Task Force Meeting

of

LEGISLATIVE TASK FORCE ON
HIGHER EDUCATION AND THE ECONOMY

"Congressman Frank Pallone Jr. will provide testimony on Federal funding opportunities for the State's public research universities; and various representatives of the higher education community will provide testimony on options for the restructuring of the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, and Rutgers, The State University of New Jersey"

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: January 26, 2007
1:00 p.m.

MEMBERS OF TASK FORCE PRESENT:
Senator Raymond J. Lesniak, Co-Chair
Assemblyman Wilfredo Caraballo, Co-Chair
Senator Joseph F. Vitale
Senator Loretta Weinberg
Senator Nicholas Asselta
Senator Robert J. Martin
Assemblyman Patrick J. Diegnan Jr.
Assemblywoman Pamela R. Lampitt
Assemblywoman Marcia A. Karrow

ALSO PRESENT:
Senator Ronald L. Rice

Osomo A. Thomas
Sarah B. Haimowitz
Office of Legislative Services
Task Force Aides

Jacqueline Burke
Keith White
Legislative Majority Office
Task Force Aides

Brian Alpert
Brigid E. Farrell
Legislative Republican Office
Task Force Aides

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey
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SENATOR RAYMOND J. LESNIAK (Co-Chair): Okay.
The meeting will come to order.

Please, everyone, take your seats. Do what I’m going to do with my cell phone, and turn it off.

And I guess, Senator -- I’m sorry, Co-Chair Caraballo, we should call the roll.

ASSEMBLYMAN WILFREDO CARABALLO (Co-Chair):
Yes.

SENATOR LESNIAK: Who is going to call the roll?
SENATOR LESNIAK: Here.
MS. HAIMOWITZ: Assemblyman Caraballo.
ASSEMBLYMAN CARABALLO: Here.
MS. HAIMOWITZ: Senator Vitale.
SENATOR VITALE: Here.
MS. HAIMOWITZ: Senator Weinberg. (no response)
Senator Asselta.
SENATOR ASSELTA: Here.
MS. HAIMOWITZ: Senator Martin. (no response)
Assemblyman Diegnan. (no response)
Assemblywoman Lampitt.
ASSEMBLYWOMAN LAMPITT: Here.
MS. HAIMOWITZ: Assemblywoman Beck. (no response)
And Assemblywoman Karrow.
ASSEMBLYWOMAN KARROW: Here.
SENATOR LESNIAK: Okay.
Assemblywoman (sic) Weinberg will probably come to the meeting, because I saw her here. I think she may have stepped out for a second.

Congressman Pallone had another meeting. He was here, but he had another meeting to go to. So we will call, first -- starting off with Provost -- oh, yes, the Provost of Rutgers-Newark, Steven Diner. I’m sorry.

Mr. Diner, thank you very much for coming.

STEVEN J. DINNER, Ph.D.: Chairman Lesniak, Chairman Caraballo, distinguished members of the Committee, thank you for giving me the opportunity to share my views on the proposed reorganization of Newark’s research universities.

I am Steven Diner, Provost of Rutgers-Newark. I have headed Rutgers-Newark for four-and-a-half years; and before that, for four years, served as Dean of our faculty of Arts and Sciences. I also served as Co-Chair of the committee that planned a unified research university in Newark in 2002 and 2003, under the leadership of Dr. Roy Vagelos.

Rutgers-Newark has over 10,000 students, the largest enrollment of Newark’s three research universities. It has long been an institution committed to making first-rate education, with an outstanding research faculty available to students from low-income and modest family backgrounds. For 10 years in a row, U.S. News & World Report has ranked Rutgers-Newark as the most diverse national university in America. A newly announced assessment of doctoral universities ranked Rutgers-Newark 12th in the country among small research institutions. Rutgers-Newark has six colleges: Arts and Sciences, Business, Law, Nursing, Criminal Justice, and Public Affairs and Administration.
Let me get right to the point. I believe the unification of Newark’s three research universities could bring tremendous benefits to the city of Newark and the people of New Jersey if it is done right and planned carefully. Like President McCormick, I believe that planning for this major restructuring of our research universities should be done carefully, with extensive participation of academic leaders; that a concern with academic quality must drive everything else; that the state’s universities should be governed in a way that will protect them from partisanship; and that adequate funds be allocated to enable this restructuring to succeed. Within this framework, the unification of the research universities of Newark offers tremendous potential.

The research universities of Newark already have extensive collaborations and joint programs. Each year, approximately 1,200 students from Rutgers-Newark or NJIT take courses at the other institution. Rutgers students in computer science take their major courses at NJIT. NJIT students take their biology courses at Rutgers. NJIT biologists and bioengineers have their laboratories at Rutgers, and Rutgers environmental scientists have laboratories at NJIT. Rutgers and UMDNJ jointly operate a neuroimaging facility. Rutgers and UMDNJ jointly offer a Ph.D. in neuroscience and a master’s in public health. All three institutions participate in a Ph.D. in urban systems. And these are just a few examples of the extensive collaborations that already exist.

One might ask then: Why is it important, academically, to bring these three institutions together if so much collaboration already exists? First, it is very difficult to sustain collaborations over time, and
administering cross-campus collaborations is complex and time-consuming at best.

Secondly, there are a few areas of duplication where consolidation could bring great benefits: nursing students at both Rutgers and UMDNJ, business schools at Rutgers and NJIT, chemistry departments at Rutgers and NJIT, among others.

Thirdly, students will get a wider range of course selection, greater program depth, and more comprehensive services for their tuition dollars in a single, comprehensive, and well-integrated university of 21,000 students.

Finally, our strength and competitiveness in the biomedical sciences would be greatly enhanced by bringing together, in one institution, the medical and dental school faculties of UMDNJ, the bioengineering and computational science faculties of NJIT, and the basic science faculties of both Rutgers and NJIT. Leveraging these strengths in the biomedical sciences to enhance economic development in Newark and New Jersey will also require the expertise of the Business School in entrepreneurship and of the Law school in intellectual property and commercial law.

But even more important than these specific benefits, a comprehensive university with schools of arts and sciences, law, business, medicine, dentistry, engineering, computing, architecture, nursing, criminal justice, and public administration would have the elements of a major research university. With strong leadership and adequate State financial support, in 15 to 20 years, Newark’s university could become known around the world. It could help transform the reputation of the state’s largest city, solidify Newark’s role as a college town, and provide the
foundation for economic growth in Newark and New Jersey in the future. A unified institution in Newark could be one of the nation’s great urban universities.

We need only look to Chicago to see the potential. In 1982, the old University of Illinois at Chicago Circle was merged with the University of Illinois Medical Center, located 10 blocks away. The University of Illinois at Chicago has gained wide recognition as one of the nation’s top universities, with an explicitly urban mission and deep engagement with the city of Chicago. I believe we can do the same, or even better, in Newark.

So what are the conditions for a unified university in Newark to succeed? First, academic considerations must be paramount, and the process must be driven by a vision for the next generation, not by current self-interest. Restructuring will be enormously complex and must be very carefully planned, and then gradually implemented over a period of several years. Budgetary issues, governance, reorganization of academic units, debt service, allocation of endowments, tenure, union contracts, the status of University Hospital, and numerous other matters would have to be studied carefully before consolidation could go forward. Moreover, the work of the Federal Monitor overseeing UMDNJ would have to be completed before we could start merging administrative structures.

If academic opportunities of the next generation are paramount, then all units that are currently in Newark must be part of the consolidated Newark university. I believe the suggestion to exclude the Law and Business schools is poorly conceived. A major purpose of consolidation is to eliminate the barriers to scholarly collaboration across units. Why,
then, build in a new institutional barrier to collaboration with law and business? Even if one argued that the sole purpose of the consolidation was to advance economic development around science, technology, and medicine, the Business School and the Law school would have crucial roles to play in fostering entrepreneurship and technology transfer. Rutgers Business School, for example, has an MBA concentration and research center in pharmaceutical management, a valuable resource for any effort at economic development in the biomedical sciences.

On a more operational level, 32 percent of Rutgers-Newark undergraduates major in business. If the Business School was removed from the university in Newark, its enrollment would decline immediately by approximately 2,100 students, and several of its most popular majors would disappear. If the freestanding Rutgers Business School in Newark decided to give its own undergraduate business major, where would the students take their nonbusiness liberal arts courses? Right now, undergraduate business majors take at least half of their credits outside the Business School.

A second condition for success of a unified university in Newark is adequate funding. There will be significant short-term costs in consolidating the administrative structures of three separate institutions. There will be some long-term economies in combining three registrars, three financial aid offices, three police forces, three housing offices, three purchasing offices, and even three provosts. And this will ultimately make more efficient use of scarce public funds. But there will be significant costs at the start. And without a substantial initial investment, the new university in Newark cannot succeed.
Finally, I would argue that the university in Newark should be named Rutgers-The State University of New Jersey at Newark, and operated as a part of Rutgers. The Rutgers name is an enormous asset. And it would take decades and millions of dollars to achieve the brand recognition that Rutgers commands. Rutgers University has been located in Newark since 1892, when the School of Pharmacy was opened. In 1946, what was then the University of Newark was taken over by Rutgers and became Rutgers-Newark.

Across the country, the name of the flagship university is used by multiple institutions in the same state: the University of California at Berkeley and the University of California at Los Angeles, the University of Illinois at Urbana/Champaign and the University of Illinois at Chicago, the University of Wisconsin at Madison and the University of Wisconsin at Milwaukee, and dozens more. Likewise, New Jersey’s research universities should carry the name Rutgers-The State University of New Jersey at New Brunswick, Newark, and at Camden.

The name of the unified university in Newark is a matter of utmost importance in recruiting students and faculty. In the surveys we have conducted, students who attend Rutgers-Newark tell us that they chose our institution because they know that a Rutgers education is recognized by prospective employers and by graduate schools as a top-quality degree. If the Rutgers name were abandoned in Newark, I predict we would face a significant decline in applications and enrollment, at least in the early years. This would create budgetary problems for the new university, and would therefore slow or halt the growth of new resident students, who are so important to the revitalization of downtown Newark.
And the prestige of the Rutgers name has also been a great asset in attracting top faculty.

A Rutgers University system with two or three enlarged campuses would also make possible the coordination of programs that currently span multiple campuses, including business, social work, nursing, and pharmacy. It would also allow for more efficient development of statewide resources like the library and computing systems.

It would, of course, raise questions about governance and the extent of local autonomy. But there are many models around the country. If we agree that the name Rutgers, The State University of New Jersey will add significant academic value to the university in Newark, then we can certainly devise an appropriate governance structure.

Thank you.

SENATOR LESNIAK: May I?

ASSEMBLYMAN CARABALLO: Absolutely.

SENATOR LESNIAK: Thank you, Assemblyman.

Wow, it was pretty powerful testimony.

DR. DINER: Thank you.

SENATOR LESNIAK: I also want to observe that your statement -- “I believe the suggestion to exclude the Law and Business schools is poorly conceived” -- that’s the first time anyone has had the courage to say anything that suggests that it’s poorly conceived. (laughter)

DR. DINER: And I didn’t mean that in any personal sense.

SENATOR LESNIAK: No, this provides us with a lot of information that I’ve been seeking. I know some of the Assemblywomen
have been talking about some specifics. We’ve kind of been nibbling at the edges on those issues. This gives us a lot of information to work on.

I just want to hit on two topics that interest me. I just want to, again, observe -- with your observation about the Monitor’s work being done before the restructuring actually takes place (interruption) -- before the structure takes place-- I’m sorry, the Monitor finishes his work before the structure takes place -- the restructuring takes place.

I know you didn’t say this, but I want to make it clear-- And what you did say is, the planning for this is complicated, to say the least, and involved, and is going to take a fairly significant period of time, certainly months. And it would be my belief that, through this committee, that the planning go on and -- so that we have something in place, ready to go, and not just start that process when the Monitor is finished. I think that would be a big mistake. And we would lose a lot of significant time while we’re losing ground in having a structure that doesn’t work at its optimum basis, as you have previously outlined.

And, lastly, I just -- again, really not a question, because you didn’t -- you raised it, but you didn’t answer it. And I guess it’s one of -- going to be one of the most important things that we would have to decide on, were this to be our recommendation -- and that is the governance. Because we would have to ensure that-- As Dr. Shapiro previously testified before this committee, no matter what structure you have, if you don’t have good leadership and good governance, you’re not going to have a good university.
So I really don’t have any questions. I just want to commend you for the specificity of this testimony. And I think a lot of the -- if not all, of the recommendations are very solid.

DR. DINER: I appreciate that, especially in light of that word -- poorly conceived. (laughter) That’s very generous.

Thank you.

SENATOR LESNIAK: Thank you.

Senator Vitale.

SENATOR VITALE: Thank you.

Thank you, Provost Diner.

I want to just ask you two brief questions regarding the School of Pharmacy and the School of Nursing, currently located in Newark. There’s a pharmacy component in Newark, as well?

DR. DINER: Pharmacy is located in New Brunswick.

SENATOR VITALE: New Brunswick, right.

DR. DINER: But it’s a six-year program. And the first two years can be taken in Newark or Camden.

SENATOR VITALE: The nursing--

DR. DINER: And then the last four years in New Brunswick.

SENATOR VITALE: Right.

The nursing program at Rutgers, and the new facility they’re building -- at New Brunswick, rather. And then, of course, there’s the UMDNJ School of Nursing, and the Rutgers School of Nursing in Newark.

If, in your view, this happens -- a merger -- of both of those entities, including NJIT -- the nursing schools are merged in Newark -- which has always been of interest of me, just as a separate issue, because of
the depleting resources and lack of resources, as well -- how that comports with what happens in New Brunswick. You would still-- You would view that you still maintain a School of Nursing in Newark and a School of Nursing in New Brunswick?

DR. DINER: Well, right now--

Senator, you’ve been the great supporter of nursing, I think, within the Legislature. And we’ve always been very grateful for your support.

Right now, within Rutgers, the College of Nursing is based in Newark and offers the undergraduate, master’s, and Ph.D., and soon will be offering the doctorate in nursing practice in Newark; offers an undergraduate degree in New Brunswick -- the faculty are physically based in Newark, but they travel to New Brunswick. And that actually offers a master’s degree in Camden, as well.

These are matters that could be sorted out. Should there be a separate nursing school in New Brunswick University? How tight would this system be? Would there be an overall coordinating system or a chancellor that could ensure that multi-campus programs continue to function? Those are all issues, I think, that would have to be resolved.

What I’d say now is that neither the Rutgers Nursing school, nor the UMDNJ Nursing school -- which are 10 blocks from each other in Newark -- have the critical mass of faculty to become truly distinguished, nationally.

SENATOR VITALE: And I think you’re--

DR. DINER: And I think if they’re combined, they would have that critical mass, which would be very important.
SENATOR VITALE: Sure. And I think that having the New Brunswick campus in Newark, and having the different missions -- whether it’s the master’s program or the undergrad program in New Brunswick -- does make sense, instead of-- And I’m not advocating that we concentrate all of nursing in Newark, all of nursing in New Brunswick. I think it makes sense to have (indiscernible) with the undergraduate program and some of the other offers in New Brunswick, in addition to what they offer in Newark, so that there is-- Because when they do their clinical rotations, they are all over the state, not just at one hospital, and not just University, not just at Robert Wood in New Brunswick. So it does make sense.

But my concern is, of course -- and you raised that at the end of your response -- was Newark, alone, by itself, with Rutgers and UMDNJ competing for the same limited number of faculty members, the same students, again, just blocks apart-- So whatever--

DR. DINER: It’s not a desirable arrangement, no.

SENATOR VITALE: Okay. Thank you.

ASSEMBLYMAN CARABALLO: Senator Weinberg.

SENATOR WEINBERG: Thank you, Assemblyman.

Thank you for your testimony.

But to follow up on some of Senator Vitale’s points: One of our big problems, the way I understand it, in terms of nursing education is actually the lack of faculty. There are waiting lists in our nursing schools. It’s not just the development of the workforce. There are people there who actually want to get into nursing school--

DR. DINER: That’s absolutely right.
SENATOR WEINBERG: --but can’t, because we don’t have enough faculty. They’re probably too underpaid, probably mostly women also, but -- just a little commercial on my side of the coin on that one.

But would combining some of these perhaps help to overcome -- to be able to get more people, in because we would have the faculty by joining some of these together?

DR. DINER: Potentially, I could. Because we would deploy faculty in the nursing schools more efficiently with less duplication.

There is-- You’re absolutely right. There is not only a nursing shortage, there’s a nursing faculty shortage. And nursing faculty at the senior institutions typically will have a Ph.D. degree. There’s only one Ph.D. in nursing in the state, and that’s the one at our nursing school now. I would like to see the UMDNJ nursing faculty collaborate in the nursing Ph.D. program that we offer -- at least those who have the appropriate research profile. But if there were a single nursing school, certainly that would be the case.

