

Issue Date: Dec 15, 2003

Restructuring off the table

Rutgers, Gov. McGreevey issue joint statement

By Carla Cantor

The controversial proposal to integrate Rutgers, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology into a single research university will not go forward. The announcement came in a joint statement issued by Gov. James E. McGreevey and the Rutgers Board of Governors Dec. 12.

"It is clear that while we have made good progress, it will not be possible to present a comprehensive plan to the Legislature in time for appropriate consideration in 2004," said board of governors Chair Gene O'Hara, reading the joint statement. "Collaboration and partnership are ideas we will continue to pursue. However, there are simply too many financial and structural issues for this to be considered by the Legislature at this time."

The board voted 10-1 to issue the joint statement, with the dissenting vote coming from P. Roy Vagelos, a member of the board of governors and chair of the Review, Planning and Implementation Steering Committee, appointed by Gov. McGreevey in December 2002 to design the blueprint for restructuring public higher education in New Jersey.

President Richard L. McCormick commended the board for the resolution and thanked the university community for its dedication and hard work. "For the past 14 months, the Rutgers community has been deeply and intensely engaged in discussions and analysis of Governor McGreevey's exciting proposal to restructure New Jersey's public research universities," McCormick said. "Our board members, our faculty, our administrators and our students have devoted countless hours and intellectual capital to this vision." He also thanked Gov. McGreevey for recognizing the importance of strong colleges and universities to New Jersey's future prosperity.

McCormick said that the restructuring discussions had sparked many rich ideas about the future of Rutgers and its relationship to its partner research universities, especially in the life sciences. He said that he looked forward to closer collaboration among the administrations and faculties of Rutgers, UMDNJ and NJIT.

"There is so much we can do to break down the barriers of collaboration," McCormick said. "Education, research, health care, service to the people of New Jersey. This is what our research universities are all about. I share the board's conviction that these goals can be achieved for now in substantial measure without restructuring."

Board members expressed gratitude to Vagelos for helping to create a blueprint for a research-based economy based in academic excellence. David J. Harris, Jr. said that Vagelos' steering committee had not only highlighted Rutgers' need to develop better synergies but had helped identify shortcomings of the existing system, particularly in regard to the Newark and Camden campuses. "While New Brunswick has had the lion's share of resources," he said, "Newark and Camden need more resources and independence."

Vagelos, the former CEO of Merck & Co., said he was "disappointed that the university would pull away from such an opportunity." But he expressed enthusiasm for the plans that had come out of the university subcommittee reports for the north, central and southern campuses, detailing their individual visions for restructuring. "The most exciting part of the whole exercise was the university committees—the faculty who looked at the universities in Newark, New Brunswick/Piscataway and Camden/Stratford and said, 'this is exciting' and wrote reports that transmitted that excitement and passion."

Speaking on behalf of the students, Jason Redd, student representative to the board of governors, said students were buoyed that the debate had drawn attention to Rutgers' aspirations to become a top-tier research institution. "If you ask students, they want the university to be the best it can be. I hope this focus and commitment, while not in the form initially proposed, will continue to inspire faculty, students and the governor to work together for the good of the university and the state's educational system."

The ambitious proposal to combine the state's three public research universities and restructure them into a single educational system consisting of three semi-autonomous, comprehensive research universities had been mired in controversy over two major issues: governance and funding. The proposal called for each university to be governed by a president reporting to a chancellor and a board of regents in Trenton.

President McCormick and others at Rutgers had repeatedly stressed the need for strong local control of each university. The president also called for a consistent source of funding, not only to accomplish the restructuring plan, but to raise and then maintain a higher level of education by constructing new facilities, creating new academic programs and expanding enrollment at state university campuses across the state.

Negotiations involving the Rutgers administration and the governor's office had intensified in the days leading up to the joint statement. On Dec. 10, the consulting firm responsible for determining the cost of the merger placed that figure at an estimated \$1.3 billion over the next 10 years.

The estimate came in just before the governor's Jan. 1 deadline to get Rutgers to decide whether it would support the restructuring proposal. McGreevey had proposed the bond issue for the November 2004 ballot to pay for the cost of restructuring and to address the problem of enrollment capacity at state colleges and universities. The fate of the bond issue proposal now is unclear. McGreevey had indicated the bond issue would not be placed on the ballot if Rutgers decided against the proposal.

At the meeting, board members stressed the need to continue to address the issue of funding and urged the state, despite the fate of the restructuring proposal, to make a major investment in higher education.

Board member Ronald W. Giaconia said that Rutgers and most other state colleges do not have the capacity to accommodate the enormous increase in demand expected over the next 10 years. "Increased annual funding and a bond issue are required now to meet the capital needs of our state colleges and universities," Giaconia said.

Unlike UMDNJ and NJIT, Rutgers was in a unique position to decide the fate of the restructuring proposal. The Rutgers Board of Trustees had the authority to reject the proposal under the 50-year-old law that established the state university. The law grants the trustees the right to determine the future of the university's land and assets.

However, the board of governors' actions, said McCormick, have effectively "taken restructuring off the table" and a trustee vote is no longer required.

McCormick said that he had discussed the joint statement with Patricia Nachtigal, chair of the board of trustees, prior to its passage and that she supported it. Many trustees reportedly had opposed the restructuring plan, contending, among other concerns, that it would have handed Trenton too much control over the three semi-autonomous universities.

**This article was published in the Dec 15, 2003 edition of the Rutgers Focus and is available online at
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Last Updated: May 30, 2006

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