

December 14, 2023

The Honorable Elizabeth Maher Muoio
State Treasurer
NJ Department of the Treasury
225 West State Street - 4th Floor
Trenton, NJ 08625

Dear State Treasurer Muoio:

The New Jersey Council of County Colleges (NJCCC), the state coordinating organization for New Jersey's 18 community colleges, is pleased to submit this annual State Budget Request for New Jersey's Community Colleges for Fiscal Year 2025, as required by N.J.S.A. 18A:64A-22.

Developed by the state's 18 community colleges, this State Budget Request is focused on critical investments that will increase economic mobility for all New Jerseyans by tackling stark disparities in the attainment of postsecondary degrees and credentials and by equipping our state's workers with both the technical and digital skills, as well as the analytical, creative thinking, and other "robot-proof" human skills, they need to thrive.

In January 2024, NJCCC will release ***New Jersey Opportunity Agenda: Building Pathways to Equity and Economic Prosperity***. This agenda reflects the emerging critical role of New Jersey's community colleges in workforce and economic development and the need to build innovative and agile systems that can adapt to a rapidly evolving postsecondary education environment, one that is colored by complex economic, social, technological, demographic, and climate changes. Implementing these strategies will require partnership with the Governor's Office, state agencies, employers, unions, community- and faith-based organizations, students, and other stakeholders, and we are proud of the leadership role our community college system is playing in this broad coalition. We look forward to discussing this vision for the future of community colleges with you in the coming year.

We have identified the following FY 2025 state investments that are necessary to support community colleges as they pursue this Opportunity Agenda that reinforces Governor Murphy's deep commitment to rebuilding the American Dream in New Jersey.

I. Foundational Investment: Ensure that community colleges have the resources to support the staffing and facilities necessary to fulfilling their mission.

Funding of \$189.1 million in state operating aid for community colleges (an increase of \$20 million from FY 2024).

State operating aid is critical to the ability of community colleges to provide high-quality, affordable education to over 180,000 New Jerseyans every year. Helping an incredibly diverse array of students

achieve academic, social, and economic mobility is the core mission of New Jersey’s community colleges and requires sufficient operating resources.

New Jersey has historically underfunded community colleges compared to other states and to public four-year institutions in New Jersey. The FY 2024 State Budget included the first significant increase in operating aid for community colleges in several decades, which helped offset drastic increases in health care costs. For FY 2025, we are requesting an increase to the FY 2024 funding level to reflect increases in costs and to continue to make modest increases in state investment in community colleges. State operating aid will be distributed to the community colleges through the current performance-based funding formula, which was developed by NJCCC and all 18 community colleges and approved by the Secretary of Higher Education. This formula aligns with and supports state priorities of equity, access, adult enrollment, and student success.

II. Strategic Investments in Opportunity and Equity

Pillar 1: Putting All High School Students on a Path to Postsecondary Success

1a. Funding of \$5 million for an expanded College Readiness Now (CRN) program (an increase of \$4 million over FY 2024).

New Jersey high school students do not receive consistent college and career guidance and information, leaving many unaware of the full range of postsecondary options and the financial resources that could make it possible for them to attend community college. Too many New Jersey high school students also leave high school unprepared to attend college, a critical issue exacerbated by learning loss during the COVID pandemic. The College Readiness Now (CRN) program, established in 2013, provides \$1 million annually to community colleges for partnerships with local high schools to help students strengthen academic skills in English and math. The most recent annual report found 17 community colleges partnered with 140 high schools and helped 2,000 students, 60 percent of whom were living at or below the poverty line. Sixty percent of CRN students achieved college ready status in math and/or English. Students who did not become fully college-ready significantly moved up in the developmental education course sequence in math and/or English, reducing the number of developmental education courses they will need to take upon enrolling in college.

NJCCC requests an expanded investment in creative CRN partnerships between high schools and community colleges to support navigators, guidance, and college readiness. Expanded resources will allow community colleges to deepen partnerships with high schools on initiatives that will facilitate higher postsecondary enrollments, such as encouraging more students to complete Federal and state financial aid forms, expanding dual enrollment opportunities for all students, and preparing personalized acceptance letters to help students and their parents/guardians understand CCOG and excite them about community college programs.

Pillar 2: Fostering Student Success and Completion in Postsecondary Education and Training

New Jersey must ensure that more New Jerseyans have the financial resources to attend community college, as well as the academic, career, and basic needs supports to ensure they complete their programs and graduate.

2a. Increased funding for the Community College Opportunity Grant (CCOG) program.

While the cost of attending a community college is far lower than the cost of attending a four-year college or university, the cost of attending college in addition to basic life expenses is out of reach for too many New Jerseyans. The state's 18 community colleges believe that the income level for CCOG eligibility should ultimately be increased to \$125,000 adjusted gross household income (AGI) to expand access to postsecondary education for more New Jerseyans.

2b. Funding for Community College Student Success Initiatives.

