SENATE, No. 2113

STATE OF NEW JERSEY

219th LEGISLATURE

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Sponsored by:
Senator KRISTIN M. CORRADO
District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Requires public institution of higher education to study cost drivers, administrative productivity, organizational structure, space utilization, and faculty productivity.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning higher education administration and supplementing chapter 62 of Title 18A of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. A public institution of higher education shall develop a cost diagnostic that clearly identifies the factors that influence or contribute to the cost of providing higher education services. The cost diagnostic shall, for the most recent 10-year period:

a. identify key drivers of costs and revenue at the institution by administrative function and academic program;

b. account for ways in which increases in cost are funded, with specific attention to the impact on tuition and student fees;

c. detail the number and classes of managers employed by the institution, including the average number of employees each class of manager supervises; and

d. identify priority areas that offer the institution the best opportunities for efficiencies that will minimize the cost passed on to students.

2. a. The Secretary of Higher Education shall develop a common measure of administrative productivity that shall be used by a public institution of higher education. The purpose of the measure shall be to provide higher education administrators with better performance data and supplement the body of information used by policymakers when making resource allocation decisions.

b. A public institution of higher education shall biennially analyze the administrative productivity rates within its colleges, departments, and units using the common measure of administrative productivity developed pursuant to subsection a. of this section. The institution shall report its findings to the secretary.

3. A public institution of higher education shall biennially review its organizational structure to identify opportunities to streamline and reduce costs. The review shall consider opportunities for shared business services among units or between institutions of higher education, when appropriate, for fiscal services, human resources, and information technology.

4. A public institution of higher education shall biennially conduct a space utilization study of its campuses. The study shall identify opportunities to reduce energy, maintenance, and other costs associated with suboptimal utilization of facilities.

5. A public institution of higher education shall biennially report on the productivity of its faculty, and shall make the report publicly available on the institution's website. The report shall include:

a. the number of courses taught by each faculty member or instructor;

b. the number of courses in which the faculty member or instructor has one or more teaching assistants;

c. the percentage of staff time each faculty member spends on research; and

d. a list of faculty publications and creative works.

6. This act shall take effect immediately.

STATEMENT

This bill requires each public institution of higher education to conduct multiple studies to assess the efficiency of its administration. Under the bill, a public institution of higher education is required to:

(1) develop a cost diagnostic that clearly identifies the factors that influence or contribute to the cost of providing higher education services;

(2) biennially analyze the administrative productivity rates within its colleges, departments, and units using the common measure of administrative productivity to be developed by the Secretary of Higher Education. Each institution will report its findings to the secretary;

(3) biennially review its organizational structure to identify opportunities to streamline and reduce costs. The review will consider opportunities for shared business services among units or between institutions of higher education, when appropriate, for fiscal services, human resources, and information technology;

(4) biennially conduct a space utilization study of its campuses. The study will identify opportunities to reduce energy, maintenance, and other costs associated with suboptimal utilization of facilities; and

(5) biennially report on the productivity of its faculty. The report will include: the number of courses taught by each faculty member or instructor; the number of courses in which the faculty member or instructor has one or more teaching assistants; the percentage of staff time each faculty member spends on research; and a list of faculty publications and creative works.