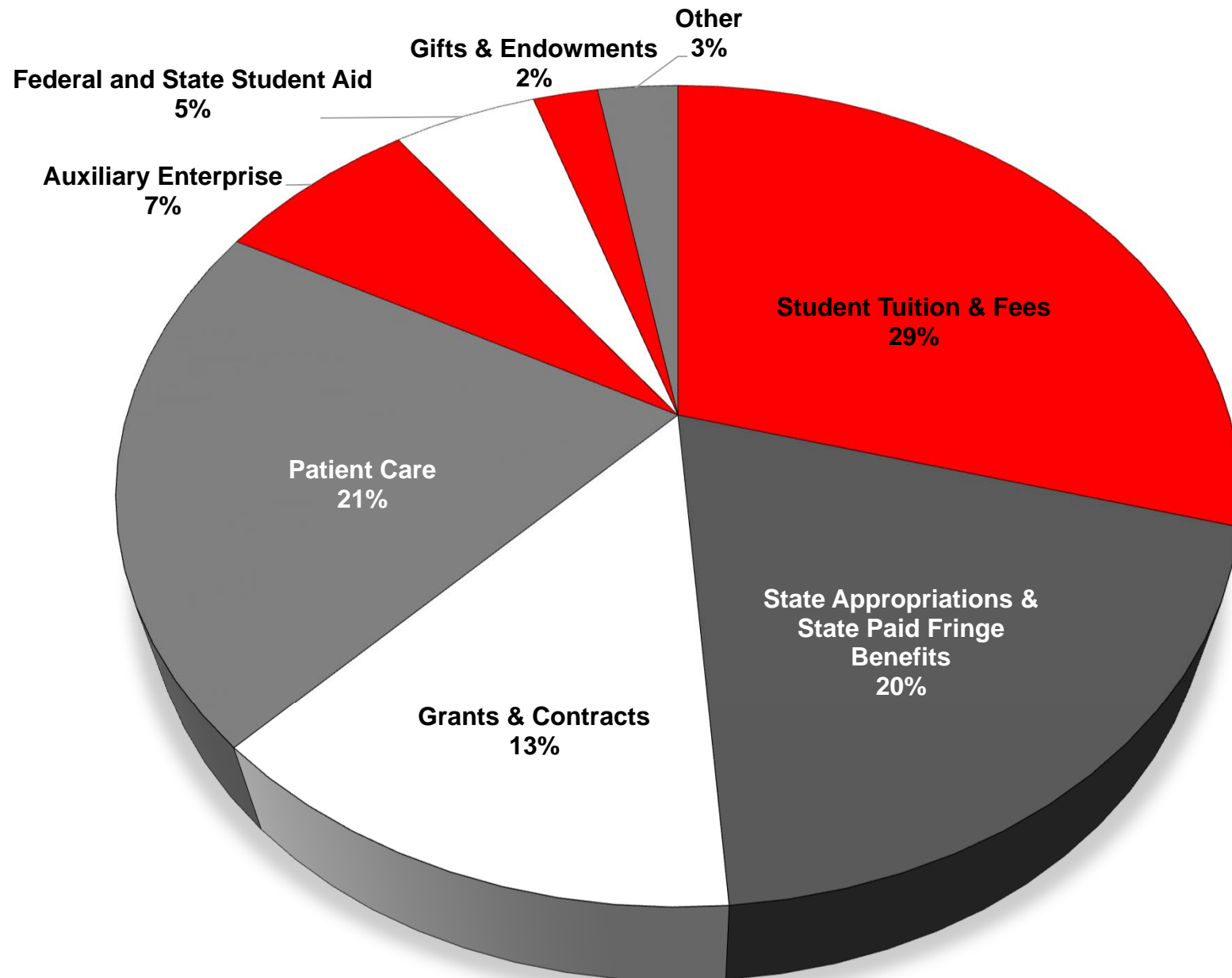


# Open Hearing on Tuition and Fees

May 19, 2020

# University Overview

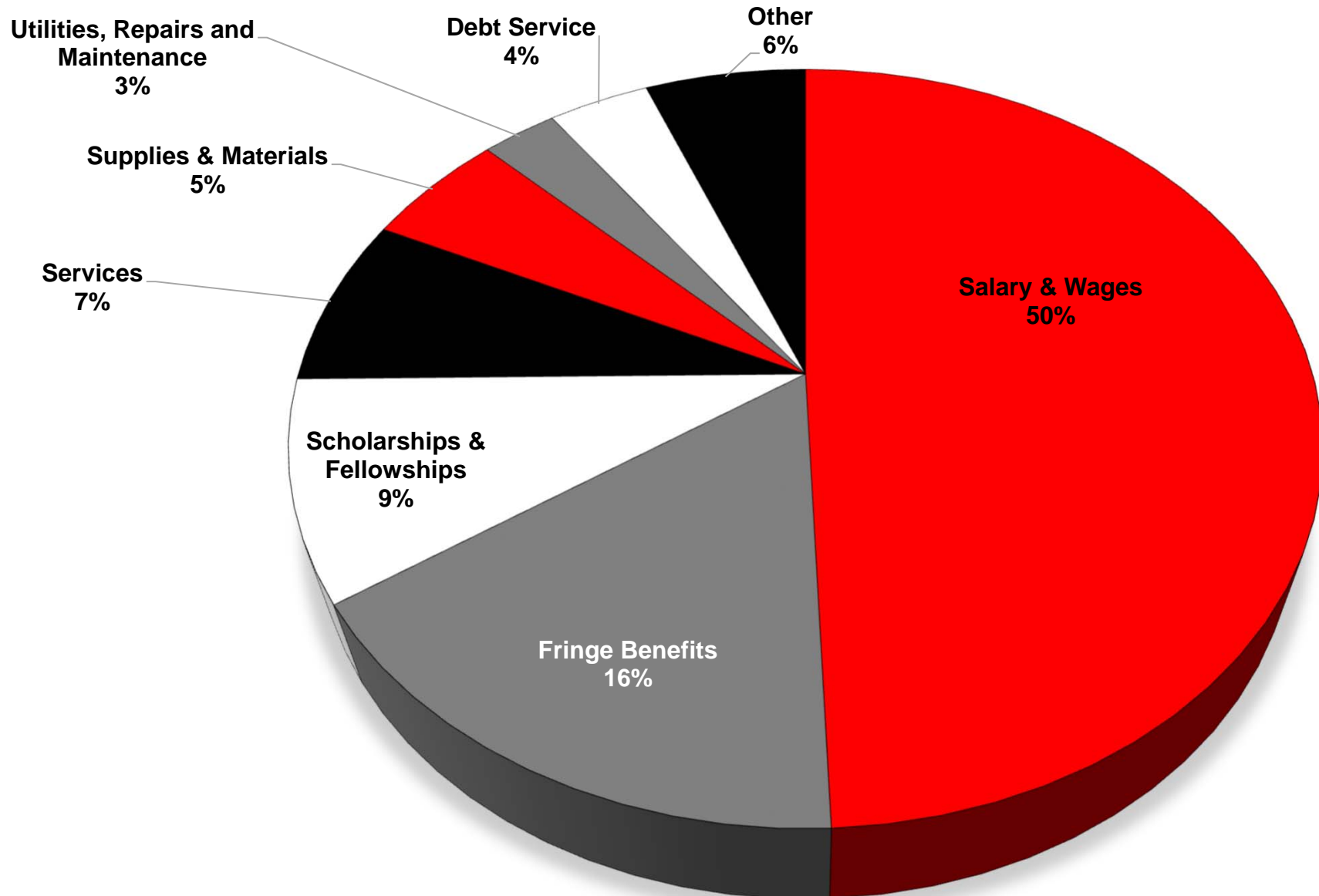
# Budget FY 2020 Revenue \$4.6 Billion

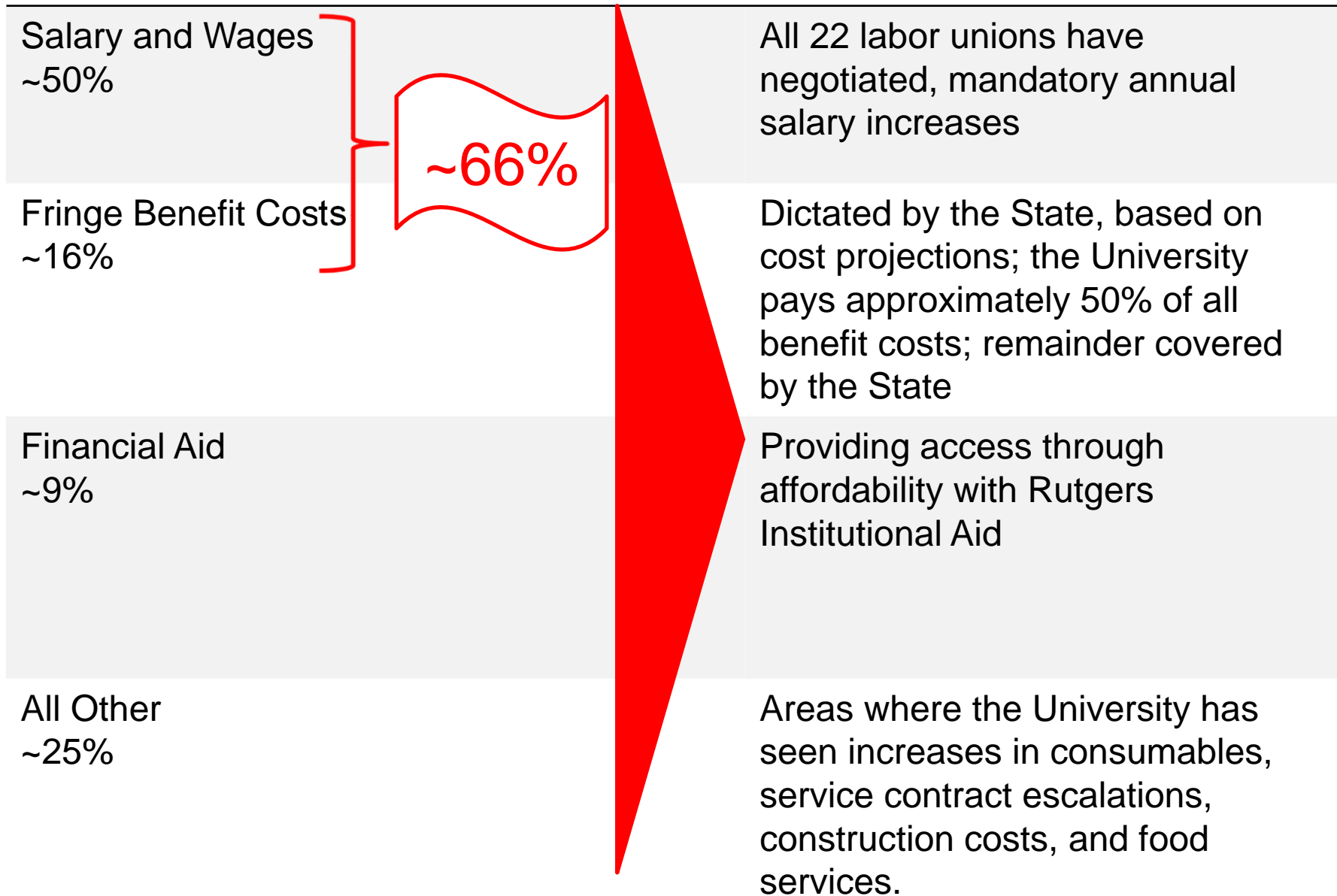


Tuition and Fees ~29%	Student affordability and access, federal changes to financial aid and student support, as well as public scrutiny on rising costs
State Appropriations ~20%	Constrained State government spending not keeping pace with the growth of the University
Patient Care ~21%	Impact of health care reform, federal and state health care spending
Grants and Contracts ~13%	Significant federal government spending cuts impacting revenue

Note: The remaining 17% is made up of various revenue sources.