But also, at the community college level, the nursing faculty are typically people with what are, right now, specialized master’s degrees in nursing. And that is transitioning across the country and here in New Jersey to the doctorate in nursing practice, the nonresearch doctoral degree. And they provide the faculty of the community colleges and the R.N. programs. And some of the senior institutions might also hire, in nursing, someone with a doctorate in nursing practice, rather than a Ph.D.

Both of our institutions are, right now, at the same time, developing doctorates in nursing practice, 10 blocks from each other. And I think, again, it could be more efficient, and we could make more efficient
use of resources and, therefore, increase the number of people we’re able to serve in an unified structure.

I wouldn’t say it would be a dramatic increase, but there would be some savings in efficiency. If we could also invest in it to increase the size of the nursing faculties, then I think we’d really be accomplishing something very important to the state.

ASSEMBLYMAN CARABALLO: Assemblyman Diegnan.

ASSEMBLYMAN DIEGNAN: Two quick questions, Dr. Diner.

Number one -- correct me if I’m wrong -- when Senator Vitale and Senator Weinberger are zeroing in on the nursing program-- Isn’t it -- and this, to me, is the most telling circumstance of why a merger is something we should consider -- one of the most telling. Isn’t it true that UMDNJ offers a nursing program, undergraduate, but, in fact, cannot award a degree?

DR. DINER: I believe that is correct. I believe UMDNJ -- although someone from there might correct me on this. I believe they are only chartered to offer graduate degrees. So their undergraduate degrees all have to be collaborative with other institutions. In any event, undergraduate nursing requires substantial general liberal arts. You have to take English, you have to take general biology, you have to take political science, and the like. And UMDNJ doesn’t offer those things, because it’s not a liberal arts undergraduate institution; so that they have to partner with other institutions in order to do that.

ASSEMBLYMAN DIEGNAN: And, again, I don’t want to put you on the spot, but I get the sense from your testimony that going forward
with merger, consolidation, whatever it would be, you would -- your recommendation would be that Rutgers should really be the one that takes the lead -- in terms of recommendations and focus -- in basically consolidating with UMDNJ or any other institutions that we may consider to be appropriate.

DR. DINER: Well, I would say that -- and I have said that I think the Rutgers name is an enormously valuable asset that we ought not give up, and that can make the university in Newark much more successful, much more visible. And I think there is great advantage to doing all of this within a single, corporate, educational structure we call Rutgers. Exactly how that is governed, I’m not ready to say right now, and it’s a very complex issue.

But I think the first question is: Do we do it all within something we call the corporate structure of Rutgers, or do we do it as totally separate institutions? And I’ve tried to make the case why academically I think it makes an enormous amount of sense, both in terms of the shared collaborative kinds of activities that can go across -- that occur across the system, and also because of the prestige of the name.

SENATOR LESNIAK: Assemblyman, if I may answer that question as well. And as I understand the testimony of Dr. Diner, the-- While the value of the name of Rutgers as an academic institution, and the institutions that are already in place, has tremendous value, the governance of a restructured university within the city of Newark -- and I noticed you have not mentioned NJIT, but that could certainly be part of it--

DR. DINER: Oh yes, for sure.
SENATOR LESNIAK: --could be separate and apart from the current, and certainly would be a lot different from the current governance of Rutgers University, as a whole.

DR. DINER: I’m not ready, at this moment, to venture into what the governance--

SENATOR LESNIAK: Right.

DR. DINER: --ought to be. But certainly there is a compelling need for each of the institutions -- if there are two or three -- to have sufficient autonomy so that they can really set their missions, pursue what they need to pursue. And there also needs to be sufficient coordination -- that we can get the benefits of cross-college -- cross-institutional programs. And I think if we want to go this way, we can sit down and design a structure that meets all those needs.

ASSEMBLYMAN CARABALLO: Assemblywoman Lampitt.

ASSEMBLYWOMAN LAMPITT: Thank you, Provost Diner.

My quick question is this -- is that you focused so much on Newark. And when you’re looking at the ability to collaborate or reengineer higher education in the State of New Jersey, there’s no opportunity in the southern part to reengineer what’s going on in Rutgers-Camden? Do you have any comment on that?

DR. DINER: Yes. I focused on Newark, because I head the Newark campus of Rutgers, and because the particular proposal that’s been discussed has been the University of Newark. But I think, certainly, my colleague Roger Dennis I’m sure would agree -- similar kinds of issues emerge in Camden.
Camden doesn’t have the presence -- the sheer bulk of research university presence that Newark has. But it ought to have it over time. I know the Camden campus of Rutgers has started Ph.D. programs. They have a long ways to go in building those up. And there are new investments in Camden.

So, yes, I would think we’re talking three major centers.

ASSEMBLYWOMAN LAMPITT: Thank you.

ASSEMBLYWOMAN KARROW: Thank you.

Thank you, Provost Diner.

As the Chair -- the Senate Chair has stated, you’re testimony is very, very powerful. It’s the first time it has really been laid out with a true vision, I think, that a number of us could get our hands around, and our brains around, and our teeth around, as far as outlining what this would look like.

There was some early talk, mostly in the newspapers before we actually ever met, about a University of California kind of structure, where there would be various campuses. And having -- holding a master’s degree from the University of Michigan, myself -- Ann Arbor -- I certainly can understand that and grasp it.

So I really appreciate your testimony, because it’s something that we can-- It actually gives us something to either fight or work towards as a vision. And I really appreciate you breaking down the components that we need to study in your testimony, on Page 2, regarding budgetary issues, and endowment issues, and union issues. Because I think that’s really critical for what your vision is.
So I have a couple of questions. One is, you state that you believe that the Monitor overseeing UMDNJ needs to be completed -- his work -- before we can do-- And I just want to know why? Senator Lesniak disagrees with you. I don’t have an opinion on this really. I just want to know how strongly you feel about that.

SENATOR LESNIAK: If I may, I didn’t necessarily disagree with what Dr. Diner said. What I said, certainly, was that we should go along with the planning--

ASSEMBLYWOMAN KARROW: Yes.

SENATOR LESNIAK: --to do it.

ASSEMBLYWOMAN KARROW: Yes. I stand corrected.

How strongly do you feel about--

DR. DINER: Well, let me put it this way. I had a conversation about a year ago with someone I met at a conference, who was at the University of Colorado at Denver. The University of Colorado at Denver was, at that point -- right now -- being merged with the University of Colorado Medical Center, also in Denver -- very interesting parallel to what we have in Newark, and to what they did in Chicago. He said they spent four years planning it before a single administrative action was taken to actually combine the schools.

Okay? Now, I don’t know if that’s the only--

And by the way, he said, “We studied all the models around the country. And we studied the New Jersey model as a negative.” This was--His response was, “The New Jersey model was a negative, where there was something handed down on high, and you attempted to do it very quickly, and it wasn’t thought through.” So that’s what he told me.
I’m not saying there shouldn’t be any conversation or discussion about it. But I can’t imagine even the first administrative steps toward bringing the institutions together until UMDNJ is made whole again. Because otherwise, how do you begin to merge fiscal matters, for starters? How do you begin to merge budgets, procurement systems, and the like? Would that then have the Monitor monitoring the accounts of all the institutions -- the institutions that would be brought together in Newark or elsewhere?

So that’s what I meant by that needs to be resolved. It doesn’t mean we shouldn’t be talking about it. But I don’t think-- In my view, no administrative action would be taken. But I think we need a long and careful planning process before we made any firm decisions to go forward.

ASSEMBLYWOMAN KARROW: Let me ask you this question: Where do you see the hospital fitting in?

DR. DINER: The hospital is critically important to the people of Newark and the people of the state, but Newark in particular -- and grows, of course, out of the Newark compacts of the late ’60s, tied into the environment around the riot. Whatever happens, University Hospital and that service mission must be preserved.

There are many, many medical schools that don’t operate their own hospitals. And there are careful affiliation agreements between a hospital and a medical school. So, for example, even in New Brunswick, the Robert Wood Johnson Hospital is not run by the University of Medicine and Dentistry. And the Robert Wood Johnson Medical School in New Brunswick functions very, very well in that close collaboration.
So my sense is that, given all the pressures on hospitals in general -- and now I’m probably out of my realm of expertise -- but given the costs, the pressures, University Hospital -- the State ought to guarantee it, secure it, and make it probably some kind of not-for-profit corporation or independent entity who’s budgetarily separate -- so we don’t have to confuse the budgetary issues of higher education with the budgetary issues of the hospital -- and have some kind of affiliation. Others have more expertise than I do in what they should really be.

ASSEMBLYWOMAN KARROW: Well, as Provost, would you be reluctant to have it as part of the Newark campus?

DR. DINER: My concern, to have it part of the institution itself, would be budgetary. I don’t know what lies down the road, in terms of the enormous cost of charity care and the like. And I would hate to see these two things competing with each other within the institutional budget. And that, I think, is a view shared by most of my colleagues in academia -- fear that if University Hospital were part of the University of Newark it would bleed all the academic resources. And it would, frankly, provide a pretext for not dealing with the really important role that University Hospital provides in Newark in providing medical care, as a discrete entity in its own right. And it ought to be budgeted and treated that way, in my view.

ASSEMBLYWOMAN KARROW: Thank you.

And my last question for you is: You made a statement regarding governance; that there could be sufficient autonomy to allow a mission in each of these three campuses, but also allow for the collaboration of economies and whatever. How autonomous is the Newark campus of
Rutgers right now -- the Business School, the Law school -- from Rutgers University?

DR. DENER: The structure of Rutgers right now-- I’m the CEO of the Newark campus. All the deans on the Newark campus report to me, including the Dean of Business, who runs the Business School. It’s about two-thirds in Newark and one-third in New Brunswick. And the dean of the Nursing School -- although all the faculty are in Newark, but offers a program in New Brunswick. I report to the President of Rutgers.

Essentially, one way to understand Rutgers right now is that there is no distinction between the administration of the New Brunswick campus and the central administration of the system. So everything from legal counsel, budgeting, and the like are administered in New Brunswick for all three campuses. That’s how it operates right now.

ASSEMBLYWOMAN KARROW: And do you-- Are you familiar with the other university systems around the country, like California? Do they do the same thing?

DR. DENER: No.

ASSEMBLYWOMAN KARROW: They stand alone, with their own counsel--

DR. DENER: There, there is considerably greater autonomy on each of the campuses. And there is a discrete central administration. Usually that’s the chancellor’s staff or the president. Some people call it-- In some states it’s called chancellor of the system and president of the institution, and some they flip the use of the words. But either way -- either the president or the chancellor -- the system office is usually a small
administrative staff, and it’s quite separate from the staffs of each of the local institutions.

ASSEMBLYWOMAN KARROW: But they hold the -- like the University of California holds-- It’s University of California at Berkeley, University of California at L.A., etc. And you think that could function well -- that same kind of solid, strong autonomy -- for a University of Rutgers-Newark, a University of Rutgers-Camden, or University of Rutgers-New Brunswick?

DR. DINER: I think we could-- If we put our minds together and worked it through, we could come up with a system that met all of those needs, both systemwide needs of a single Rutgers system and sufficient autonomy at each campus.

ASSEMBLYWOMAN KARROW: Thank you.
ASSEMBLYMAN CARABALLO: Senator Rice.
SENATOR RICE: Thank you very much.
SENATOR LESNIAK: Wait, wait, Assemblyman Caraballo was supposed to let me call you, Senator. (laughter)

Senator Rice.
SENATOR RICE: How are you?
DR. DINER: I’m fine. Thank you, Senator.
SENATOR RICE: Let’s go back in history a little bit. And I apologize that I wasn’t here for the first two meetings. I wasn’t officially a member in the first meeting.

Let’s go back in history. We’ve gone through this “restructuring,” in the past. But the term used is a term you continue to use. Why do you use the term merger, presently?
DR. DINNER: Probably out of bad habit. (laughter)

SENATOR RICE: Okay. Well, the rest of us too. I just want to be sure where we are.

The question I have for you-- We’re really talking about connecting, and we’re talking about resources. And how do we connect these resources to get a correlation that benefits everybody?

Are you not still a member of CHEN?

DR. DINNER: Yes.

SENATOR RICE: Well, in the past, when we had these discussions, the legislators visited -- and they recognized-- They didn’t know anything about CHEN. When they saw it, they said it was a great idea, that perhaps CHEN should be the model for the state in South Jersey and other locations.

Have you had any discussions with this committee, or anyone from your institution, in reference to the CHEN model and what that means?

DR. DINNER: Well, yes, of course. Not with the members of this committee, but certainly with people in my institution.

SENATOR RICE: Do you mind -- people in your institution.

DR. DINNER: Excuse me?

SENATOR RICE: The people in your institution, you said?

DR. DINNER: Yes. I’ve certainly talked, within Rutgers, of the CHEN--

SENATOR RICE: Within Rutgers.

DR. DINNER: Yes.
SENATOR RICE: So you’re making the assumption that all the members of this committee are aware of CHEN, how it functioned -- but may not be -- and may be aware of how we can enhance that as a model. Are you making that assumption? Or do you think it’s important enough, after raising millions of dollars -- that’s what you did -- building a community -- that’s what we’re talking about -- building the economy of that community. Don’t you think that’s important to at least say, “Well, here’s another look we should take,” if we’re talking about -- not merging, restructuring -- collaboration? Because CHEN is a model of collaboration, right?

DR. DINER: Yes, it is.

SENATOR RICE: Do you think that worked very effectively, at least for the geographic area it’s in, or do you think it’s a bad model?

DR. DINER: No, I think-- Senator, I think your point is very well-taken.

SENATOR RICE: Okay.

DR. DINER: If I could explain why I didn’t allude to CHEN at the beginning. I did, in my testimony, begin by--

ASSEMBLYWOMAN KARROW: Okay. I’m going to be brave. I don’t know what it is. Can you tell us what it is? (laughter)

DR. DINER: CHEN is an acronym.

SENATOR WEINBERG: I already asked on this side of the--

DR. DINER: Council for Higher Education in Newark.

SENATOR LESNIAK: And I said, “Quiet. We’re supposed to know.” (laughter)
DR. DINER: It is the Council for Higher Education in Newark. It’s an association of Rutgers-Newark, NJIT, UMDNJ, and Essex County College; all four institutions located within a few blocks of each other, all in downtown Newark. It is chaired by Zack Yamba, who is the President of Essex County College and, far and away, the senior most of the CEOs of the four institutions. And we have done many things over the years, collaboratively and collectively.

Within that loose umbrella, we have extensive collaborations across the three research universities. We also have relationships with the county college. We have superb articulation agreements at my institution, and I know the same arrangements exist at NJIT. So students move seamlessly from Essex County College into Rutgers or NJIT. And we do a lot of work in the community. We have collaborative K-12 outreach programs and many other things of that sort.

I began my testimony describing the kinds of collaborations we have, which are technically not part of CHEN, because they involve either two-sided or three-sided agreements amongst members of CHEN. They don’t have-- You don’t need the CHEN structure. We negotiate each of those individual program arrangements and join programs together. We negotiated them -- either two institutions together or three institutions together.

And what we’re talking about here, in terms of research universities, clearly does not involve the county college, which is a different kind of institution. So I didn’t use the word CHEN. But certainly I did try to address collaboration.
SENATOR RICE: What about the economics? You haven’t said one thing about the millions of dollars that flow into the Science Park area because of that collaboration. Because part of this is about economy and economics. Don’t you think that’s important? We have a lot of new buildings because of CHEN -- collaboration.

DR. DINER: Yes, it is very important, Senator. And I was trying to be as brief as I could.

One of the things CHEN has done, historically, is create Science Park, which is an entity that’s bringing significant economic development, based on the presence of these universities, into this area -- basically the physical area between the NJIT and UMDNJ campuses. Dr. Altenkirch is the Chair of that board. I’m the Vice Chair of that board. And, historically, it grew out of CHEN, and grew out of that collaboration, and is a very important thing that we do.

SENATOR LESNIAK: Senator, I suggest that we call a representative of CHEN to the next meeting. Will you be in agreement with that?

SENATOR RICE: Yes, Mr. Chairman.

SENATOR LESNIAK: Thank you.

SENATOR RICE: Through you, another question.

Let’s go back in history again, because I know, sometimes, we forget what we read, what we heard, because we haven’t dusted it off.

You referred to these different models throughout the country. And you used the word merger, so I’m going to use it, as much as I hate it. When we did that, I’ve always argued, there was not enough research done -- it could not have been done at all the institutions they claimed they
looked at in-depth. Based on how I had to do research when I attended Rutgers, it could not have been done.

But my question is-- Once the papers started to blow it up, information came in, in statements from California -- the U.C. system -- that, number one, there was some regret they did it the way they did it, because it was too expensive and it was causing a lot of problems. And, number two, they cautioned New Jersey about looking at that model, or that system. Do you recall that information?

DR. DINER: No, I don’t.

SENATOR RICE: Okay. We may have to find it for you to just refresh your memory. Okay?

DR. DINER: I’d be eager to look at it.

