which represent approximately half of the eligible students, have not been increased in three years and awards for the other half have not been increased in four years.

Failure to increase TAG awards has a disproportional effect on students attending independent institutions since all TAG students attending public two- and four-year receive “last dollar” grants under CCOG and GSG or institutional promise programs.

To maintain affordability, ICUNJ institutions have been required to commit more internal resources to these students, which impacts the overall financial stability of the institution or limits availability of institutional aid to other students.

In closing, I urge the Committee to recognize that sustained and equitable support for New Jersey’s independent colleges and universities is not optional; it is essential to the State’s higher-education system and workforce future. ICUNJ institutions educate a significant share of New Jersey’s students, deliver measurable public returns, and serve those with the greatest financial need, all with limited state investment. The FY 2027 budget decisions before you will directly determine whether these students can continue to access affordable education and prepare for the careers New Jersey urgently needs to fill. We stand ready to be active partners with the Legislature and the Administration, but partnership requires a funding commitment that reflects our contribution and the real pressures we face. I respectfully ask that you act to restore and stabilize support for independent institutions and the students we educate. Thank you for your consideration, and I invite you to visit Felician University or any ICUNJ institution to see firsthand the impact of your investment on New Jersey’s communities and future.