## Budget FY 2020 Expense \$4.6 Billion

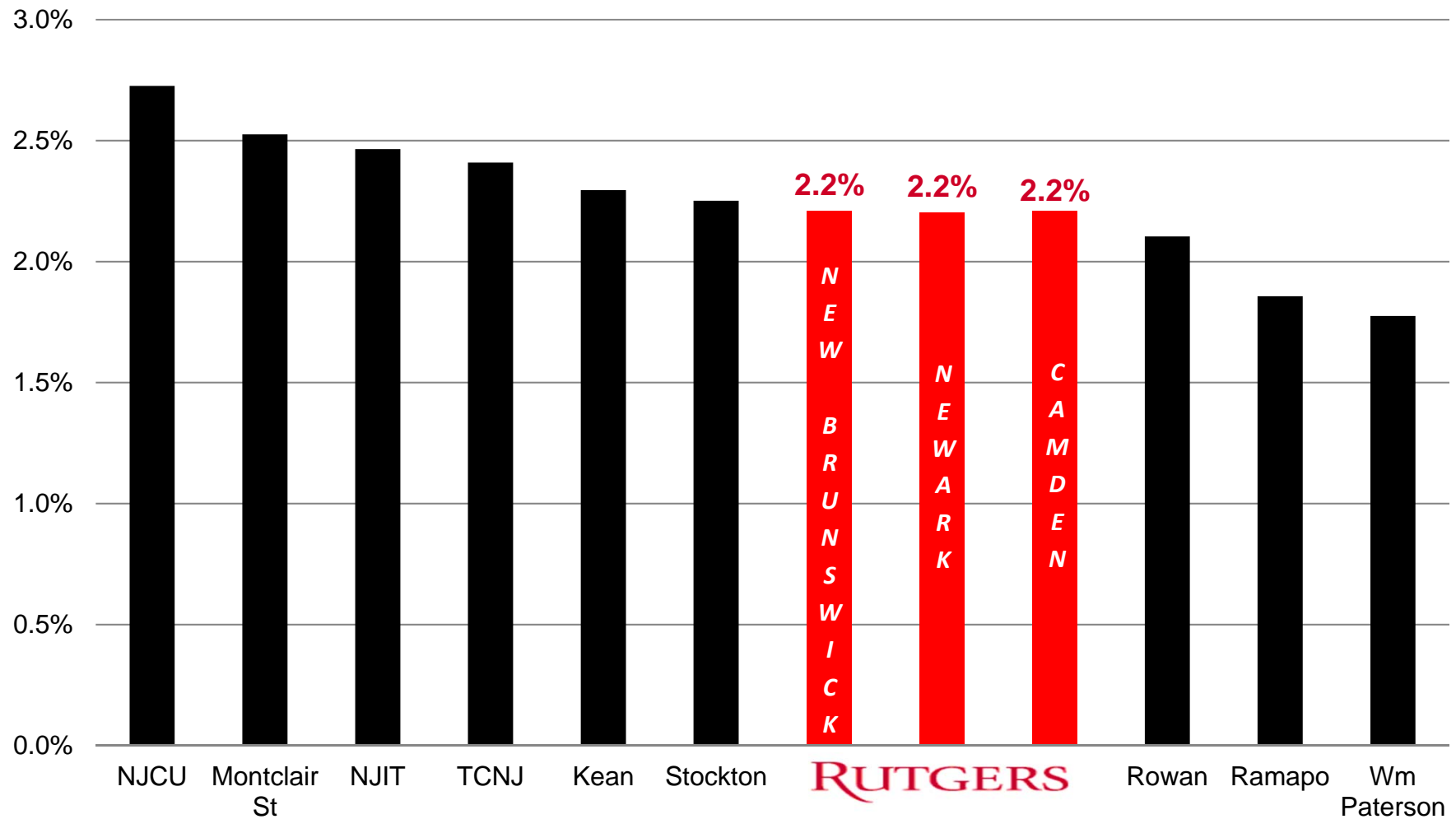




# **Tuition, Fees and Financial Aid**