SENATOR RICE: You know, because that’s problematic. I know a little bit about California, since my wife came from Berkeley and I have talked to people out there. That’s a system -- we need to be cautious. The name as well, at Berkeley, and things of that magnitude; about how they got there, and what are the problems today with the different campuses.

And so, Mr. Chairman, through you, it’s something you need to go back and revisit. Because I’m not sure if we have all the information in the record that we should be looking at -- at least the new members here.

I’ll just leave it at that right now. But I also want to say this: I’m a Rutgers graduate. And I want everybody to hear this. But I’m also an Essex County graduate. And that’s what I talk about, and you know it. But NJIT is a world-renowned institution. And so I don’t ever want anybody to think that Rutgers, The State University is so prestigious that it diminishes
the reputation of the UMDNJ in this country, as well as internationally, or the NJIT. I’m just saying that for the record, because if that is what you’re trying to sell as we restructure -- we’re trying to sell: Rutgers should be in the forefront, because we have this wonderful, wonderful name -- well, I disagree with all of that statement. So let’s move this, keep some balance here.

And I’ll ask some other questions later.

Thank you, Mr. Chairman.

DR. Diner: I certainly agree with you about NJIT. And I certainly did not mean to imply otherwise, by suggesting what the name of the Newark University ought to be.

Senator Lesniak: Thank you.

Senator Weinberg, and then followed by Senator Martin.

Senator Weinberg: I would just like to comment and just, perhaps, for Senator Rice’s edification--

I’m a graduate of the University of California. I did two years at Berkeley, and then transferred to UCLA and graduated from there. Granted, in the dark ages. (laughter) But the reason the University is having the problems that it is having today has to do with the way California education is funded, it has to do with something called Proposition 13, and property tax caps. (laughter) But if anybody would like to hear a lecture on that, at another venue, I’d be happy to give it.

Senator Lesniak: Did you inhale when you were at-- (laughter)

Senator Weinberg: I hate to admit this, but I actually went to school in the ’50s, not in the ’60s. (laughter)
SENATOR LESNIAK: That was before the--
ASSEMBLYMAN CARABALLO: Before that.
SENATOR WEINBERG: And if I did, you will not find out about it.

SENATOR LESNIAK: Thank you, Senator.
Senator Martin.
SENATOR MARTIN: I'm just trying to understand a little part of the structure of Rutgers, which is inherently complicated.

You talked about the different schools at Rutgers-Newark. Is the Law school and the Business School-- Do they function under the Provost? I mean, are they part--

DR. DINER: Yes, they do.
SENATOR MARTIN: They’re not sort of separate and apart, but adjacent? They are under your orb?

DR. DINER: Completely. There’s no distinction between Law and Business and any of the other schools on the Newark campus. They’re all under the Provost at Newark campus.

SENATOR MARTIN: And if, as at least suggested as one of the alternatives, that we did have an expanded -- or created a University of Newark -- not through merger, but by whatever genius we could come up with -- it is your expectation that all of those existing schools at Rutgers, with perhaps these other add-ons from the other adjacent universities, would be under that structure?

DR. DINER: Yes.
SENATOR MARTIN: Thank you.
SENATOR LESNIAK: Okay. Thank you very much.
I want to get to Congressman Pallone, but I do have one other question. And forgive me if your testimony referred to it. Did your testimony include any recommendations with regard to NJIT, or do you have any recommendations with regard to NJIT?

DR. DINER: Oh, my assumption from the beginning is that if we want to get the full benefits--

SENATOR LESNIAK: They’re all together. I’m sorry, you said that. I apologize. I remember you saying that.

Any other questions?

ASSEMBLYMAN CARABALLO: I just want to make a statement.

We’ve had, really, very good testimony throughout these hearings. I’m really pleased by that. But I just wanted to take a moment of personal pride. And that is that the testimony that Dr. Altenkirch presented to us when he testified created a tremendous vision. And the testimony you’ve just given us today is just wonderfully powerful. It’s really-- As somebody who lives in Newark and represents the areas where both those schools are, I’m particularly proud of the kind of testimony that both of you have actually offered this committee. And that’s not intended to insult any of the other folks who have testified thus far.

Thank you very much.

DR. DINER: That means a great deal to me, especially since you’re a faculty member of our rival at Newark Law School. (laughter)

ASSEMBLYMAN CARABALLO: That’s right.

SENATOR LESNIAK: Dr. Diner, one more question.

Senator Vitale.
SENATOR VITALE: Thank you.

Doctor, we’ve been talking a lot about the different campuses, and the mission in Newark, and the mission in New Brunswick, the mission in Camden. And awhile back -- and even during the Vagelos times -- there was this discussion about an elevated level of competition between the universities, or the campuses -- that that would be a good thing. And I’m not so sure that is.

And I guess my question to you is, if there-- There would be overlapping educational opportunities offered at these campuses. In South Jersey there’s a two-year program that would like to be a four-year program. There’s the Coriell Institute for stem cell research. There’s the Osteopathic School of Medicine. New Brunswick has the Robert Wood Johnson School of Medicine -- which is a wonderful institution -- and all the allied health sciences there on the Busch Campus. And in Newark we’ve got, of course, UMDNJ and -- dealing specifically, in some ways, with health disparities. And they’re sort of urban-driven and mission-driven in that respect, as well.

And don’t you see this as -- or do you see -- or give me your opinion on what you think, how you think that the three campuses -- if it is that this is what happens -- how these three campuses (a) interact, and (b) compete, if competition is even healthy or necessary? Or should they be generally mission-driven, with some overlapping complimentary services?

DR. DINER: Well, a certain amount--

SENATOR VITALE: I’m sorry, and (d) do you think Rutgers-Newark should have a swim team and a crew team? (laughter) President McCormick is not here today, so you can say yes.
DR. DINER: I've asked our athletics director to explore a crew club because of the development -- the prospective development of a boathouse and park along the waterfront a couple of blocks from the campus. And my motive-- I'm not an athletics guy, and my motive has-- We're happy in Division III athletics. But my motive is to connect, one more way, the campus I head with the city of Newark. And that would be a connection, pulling students to the river and the like.

But having said that, I think a certain amount of modest competition amongst institutions is healthy, as it is in any environment. If you're a monopoly, and you're complacent, that's not necessarily the best of things. But I also think it doesn't serve the people of New Jersey very well to have duplication or competing for strengths in the same areas. Obviously, everyone is going to have an English department, everyone is going to have a math department, and the like. But I think the strengths of each of the three universities should be somewhat different, should emerge over time. I think the strengths of Newark would be the urban mission. I see it as the urban-- Even though all three universities are in cities, this is the biggest, most important city in New Jersey.

And I'd say the urban mission would be very, very important in everything we do and our focus on the professions. If you look at what we have in Newark, it is overwhelmingly professional schools. And so I would say the urban mission, and the focus on the professions, would be the defining characteristic of the University of Newark. It would have a substantial undergraduate enrollment.

One of the things a committee of my faculty -- and it was the faculty’s idea, not mine -- is doing right now is studying how we can reform
undergraduate education in Newark to take maximum advantage of the professional schools on our campus. How do we make the undergraduate school better by virtue of having a Law school, and Business School, and Criminal Justice, and Public Administration, and Nursing? How do those things inform the undergraduate experience? So I think that would be the quality of the campus in Newark. And I think each one would develop distinctive characteristics. And that would be healthy.

SENATOR LESNIAK: Thank you, doctor.

DR. DINER: Thank you. I appreciate it.

SENATOR LESNIAK: Thank you.

Congressman Pallone, the newly selected Chairman of the Health Subcommittee of the Energy and Commerce Committee, which oversees NIH grants, among other things -- so very important to the mission at hand.

Congressman Pallone, thank you very much for taking your time out to be here today.

CONGRESSMAN FRANK PALLONE JR.: Thank you, Senator Lesniak, and also Assemblyman Caraballo, and the members of the Task Force, for inviting me to testify today on Federal funding opportunities for New Jersey’s public research universities.

Before I get into the testimony, let me just say that it’s really nice to be in this room today. It brings back old times. Because when I was in the State Senate, this is where we met most of the time. The State House was under construction, and we had our caucus meetings in the back.
And I remember Ray there, and you too, Ron. And I think that was it, maybe. A lot of those guys aren’t around anymore.

The other thing I wanted to say though is -- before I start is -- I really want to stress how valuable it is for you to have this Task Force. I know that from the beginning the idea was, we needed to do something quickly. We shouldn’t waste a lot of time. This is not something that can go on for years. And I know that that’s a constant effort here as to how much time should we take before a decision is made about combining programs, or schools, or whatever. I really feel that you don’t have a lot of time. And I think that it is important for this Task Force to meet and try to make some recommendations, I guess, to the Governor, the Legislature in a timely fashion. And I know that is your goal, and I wanted to stress that.

I wanted to say that the Commission’s goal -- the creation of a world-class research university, where scientific and technical innovations spur investments and attract new jobs and companies to the state, is crucial if we’re going to remain competitive with our neighbors and continue to improve the quality of life here in New Jersey.

And a major consideration is the role that I and other members of New Jersey’s congressional delegation can play in garnering more Federal dollars for research, and how the structure of our research institutions can improve our efforts. So I’m not just here to make recommendations. I’m here because I think that whatever you do can be a major impetus for me and the rest of the congressional delegation to spur the effort to get more research dollars. The structure that you put together matters, in terms of our ability to help get more money to the state.
I think you know that, for over a century, the Federal government has helped fund biomedical, behavioral, and population-based research centers across the country, including New Jersey. But today, most of that research is funded by the Federal government through grants from the National Institutes of Health. In 2005, NIH spent about $20 billion to help fund 47,345 research grants.

New Jersey has played a large role in the groundbreaking research funded by NIH. In 2005, New Jersey received nearly $294 million in NIH grants to help fund research and development, training initiatives, research, etc. Of these funds, $116 million, or nearly 40 percent, were allocated for research purposes conducted in my congressional district.

I think you know that I represent New Brunswick. We’ve got a couple of other Middlesex County guys here today. And we like to consider ourselves the health-care city, because we serve as the center of our state’s health education and biomedical research sectors. And my focus today is going to be on New Brunswick. I’m just primarily talking about Rutgers in New Brunswick, UMDNJ in New Brunswick, not about the other parts of the system in North Jersey or in South Jersey.

Senator Lesniak mentioned that I just became the Chairman -- now that we’re in the democratic majority of the Health Subcommittee. And one of the reasons that I sought that Committee and that chairmanship is because so much of what we do is centered in New Brunswick.

Most of the funding that came to New Jersey by way of the NIH was allocated to Rutgers, The State University at New Brunswick -- that was $52 million -- and UMDNJ, Robert Wood Johnson Medical
School, $54 million. The only other institution in the state to collect more NIH funding was New Jersey Medical School at UMDNJ-Newark. That was $56 million. But just to give you a comparison, even Princeton University received less funding from NIH, about $37 million. So the institutions that you’re talking about here are the major source -- or receipt of NIH funding for our state, by far.

I mean, I don’t have to tell you how proud I am of the types of things that we do in our state, and the research that’s conducted here. I think that New Jersey should be one of the most attractive places to invest Federal research dollars. But I have to stress to you that it is not currently the case. While it may seem like New Jersey receives a substantial amount of Federal assistance, the truth of the matter is that in 2005 -- the year that I’m using -- there were 21 other states who received more funding than New Jersey from NIH. California received the most, followed by Massachusetts, New York, Maryland, Pennsylvania. I’m going to submit to you, for the record, the entire list of states that secured more NIH funding than New Jersey. I’m not going to go into that now. But you’d be surprised that some of the states that outperformed us-- You know, for example, Alabama, Colorado, and Ohio, Wisconsin -- not to cast dispersions on them, but it really doesn’t make any sense that some of those states are getting more funding than we are.

So the question becomes: Why are these states able to attract more money? And I think if you look for an answer, you have to look at how the money flows within some of these states. While funding was divided among many different entities, including individual researchers, medical centers, and corporations, the overwhelming amount of the funding
was awarded to major research universities. For instance, in 2005, the University of California won approximately $1.5 billion in research funding, which was nearly half of the funding allocated to the entire state of California.

So I believe that New Jersey is hampered by a research system that is uncoordinated. The President of Rutgers, Richard McCormick, I guess testified before. And I just wanted to quote a section of his testimony. He said, “Opportunities for interinstitutional collaboration currently exist and are being increased with structural change. But those collaborative opportunities are less numerous and hard to seize than they should be.” And I think that kind of says it all.

I think it’s crucial to our success in expanding biomedical research in New Jersey that we have a coherent structure to fully maximize our ability to secure Federal funds. And that coherent structure, if it was in place, would make it a lot easier for me, as well as the rest of the Congressmen and the Senators, to be successful.

So what I’m saying that you should do is unify the Robert Wood Johnson Medical School and the School of Public Health at UMDNJ, within Rutgers University in New Brunswick, and create a nationally acclaimed public research university by -- which I think you could do, if that’s what you end up doing at the end of this process. It would be one major research university on the par with the best in the nation. It would help us to retain the talent that we’re in danger of losing if we don’t act soon.

Now, that merger -- I’m hesitant to use the word, because I heard Ron Rice say, “I don’t like that word.”
SENATOR LESNIAK: Restructuring.

CONGRESSMAN PALLONE: That restructuring will make it easier for New Jersey’s House and Senate members to work in a unified fashion, because we will be seeking grants in health for one major research university, instead of competing for funding among several.

And if I could use the example -- because I know Joe Vitale talked about stem cell, which you prioritized in the State Legislature in recent months. Let’s assume that the merged Rutgers/UMDNJ puts together one innovative proposal on stem cell research. The congressional delegation would have an easier time with securing funding. I think it’s that simple.

And I want to warn you -- I’m sure you’ve already heard -- that we’re already losing our competitive edge. That’s why I say you’ve got to act quickly -- as quickly as you can. For example, Dr. Harold Paz, Dean of UMDNJ-Robert Wood Johnson Medical School, recently relocated to Penn State College of Medicine. And other institutions are certainly looking to our leaders in New Jersey and trying to steal them away. I know they’re looking at the Cancer Institute, they’re looking at UMDNJ-School of Public Health. You have to give these scholars support, with one major research university, to discover the cures we’ll need for tomorrow. Otherwise, I think you’re going to see more of them leave the state.

Now, I know that there has been-- I listened to the Provost and what he said yesterday (sic) about the name. And I think that New Jersey’s reputation as a leader in the health-care industry and the immense talent that’s developed here are great resources. But I think that the fact of the
matter is, part of the reputation has been squandered, or plagued if you will, by some of the scandals that we’ve had at UMDNJ.

By contrast, the brand of Rutgers, our State University, continues to rise. It's for a number of reasons I'm sure you're aware of. So I think that the merged university should retain Rutgers’ name and be administered by the Rutgers Board of Governors, taking advantage of Rutgers’ national reputation. And most importantly, the independence and integrity of the Board of Governors will be vital to ensuring the success of this newly invigorated research university.

I also think that having the Rutgers’ Board of Governors helps ensure that political interference and the culture of administrative extravagance, I guess, don’t take hold in Rutgers the way they were able to at UMDNJ.

Now, again, I’m stressing New Brunswick here, and the unification of Robert Wood Johnson Medical School, the School of Public Health, with Rutgers-New Brunswick. The Medical School is now part of UMDNJ. It shares many facilities, faculty, and research responsibilities with Rutgers. In fact, it was once called the Rutgers University Medical School. I actually remember that. I shouldn’t admit it.

In addition, the Cancer Institute of New Jersey is a national leader, comprised of faculty from the medical school and Rutgers in nearly equal numbers. So you can strengthen these relationships and eliminate duplication and disorganization that result from the separation of health sciences at Rutgers and UMDNJ. And I think putting these all together certainly makes sense.
Now, I’m not going to get into the rest of the state. I realize that there may be -- maybe, I guess, there is more than that -- there’s resistance to the idea of merging the two universities completely, not only in New Brunswick, but in North and South Jersey, as well. Except, I’ve only focused on New Brunswick.

And I also want to stress that we need to protect the jobs and benefits of those who work at each of these institutions. And while we’re doing that, we can also expand the workforce.

Let me just talk a little, before I conclude, about what’s been happening with these Federal research dollars in Washington, and how that relates -- why, again, there’s-- This is something that we can’t wait a long time for.

One of the last actions -- and I’m being partisan now, which I’m prone to be. One of the last actions that the Republican Congress took before they adjourned last year was to reauthorize the National Institutes of Health, with a 5 percent cap on the funding available for NIH for the duration of the authorization. So what that means is that dollars are becoming scarcer all the time, not only because of the cap, but just because of the Federal deficit and all the other problems that we face in Washington. So we’ve already seen the impact on research when the NIH budget fails to account for increases in inflation.

Just to give you an example, since 2003, NIH has lost 11 percent of its research funding when adjusted for inflation. And that’s done significant damage to NIH’s ability to support cutting-edge research and encourage new investigators. This is having a significant impact.
Now, the new Democratic majority is trying to ensure that we provide NIH with a level of funding to maintain our commitment to biomedical research. But you’ve got to understand that funding is going to be tight for the next few years. I mean, there’s no question about it. So whatever we can do to give New Jersey a competitive edge in securing these Federal dollars, I think, is significant. If we unify our medical education institutions under one umbrella, I think we have a lot better chance of competing, essentially, for scarcer dollars.

