

To: Chairwoman Turner and the Senate Education Committee

From: Christopher Emigholz – Director of Education & Workforce Development Policy
New Jersey Business & Industry Association (NJBIA)

Date: March 5, 2009

Re: **S-1609 (Lesniak, Whelan) – Restructures Higher Education**

Good afternoon, and thank you for posting this bill and considering our perspective. My name is Christopher Emigholz, the Director of Education & Workforce Development Policy for the New Jersey Business & Industry Association (NJBIA), and on behalf of our 22,000 members, I am testifying in support of S-1609. NJBIA is committed to improving the quality of New Jersey education, while controlling its escalating costs, and this bill will help do that for higher education in New Jersey. The Association thanks Senators Lesniak and Whelan for this innovative way to help higher education in New Jersey in several ways.

In addition to our support of the bill's elevation of higher education and increased accountability, NJBIA believes that greater financing flexibility for New Jersey's colleges and universities is good for them, taxpayers, the future workforce and business, especially if this financing can lead to more robust public-private partnerships. Stronger institutions of higher education lead to a better workforce, serve as a positive economic force in their region and can partner with business to support the innovation necessary to grow and drive the State economy. Yet higher education in the State of New Jersey has suffered in recent years from the State's budget difficulties, and those challenges will not lessen in the near future. The State can still assist its colleges and universities in creative ways that do not require money, and one way is to increase the flexibility afforded to higher education institutions. This bill does just that, helping them with their financing, construction needs and ability to partner without increasing the size of the State Budget.

This financing flexibility also fits right into what the NJPRO Foundation has recently found to be one of the most important factors in improving an economy – innovation through higher education-business partnerships. In NJPRO's recent report, entitled 'Economic Policies and Solutions: Making NJ A Better Place to Do Business', one of the top recommendations to improve the economy, based on evidence from other states, was to encourage innovation at state colleges and universities through cultivating partnerships with private industry. Better targeted R&D funding could certainly help this happen, but in these tough economic times, financing flexibility for these partnerships is the best way to encourage these critical relationships. Higher education-business partnerships have helped the economies in such diverse states as Virginia, North Carolina and Massachusetts, and they should be allowed to stimulate our economy as well. This financing flexibility can be one more part of the economic stimulus package that this Legislature has been so successful in passing over the last few months.

NJBIA thanks you for your support of S-1609, especially if it includes the much-needed flexibility for higher education partnerships. It has the potential to improve higher education and the economy in New Jersey for generations to come.