

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1326

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 2026

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 1326 (1R).

As amended, this bill establishes the Task Force on Higher Education Governance and Funding, and makes an appropriation. Under the bill, the purpose of the task force is to examine the State's system of higher education, including its organization, governance, and funding mechanisms.

The task force would consist of 14 members, with the membership overall representing various governmental agencies that oversee higher education issues, different higher educational sectors, and individuals with certain knowledge of higher education policy issues.

The bill requires the task force to organize no later than 60 days following the bill's effective date and to meet regardless of whether all members have been appointed as of that date. The task force would hold at least one public hearing no later than six months after the organization of the task force.

The bill permits the task force to utilize the assistance of an external consultant to meet its research needs. In conducting its work, the task force is required to assess the system's ability to meet the current challenges facing institutions of higher education through:

- an in-depth examination of the organizational structure of each institution of higher education in the State, including an analysis of the role and impact of their governing boards;
- an analysis of the role and impact of State entities that provide oversight, guidance, and support to the State's institutions of higher education;
- the identification and evaluation of State statutory and regulatory requirements, including any required submissions of data and reports, imposed upon institutions of higher education, degree-granting proprietary institutions, the Office of the Secretary of Higher Education, and the Higher Education Student Assistance Authority;
- an analysis of the funding made available by the State to fulfill State statutory and regulatory requirements and the amount of

funding which institutions of higher education and degree-granting proprietary institutions expend to fulfill those requirements;

- an analysis of the institutions' funding mechanisms and the impact of funding mechanisms on tuition and student and institution outcomes;
- the development of a master calendar that identifies the dates or timelines of all major reporting requirements for institutions of higher education within State and federal regulations;
- an analysis of the mission statements of the State's institutions of higher education;
- a review of the relationships between county colleges and other institutions of higher education;
- an assessment of the extent to which institutions of higher education are meeting the State's workforce needs;
- an analysis of the effects of the change in higher education governance structure in the State since the abolishment of the Department of Higher Education in 1994; and
- the identification and recommendation of best practices utilized in New Jersey and other states in the areas of higher education governance and funding.

The bill includes an appropriation from the General Fund to the Office of the Secretary of Higher Education in the amount of \$200,000 for the needs of the task force. The secretary may, upon the recommendation of the task force, use these funds to hire, contract, or partner with subject matter experts as may be necessary and appropriate.

COMMITTEE AMENDMENTS:

The committee amended the bill to increase the task force from 13 members to 14 members. The amendments provide that one of the public members of the task force appointed by the Governor will be a president of a Talmudic institution or theological seminary, or a designee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will result in first-year costs of up to \$200,000 stemming from the bill's appropriation in that amount for the needs of the task force. If the full \$200,000 is not expended in the first year, the remaining amount will be spent in subsequent fiscal years until the full \$200,000 is exhausted.

The bill provides that the appropriation may, upon recommendation of the task force, be used by the Secretary of Higher Education to hire, contract, or partner with subject matter experts as may be necessary and appropriate.

The OLS also notes that members of the task force are to be reimbursed for necessary expenditures incurred in the performance of their duties, within the limits of funds appropriated or otherwise made available for the task force.