I don’t want-- I had a few other things to say in my written testimony. I will submit it for you. But I just want to say I really think that we are, and will continue to be, a national leader in this medical care education and research. But I also think that if you go ahead and make some of the changes or restructuring that I talked about -- in New Brunswick, in particular -- it will make a big difference.

And one of the things you have to know is that our delegation, I think, has tried very hard to work together when we go out and try to get funding on an annual basis. And we even act on a bipartisan basis. But, again, if you do the restructuring in a way that makes it easier for us to attract those dollars, it can make a big difference in this atmosphere that we have right now of scarce funding.

So, thanks again. And I will be glad to take any questions.

SENATOR LESNIAK: Thank you, Congressman, and welcome back to the--

CONGRESSMAN PALLONE: I promised not to talk about property taxes, although Senator Loretta Weinberg brought it up. (laughter)

SENATOR LESNIAK: Okay. We do not intend to.
Senator, to augment your testimony -- not that it needs much augmentation. Again, I want to thank you for bringing your expertise here to us today.

I do want to enter into the record -- the members have a copy of this news report. And I just want to read two paragraphs. “The Corporation for Enterprise Development, which promotes grassroots economic development, gave the state a solid B” -- I’m sorry, “a Washington, D.C., nonprofit group that evaluates the economic performance of the states, each year, has concluded New Jersey isn’t a bad place at all for running a company, or working for one.” This corporation gave New Jersey a solid B in that regard. However, it did go on to state, “The state did poorly on the cost of energy, the level of air pollution, and the amount of academic R&D.” So it certainly highlights the fact that we should be doing a lot better in terms of our research and development, especially since not only do we have great universities here, but we also have great pharmaceutical companies here. And by the way, they will be testifying. Pharma will be testifying at our next meeting. And I believe their testimony will be somewhat consistent with yours.

We have a great opportunity here to enhance not only the academic capabilities of New Jersey, but also the economic development and job opportunities, as well.

So thank you very much for helping us in that task.

Any members have a question?

Senator Rice.

SENATOR RICE: Congressman, how are you doing?

CONGRESSMAN PALLONE: Good.
SENATOR RICE: We kind of miss you around here. Maybe we should get you unelected and bring you back where you used to be. (laughter)

CONGRESSMAN PALLONE: Thanks. I have to tell you, going from 40 Senators to 435 members of the House was a big shock, Ron.

SENATOR RICE: I can imagine.

CONGRESSMAN PALLONE: It took me a while to get over it.

SENATOR RICE: I don’t think any of us disagree how to collaborate to get better resources. But you avoided the word *merger*, but in your mind, that’s what you’re seeing. Are you saying that we cannot do the collaboration types of things that we do in New Jersey, and enhance those, and tweak them and tighten them up, and not get the same results, basically, from our delegation in terms of delivery?

And I respect the fact that everybody says, “Rutgers, Rutgers, Rutgers.” There’s always been a bias for Rutgers for a lot of reasons. Number one, it has a lot to do with board members and trustees, and their wealth. I respect that. But the reality of the fact is that you never can tell. If you did a forensic audit at all these institutions, we may get a bad rap at the end of it. We just never look until somebody blows a whistle. So I’m not looking at the name RU. I’m looking at more of the collaboration effort of institutions throughout the state. Maybe we should throw Seton Hall in the mix, too, and some of the others. I don’t know. But why not a collaboration another way?
CONGRESSMAN PALLONE: Well, I’m just trying to be practical, Senator; and that’s kind of my hallmark. And can I just give you some examples?

Now, I remember, just over the last few years-- You know, every year Rutgers comes in with certain, you know, earmarks or proposals that they want, either through appropriations or through other things. And then UMDNJ will come in with the same. And I just think that what happens is, as a legislator, you just -- you get bombarded with all these different proposals in sort of a piecemeal way. And it’s-- You might be able to get a little funding for this, or a little funding for that. But you’re not looking at it comprehensively. And that’s just with me, with the different institutions that I represent in my District, let alone the competition that exists between me and the other members of the delegation.

I mean, the Senators, of course -- they represent the whole state, so maybe it’s a little different. But I just think that in the case of New Brunswick, if we use the example-- If you have one research university that combines the three institutions that you have now, it’s just a lot easier for me to deal with one person, with one proposal that’s prioritized, and get my other colleagues to go along with it. Just from a congressional perspective -- not to mention the extra bureaucracy, and administration, and everything that’s involved. It’s a very simplistic thing that I’m saying, but I just think it’s true.

SENATOR RICE: I have a couple more questions, but I haven’t seen you in so long, I will let you pass on them. I want you to start off on the right foot down there in Congress on this new Committee.

CONGRESSMAN PALLONE: Okay.
SENATOR RICE: We’ll talk on the train.

CONGRESSMAN PALLONE: Thank you.

SENATOR LESNIAK: Thank you, Senator.

And, Congressman, thank you. It’s a little more complex than that, as well, from what we’ve heard in previous testimony from academicians and researchers involved. And that is, the dynamics of combining a medical school with the other sciences of the university could really enhance the proposals.

CONGRESSMAN PALLONE: I’m just thinking of it from a research, and a grant, and an NIH perspective. But I agree that when you talk about the hospital element, and some of the other things, it gets more complex.

SENATOR LESNIAK: Thank you, Congressman.

Any questions?

Senator Asselta.

SENATOR ASSELTA: Thank you, Senator.

And good afternoon, Congressman.

You mentioned in your testimony -- which is pretty compelling -- the $294 million, compared to a $20 billion allocation, is pretty woefully small for a state like New Jersey, a state the size of New Jersey. If, in fact, this doesn’t happen quickly, and this takes a while to develop the consolidation, do you see that $294 million this year increasing simply because of your presence in that particular Committee?

CONGRESSMAN PALLONE: Well, I would like to think that. And I also think that the Democrats -- and, again, this sounds partisan -- will prioritize NIH funding. And we’re going to pass a continuing
resolution, next week, for Fiscal Year '07, which basically takes us from October of '06 until October of '07. And that is going to be pretty much level funding. And, again, it’s -- I’m being very partisan in saying this is left over from the lame-duck Republican Congress, which didn’t pass an appropriation, or didn’t do a budget. And as a consequence, we don’t want to waste our two or three months dealing with the '07 budget. We’d rather just do the CR and move right -- quickly to '08, and make up for that when we do '08.

So I would say that when you move into '08 -- because now you’ll have the Democratic majority for the first time -- NIH funding -- an increase in NIH funding is a priority, not only of me and my Committee, but of the Democratic majority. So, yes, I think you will see an increase. But again, this doesn’t, I don’t think-- You could obviously do much better, I think, depending on what you do here, and what the Legislature does with the consolidation.

SENATOR ASSELTA: Fine.

Just one other quick question. I just want a clarification on a term you used: biomedical inflation. What contributes to biomedical inflation?

CONGRESSMAN PALLONE: I mean, it’s just-- You know, the biggest problem we have with the health-care system right now is that inflation and the costs are generally going up way out of line with just inflation in general. And that’s what we’re seeing. The costs of medical research, the cost of everything in the health-care system, is increasing dramatically. And one of the main things that I’d like to do, as the Chairman of this Subcommittee -- and that we need to do with the new
leadership in Congress -- is get a handle on health-care costs. Otherwise, we’re going nowhere.

I’ve spent some time this morning with Senator Vitale. And he has this whole proposal for universal coverage in New Jersey, which I support. But you’re not going to be able to do that unless we get a handle on costs. You’ve got to have a way of controlling health-care costs, otherwise you’re not going to have the money to pay for expanded coverage or anything.

SENATOR ASSELTA: And through the Chair, part of that cost could be considered contractual obligations to staff, etc., etc.

CONGRESSMAN PALLONE: Oh, sure, sure.

And I did stress to you that in this consolidation, or whatever-- And, obviously, the idea is to create more jobs, not to consolidate and have people lose their jobs, or their benefits, or whatever. But I mean, those factors are going to come into play, obviously.

SENATOR ASSELTA: Thank you very much.

SENATOR LESNIAK: Thank you, Senator.

Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Thank you, Chair.

Congressman Pallone, in your opinion -- and it’s strictly you’re opinion, and I know that-- We just heard from Provost Diner regarding a massive restructuring to make Rutgers University the home school, and have three campuses. Do you think NIH would tend to look more favorably to a structure like that for funding, or to Rutgers University with its own medical school and a standalone university in Newark?
CONGRESSMAN PALLONE: Well, let me say, I’m not-- I don’t think NIH looks at our structure.

ASSEMBLYWOMAN KARROW: Okay.

CONGRESSMAN PALLONE: I think the issue is how the structure makes it easier for us -- both the institutions, as well as the congressional delegation -- to seek money. They’re not going to pay attention to the structure, per se, at NIH. But it’s just the question of how we go about getting additional funds.

Everything-- You have to do everything based on what the political reality is. And my focus today, as you can tell, is on the New Brunswick campus, because I really believe-- I mean, you can see from the amount of funding that we’re getting that if you do that combination or consolidation there, you will achieve a major research university there. I’m not going to go beyond how that impacts Newark or South Jersey, because I think, again, you have to work with the realities. And I know there is a lot of opposition.

ASSEMBLYWOMAN KARROW: Yes.

On the risk of sounding partisan, and I really don’t want to--

CONGRESSMAN PALLONE: Well, I have been, so you can.

(laughter)

ASSEMBLYWOMAN KARROW: No, no, you really haven’t. You’ve been very gentle about it.

But you brought up stem cell research. And New Jersey just passed a stem cell research bill--

CONGRESSMAN PALLONE: Exactly.
ASSEMBLYWOMAN KARROW: --that was very controversial.

And as a member of Appropriations, one of my big issues on that was that it trifurcated the application of the money to three different campuses, three different locations in the state. And I could have had you come in and testify for the Republicans on that -- about the fact that if it’s one application in one location, or one application under one university, it would-- And I don’t want to put words in your mouth, but I’m hearing you say it would make a stronger application for funding or matching grants against any application for these research facilities.

Whether you agree with the premise of the research or not, fiscally-- Looking at it from a fiscally prudent way, it’s going to happen, it was voted on, the Governor signed it. So, to me-- What I’m hearing you say is, we would be able to enhance matching funds or get more grants against it if it was under one umbrella.

CONGRESSMAN PALLONE: Well, I say two things. First of all, let me commend you for doing what you did on stem cell research.

ASSEMBLYWOMAN KARROW: I voted against it. (laughter) Sorry.

CONGRESSMAN PALLONE: Oh, okay.

SENATOR LESNIAK: Strike that comment from the record. (laughter)

CONGRESSMAN PALLONE: First of all, I think that we’ve been woefully remiss on the Federal level. And, of course, I blame President Bush, because we have not moved towards doing research or funding embryonic stem cell research. And, of course, in the first hundred hours of

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the new Democratic Congress, we did pass that bill, which I’m sure the President is going to veto, unfortunately. So you made a major-- You were very wise, I think, in moving forward to create that research program in New Jersey.

Again, I don’t think it matters--

ASSEMBLYWOMAN KARROW: But can I-- I’m sorry, I don’t want to interrupt you.

CONGRESSMAN PALLONE: Yes, let me get to the--

ASSEMBLYWOMAN KARROW: I just want to say--

CONGRESSMAN PALLONE: Yes, I’ll answer your question.

ASSEMBLYWOMAN KARROW: I don’t even-- We never even -- in my opinion -- on Appropriations, we never even had to get into a question of--

CONGRESSMAN PALLONE: Oh, the embryonic, yes.

ASSEMBLYWOMAN KARROW: --the ethical versus whatever, because the fiscal issues, to me, were looming.

CONGRESSMAN PALLONE: I see.

ASSEMBLYWOMAN KARROW: And one of them -- besides the fact that there was no ballot question on bonding -- the major one, as well, in my mind was the fact that we were putting money in three different pockets, when we had testimony stating in writing that it might have been better to have it in one location. And that’s why I want to focus what you’re saying. If we do some kind of restructuring where there is a named university behind the grants now -- since we have it, whether you like it or not -- and I-- So it’s over, it’s done with. I want to move on. I want to parlay that into the most money we can, now.
CONGRESSMAN PALLONE: Well, I would say, again practically speaking, my view would be that -- and I kind of used it as an example in my testimony -- that probably the best thing would be if there was an application made on behalf of all three to NIH to do something collectively. And I guess that’s what Senator Rice was sort of suggesting -- that even if you have separate institutions, you can still work collaboratively.

Certainly for our delegation, and for me personally, if you had a request that came from all three as a combined effort, that would be a lot better than having three separate ones that we had to compete with in Washington. But I guess that could still be done, even under the current structure.

ASSEMBLYWOMAN KARROW: Okay. Thank you.

SENATOR LESNIAK: Thank you, Assemblywoman.

Thank you, Congressman.

If I could summarize your testimony -- if I could try -- you’re-- Basically, I think we all want a major medical research university in the State of New Jersey for academic reasons, for economic development reasons, for health-care reasons, for employment reasons. And right now we don’t have one in the North, in Newark, in New Brunswick, or in Camden. And that’s a shame for this great state.

One last question from Senator Weinberg.

CONGRESSMAN PALLONE: I agree.

SENATOR WEINBERG: Not a question, but a comment to what you just said. We are talking about economic development and business engine. But I just want to point out what you said about health
care. And I go back many years to when my husband was first diagnosed with cancer. And I called a doctor I knew, who wasn’t an authority in cancer, and said, “What should we do?” And I remember -- and I’m going back 20 years, now -- 18 years. He said to me, “Get him treated at a major health-care university affiliate.” That was the big advice he gave me then.

SENATOR LESNIAK: Which wasn’t in New Jersey.

SENATOR WEINBERG: No, it wasn’t in New Jersey, obviously.

But I just don’t want to underestimate the third part of what you just said: that besides the economic advantages of attracting research dollars and doing all that, we have to talk about what we would be doing for people in New Jersey by having a center of this kind. So I just-- You just triggered something. And I wanted to make sure that we have the people quotient in here.

SENATOR LESNIAK: Thank you, Senator.

Congressman, thank you very much.

CONGRESSMAN PALLONE: Thank you, all.

Thanks.

SENATOR LESNIAK: The next person to testify, representing the Governor’s Higher Education Task Force of New Jersey, the Commission on Government Efficiency and Reform, Ms. Jane Oates, Executive Director of the Commission on Higher Education.

Thank you, Jane.

J A N E   O A T E S: Good morning, Senator.

SENATOR LESNIAK: Good morning -- good afternoon.

MS. OATES: Oh, good afternoon. It is--
SENATOR LESNIAK: Soon to be good night.

MS. OATES: It is. I promise not to lead us into the good night.

Thank you for the opportunity to speak to all of you.

And as Senator Lesniak said, I’m here representing the Leone Commission that was formed in May. I’ve been a part of that since the beginning, representing both the Governor and the Commission on Higher Education. Quite honestly, my task there was mostly to be the person who pushed the paper and got the data that the other members of the group were looking at.

The Leone Commission -- the larger commission -- was looking at reform and efficiencies in government. They looked at money-saving opportunities in areas like the Office of Information Technology and in personnel. When they looked at higher education, they were looking at one thing: How do we use efficiency and reform to build greater excellence?

I think what Senator Lesniak just said -- we’re all uncomfortable with the fact that we do not currently have a world-class public research institution in this state. And as a publicly recognized newcomer -- I haven’t gotten -- I haven’t been here a year yet -- I have become aware of the pockets of excellence in the state and our need to pull those pockets together to build a system.

The Education Task Force, again, was looking at that higher education system. So much of what we looked at was about the governance structure for all of our institutions; the funding structures that are currently in place -- or lack of them -- for operational aid; the need for a long-range capital plan, in terms of meeting the building needs of our public and
private institutions, two and four-year, so that we could compete better. And it’s only under that guise that we looked at the University of Medicine and the idea of a reorganization, so that much of our information is much deeper on those other aspects than it is on this idea of a reorganization.

But I would say to you that the Leone Commission has looked at every aspect of reorganization, and come up, in the nine months -- not come up with any definitive plan, yet. I should also say, from the onset, that from the announcement of this committee -- this Task Force -- the intent of the Leone Commission is to work with you, to have our timelines meet yours, and hopefully come up with some common next steps for your group and our group. Because I think -- I hope you’re seeing the same things that we’re seeing -- that if you’re talking about any change or reorganization, it is incredibly complicated.

Not only are we dealing with a Federal Monitor, as many of the folks before me and after me will talk about, but we’re also dealing with a presidential search at the medical school. And I think that the presidential search is definitely impacted by the conversations that you’re having and the conversations that the Leone Commission is having. I think that those of you with great experience in the world of higher education recognize that the president of a medical school not only has to have wonderful credentials, in terms of management, in terms of understanding academics, they also have to understand clinical excellence, and they have to know research, and they have to know about patient care.

