

NEWS

N.J. colleges will have to perform to get more state funding, Murphy says

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By [Adam Clark | NJ Advance Media for NJ.com](#)

If New Jersey's public colleges want more state funding, they will have to prove they've earned it, state officials announced Tuesday.

In what could be the first step toward an overhaul of higher education aid, the state will offer \$35 million in performance-based funding for four-year colleges as part of wide-ranging [new state plan](#) for higher education.

The plan calls for the state to look at how many degrees a college awards in a year, how many of those degrees go to under-represented minority students and how many low-income students are enrolled in a college. Using a new formula, it will then divvy up that funding to its public colleges.

Of the more than \$700 million in direct state aid to public colleges, the \$35 million is just a sliver. But it's a major sign the state is ready to consider a better system for funding colleges, said Michael Klein, interim executive director of the William J. Hughes Center for Public Policy at Stockton University.

"It's an important signal to New Jersey's college students that the administration understands the role that it plays in college affordability," Klein said. "And they are interested in doing something about it."



The hardest (and easiest) N.J. colleges to get accepted to

College officials have long complained that New Jersey's funding system for public colleges is outdated and illogical. Instead of awarding money based on specific metrics, such as how many students a college enrolls, state funding is primarily given to public colleges based on how much they have received in the past.

For years, all colleges have generally received the same percentage increase or decrease or saw flat state funding across the board, regardless of how much their campuses have grown or changed. And college presidents have been sure to mention that when raising tuition, which continues to go up year after year.

But the new master higher education plan Gov. [Phil Murphy](#) unveiled Tuesday says the state can make college more affordable by taking a new approach to funding. It suggests exploring a new funding formula that considers an institution's size, mission, and outcomes.

"To make the most strategic use of limited state funds, the state should direct funding toward areas of excellence at each institution," the plan says. "Only by ensuring colleges are building on their strengths and not unnecessarily duplicating programs can the state move forward with a rational system of funding that leads to lower prices for students and their families."

That could mean setting goals for Rutgers University in research or for Kean University in enrolling first-generation college students, and then tying funding to whether those goals are met, Klein said.

"Institutions know what they are good at," Klein said. "And they ought to be rewarded for doing that well."

The initial \$35 million in outcome-based funding includes \$20 million in new aid and \$15 million in reallocated aid. It also comes with strings attached.

To be eligible, colleges would need to create a Financial Aid Shopping Sheet, clearly showing costs and potential financial aid in a way that can be compared to other colleges. They would also need to share program-level spending information with the state, which officials could use to find a better rationale for funding colleges.

The changes are part of the state's first new comprehensive plan for higher education in more than a decade.

Murphy's administration wants to focus on improving both access to college and the number of students who complete a degree, especially among low-income families. The plan calls for reaching a goal of 65 percent of working-age adults having attained some type of college degree by 2025. Currently, that figure sits close to 50 percent.

Pitched as a "student-centered vision," the plan also creates a new student bill of rights that says all students should be guaranteed clear and comprehensible financial information about colleges, affordable and predictable education costs and high quality academic programs, among other supports.

The announcement fulfills state Secretary of Higher Education Commissioner Zakiya Smith Ellis' goal of establishing a new master plan in a state where colleges operate with great autonomy and little state oversight of their missions.

"It's not that people are doing a bad job right now," Smith Ellis said. "It's that we have no plan."

NJ Advance Media staff writer [Brent Johnson](#) contributed to this report.

Adam Clark may be reached at adam_clark@njadvancemedia.com. Follow him on twitter at [@realAdamClark](#). [Find NJ.com on Facebook](#).

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