

## **Testimony for the Legislative Task Force on Higher Education**

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Senator Lesniak, Assemblyman Caraballo, and the other distinguished members of this panel, I thank you for the opportunity to speak this afternoon and for taking on the challenging assignment your task force has assumed. That challenge is to examine New Jersey's research universities, to consider some far-reaching institutional changes, and to set the universities on a path toward greater academic excellence and more outstanding service to the state and the nation. Let me begin by acknowledging that your work is vitally needed.

I also want to recognize and thank Dr. Roy Vagelos for his leadership and express my high regard for him. Three years ago New Jersey and its research universities considered with great care and respect the bold ideas Dr. Vagelos set forth for restructuring higher education and research in our state. As you know, this grand and ambitious effort failed. The obstacles we encountered at that time were not intrinsic to the academic vision Dr. Vagelos advanced. The difficulties lay rather in some real issues, complexities, and problems that will have to be addressed if higher education and research in New Jersey are to attain the status we rightly seek for them. I will return to these issues in a few minutes.

For good reasons, the discussion was focused then, and we are focused now, on the state's needs in health sciences education and research, the subject to which I will devote a good deal of my remarks. But similar needs are felt in every area of higher education—in the arts and sciences, in engineering, in law, in business, and the rest. Whatever changes we make must be designed to advance excellence in every academic field and for all of our students.

That said, the basic goals for restructuring the research universities of New Jersey are just as sound now as they were before:

- First, we need health sciences education that ranks among the best in the nation for training physicians, dentists, nurses, pharmacists, public health professionals, and all the varieties of men and women upon whom outstanding health care depends.
- Second, we need more bio-medical research, both basic and translational, in all the most promising fields from genetics to stem cells to cancer. That means truly outstanding research, research that will mark New Jersey in the years ahead, just as it was known in former decades, as a place where knowledge is created that saves lives and contributes to the prosperity of our economy and the well-being of our communities.
- And third, we need a research university, or universities, among the best and most respected in the world: a university that attracts excellent students and faculty, creates new knowledge of enduring significance to humankind, and consequently merits greatly increased financial support from governments, foundations, and the private sector.

Rutgers shares these goals for New Jersey and wants to do its part to help achieve them. But right now New Jersey is a huge underachiever in regard to these objectives. To be sure, there are elements of great strength and excellence, many of them, I am proud to say, located at Rutgers or jointly at Rutgers and UMDNJ-at the Center for Advanced Biotechnology and Medicine, at the Protein Data Bank, and at the Cancer Institute of New Jersey, to name just three examples. But the whole is distinctly less than the sum of the parts in health sciences education and research, and many of the problems are structural.

Having an independent health sciences university that is not part of a comprehensive research university is unusual and limiting. Opportunities for interinstitutional collaboration currently exist, and they are being increased without structural change, as UMDNJ President Bruce Vladeck and I have recently pledged in a letter addressed to Dr. Richard C. Leone. But those collaborative opportunities are less numerous and harder to seize than they should be. Inevitably cooperation across the universities is constrained by administrative disparities and even by institutional possessiveness. In federal research support, New Jersey is not receiving nearly its share of the available dollars, especially in light of our favorable geographic location, the knowledge-based nature of our state's economy, and the highly educated quality of our workforce. This loss of support hurts our economy, just as it hurts our research productivity and our educational programs. And this will only be exacerbated by national and global competition; by limited growth in federal support; and by the need for large-scale, multidisciplinary approaches to the solution of increasingly complex problems.

I know from 10 years altogether as provost of the University of North Carolina at Chapel Hill and president of the University of Washington in Seattle what extraordinary advantages-in education, research, and economic development-can be gained from having medicine, dentistry, and public health all included within the same university as arts and sciences, law, business, engineering, and social work. In such a setting, students have opportunities that are now denied them in New Jersey; pathbreaking research is undertaken across disciplinary lines; and opportunities abound that we simply do not have in this state. The successes of those universities are now seen in the great economic growth engine of the Research Triangle Park and the biotechnology and computer science industries in and around Seattle. We do not have this kind of growth, investment, and development now in New Jersey.

There are many ways and multiple organizational models through which New Jersey could achieve the goals we seek. There is no right answer; indeed, there are several answers. California, Michigan, and Texas have all achieved the goals we are striving to attain, but they did not copy each other, and we cannot copy them. We need a solution that fits the history and needs of New Jersey. The only thing we can be sure of is that the current organizational arrangements are distinctly limiting and must be changed.

I am not here today to tell you what organizational model you should adopt for the research universities of our state. Instead I want to use the remainder of my time to set forth some principles that I believe ought to guide this discussion. It is a very important discussion, and New Jersey needs to get it right.