We have been very fortunate in a separate-- I also serve on the Search Committee. We’ve gotten great candidates. But everyone of the finalists have said, “President of what?” We are in serious danger of losing
world-class candidates -- candidates who I would say to you, in my former life, Harvard would die for -- because they’re very confused about what they’re going to be president of. And it would be a shame for the state, because these are people who have expertise in organization and reorganization in New York, in Houston, in California, in Chicago, and in Louisiana. The finalists represent the best and the brightest. And I hope that members of this Commission, when the finalists -- when we’re down to two or three, would be willing to talk to them and say that we’re going to engage in a process that would engage that new president. I’d hate not to get the best president for that medical school.

But I do think-- You know, you’ve heard all the numbers. You’ve heard everything from much more distinguished people than myself, with Congressman Pallone, and Provost Diner from Newark. I think that the message the Leone Commission has to put forward is really threefold -- and you can read this as you will, in terms of reorganization in your Committee.

Number one: The State’s got to get a better handle on where our pots of excellence are, what’s going on, and how we move them forward.

Number two: Whatever we decide in reorganization, and however long that conversation takes, we cannot afford not to move forward on the initiatives that we’re moving already. You’ve heard about collaboration. There are wonderful examples of collaboration. You brought up the nursing school earlier, and I need to point out to you -- and I apologize if some of you represent this area and know it better than I -- UMDNJ partners right now with Ramapo to offer an undergraduate degree in nursing. Recently, Ramapo felt they could move on their own, so they
are now applying to offer their own nursing degree, undergraduate, on this campus that would not have happened if they had, in my opinion -- if they had not been able to have this partnership at the early stages with UMDNJ. They are now ready to stand on their own. That’s going to be a significant improvement for the people that want to go into nursing in that part of the state. UMDNJ has done that for significant programs at two- and four-year colleges, public and private, across the state. So we have so much to celebrate in that area. But we can’t afford to stop that while we’re thinking about what’s going to happen a year, two years, three years down the road.

Our competitor states are killing us. We’re 22nd in terms-- As Congressman Pallone said, North Carolina, Pennsylvania, California -- they’re not going to wait. And in those states, it wasn’t just one institution that applied. It was strong collaborations -- whether to DOD, Department of Homeland Security, or NIH, or NASA -- many of them applied. Public colleges and private colleges in partnership; we need to move forward with those kinds of things.

One of the most promising grants we have in the State now -- you’re going to hear from one of the PIs, Kathy Scotto -- is through NIH now. It is a partnership with Robert Wood Johnson, with Rutgers, and with Princeton. Those are the kinds of things, whatever we all decide -- you and the Leone Commission -- we have to continue moving those forward.

And finally, before I invite any of your questions, I want you to know that many people have said things about people leaving. I beg you to look at the ethics issue. I beg you to look at some of the reasons that we are in danger of losing our best and brightest. It’s not the Monitor, because I agree that kind of investigation, unfortunately, could happen to any of our
colleges, and we have to stand behind any one of them when they’re brought to question. Get rid of the bad actors, and save the institutions, and focus on the students.

But Kathy Scotto’s project -- and I hope she talks about it in her testimony -- is incredibly interesting, not only for the academic merit, but for the idea of bringing businesses in this state together with higher education. That, to me, should be one of our priorities with the Leone Commission, as well as your Task Force.

I look forward to your questions. But most importantly, I look forward to bringing the work of the Leone Commission with this Task Force.

SENATOR LESNIAK: Thank you, Jane.

I’m glad you added that in conclusion, because one of the problems of the Vagelos Commission was that its deliberations, as yours, were behind closed doors. And we did not have an opportunity to have the public vetting, give and take, testimony, questioning. I welcome Senator Rice’s inclusion on this Committee so that everyone can be heard. Because that’s where problems come up, when people do not have an opportunity to be heard -- and that’s not happening here. So I think that’s a good thing.

I also want to point out that -- and I know you agree with this -- pockets of excellence are not enough for us. We need to do better, and we must do better and can do better.

I just have one specific question before I ask the other members for any questions. How do we answer that? And certainly we will meet with whoever those finalists are and share our visions, but how do we
answer that question, “president of what?” I’m not quite sure what you were suggesting then.

MS. OATES: I really wish I had a suggestion. I bring the question forward only because I don’t want to lose-- You know, all the candidates that are coming to us, UMDNJ, and the Search Committee headed by Dr. Shapiro -- who you’ve heard from -- have been very open with sending them newspaper reports about what’s going on, sending them the Monitor’s reports. There’s been every attempt to bring candidates in here with their eyes wide open. It’s thrilling that there are so many -- over 350 people applied for this position. I think we should take great pride in that, but I think we have to figure out how we’re going to answer it. We’re getting down to the wire where we will have the finalists early next month, and I think we need to figure out what our joint response is to that question.

SENATOR LESNIAK: So may I interpret that as meaning we need to move with all deliberate speed, in terms of making recommendations?

MS. OATES: Well, I think we need to agree on a common path forward. I don’t think doing this quickly -- in my opinion, this is not the Leone Commission’s opinion -- doing any kind of reorganization quickly is in anybody’s best interest. We have so many stakeholders: We have students, we have boards of trustees, we have faculty, we have administrators. There’s so many intricacies here that need to be figured out not only with the almost 100 different union locals, about how we would deal with this, but also the students, and degrees, and how we complete things. All of these things are incredibly serious things to figure out. Minor
things take us hours to figure out. So this is a major, complicated thing over eight different campuses, so I -- no matter what way we play it.

So I think we just need to figure out that there are certain -- I don’t know what -- certain elements that we’ll work under, that someone who comes in to be president of UMDNJ -- can guarantee one, two, and three. And I would ask you to help us fill out what those one, two, and three would be.

SENATOR LESNIAK: Yes.

And I think -- I now understand. I think we can get that in some kind of memorandum of understanding, or something of that nature. I think we can get that. I appreciate that.

Question, Senator Rice.

SENATOR RICE: I just want to make a comment to the Committee, that I think the speaker is correct. Many of you probably don’t know it, but when Dr. Altenkirch came to Newark, NJIT, I think he came with the expectations he’s going to be the president of NJIT. And he’s grassroots, so we (indiscernible) to come in, get together with the kids one night, only to pick the paper up the next day to read about this “concept of merging.” And I’m saying, you know what, you may not be the president, you just got here. And he stuck it out, and you know the fine job he’s doing.

People aren’t going to come to the institution -- any of these institutions -- under those perceptions that their stay is not going to be for a reasonable period of time, because they raise families, too; and their value in terms of being an asset to themselves, as well as others. So I think we
need to define how to address, really separate and apart, the situation that you have with UMDNJ.

I also say this: I won’t go any place-- I believe in ethics. I believe in holding people accountable for wrongdoing. I think, as a former Criminal Justice major, as a former cop, as a legislator, we have more than enough laws to take people to court and lock them up. But I think that every time something happens, we write a new law that says-- I don’t know. Every time we do a bill, we say “pay-to-play.” Every time we do a bill, we say the same words over and over, as though we don’t have laws to deal with them. That sends a bad message. We should have to group our laws and say, “Here’s what’s going to happen if you do these wrong things.” And we keep moving. And that’s a bad message. Because -- you see, I keep reminding people, and I hate to say this, and I hope it never happens -- I keep telling people, there’s UMDNJ today. But UMDNJ has been around a long time. Rutgers has been around longer. NJIT has been around a long time. Other institutions have been around a long time. It’s just that everything appears on the surface to be okay, and we’d like to think it is. But if someone ever gets wrong information, and we go take a look, we may find out that we have some more egg out there to deal with. We just can’t keep sending a bad message, because egg comes up. We’ve got to clean up the egg. So I think that is important. And I do stand by the speaker -- and by you, too, Mr. Chairman -- in that it’s something that we need to address right away. Because I didn’t realize that many applicants were coming forward, and that’s frightening to me.

SENATOR LESNIAK: Thank you, Senator.

Any other questions?
Senator Weinberg?

Assemblyman, I’m sorry.

ASSEMBLYMAN CARABALLO: That’s all right.

SENATOR LESNIAK: Senator Weinberg, you’re next.

SENATOR WEINBERG: I found what you talked about, in terms of the applicants coming forward, I guess somewhat surprising, myself. I would hope that perhaps our Chairman -- Chairmen -- could meet with the Leone Commission and kind of work out some way that we are engaged in the process, at least enough to make sure that we are not turning off the best and the brightest, who apparently are rising to the challenge of straightening out what needs to be straightened out there. But I would hope that perhaps you and Assemblyman Caraballo, on our behalf, can engage at least in a pre-meeting with members of the Leone Commission and work out what would be the best way to engage us or not engage us, as the case may be, in this process.

SENATOR LESNIAK: Thank you, Senator.

Assemblyman.

ASSEMBLYMAN DIEGNAN: Two quick questions, Jane.

Explain to me, or how you perceive, the interaction of the Leone Commission in this Committee in terms of recommendations, deliberations. And I still don’t -- and then maybe you can expand on-- I still don’t know what kind of answer. You’re saying you’re planning on making a-- It would be down to five finalists within a month?

MS. OATES: By probably the end of the first week in February for UMDNJ, yes.
ASSEMBLYMAN DIEGNAN: So clearly, when they ask “president of what?” you must be giving some indication.

MS. OATES: Well, Dr. Shapiro is the head of that Search Committee, and he has posed that. Which is why, again, this was a great opportunity to pose it to you.

SENATOR LESNIAK: If I may, I think I can answer that question, because I specifically spoke to Dr. Shapiro about that. And he said that these applicants know this going in and they’re not deterred by it. That’s what he told me. It’s a little different from what you said. Now, there may be some specific questions I think that we’ll have to answer down the road, but these are people, from what Dr. Shapiro told me and from my estimation -- and he’s the best -- are not afraid of the challenge and actually looking forward to the challenge.

MS. OATES: Oh, I don’t mean to give the impression that they’re experiencing any questions in terms of can they do the job. It’s--

SENATOR LESNIAK: No, no, no, no. No. Don’t misunderstand me. The challenge of the uncertainty with what is going on. They actually want to be part of the solution to it.

MS. OATES: I think you’re exactly right. They want to be considered to be-- I think, what they would like from the-- They’re all men. So the gentlemen that I have spoken to, they want assurance that they’ll have a voice in any decision. They want to be here long enough to have some baseline for having that voice, and they’d like some kind of time commitment. I mean, these are people who are losing high level jobs; some of them chancellors of medical schools now. They don’t want to come here and have us pull the rug out and say, “I’m sorry. There’s no more UMDNJ
to be president of,” and have uprooted their families. So I think they’re looking for some sense of a time commitment. Not 10 years -- nobody asked for that -- but I think several years. And I think they’re asking for some assurance that they will be part of the decision making, that there wouldn’t be a decision from a legislative or from an administrative point that says, “We’ve made a decision and we didn’t ask you what you think.”

My guess would be that Dr. McCormick and Dr. Altenkirch would like that same assurance, that they would be at the table for decision making.

ASSEMBLYMAN DIEGNAN: But that’s really not my point. My point is, are you, or whomever is talking to these candidates, indicating to them that the likelihood is there will be a restructuring, or are you just-- I mean, I cannot imagine someone taking a job like this with no indication as to where it is going.

MS. OATES: Well, all of them are aware of the Vagelos Report, and all of them are aware of both the Leone Commission and your Commission, so that they know that there has been talk in the past about reorganization and there is still currently talk about reorganization. So that’s the context in which it’s coming up.

ASSEMBLYMAN DIEGNAN: And again, and that leads me back to my first question, where do you see the interaction of this Committee and the Leone Commission?

MS. OATES: I can tell you what the Leone Commission wants, and then I can give you my private point. The Leone Commission wants to be in concert with you, in terms of a timeline and figuring out when each of us are going to make recommendations, and they want to share
recommendations with this Commission before they go public, and have some conversation about that.

I think that -- privately, I think that the Leone Commission is realizing that there needs to be more work before we can make more than a series of recommendations. I think what we’ll propose is a menu of choices, and know that there needs to be a next step in terms of deciding what those choices are. I don’t know where you’re going in terms of recommendations, but it seems to me that even in the conversation, over the course of your hearings, you’ve heard people say different things, and almost none of them are the status quo. Everybody is saying do something differently, whether it’s improve collaboration, or do campus reorganization, or reduce the number of institutions. But I think we need to have conversations about that.

ASSEMBLYMAN DIEGNAN: Well, in terms of the Commission, how long do you see that process taking?

MS. OATES: I think the Leone Commission will be ready to make formal recommendations in another month.

ASSEMBLYMAN DIEGNAN: Okay.

And secondly, you made comments to -- one of the challenges was the ethics aspect of it. Would you expand upon specifically what you’re talking about there?

MS. OATES: I don’t know how closely any of you -- I know some of you, because we’ve had some conversations -- have been following the ethics issue. The faculty, right now, are not allowed to travel, to accept honoraria for work that they’ve already done, and they’re not allowed to self-report as being part of an institution if they go to a conference
anywhere in the country or internationally. So this kind of atmosphere is not conducive to academia. It’s not what researchers do. And I hope you’ll ask that same question of the faculty and researchers that are going to give testimony today.

I think it’s probably pushing more people out of the state than anything else, any other factor. I think that people who achieve a certain point in their career want to share, they want to be recognized for what they do. And we’re the only state that has those kinds of restrictions. So there’s absolutely no reason -- people can stay living in New Jersey and go to work at NYU, or CUNY, or Penn, or Temple and not be restricted like that. Not only restricted on what they can be recognized for in terms of presentations, but also additional income. So a renowned surgeon can go out and teach a surgical procedure all over the country if they’re at the University of Michigan or at NYU, and they can get an honorarium for doing that. If that renowned surgeon decides to come to New Jersey, he or she can no longer accept that additional income. I think that’s going to be a serious deterrent to attracting the best and brightest, but more I’m concerned that we’re going to lose our best and brightest because of that -- those, I think, unrealistic ethical concerns.

SENATOR LESNIAK: And the Assemblyman and I have legislation in already to correct that.

Yes, Assemblywoman.

ASSEMBLYWOMAN LAMPITT: Sorry, a little technical difficulty.

In your opinion, with the Leone Commission, are we all thinking bigger and broad enough? Higher education, reengineering -- Dr.
Shapiro sat here and talked about reengineering higher education in the State of New Jersey. We know what we’re speaking about here, but we don’t know what’s going on with the Leone Commission. Are we all thinking bigger and broad enough? We’re talking about merging universities, creating research universities -- do we have enough dental schools? I mean, we haven’t had these broad questions: Do we have enough dental schools, should we be creating a veterinary school? Are we thinking far enough in advance to get us to where we need to be? What else is going on in higher education or in the field of health care that we should be planning in the future for, and instead of following everybody else in the states, we want to be the leader in? And so, are we having any of these discussions?

MS. OATES: I don’t think to the extent that we should be. I think we’re focusing on things that have been focuses of conversation in the past instead of looking toward the future, in too many instances. And absolutely, when I tell you that the Leone Commission started by looking at governance, that would be governance not only of the research institutions, but overall governance. Objects like looking at what other states can do in terms of driving a state agenda using the budget.

I talked to you a little bit about the way that we give out a budget. I don’t know whether you realize, because many of you don’t serve on the Budget Committee, there’s no rhyme or reason for how we give out money. So if the State has a set series of outcomes that they want to look for, they should consider thinking about giving money aligned to those outcomes, whether it’s better graduation rates, or more research, or better alignment with business, whatever it is. We don’t do that currently. We
don’t recognize institutions who have terrific graduation rates. We don’t recognize institutions that choose, through their mission, to serve the lowest-income students who face the most challenges to coming to school every day. And we don’t look at those institutions who have doubled their enrollment. So we send a very mixed message out, because we have such a decentralized system. There’s a lot to be said about institutional autonomy, but it certainly hasn’t lead the institutions into a well-financed model. We are the least centralized system in the nation, except for Michigan. We have the weakest governing sense. We have what would be called a board, that doesn’t even convene or govern -- it kind of advises -- and it’s through the Commission on Higher Education. And therefore, we have no way to really drive a system. In fact-- None of the presidents who would be here or have been before you -- but there are some presidents in the state who would probably get very red in the face any time I mentioned the word system. And we have to talk about a system. I refer to it as an autonomous system. But we have to have good interaction between two- and four-year institutions, and we have to have good transportation between our publics and privates. I mean, we have terrific privates in this state, and kids should be able to move back and forth from public to private without a problem.

.Assemblywoman Lampitt: Thank you.

Senator Weinberg: Assemblywoman Karrow.

Assemblywoman Karrow: Thank you, Senator.

First of all, I want to commend your sincerity. It speaks very loudly about how you feel about all of this.

Ms. Oates, first of all, I wanted to know-- Other people have talked about this honoraria situation, and the ethics, and how it is driving
people out. So we’ve had testimony to that before. And you’re sentiments are extremely echoed on that.

