

United States Senate

WASHINGTON, DC 20510

March 29, 2012

Governor Chris Christie
Office of the Governor
PO Box 001
Trenton, NJ 08625

Senator Stephen Sweeney
Senate President
New Jersey Senate
P.O. Box 099
Trenton, NJ 08625

Dear Governor Christie and Senate President Sweeney:

More than five weeks ago, on February 22nd, I sent a letter to Governor Christie requesting detailed information regarding the impact on New Jersey's students, communities, and educational institutions of your pending proposal on the reorganization of New Jersey's higher education system. Although you continue to insist that this proposal must move forward by July 1st, the people of New Jersey and I have yet to receive an answer to even one of these questions. In fact, if anything, the questions surrounding the wisdom of this proposal have multiplied exponentially and are coming from every corner of our state. Therefore, I urge you to answer these questions fully and without delay.

Several groups and numerous constituents have contacted me in an effort by everyday people to uncover the facts about this deal. As of today, a petition organized by the group R2RMerge to stop the merger of Rutgers-Camden and Rowan University has been signed by more than 12,500 people. A Rutgers-Eagleton Poll conducted last month found that 57 percent of New Jerseyans opposed the merger of Rutgers-Camden and Rowan, compared to only 22 percent who supported it.

Prominent organizations have stated opposition to or concern about the plan, including the American Association of University Professors, the Board of the Rutgers University Camden Alumni Association, the New Jersey State Bar Association, the Camden County Bar Association, and the Burlington County Bar Association. In addition, numerous students, faculty, alumni, veterans, and other New Jerseyans have spoken out against this plan. These individuals and organizations represent North, South, and Central New Jersey and are united in demanding prompt answers—not political posturing.

Before any further action is taken on this deal, the questions below need to be answered. For the most part, these are the identical questions I asked on February 22nd—and to which I have yet to receive any response. Where new questions have arisen, I have noted them in italics.

Overall

1. What evidence, data, or analysis did the Governor's office and the Task Force use to conclude that the proposed reorganization plan will make the state more competitive for federal grants?
2. Similarly, what evidence, data, or analysis was used to conclude that the plan will increase investment, improve the education system, and create jobs across the state? Please include estimates of increases in public and private investments, economic growth, and job creation and how the task force's plan compares to alternative proposals.

Merger of Rutgers-Camden into Rowan University

3. Taking into account federal, state, and institutional financial aid, the price of attending Rowan University is, on average, \$5,000-8,000 more than attending Rutgers-Camden. Will the price of attending college for students who currently attend Rutgers-Camden increase? If so, what accommodations will be made for former Rutgers-Camden students who cannot afford to attend Rowan?
4. Rutgers-Camden and Rowan receive large amounts of federal grant money. How would a combined university under Rowan's leadership manage the federal grant process? Please specify how the change would impact federal grants that have already been awarded to Rutgers-Camden and Rowan, the combined university's potential to attract new grants, the process by which grants will be transferred between the two universities, and information on whether any grants the universities have received may be forfeited because of the changes.
5. Rutgers-Camden has more than 600 employees. How will these changes affect employees of the university? What accommodations will be made for current Rutgers faculty who utilize facilities that will now span the two universities? Will tenured faculty retain tenure after Rowan's takeover? Please detail how labor contracts, employment benefits, and retirement plans will be affected by this change and what accommodations will be made for any reductions in benefits that current employees of Rutgers-Camden may experience as a result of this plan.
6. Many Rutgers facilities in South Jersey are not based in Camden. For instance, the Rutgers Food Innovation Center is located in Bridgeton, and the Rutgers University Pinelands Field Station is located in New Lisbon. What are the plans for these facilities? Please provide a complete list of all facilities currently under the control of Rutgers University that would become part of Rowan.
7. *Cooper Health System's credit rating is one notch above junk status. The Affiliation Agreement between Rowan and Cooper provides that Cooper will transfer on average \$4.5 million per year through FY 2014 to Rowan. If Cooper is unable to make the agreed-upon payments to Rowan for any reason, how will Rowan come up*

with additional funding to support the medical school, particularly given that Moody's has determined that Rowan has limited capacity to absorb future borrowing without affecting its credit quality? Given that Moody's has also suggested that one way to service this debt would be through increased tuition revenue, what could be the impact on student tuition for current Rowan and Rutgers-Camden students of this debt situation?

Breakup of UMDNJ

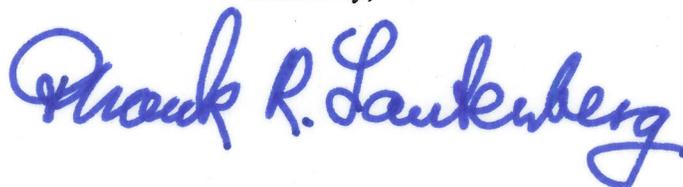
8. The creation of New Jersey Health Sciences University out of the existing UMDNJ will result in huge changes that have the potential to be disruptive to the Newark-based UMDNJ community. What steps will be taken to avoid negative impacts on the Newark community as the result of changes to UMDNJ and University hospital? Will there be job losses and how will these changes affect workers at University Hospital and UMDNJ? How will the Governor's office ensure that the quality of education for students does not suffer during this transition?
9. How will University Hospital's financial obligations to UMDNJ affect the reorganization and the hospital's ability to provide patient care in the future? What entity will be responsible for deferred maintenance, technical upgrades, and other costs related to the hospital? Please include relevant financial data, including bond obligations, deferred maintenance, and any technological upgrades that may be vital to maintain the standard of care provided at the facility.
10. How will the state select private contractors to run University Hospital? What criteria will it use to select the contractor? How will the state ensure that this hospital continues to provide an exceptional quality of care for patients?
11. The proposal recommends that UMDNJ's Cancer Institute of New Jersey and the School of Public Health be merged with Rutgers University's New Brunswick and Piscataway campuses. Both of these organizations have facilities in Newark and southern New Jersey as well as other areas across the state. How would the proposed merger impact the facilities located in regions outside of the New Brunswick-Piscataway area?
12. *According to Moody's, UMDNJ owes nearly \$670 million in debt, including approximately \$450 million owed to bond holders. These bonds could become immediately due and payable if the proposal goes forward as currently structured. What steps will be taken to make sure Rutgers' finances are not compromised by the acquisition of UMDNJ and the assumption of its debt?*

Throughout my career, I have fought to bring federal resources to our state's students and colleges. When congressional Republicans targeted Pell Grants in their effort to balance the budget on the backs of our nation's young people, I fought to maintain the maximum Pell Grant award level of \$5,550 in FY 2012. In the 2010-11 academic year, 180,000 students in New Jersey received \$660 million in Pell Grants. Furthermore, as a member of the Senate

Appropriations Committee, I have worked to increase funding for the National Institutes of Health and the National Science Foundation. As a result, millions in federal research dollars from NIH and NSF have flowed to institutions across the state in recent years, including millions of dollars for Rowan University and Rutgers-Camden. Even as our state lost an opportunity for \$400 million in federal education funding, I have been doing everything in my power to bring home to New Jersey as many resources as possible for our students at every level of education. It is my mission to ensure that nothing occurs that would put this federal support in jeopardy.

I appreciate your immediate and complete responses to these questions. As this process moves forward, I look forward to working with you to promote the best interests of New Jersey.

Sincerely,

A handwritten signature in blue ink that reads "Frank R. Lautenberg". The signature is written in a cursive style with a large, prominent "F" and "L".