End-of-Year Council Briefs

As we come to the end of another fiscal year, we again owe a special thank you to the trustees and presidents on the Council’s Executive Committee - Chairman Ron Winthers (Burlington), Vice Chairman Kirk Perry (Sussex), William Coleman (Mercer), Helen Albright (Camden), Peter Burnham (Brookdale), Glen Gabert (Hudson), and Casey Crabill (Raritan Valley). They gave their time, energy and commitment to advance New Jersey’s community colleges throughout the state. Because of their hard work, we achieved important victories in by far the most difficult fiscal climate the state has ever faced.

**Trustee Ambassadors** - We also thank our Trustee Ambassadors who participated in monthly conference calls, several meetings in Trenton and many meetings with legislators in local district offices. Their efforts absolutely made a difference on several important community college priorities. It’s no surprise that other states are starting similar Trustee Ambassador programs.

**Legislative Ambassadors** - New Jersey’s community colleges enjoy widespread support in the Legislature and among legislative leaders. But we especially recognize those legislators who have become community college champions:

- Senator Bill Baroni
- Senator Christopher Bateman
- Senator Sandra Cunningham
- Senator Dana Redd
- Senator Ronald Rice
- Senator Teresa Ruiz
- Senator Paul Sarlo
- Senator Joseph Vitale
- Assemblyman John Burzichelli
- Assemblyman Patrick Diegnan
- Assemblywoman Pam Lampitt
- Assemblyman Joseph Malone
- Assemblywoman Nellie Pou
- Assemblywoman Joan Quigley
- Assemblyman Gary Schaer
- Assemblyman David Wolfe

We encourage trustees to send these legislators a personal note to thank them for their strong interest in and support of our colleges in 2008-2009.

**State Budget** - Governor Corzine signed the FY2010 state budget on June 29th. At $29 billion, it is nearly $4 billion below the FY2009 state budget - a 12 percent cut. The budgets of virtually every state department and agency were cut - more than 850 line items in the budget were cut out entirely or scaled back. With this as background, community colleges have much to be grateful for including:

- Level operating aid;
- Full funding of our Chapter 12 capital funding program (9 percent increase);
- Full funding for the NJ STARS Program (21 percent increase); and
- Full funding of Tuition Aid Grants for part-time community college students (11 percent increase).
In the short-term, the news is all good, and we thank the Governor, legislators and their staffs for their strong support. But the long-term picture is very sobering. Make no mistake about it, the real fiscal storm has yet to hit - but it is just around the corner. Here's why.

Many of the budget-balancing solutions for the FY2010 state budget are due to expire next year - federal stimulus funding, wage concessions by state workers, higher taxes on upper income brackets to name a few. The federal funding is especially important to us. We received level funding thanks in part to $7.5 million in one-time stimulus funding.

Although some encouraging signs exist in New Jersey and throughout the country that the economy is starting to turn around, even when it does there will not be a quick rebound in the state's revenue streams. David Rosen, the state's chief fiscal analyst whom many of you met during our Trustee Ambassador Day in the Statehouse, estimates that it won't likely be until the fourth year of the next governor's term that state revenues will return to what they were last year in FY2008.

For higher education, it's especially important to remember the budget restrictions that the Legislature placed on the state colleges and universities for the coming year. First, if state colleges raise tuition more than 3 percent, they will lose 5 percent of their state funding. Also, if state colleges do not get concessions from their employees on salary deferrals and furloughs that mirror what the state got from its unions, they will lose another five percent in state funding. Keep in mind that all state college employees already contribute 1.5 percent of their salaries toward the cost of their health insurance.

None of these state budget restrictions apply to community colleges - for now. But we obviously need to be mindful of what's going on in the larger higher education community as we plan for the future.

Whoever thought we would see the day that Harvard University would have to implement layoffs in response to budget pressures? Last week, after previously deciding to withhold salary increases for faculty, Harvard announced 275 layoffs. Closer to home, Princeton University is looking for $22 million in personnel savings through early retirement programs plus layoffs. In the community college world, Miami Dade Community College in Florida recently laid off 111 employees, with another 86 positions left unfilled. Similar events are occurring in other bellwether states like California.

What's the message in all of this? In a very real sense, our current business model for delivering postsecondary education is just not sustainable. The state's finances are beyond bleak. Our county government partners are similarly stressed (counties cut several colleges in ways that would have been unthinkable just a few years ago). That leaves tuition as our only stable source of funding. But we are obviously limited in how far and how often we can go to that well, given the new tuition cap on the state colleges. In short, we need new approaches on how we do what we do - and we need them now.

To that end, the Council Executive Committee will be engaging trustees and others in a statewide conversation that will lead to a statewide strategic planning retreat for
trustees sometime in the Fall. Details will follow shortly.

**Exciting Times for Community Colleges** - I would be remiss if I did not close this year-end summary with an affirmation that, in the midst of this very tough and sobering fiscal climate, these still are very exciting times for community colleges. Over the past few weeks, we have seen more focus on community colleges coming out of the White House and Congress than ever before. I suspect that our good friend and colleague, Jane Oates, is one of the key folks leading this new federal policy discussion. Here in New Jersey, our enrollments continue to hit all-time highs as more and more of our citizens are turning to community colleges for an affordable start to their higher education. And the role that our community colleges can play in getting more of our citizens back into the workforce is actively promoted by state policymakers. Our Community College Consortium for Workforce and Economic Development has been especially successful in this arena. Since its inception, the Consortium has provided training to over 15,000 employees at over 670 businesses and government agencies throughout the state, and we expect to soon announce several new statewide training initiatives in the coming year.

These truly are exciting and important times for New Jersey's community colleges. The Council's Executive Committee enthusiastically looks forward to working with all of our trustees and presidents in the coming year.

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