And I just wanted to ask you regarding-- You mentioned candidates applying to UMDNJ that, I think you said, Harvard would die for. Harvard Medical School, of course, is part of Harvard University. Would any of these candidates, in your opinion, balk if this was part of a major university, and it was the medical school of a part of a major university versus a stand-alone medical university?

MS. OATES: All of the-- I may be wrong on this. Let me say most -- because I can think of four in my head right now out of the six -- of the people that have been interviewed are from university systems with a medical school. They’re not from-- I believe all of them are from medical systems. There’s one from a -- that’s not, right now. But five of the six are from medical systems.

ASSEMBLYWOMAN KARROW: Would you characterize that maybe part of-- Are any of them applying because part of the attraction is that UMDNJ is a stand-alone university?

MS. OATES: I think it’s hard to tell what makes people apply. I think New Jersey is a big draw. I think being in Newark is a big draw. I think people from around the country see Newark as a city of great promise and across the river from a city that’s already there, in terms of New York.

So I think the idea of a statewide system is very interesting to some of the candidates. They’ve all talked about the interest in the variety of campuses. I think having, probably, an osteopathic and an allopathic is interesting. And I think when you look at it, having over $100 million in the campuses at RWJ and Newark is probably very compelling to a lot of
people. Because while that’s a healthy sum, they know they can build it up. If they were to go to someplace like Harvard that already has a bigger war chest, it would just be -- your pressure would be to keep it. I think there’s a lot to say, professionally, to come to a place where you can build it.

So I don’t know. I can’t tell you specifically that they’re attracted -- that it’s stand-alone. I couldn’t give you an opinion on that. I’m trying to give you a flavor of what they have said.

ASSEMBLYWOMAN KARROW: So it’s really the challenge. And you don’t think that-- And I don’t want to put words in your mouth. I’m asking the question. If part of this discussion becomes a California or Michigan model, and the medical school is “The Medical School” in three locations across the state, and somebody becomes the -- I don’t know what their title would be: provost, dean, chancellor, president, I don’t know what it is -- of the medical school, like the medical school at Michigan, or NYU, that wouldn’t make it less attractive to any of the candidates?

MS. OATES: My impression is, from all of them, is that as long as they felt like they were part of the decision making, they would roll with the punches. I think the most important thing is that -- as many of us would feel, if we were going into that situation -- as long as we were a respected part of that conversation, I think it won’t make a difference.

ASSEMBLYWOMAN KARROW: Okay. So let me ask you this question: In your opinion, with your vast knowledge that you have at this point--

MS. OATES: Miniscule knowledge.

ASSEMBLYWOMAN KARROW: I don’t think so. Not in my opinion.
If the universities in question were simply given more money -- if we threw more money at them -- would the academic and research benefits be comparable to those proposed in a restructuring with, perhaps, Rutgers’ name on the restructured institutions?

MS. OATES: I would-- I’ll try to answer that question, but I hope you would pose that question to the researchers and faculty who are going to follow and give testimony.

I believe that there was-- After the Vagelos Report, there was agreement that there would be something signed to talk about greater collaboration. That never got signed until the Summer. I think that there are tiny things that become insurmountable hurdles, things like academic calendars, things like differences in indirect cost rates -- all of a sudden become insurmountable when we’re doing things. I think many of the PIs in this -- the principal investigators in this state have gotten past that and done a great job. But I don’t-- I can’t tell you how much energy that takes that is being taken away from doing actual research. So the energy that it takes to run up the steps makes you take a couple of breaths before you get in the room and talk. I’m not sure how much -- and I beg you to ask this, because I’d be interested in hearing from them -- how much just the day-to-day banging your head against the wall to fill out two sets of papers, to do two sets of okays, deters you from going for another -- an additional grant.

ASSEMBLYWOMAN KARROW: Okay. So let me then ask a follow-up question then. If we are going to -- because it sounds like-- I’m hearing exactly what you’re saying. So if we do look at a major restructuring, has your Commission looked at or have you spoken with
anybody regarding what it would cost to do the technical parts of this whole restructured collaboration among the schools?

MS. OATES: No, we have not looked at cost at all. And when I say to you, next steps -- where we'll both have questions -- I think that cost issue is a big question. And the other big question for me is that there are all winners and no losers. So in anything that we were doing, we should make sure that we were putting a plan in place that everybody won. And I realize how difficult that is.

ASSEMBLYWOMAN KARROW: Okay.

SENATOR LESNIAK: Can I venture a guess at that, as well? Because I have spoken to Dr. Shapiro. We've looked at it. And a ballpark estimate -- we talked about it earlier -- $50 million, maybe $100 million for the transactional cost. And it's an investment that will pay, obviously, great dividends.

ASSEMBLYWOMAN KARROW: Do you think that number is low, $100 million, $50 million?

MS. OATES: It would be hard for me to tell you what that -- since I don't know what that number means. I mean, if you're talking about making a fully vibrant campus at Newark, there are certain things that you would have to add.

SENATOR LESNIAK: No, no, I'm talking about the transactional costs, the--

ASSEMBLYWOMAN KARROW: IT.

SENATOR LESNIAK: Yes, the IT, the legal fees -- we all know how high those are -- the contractual negotiations, and the transfer-- You know, that's--
MS. OATES: I think that’s probably-- If someone has given you that estimate, then I would--

SENATOR LESNIAK: I think that’s probably a good ballpark figure to go--

ASSEMBLYWOMAN KARROW: We don’t know.

SENATOR LESNIAK: But we don’t know specifically, yet.

ASSEMBLYWOMAN KARROW: Yes.

MS. OATES: Nothing is cheap in higher education. I can tell you that nothing is cheap. (laughter)

ASSEMBLYWOMAN KARROW: Nothing is cheap anywhere, anymore.

MS. OATES: Yes, that’s right.

ASSEMBLYWOMAN KARROW: I have one last question. I just-- I want to just reiterate, to you, your testimony. You said you had a message that was three components. One is, the State has to get a handle on where the excellence is; two, however the reorganization goes, we have to move forward in initiatives that are already there that are working; and three-- That’s where I lost you. Is it that -- the ethics issue, as to why we’re losing people; or is it bringing business to the academic institutions? Which one--

MS. OATES: Ethics was an add-on--

ASSEMBLYWOMAN KARROW: Okay.

MS. OATES: --was a commercial PSA. The business piece is really the third piece.

ASSEMBLYWOMAN KARROW: Can you talk about that for a second, because you just threw that out there, and just add to it?
MS. OATES: Well, obviously, you’ve all alluded, and spoken directly -- it’s not alluded -- to the great resource that we have here in the state, in terms of businesses. I don’t think-- And I know, right now, that colleges are reaching out to business: pharmaceutical, engineering, across the map. And I don’t want to make it sound like this is just the medical school in doing this. All our colleges are reaching out to businesses to do several things. At one end, to do customized training so that businesses can grow and their employees can continue to be productive, and provide a cutting edge for that business. And that could be low end and high end. We have county colleges doing tremendous customized training as businesses transform. And we have graduate schools doing customized training so Ph.D.s can be customized to be -- to integrate biology and engineering.

But the second piece is really partnering with business to do certain things like research or to move forward in different idea areas. And I think we haven’t begun. We’re at the tip of the iceberg there. We need to do that at a greater degree, currently. The Commission on Higher Education, the Department of Education, and the Department of Labor have come together to offer innovation institutes grants -- $150,000, very small money -- to get colleges to come together with business to revamp curriculum. So, for instance, if you have an accounting program-- How is accounting different now than when you designed your program at whatever college or colleges? That will not be proprietary; that curricula and those changes will be statewide.
I think it’s exciting. I cannot tell you the enthusiastic response we’ve had to those little tiny grants. Biophama, IT, and financial services are the three areas that we’re focusing on this year.

ASSEMBLYWOMAN KARROW: Great. Thank you.
SENATOR LESNIAK: Okay. Any other questions from the committee? (no response)

MS. OATES: Thank you, Senator.
SENATOR LESNIAK: Thank you, Jane.
And you can tell the prospective presidential applicants for UMDNJ that their contract will be at least as long as Coach Shiano’s.

MS. OATES: Oh, we may get them to come running then.
SENATOR LESNIAK: If they do as good a job.
MS. OATES: Thank you, Senator.
SENATOR LESNIAK: Representing the American Association of University Professors, AAUP, Dr. Lisa Klein, Dr. Nancy Stevenson, and Dr. Eugene Golub.

First of all, I’m glad to see everybody together on this. (laughter)

Who will-- Who is beginning?

EUGENE B. GOLUB, Ph.D.: I will begin.

Thank you.
SENATOR LESNIAK: My guess is that you are Dr. Eugene Golub.

DR. GOLUB: Thank you, Senator.
SENATOR LESNIAK: Good guess? (laughter)
DR. GOLUB: Yes, you’ve got it.
Senator Lesniak, distinguished members of the Task Force, we thank you for inviting us here to this hearing.

I am currently the President of the AAUP Chapter of the New Jersey Institute of Technology. I've been a member of the faculty there for 38 years. I think you should know a little bit about me, because otherwise you’re not going to know who we are.

For 36 of the 38 years, I have funded research on many, many projects. There was a two-year gap, because I was quite ill for a while. I serve on the Governor’s Water Supply Advisory Council, as Chair. I’ve been on that for a very long time. I also serve on the Academic Advisory Council to these two bodies, the Assembly and the Senate. I also serve on the Board of Trustees of the Newark Watershed Conservation and Development Corporation, where I met Senator Rice many years ago when he was serving.

In the words of Yogi Berra, “Déjà vu all over again.”

SENATOR LESNIAK: I’m sorry, why do you say that?

DR. GOLUB: I’ll tell you right now.

A few short years ago, the Vagelos Commission performed an extensive study on consolidation. There were months and months of endless committee meetings, of which the AAUP was a participant -- played a heavy role. Many of the issues associated with consolidation were identified. And, when possible, approaches to those issues were suggested. The issues have not changed. The work done in that study is available and could be very helpful to this Task Force, and we recommend it.

The objective of the Vagelos Commission was to develop one or more nationally recognized medical schools in New Jersey. The definition
of a nationally recognized medical school is one that draws $500 million a year in research funding.

They decided -- and correctly so, probably -- the best route to this objective was to have the medical school part of a nationally ranked university, hence the merger initiative at that time. We assume that the objective of this Task Force is to make the senior university system in the State of New Jersey even stronger and more vibrant than it currently is. And we say, “Great.” You have our total support on that.

Whichever way the Task Force moves on the consolidation, an important question arises, which has been touched upon: Where will the money come from?

Some history is important with regard to the higher education budget. Approximately 25 years ago, higher education was approximately 11 percent of the State budget. Today, higher ed is approximately 5 percent of the State budget. Higher ed, in the discretionary part of the budget, is the largest single component. And we’ve observed that, over the years, it has been used to help balance the budget.

The AAUP sees its role in helping this commission. We represent a knowledge base and experience we would like to offer to the Task Force to assist you in this. We could look at the work that’s been done before and answer any questions. Basically, it would be a similar role to that which we played with the Vagelos Commission.

I’d also, if I can, make a couple of brief recommendations. Fundamental to great universities is the process of shared governance between the faculty and the administration. The cornerstone of shared governance is the tenure system. This should be maintained and protected
by whatever system you put forth. It also would be very important for higher education to have a voice at the Governor’s level. We urge you to reestablish a cabinet-level position for higher education. And, finally, I’d like to paraphrase a basic rule from medical practice. In trying to help higher education, be sure to do no harm.

Thank you.

SENATOR LESNIAK: Thank you, doctor.

Who would like to go next?

I can’t guess who is who on this one. (laughter)

LISA C. KLEIN, Ph.D.: Okay.

Senator Lesniak, Assemblyman Caraballo, and other distinguished members of this panel, thank you for the chance to address the committee on a matter that is very important to all of us in this room.

I am Lisa Klein, President of the Rutgers Chapters of AAUP-AFT, which includes Camden, Newark, and New Brunswick. We represent over 5,500 members at Rutgers University, including the full-time faculty, teaching assistants, graduate student employees, part-time lecturers, and professional staff, including our Economic Opportunity Fund program. And we’re affiliated nationally with both the American Association of University Professors and the American Federation of Teachers.

Let me say from the outset that the opinions I express today are my own. Presently, we do not have a Rutgers AAUP-AFT position on restructuring higher education. While there may have been an attempt to have a position in 2003, we have not arrived at one now. For myself, I can say that if the primary reason for the restructuring is to raise the quality of
public research universities and the quality of higher education in New Jersey, I’m all for it.

My reason for coming today is to give my view as a faculty member in the School of Engineering, as a graduate director in a program with students who have both Rutgers and UMDNJ faculty on their thesis committees, and as an active researcher on the Busch Campus in Piscataway.

As a faculty member, anything that facilitates collaboration is welcome. For example, my field is materials, and some of the faculty in my department work in biomaterials. My colleagues want to write proposals with Medical School professors, and the sign-off procedure for these proposals should be without duplication and bureaucracy. I think we can all agree that restructuring is warranted when it reduces bureaucracy.

As a graduate director, what I want for the graduate students is minimal or no barriers. Selecting the experts for a thesis committee should be on the basis of their knowledge and not their institutional affiliation. I see my job, as graduate director, as clearing the path for the students. Each time that this situation has come up, I have had cooperation with both institutions. And the student was mostly unaware that there were two institutions involved. Let’s make sure that this cooperation is not damaged in any restructuring.

Also, each Summer I participate in a recruiting effort to bring students to Busch Campus from undergraduate colleges where opportunities for research are limited. This is run jointly by the graduate school in New Brunswick and Robert Wood Johnson Medical School. The students are placed with mentors in both schools, and this has proved to be an excellent
recruitment tool for minorities and women who are underrepresented in science and engineering. This is one more example of faculty-to-faculty collaboration.

Finally, as a researcher on Busch Campus, where we share a campus between parts of both universities, I would like to see more integration. In some ways, the division between the universities is invisible already. From my faculty perspective, you might think I’m saying, “If it’s not broken, don’t fix it.” But something is not quite right. My view, like that of many others, is that the whole could be greater than the sum of the parts.

The question is how to improve this situation to promote the research universities in New Jersey to the first tier. There are many opinions and many approaches, I’m sure. There are the opinions of university administrators, of students, of alumni, of New Jersey taxpayers, of governing boards, of labor organizations, of business leaders, of elected officials, and the various faculties. My reason for being here today is to bring to you the thoughts of one faculty member. I want to work at a first-tier research university. I want my students to have unlimited opportunities for cooperation and collaboration.

I want to raise the matters of faculty governance and faculty contracts. I know that these issues have been raised by administrators, as well. These are not meant to be stumbling blocks or barriers to restructuring, or excuses for status quo. In fact, having a process which takes them into account, as a starting point, makes it more likely that restructuring will lead to an end result that truly represents an improvement.
In summary, my opinion that I’m sharing with you today is that there are many opinions, and that hearing many opinions is necessary in order for all of us to agree that there is a way to reach our goal. We need to think carefully about the process for building the quality research university structure we all want.

Thank you.

SENATOR LESNIAK: Thank you very much.

Madam.


I want to thank the honorable Chairs and everyone -- distinguished members here for allowing us to come and share our views on the mergers.

As you know, each institute has evolved to meet its own goals. And for this reason, each faculty enjoys somewhat different privileges. And over the years, the faculties have accepted different responsibilities. It is--AAUP is interested in both sides of this coin: the faculty’s responsibility to the institute, and the institute’s responsibility to the faculty.

We believe that it is essential that the faculty be significantly involved in the planning and implementation of any merger which is going to come about. And this concern is derived from the principles of shared responsibility and authority within the academic institution. And this lies at the heart of the AAUP philosophy.
According to their *Statement on Government of Colleges and Universities*, “The faculty has primary responsibility for such fundamental areas as curriculum, subject matter and methods of instruction, research, faculty statutes, and other aspects of student life that relate to educational processes.” These areas must be protected during any change which occurs, and they lie squarely within the domain of responsibility of the faculty at the university or the school. Hence, the faculty must be involved in the reorganization.

Conversely, each of the merging institutes has made certain commitments to its faculty, both collectively and individually, as each faculty member has been hired and promoted. And these commitments differ somewhat from school to school. For example, Rutgers allows seven years for tenure. On the other hand, UMDNJ allows 10 years. Such differences have arisen over the years, and they reflect both the unique circumstances of the two institutions, but also certain general differences between medical and nonmedical schools. Other differences would be nine-versus a 12-month contract, and certain procedures which are followed for layoffs.

These facts lead us to two clear recommendations. The first is that the promises made to the current faculty by her current -- his or her current institution must be retained and must be honored by the new organization. And secondly, because the medical school will continue to have its own requirements for incoming faculty; will continue to hire faculty in a unique, competitive environment that’s not shared by other branches of the academic areas; and will need to be retaining a certain degree of autonomy for its pay scales, tenure, and dismissal requirements, as well as
other aspects of faculty employment -- that it should therefore need to negotiate the faculty contracts separately and directly with the medical school administration.