Disproportionately from marginalized and low-income backgrounds, New Jersey's community college students are often the first in their families to attend college. In addition to high school students, community colleges serve older and working learners, student parents, refugees, immigrants, justice-impacted individuals, unemployed and underemployed individuals, individuals with disabilities, and veterans. These students attend with multiple goals, and many face exceedingly difficult life circumstances.

All of New Jersey's 18 community colleges have implemented a variety of strategies to support student retention and completion. To help more New Jersey community college students succeed in meeting their education and career goals, and to improve retention and graduation rates, New Jersey should launch a new statewide effort drawing on several evidence-based models that have demonstrated success for low income, first generation, and other traditionally underrepresented students.

2.b.1. The state's annual investment in a \$5 million Student Success fund has allowed colleges to experiment with initiatives to promote success, with a focus on those receiving support from the CCOG program. **NJCCC requests expanding this Student Success fund by \$2.5 million (for total funding of \$7.5 million)** to enable colleges to build on and expand their initiatives.

2.b.2. **NJCCC also supports an investment of \$8 million to pilot evidence-based practices for supporting student retention and completion.** Such an effort could build on existing efforts currently underway at New Jersey community colleges and could connect to successful state investments in the NJ Educational Opportunity Fund (EOF) program.

Pillar 3: Building Transparent, Seamless Pathways that Respond to the Changing Economy

3a. Continued funding of \$9 million for the Consortium for Workforce and Economic Development (level funding from FY 2024), which includes \$6 million for the statewide New Jersey Pathways to Career Opportunities Initiative and \$3 million for the Workforce Literacy and Basic Skills Training Program.

Community colleges are experimenting with new ways to deliver the essential core skills, competencies, and knowledge New Jerseyans need to prosper in a changing global economy, equipping them to be engaged citizens, productive workers, lifelong learners, and global leaders. In 2021, New Jersey's community colleges, in partnership with the New Jersey Business and Industry Association and with support in three state budgets, launched the NJ Pathways initiative, with the goals of:

- Uniting industry and education experts to solve labor market challenges and build timely and relevant curricula to address skill needs;
- Creating education and career pathways from middle and high school through two- and four-year college and beyond in the four fastest-growing sectors in New Jersey: Health Services, Infrastructure and Energy, Manufacturing and Supply Chain Management, and Technology and Innovation; and
- Ensuring a more resilient, equitable, and fairer economy for all residents by supporting multiple on-ramps to stackable credentials, education, training, and careers.

To date, Pathways has convened over 1,400 partners in Industry Collaboratives, developed 10 multi-college virtual Centers of Workforce Innovation, and developed 22 career pathways focused on the earning of industry-valued credentials. These Pathways span high school to college and careers and include career awareness, dual enrollment, work-based learning (pre-apprenticeship/apprenticeship), credit for prior learning, and a range of other strategies. Community colleges are working in close partnership with employers, high schools, four-year institutions, labor unions, and community-based organizations to advance pathways that support regional economic growth and mobility.

Since 2007, the Workplace Literacy and Basic Skills Training Program has enabled community colleges to provide essential training to more than 200,000 working individuals in partnership with more than 12,000 employers across the state.

Pillar 4: Helping More Adults Get Credentials of Value by Funding Noncredit Programs for Low-Income Students

To keep up with evolving skills and achieve economic and career mobility, more adult and working learners need ongoing access to education and training. Some of these needs can be met through short-term nondegree credential programs at community colleges. State and federal financial aid programs in New Jersey are focused solely on assisting students who attend credit-bearing degree programs. However, community colleges offer a significant number of short-term noncredit programs leading to an industry-valued credential that are not affordable to many students who could benefit from them.

New Jersey's Workforce Development Partnership (WDP) Fund and the Supplemental Workforce Fund for Basic Skills (SWFBS) were established in the 1990's to be a dedicated source of funding for occupationally-focused training programs and for literacy programs. Funded through payroll taxes, each fund consists of sub-programs focused on specific populations (dislocated workers, disadvantaged workers, employed workers, etc.), each with specific legislative requirements. NJCCC believes it is now time to consider how these funds can be updated to better serve the evolving education and training needs of New Jersey workers and employers.

New Jersey's community colleges recommend that the state develop a sustainable approach to funding students who enroll in noncredit programs. Such an investment could have two components:

4a. Expand the Community College Opportunity Grant (CCOG) program to provide support for individuals pursuing industry-valued noncredit credentials that meet quality standards.

4b. Modernize New Jersey's Workforce Development Partnership Fund and the Supplemental Fund for Basic Skills to establish a \$20 million New Economy Opportunity Skills Fund that could serve as a source of funding for community college workforce programs (an increase of \$20 million over FY 2024).

Please let me know if you have questions or need additional information.

On behalf of NJCCC, thank you for your support of New Jersey's 18 community colleges and the vital role they play in advancing equity and economic mobility across our state.

Sincerely,

A handwritten signature in black ink, appearing to read 'ARF', with a horizontal line extending to the right.

Aaron R. Fichtner
President