First is the principle of the process itself. It should be much more consultative than it was in 2003 when

a model was decreed and then slated for implementation. Not surprisingly it failed. There are lots of stakeholders here and multiple centers of influence and power. If anything as complicated as a merger of universities is to be undertaken, there must be adequate discussion and planning.

Second, the goals of excellence in teaching and research must be paramount. This is easy to say but hard to do. It would be difficult to argue that considerations of quality have always been uppermost in New Jersey's decisions about higher education. But the concern for quality must be paramount for the future. The ultimate goal of any university restructuring must be to achieve academic excellence and to create outstanding education and research, in health sciences and in every other field, for New Jersey.

As noted before, there is no single organizational model we should be copying, but there are national benchmarks for educational excellence, just as there are for health care. New Jersey's institutions should be held to the highest standards of accountability to protect the public trust and to ensure that teaching and research measure up to the very best. We should not just settle for solutions upon which a consensus can be obtained; we must reach for solutions that will make our successors and our future citizens truly proud of the state's research universities and the work they do.

It would be wonderful if considerations of academic excellence and quality were all that mattered, but that's not the world we live in. Governance, structure, and funding also count. We would be naïve to ignore the role that these factors will play in the recommendations you make.

For 50 years, since it became the State University of New Jersey in 1956, Rutgers has maintained its partnership and covenant with the state as the state's comprehensive research university. Rutgers is led by a Board of Governors of 11 members, six of whom are appointed by the governor of New Jersey and confirmed by the Senate and five of whom are elected by Rutgers' Board of Trustees, a body that dates back to 1766. This unique governance structure has safeguarded the mutual obligations of the state and the university, based first and foremost on protection of the academic missions and on freedom from partisanship. A paramount emphasis on academic excellence means having governance structures that reflect the educational missions of a university. Institutional governance makes a real difference to quality.

So does structure. While it is attractive to contemplate structural changes in the research universities of New Jersey, and while I have already said that in my view such changes should be undertaken, it is important to think carefully about what exactly they should be. Separating Rutgers into two or three different universities will damage the relationships between and among such disciplines as law and business and the rest of the institution. There are many shared academic programs in such fields as nursing and social work whose future could be jeopardized. The accreditation of professional programs, which is so essential to the value of the degrees the students receive, must be protected. None of this is to say that a particular structural change cannot be made, only that any such change requires careful thought and analysis.

The same is true of a large number of corollary issues: We need to decide who will hold the debt of the

existing universities and how it would be reallocated when they are reorganized. Who owns the endowments and how would they be allocated? Who owns the land and how would it be allocated? There are union contracts to be respected, computer systems to be aligned, and libraries to be integrated. Perhaps most challenging of all, there is the question of how to maintain and enhance the medical care provided by University Hospital in Newark without putting the university system at risk.

The final consideration to which I call your attention is the need for adequate and stable funding. That is no small matter in a state that has always struggled to support higher education and whose colleges and universities are currently suffering significant budgetary reductions. Whatever structural changes are made should be accompanied by sufficient investments to ensure the quality of the institutions and their programs. In actuality, that means three types of funding. First are the investments to actually reorganize the universities, to mesh the computer, telephone, accounting systems, and the like. These are real and significant costs. Second is annual operating support that is adequate to the performance of the universities' missions. If the goal of restructuring is simply to realign the pieces on the chessboard, then these two types of funding are probably enough. But we will not have achieved our potential or brought rapid, tangible benefits to the citizens of New Jersey. If we are to accomplish that and become the equal of the Michigans and Californias and North Carolinas, we have to invest in the programs that will make us among the best. We need to choose the areas in which New Jersey's universities can truly excel—biotechnology, pharmaceutical chemistry and engineering, nanotechnology, new materials and devices, nutrition, microbiology and infectious disease, homeland security, and so on—and support them at a competitive level. We can compete in these areas and achieve significant economic benefits. If we do not make such investments, any restructured university would be a hollow shell.

Finally, the institutions must be held strictly accountable for the expenditure of all the resources they receive. I have prepared and distributed to the members of your task force a separate statement on the internal control measures that we have adopted at Rutgers to avoid abuses and enhance accountability. We will continue to scrutinize and improve our policies and procedures in this area.

All of these are challenging issues for New Jersey, but we must do everything we can to meet them. The current arrangements in our state have brought forth too many missed opportunities and inadequate outcomes in education, research, health care, and economic development. At Rutgers we do not claim to know how best to reorganize the research universities, but we believe that some key principles should guide the process. They include:

- Paramount attention to the quality of education and research;
- Institutional governance that is appropriate to the maintenance of academic integrity;
- Careful decision making about any structural changes;
- Adequate and stable state funding; and
- Accountability of the universities to the people of New Jersey.

Rutgers stands ready to engage with the governor, the legislature, the other universities, and all the stakeholders in considering these huge issues and inspiring opportunities. Much is at risk for the people

and future of New Jersey, and much is to be gained by getting it right.

Thank you.