Thank you for hearing our comments. And we’re looking forward to working with you in the future.

SENATOR LESNIAK: Thank you.

Your testimony was very informative, issues that we know we’re going to have to resolve. And I appreciate your positive approach to what we’re trying to achieve, because we both want the same thing. We want the best of excellence of research and academics for New Jersey. I appreciate you being part of that.

Senator Martin.

SENATOR MARTIN: I’m not sure that you are the folks that -- I’m going to make a request -- could provide the definitive answer. But the points that were raised, especially by -- is it Dr. Klein from Rutgers -- but also Robert Wood Johnson.

Here’s where I’m coming from. There was reference made to the fact, Dr. Klein -- and you talked about the fact that you are a faculty member in the School of Engineering, and that through -- there could be real collaboration, in some form, with UMDNJ-Robert Wood Johnson with respect to biomaterials.

I mentioned on a prior occasion that I have a daughter in the Graduate School of Applied and Professional Psychology, which is on the Busch Campus. And she’s talked a little bit about how there is some contact with Robert Wood Johnson. But I could see, in areas of
pharmacology and other aspects -- study of the brain -- where mental health issues would, perhaps, force a collaboration or could be assisted.

I would be interested if somebody -- and this is where I don’t know whether it’s within your bailiwick -- could perhaps develop a list of the areas in which there would -- where different departments, or graduate schools, or programs of the institutions, both -- at any of the three locations could be served. I don’t think we fully know just how much of a potential interaction there could be among different programs. We’ve heard that math is being used more in medicine. And the Rutgers departments, or schools, of mathematics -- I don’t know exactly how they’re configured -- would be of benefit to the medical schools.

But I would really like to see some kind of list, if that could be developed. And, again, it may not be you folks that would do it. But you certainly have demonstrated that there are collaborations that I -- unless you point them out to me I wouldn’t even think of.

Maybe if you could comment--

DR. KLEIN: I'll quickly comment on that.

In New Brunswick, there are 12 graduate programs which are joint programs, and there are some other relationships in Newark for graduate students. And I think collecting that information from the graduate school, and even some anecdotes from students, would be very important for this committee to hear. The information is there, and I can certainly suggest some people that would be a good resource in our graduate school.

SENATOR MARTIN: A related question: You made reference to the fact -- with doctoral students working on their Ph.D., or some similar
dissertation -- have the -- can go outside of their institution. Is that done on a regular basis among the schools, or is there some bureaucratic hurdles or obstacles that are in the way now?

DR. GOLUB: We do it all the time, and I haven’t seen any obstacles.

DR. KLEIN: Right.

SENATOR MARTIN: Thank you.

SENATOR LESNIAK: Thank you, Senator.

DR. GOLUB: By the way, on the question you asked -- the first one -- I’ve read, in several places, that this century will be the century of the marriage between medicine, science, and technology. And that’s where the action is going to be.

SENATOR MARTIN: I would ask then, perhaps the Chairs could see if they could ask the institutions to put together as comprehensive a list as possible of where the different schools would be assisted by collaboration with the other schools and programs.

SENATOR LESNIAK: I think they’ve already done that, and we certainly can do that for you.

SENATOR MARTIN: Thank you.

SENATOR LESNIAK: Thank you, Senator.

Assemblyman.

ASSEMBLYMAN DIEGNAN: Do you have any idea how many bargaining units there are at the three institutions? Just say Rutgers, NJIT, UMDNJ?

DR. GOLUB: You mean faculty-level?
ASSEMBLYMAN DIEGNAN: Yes, how many different entities or bargaining -- separate contracts that we would have to--

DR. GOLUB: For the faculty, there--

ASSEMBLYMAN DIEGNAN: I’m talking all of the various folks that would be affected by this.

DR. GOLUB: Of all areas within it, I believe there’s more than a hundred.

ASSEMBLYMAN DIEGNAN: Okay.

DR. GOLUB: For faculty, there are three. AAUP also has AFT at the Rutgers University. Even though we are all AAUP Chapters, our bargaining -- collective bargaining agreements are different.

ASSEMBLYMAN DIEGNAN: And what other-- We have AAUP, AFT. What other-- Are there Teamsters involved? What other--

DR. GOLUB: You name it, they’re there. Because the university-- We have 350 faculty; we have somewhat like 1,400, I think, employees at the institution, many of whom are collectively bargained. And we’re the smallest of the three.

ASSEMBLYMAN DIEGNAN: And is there a similarity? For example, would Teamsters recommend -- represent the same type of employee at all different institutions?

DR. GOLUB: We’re not experts in those, but I would guess that they probably overlap and conflict.

ASSEMBLYMAN DIEGNAN: I see Pat back there saying no. Okay. Thank you.

SENATOR LESNIAK: Assemblywoman Lampitt.
ASSEMBLYWOMAN LAMPITT: Just quickly, because many challenges in a university campus always present themselves in terms of bringing together the right entities so that all the voices are heard. In your opinion, do you believe that, obviously, faculty should be at the table during the reorganization of this next -- we don’t want to say merger -- but collaboration, or whatever we call this? Do you think that students and staff should be at the table, as well?

DR. GOLUB: I think all of the constituents should be there, because they all have knowledge in certain areas. And they’ll point out things that might be missed in bringing things together. We saw that in the Vagelos Commission. There were many, many-- Things you would never have imagined would be there. The librarians at Rutgers are members of the faculty. The librarians at NJIT are staff. All of those questions have to be addressed.

I don’t think they’re obstacles. It’s things we need to address and solve.

ASSEMBLYWOMAN LAMPITT: You’re all in agreement?

DR. STEVENSON: Yes.

DR. KLEIN: Yes.

ASSEMBLYWOMAN LAMPITT: Thank you.

SENATOR LESNIAK: Since I was a student in the ’60s, I, unfortunately, wouldn’t have had a lot to offer in those conversations. Things are different now.

Senator Rice.
SENATOR RICE: This is a question that I’d like to get an answer for. You may not be able to answer it, but I think you can.

We always hear about the reputation of these universities throughout the country. And I always tell people, regardless of what institution I went to, I would have graduated. Because at least on the liberal arts side-- You know, if you can figure out, at Rutgers, that one plus one equals two, then you can go to Stanford and figure the same thing out. So I’m not impressed with names. I am impressed with the dollars they charge you to get there, to keep certain people out.

The question is this: Years ago, I was told that people going to the University of California Berkeley, for example, to work on a Ph.D. were not required to get a master’s degree. Here, I know you have to take that step. Now, do you have any knowledge of that? And if so, and if that’s true, is it still -- if it was true, is it still the same? And if it is the same, is there a relationship between some of the things that happen, in terms of what we’re talking about -- graduating students, letting them go on to industries a lot quicker to pick up additional--

DR. GOLUB: At various universities, the requirements in different programs may be different. Some may require a dissertation, some may not. In some cases, you can go directly to the doctorate from the bachelor. Usually those are for very, very bright people. But the normal would be that you would get a bachelors, you would get a master’s, and then you go for your doctorate degree.

SENATOR RICE: And I guess the question -- do you know if that’s still the-- Do you know that to be true in the University of California system?
DR. GOLUB: I can’t say that factually. But I would assume that situations will occur.

SENATOR RICE: Could we research that to find out? I’d like to know. I can make some calls out there. But I’d like to get it on paper. I have very reliable insiders -- 18 years worth of workers. At one time, that’s the way it was.

DR. GOLUB: It is possible. I don’t think there’s anything that says you can’t, necessarily.

But what’s the importance behind your question, Senator Rice?

SENATOR RICE: From an academic perspective, we talk about the quality of the institution. And if you come from a certain institution, because of the way they market the name, you’re a rocket scientist. And anyone else with the same background--

My background is criminal justice administration. And I can tell you that their Ph.D. program is probably no different than my master’s -- I’ve always said that -- from Rutgers.

But the question is, that I’m trying to figure how we drive a reputation. But I’m also trying to figure out cost, because it seems to me that even though institutions do a lot of R&D, research and development work, the question is: Are some of those students going directly into disciplines, and getting an opportunity to work back in the system, rather than studying -- actually being productive? That’s what I’m trying to find out.

DR. GOLUB: On the issue, I know in our school, we have put in a bachelors and master’s program in five years, where some of your credits count for both your master’s and your bachelors.
And as far as the quality of institutions is concerned-- I’m not from Rutgers, so I can make this quite easily. When you go around the country, the reputation of Rutgers is that of one of the Ivy League schools. They think of that as one of the finest institutions in the country, much better than the people in New Jersey think of it.

At NJIT, in my field, if you go around to any civil engineering company-- When they are looking to hire somebody, they want an NJIT graduate. And I have personally had students who are presidents at virtually every major engineering company in the state.

I can’t say much about UMDNJ. It’s just not my field. But those people that I have spoken to that send their children to UMDNJ are extremely happy and proud of that.

SENATOR RICE: Well, I can speak on UMDNJ, because I travel a lot, too. And that’s why a lot of international groups send their students here, as well as other people from out of state. And that’s why we changed the name, years ago, to the University of Medicine and Dentistry, away from (indiscernible). And that’s my point. We have three great institutions.

But the other question becomes relevant to some of the things I am thinking. You don’t have the answer, but maybe through the Chair we can get it. And then I’ll call some of my colleagues out there.

SENATOR LESNIAK: Thank you, Senator.

I’m told that NJIT is actually a lot better than its reputation even. So if it’s reputation is good--

DR. GOLUB: There’s absolutely no question about it, Senator.

(laughter)
SENATOR LESNIAK: --it’s even better.

And Rutgers is changing its slogan now. It has a new slogan, right? It’s “Our football team is better than yours.” (laughter)

SENATOR RICE: It's because they have a Rice.

ASSEMBLYWOMAN KARROW: Thank you.

Any of you can answer this question. Would New Jersey--You’re, obviously, all academicians, you’re faculty. And I just want to know, regarding recruiting faculty, would it be easier to recruit top faculty away from other schools, or out of prestigious Ph.D. programs, if we were a super university, like CAL or Michigan, with three separate campuses; or the way it is right now?

DR. GOLUB: It is not the structure, as much as the quality of the programs. You could do it many different ways. And the higher the quality of the programs, the easier it is to recruit faculty.

ASSEMBLYWOMAN KARROW: But isn’t that the same thing?

DR. GOLUB: I’m sorry?

ASSEMBLYWOMAN KARROW: Isn’t that the same thing? If you have excellent faculty, you’re going to have excellent programs?

DR. GOLUB: Absolutely, and excellent students.

ASSEMBLYWOMAN KARROW: So how do we keep that? I mean, to be competitive with other academic universities around the country, what’s the best structure to be attractive to the best talent?

DR. GOLUB: As I said, I think that any structure will work if it’s done correctly. I think what’s needed to make the next step is money.
ASSEMBLYWOMAN KARROW: Well, before we get on the money -- because I have a question about that, too -- regarding recruiting and attracting, if we had a Rutgers University-North, Central, and South -- whatever we call them -- would those campuses compete against each other for faculty? How do you envision this?

SENATOR LESNIAK: Can I answer that? I mean, I would like to take a shot at answering that.

The missions would be different. And we kind of had an answer before, I think, from the Provost. And that is that there is some competition, and some competition is good. But there would be significant mission differences -- urban studies, delivery of medical services as opposed to basic research -- so that it wouldn’t be predatory competition.

ASSEMBLYWOMAN KARROW: Is it, Dr. Stevenson? You looked like you-- Is that how you see it, that it would be healthy competition?

DR. STEVENSON: That’s what I would go along with. There will be competition. There’s no question about it. And it depends on how we structure what we are offering, and that we don’t have over -- an overblowing situation, where we’re doing all the same thing, in the same place, in different places, and you can’t see any real good level of excellence.

ASSEMBLYWOMAN KARROW: Then let me ask you this question -- and this is the question I asked Jane Oates, and she asked me to ask the academicians, and I’m going to ask you. So if we just threw a bunch of money at the schools, would that be enough to provide that kind of excellence, or is it really some bigger vision, with an excellent name, with a
reputation outside of New Jersey that’s higher than it is in New Jersey? How do we get there?

DR. GOLUB: You have good leadership, right now, at two of the institutions: at NJIT and at Rutgers. Get a good leader; or restructure, consolidate it. Give those good leaders a budget to allow them to grow the institutions where we think the research is going to be going, where the money is going to be going. And that’s how you get there. And then bring in the excellent students to do it.

The college presidents will give you that information. These universities are very, very lean. We went through, last year, an 11 percent cut in State support. The President of our institution worked with the entire community to be able to do that without cutting programs, without firing people. It makes it harder and harder. Our class size is going from 25 to 40 students per class. We have to do it.

But you have the good leaders. Complete the good leaders, set up a good structure, whatever you decide it should be -- and we’ll be happy to work with you on that. And then give those leaders the ability to do their job.

SENATOR LESNIAK: Thank you.

I really think it’s important that we wrap this up by 4:00, and we have two more witnesses.

So thank you very much, gentleman and ladies.

DR. GOLUB: Thank you very much.

SENATOR LESNIAK: We appreciate your testimony very much. I’m very pleased that you are part of this process. It’s important for us.
DR. GOLUB: Thank you, sir.

SENATOR LESNIAK: Thank you.

Dr. Kathleen Scotto, Professor of Pharmacology, Senior Associate Dean for Research at Robert Wood Johnson Medical School, Interim Vice President for Research at UMDNJ.

Dr. Scotto, sorry for the lateness of the day. But this is how we work.

KATHLEEN W. SCOTTO, Ph.D.: No, actually, that’s probably an advantage. Because if I hear your heads thud to the table, I will think it’s because you’re tired and not because you’re bored. (laughter)

Let me begin by thanking all of you for this opportunity to talk to you today. I really appreciate it. I realize how important your mission is, and how critical it is to this state. And what I view as my role here is to give you some information that I think is going to be very, very important as you move forward. And I think I’ve got some good news, based on some of the testimonies I heard earlier and some of the questions that you were asking. Because I think that we are beginning to move forward in a very, very positive way. And you may not be aware of some of these new initiatives. So I’d like to tell you about them.

So what I will be doing is giving--

SENATOR LESNIAK: Doctor, may I?

DR. SCOTTO: Excuse me?

SENATOR LESNIAK: Your testimony will be entered into record. Could you take a shot at summarizing it?

DR. SCOTTO: Oh, that’s going to be tough.
SENATOR LESNIAK: Because it looks like it’s a half-hour in length. And we’re-- I don’t want to cut you short but, I mean, I think it would be better if you could-- We will have this in the record, and we’ll have an opportunity to read it. And could you-- I think it would be better for all of us.

DR. SCOTTO: Okay.

SENATOR LESNIAK: Thank you.

DR. SCOTTO: That’s fine. I’m delighted to summarize it.

SENATOR LESNIAK: And I want to assure you, it’s in the record, and we have it, and we will read it in its entirety.

DR. SCOTTO: No, that’s fine.

Actually, I would prefer to summarize and then take questions, because you can read it.

So, in summary, I’m really here representing research and researchers. And we’re somewhat of a unique breed. And I think, as you move forward in these decisions, it would be great if you could take into consideration what we need to succeed. We have--

I’m from UMDNJ. I came here two years ago, so I’m relatively new to the university. As you go through the package, I think you’ll agree that my training and my background-- I’ve come from some of the top research institutions in the country, all of which are very well respected. So I know excellence when I see it.

Why did I come here? I was a tenured faculty member. I was at Fox Chase Cancer Center at the time. I’m a cancer researcher. So what attracted me to New Jersey two years ago? I planned on staying at Fox Chase for life, quite frankly. But when I was given the opportunity to come
here to the Cancer Institute of New Jersey -- which is where my lab is now, based in New Brunswick -- and to have the opportunity to lead research at UMDNJ, it was an opportunity I couldn’t turn down. Why? Because New Jersey is a state with a long and very positive history of supporting research and technology.

UMDNJ had a great reputation among researchers. I knew many of the researchers here already. And they are the top in their field. And I think the number of awards that they have received, and national and international recognition, speaks to that.

We are in what I like to call the Silicon Valley of the pharmaceutical industry, and we’re not taking advantage of it the way we should. So I saw this as an enormous opportunity to be at the largest academic medical center in the world. And just as an aside, I will say that I have met with all five of the presidential candidates. And the first question I asked them is: “Why do you want this job?” I mean, these people are provosts and presidents of major, major institutions around the country. And every single one of them said, “Because this is a unique opportunity. And this is an academic medical center, the largest in the country, if not the world. There’s nothing else like it. And there’s amazing untapped potential.” And that’s what I see as well, and that’s what brought me here.

Interestingly, shortly after I came here, a lot of things came out that we had to deal with ever since. And rest assured, I’m as appalled and as concerned about those things as you are. But it hasn’t changed my attitude towards the people and the work that’s being done at the university.
So let me summarize some of the initiatives that we have, because I think you’ll be pleased about them. We looked at what we needed to do to move forward as an institution, and as a state, and as researchers. And I think the word that you want to use is collaboration. That’s what brought me here, and that’s what I wanted to do.

So one of the first things we have done-- NIH came out with a new initiative. And as you know, NIH is moving towards team science. And I think Congressman Pallone did a wonderful job talking about some of the issues we’re going to have to deal with, now that the NIH budget is cut. But one way we can leverage this is by taking advantage of where they do put the money, and that’s into team science. You’ve probably all heard about the roadmap initiatives. How do we build teams to move forward?

So NIH came out with an initiative -- and Jane referred to this a little while ago -- to try to transform the way we discover, and develop, and distribute health care throughout this country. So what are the problems that we have now? It’s a very long, and tedious, and inefficient, and expensive project. It takes 10 years from discovery to getting things out to the clinic. So why is that? There are a lot of different reasons. But one of them is cultural differences between industry and academics. Another one is that we have a number of barriers between the two, whether it’s IP issues, or the way we do things, or the fact that we don’t know about each other.

So how has translational research been done traditionally -- or before it was called translational research? You have your basic scientists here. You have your pharmaceutical industry here. And no one ever thought about the community out there. And never the twain shall meet.
So we sat down -- and this was a UMDNJ initiative -- and we talked to our colleagues at Rutgers, and we talked to our colleagues at Princeton, and we brought in our industry colleagues, and we brought in our biotech colleagues, and we brought in the State. And we said, “How can we transform this?” And right around that time, fortunately for us, NIH had the same feeling, and they came out with an award in 2005 -- it was announced in 2005 -- called the Clinical Translational Science Award. And this was an award to start this new and innovative process.

I will be honest with you and tell you that we did not have a lot of the prerequisites to go in for this grant. But we had a vision. And we received, in 2006 -- September 21, at 9:21 in the morning -- you can tell I was very involved in this initiative -- we received notice that we had been given one of the planning grants for this, and it was based on our vision. And as you look through the documents that you were provided, you will see one of the quotes from the summary statement from NIH. And essentially what they said is, “This is a new vision, which could create a paradigm shift in the way we design, discover, develop, and disseminate health care.”

And what is that shift? We are bringing everybody to the table from day one. We have partnered with industry, we have partnered with the State, and we are partnering with the community. They’re the end users. They’re the people who have never been considered as we move our basic discoveries into the clinic. You hear the term “from bench to bedside.” Well, the bedside are hospitals. And an awful lot of our diseases aren’t treated in hospitals. So what happens then? How do we get it out to
the community? So we’re now thinking, “from the bench, to the trench,” all the way, to bring health care to everyone.

So this is the new paradigm that we’re working on. There are a number of other opportunities that we have not only pursued but succeeded at. One other initiative that is in your documents is the White Rose Consortium, which is very similar in its attitudes, and approaches, and visions to this, except it’s an international consortium. It includes all of New Jersey, it includes the White Rose Group, which is based in England. And it’s York, Kent, and Sheffield, which is a very, very strong group. And we actually applied for a grant and beat out -- I believe it was -- Oxford University for this grant. And we got this grant as a consortium.

And we had our first meeting recently. And what we did is, we brought in a hundred people from across the state, people that normally would not get together. I think this is probably the first time this was done in such a large group. And we said, “What are the barriers, and how are we going to overcome them?” We have sent out questionnaires, we have done interviews. And we are going to use this information-- We have our first meeting with them next month in England.

This is where we’re going. These are the kinds of initiatives we’re looking at. We need to be able to partner throughout the state to move research forward.

So that probably took me longer to say than if I had read it. But let me move to--

SENATOR LESNIAK: I was just thinking that. (laughter)

DR. SCOTTO: I’ll be quick from this point on.
I just think that -- in my mind, that’s the way we need to be going. And I think when you think about economic development, and how we’re going to move this across the state, this is the way we’re going to do it. And I was delighted, as were all of my colleagues, that NIH clearly agreed with this, and clearly thought that this was a wonderful vision. And they said something to the effect that New Jersey will be the laboratory in which this new paradigm shift can be tested. We have a uniqueness that nobody else has. And that’s what we have to take advantage of.

I would like to just spend a couple of minutes -- maybe one-and-a-half -- telling you what researchers need. Because I think this is something very important to understand as we move forward, thinking of what are the best structures.

Researchers work probably 60 to 80 hours a week, and they spend their spare time thinking about their research. What they need are resources. They need a stable source of resources, they need the right facilities, they need a supportive infrastructure to do their work, they need leadership, and they need vision. Now, very often, each one of them thinks they have their own vision. But I’m talking about a big vision to move everything forward. They need the opportunity to collaborate, they need the recognition for the job that they’ve done.

So as we were talking -- as you were mentioning before about retention and recruitment-- And these are certainly big issues for New Jersey. They’re big issues for our university. I will tell you that up to this point, we have done quite well retaining our faculty.

And I will also be honest with you and tell you: one of the biggest problems are these ethics regulations. They have really hurt the
faculty in a number of ways. One of the obvious ways is, we aren’t academic researchers anymore. We can’t collaborate. I gave up a trip to Spain because I couldn’t afford the $3,000 out-of-pocket to pay for it. I will tell you, I’ve paid for many other trips, domestically. I mean, this is keeping us from being recognized as academic researchers, and it’s keeping New Jersey from being recognized for the excellence that it does have. I commend your efforts to change this. And I hope all of you, as we move forward, really give this a lot of thought.

What the structure is, I can’t tell you. I wish I knew. What we need within that structure is what I just said, in terms of research and graduate education. Because I’m also the Interim Dean of the graduate school. We need stability, we need resources, we need recognition, and we need opportunities for collaboration.

Thank you.

SENATOR LESNIAK: Thank you, doctor.

Will you be affected by our ban on dual office holding, because we’ve got this-- (laughter) You have, like, five titles over here.

DR. SCOTTO: Yes, it’s really only four. One is combined.

SENATOR LESNIAK: I see.

Thank you.

It’s the second time this legislation has been mentioned. I recommend to both Democrats and Republicans on this council -- on this Task Force -- Senators and Assembly people -- to cosponsor this legislation. I think it’s vital for us to retain and attract top-flight faculty and researchers such as yourself.

Any questions from the committee?
Assemblywoman Karrow had her hand up first.

ASSEMBLYWOMAN KARROW: Thank you, Senator.

SENATOR MARTIN: Is this like Jeopardy or something? (laughter)

ASSEMBLYWOMAN KARROW: I’ll trade you going on as a sponsor on that bill for a good Pay-to-Play legislation. That’s a joke. I’m kidding. (laughter)

SENATOR LESNIAK: I don’t make deals. I don’t negotiate. Do you remember Tommy Lee Jones? “I don’t negotiate.”

ASSEMBLYWOMAN LAMPITT: That’s where Pay-to-Play always starts. You don’t negotiate.

ASSEMBLYWOMAN KARROW: Dr. Scotto, how much of research funding is dependent on organizational structure of the university? Can an independent university move quicker to tap into Federal grants, or a large university -- is it going to be too bureaucratic? Does it matter?

DR. SCOTTO: I would say it matters. But I’ve spent most of my adult life sitting on NIH study sections, so I know what is considered. And the university structure, I can honestly say, I don’t think has ever been considered. It’s just not a consideration when these decisions are made. What is considered is whether you can do your research, whether you have the facilities -- whether you have the core facilities, whether you have the support, whether you have the space.

What’s really the most important consideration is whether you have the science. So the decisions on NIH funding are based on what is your hypothesis, how valid is it, how important is it, and can you do it? And the “can you do it” is the part that brings in the structure. But as long
as it’s a structure that functions well and is well-respected, what that structure is-- I can tell you, we fund the smallest places to the largest places. It’s really based primarily on the importance of the science and your ability to accomplish it.

ASSEMBLYWOMAN KARROW: Thanks.
That’s it.
SENATOR LESNIAK: Thank you.
And I would add to that: I’ve never heard anyone say that the structure itself is what matters. It’s what the structure produces that matters.

DR. SCOTTO: Exactly.
SENATOR LESNIAK: Thank you, doctor.
Anyone else?
Oh, Senator Martin.
SENATOR MARTIN: Hopefully two quick questions.
Just on that issue, if I understand you correctly then, the prestige of the institution, in and of itself, is not a factor? Well, suppose you had two somewhat similar proposals -- one from a more prestigious institution, as opposed to somebody who-- You make reference to the fact that, like Rutgers -- or UMDNJ is in the middle of the pack of the med schools. Well, let’s say somebody in the top 10 of the pack is applying for a relatively similar grant.

DR. SCOTTO: Okay. Can I just clarify the middle? We are in the middle of the pack, but not per capita. So I think, as you look at those numbers, those are raw numbers. If you look at many of the universities above them, they have a lot more faculty. So I don’t want to leave you with
the impression from that that our faculty are nonproductive. Our faculty are incredibly productive. We just have many fewer faculty than most of the schools above us. I think a couple of years ago we did a quick estimation, and we were coming out, like, 13th, as opposed to 60-something. So keep that in mind.

But in answer to your question, it’s actually a double-edged sword in reviews. Because, obviously, somewhere like Harvard-- You pick up the grant, and you say, “Oh, this is Harvard.” But the expectations also go up. We’re all human. So we see something, and immediately there’s an expectation.

So I would say that it can go both ways. Certainly, if it’s an unknown entity -- and I really mean an unknown entity -- then there’s always a question as to whether the work can be accomplished in that entity.

SENATOR MARTIN: Well, I get-- My question, I guess, was a roundabout way of saying, if by some restructuring there was more prestige added to UMDNJ, would that enhance its ability to secure funding from NIH and other major fund providers?

DR. SCOTTO: My opinion on this is no, and I’ll tell you why. Because most of us are biomedical researchers. And, for example, if we took the names of one of our other universities, which I realize is a possibility, I’m not sure that would enhance our reputation at the NCI, for example. You know, the NCI knows the Cancer Institute of New Jersey. So when they look at my grants, and they see that, that’s what influences them -- the reputation of that cancer institute.
So I think it can go either way. I feel uncomfortable giving you a definite answer on that, because I’m not sure there’s a definite answer on that.

SENATOR LESNIAK: Senator Rice.

SENATOR RICE: Yes, I want to try to give you some of the answers to that. And I think you know some of the answers.

One of the variables happens to be the politics of those states. Now, if you’re going to talk about California, with a greater population, a lot of Liberals -- but a lot of people come from that area, that region, whether it’s Texas or someplace else -- presidential candidates. If you look at the debates on T.V., it’s quite clear that given the name of the institution -- that has grown over the years -- that a lot of the confusion and the expense of the institution is not being looked at. It’s politically driven. That’s real. If you go to Massachusetts, the Kennedy’s have been a factor, along with others, for years.

Our legislators do well, Republicans and Democrats, because they bond together in a smaller state with institutions that we have built the names on. And we argue our piece. But proportionately, we get less. And that’s real. If you want to talk about Michigan -- we always go to Michigan looking for something, but yet we find out most of their stuff is bad, like a lot of California’s stuff is bad. They’re just (indiscernible) and everything.

So it’s the politics of it, too. I think what we have to do is drive the institution and show that we can collaborate, number one. We have the quality of personnel and resources to get it done. And from the State level, we’re doing all we can with resources to make sure things happen. And we
do have some accountability, some systems in place, that people can look at.

Then, from that, it becomes the same thing that it becomes down here, the tradeoffs and things like that. And I think that’s a very big factor. I don’t want you to go out of government ever forgetting that. (laughter) Because you always knew it while you were here. I just wanted to lay that on you, from an academic perspective. It’s called an element.

SENATOR LESNIAK: Thank you, Senator.

Thank you, doctor.

Last, but certainly not least— Someone has to be last, and you’re it. Representing the Health Professionals and Allied Employees, Ms. Ann Twomey, President; and Mr. Bernard Gerard, First Vice President.

Welcome.

Did we lose somebody in the process?

BERNARD W. GERARD: Ms. Twomey wasn’t able to make it today.

SENATOR LESNIAK: Okay. All right.

MR. GERARD: Senator Lesniak, Assemblyman Caraballo, I’d like to thank -- and members of the Task Force -- I’d like to thank you for the opportunity to hear our concerns as you discuss the potential reorganization of the three institutions.

I want to thank the committee, first of all. And I appreciate the time you’ve spent here right now. And therefore I would like to summarize the points in my testimony. You have it written, and it’s coming to you now.
SENATOR LESNIAK: And I assure you we will all read the testimony.

MR. GERARD: And I appreciate that.

Thank you.

My name is Bernie Gerard, and I am the Vice President of the Health Professionals and Allied Employees. We represent approximately 3,000 members at the University of Medicine and Dentistry, including a thousand registered nurses, most of them working at the University Hospital. Two thousand health professionals work throughout the university’s extensive system. Many titles which we represent are professional job classifications, including pharmacists, social workers at the hospital, biomed researchers at UMD’s medical and dental schools, mental health clinicians at the University Behavior HealthCare, and professional administrative staff, and professional staff in informational technology.

Of my three specific points to bring you today, most importantly I’d like to discuss employee rights and involvement. Each of the institutions being considered in this merger plan has more than one union representing its employees, with bargaining units of nursing, professionals, technical and support staff. HPAE has negotiated its contracts, which provide strong professional standards, staffing levels, health and safety programs, and labor management committees. It is important to our 3,000 members that these standards be maintained and improved upon under any reorganization plan, and that the participation of professionals is encouraged in this process.

In contrast to recent scandals, our contracts established a process that ensures the hiring and retention of qualified staff. The hiring
standards provided by our union contracts protect seniority and experience, fairness in job bidding and in layoff procedures, and further protect the integrity of our institution. Involving employees in the reorganization process will further serve the goals of rebuilding the integrity of the mission of UMDNJ.

To accomplish this goal, we ask that the Task Force establish working groups, with unions representing employees, at the institutions under reorganization consideration. We ask that current contracts be honored until and unless a new collective bargaining system is mutually agreed to by the unions in the State of New Jersey. The current level of wages, benefits, and working conditions must be maintained, and employees should be guaranteed continued participation in the State Pension and Health Benefits system.

We also believe that in order to maintain strong, consistent, professional standards that uphold our mission, bargaining should be explored on a state -- or a systemwide state level. Local issues with regional universities may need to be bargained over; however, the basic aspects of these wages, benefits, and working conditions should be bargained on a statewide basis.

We’d also like to draw the -- excuse me, draw your attention to the law signed this last August by Governor Corzine concerning the expansion of UMDNJ’s Board of Trustees, and providing for advisory committees to the Board of Trustees to include labor representation. While these advisory committees are in place, we have yet to have labor representation on any committee. And we urge this Task Force to propose measures in the governance of UMDNJ that give a voice to providing
frontline -- excuse me, a voice to those providing frontline patient care, research, and medical education.

Secondly, my point -- and I will be brief -- is University Hospital and the Newark community. We also encourage this Task Force to put forward its intention to promote and maintain the mission of University Hospital in providing care to the Newark community, to our state’s trauma patients, and to its clinical programs for medical education.

Lastly, on research funding and programs: Through the expansion of our medical research programs, and their funding sources throughout the institutions -- seem to be the major driving principle. We concur with that goal. But at the same time, as a representative of medical researchers, we ask that this Task Force focus on the recruitment, retention, and standards for the frontline researcher conducting bench work.

We offer our willingness to work with this Task Force to develop a plan that serves our communities with integrity and provides critical research, medical education, and continued quality care.

Thank you.

SENATOR LESNIAK: Thank you.

I want to say that our intention is not only to maintain the services at University Hospital, but to enhance them and strengthen it.

MR. GERARD: And we appreciate that.

SENATOR LESNIAK: Senator Rice.

SENATOR RICE: I’m a little concerned now. It has nothing to do with reorganization and structure. Now I’m getting an attitude, and I’ll deal with it when I leave here.
If I recall, the legislation that you’re talking about was my legislation.

SENATOR LESNIAK: That’s correct, Senator.

SENATOR RICE: It was my amendments. And I argued that we’re not going to remove the language. But we removed and we changed that language because the Governor assured me, personally, that there will be labor representation.

And you’re telling me there is no representation on any of the committees?

MR. GERARD: Not at this time.

SENATOR RICE: Then when I leave here, let me assure you, I’m going to see the Governor. And I will tell the Governor upfront, “Don’t ever give me your word on something and it doesn’t happen.” I will stop everything down here, regardless of how I have to do it, until that happens. And it may not be the Governor, it may be his people. So I’m not knocking the Governor. I work with my Governor. But I’m angry about it, because we don’t operate that way. At least I don’t.

SENATOR LESNIAK: Senator, I’m going to support you on that position just as strongly.

SENATOR RICE: That doesn’t make any sense.

SENATOR LESNIAK: Any other questions? (no response)

Thank you for being part of the process. We will continue to have this dialogue, I assure you, and you will continue to be at the table.

MR. GERARD: And we appreciate that.

Thank you, Senator.
SENATOR LESNIAK: Ladies and gentlemen, see you next time.

Meeting adjourned.

Have a great weekend.

(MEETING CONCLUDED)