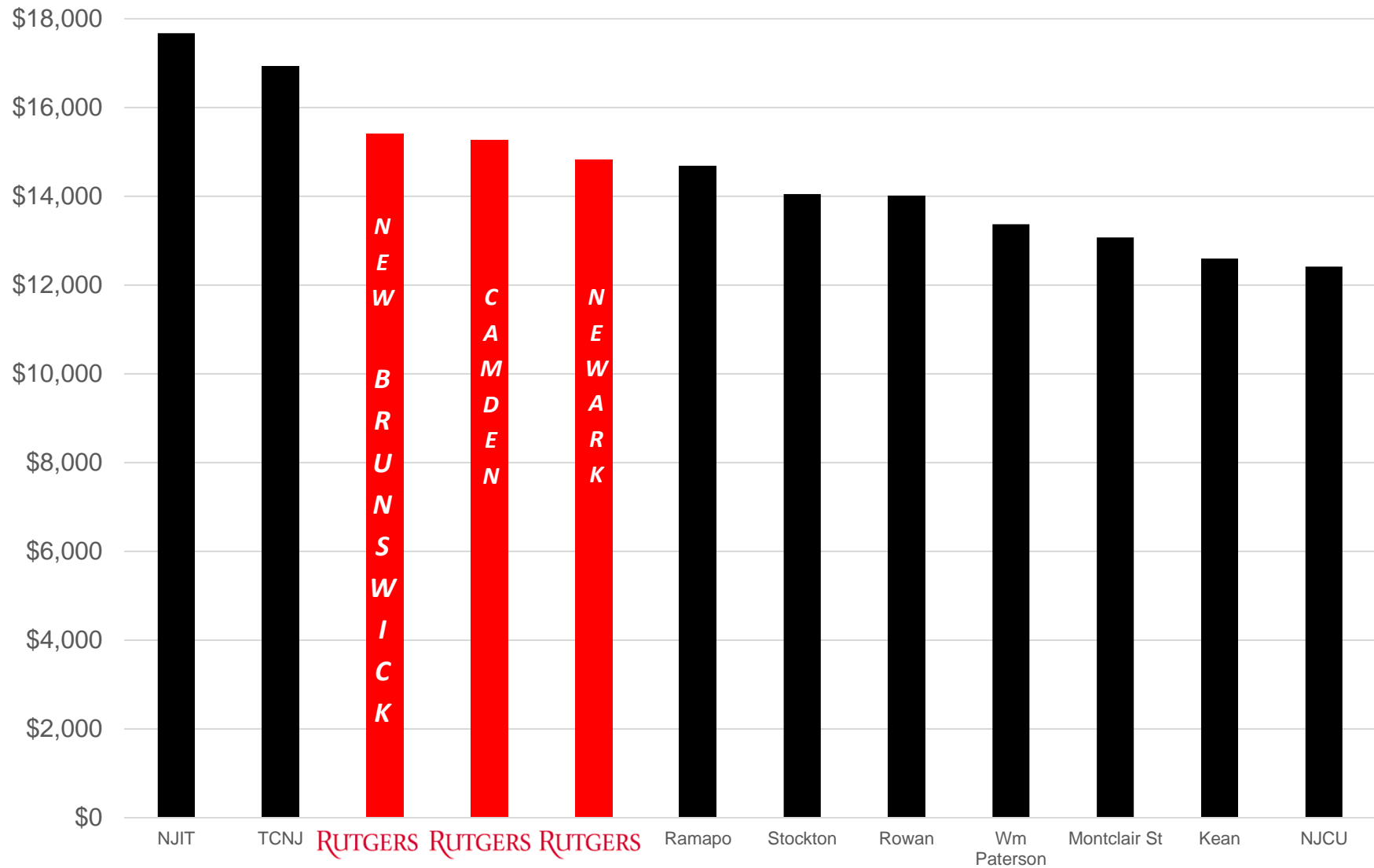
# 5-Year Average Annual Tuition and Fee Increases

New Jersey Senior Public Institutions



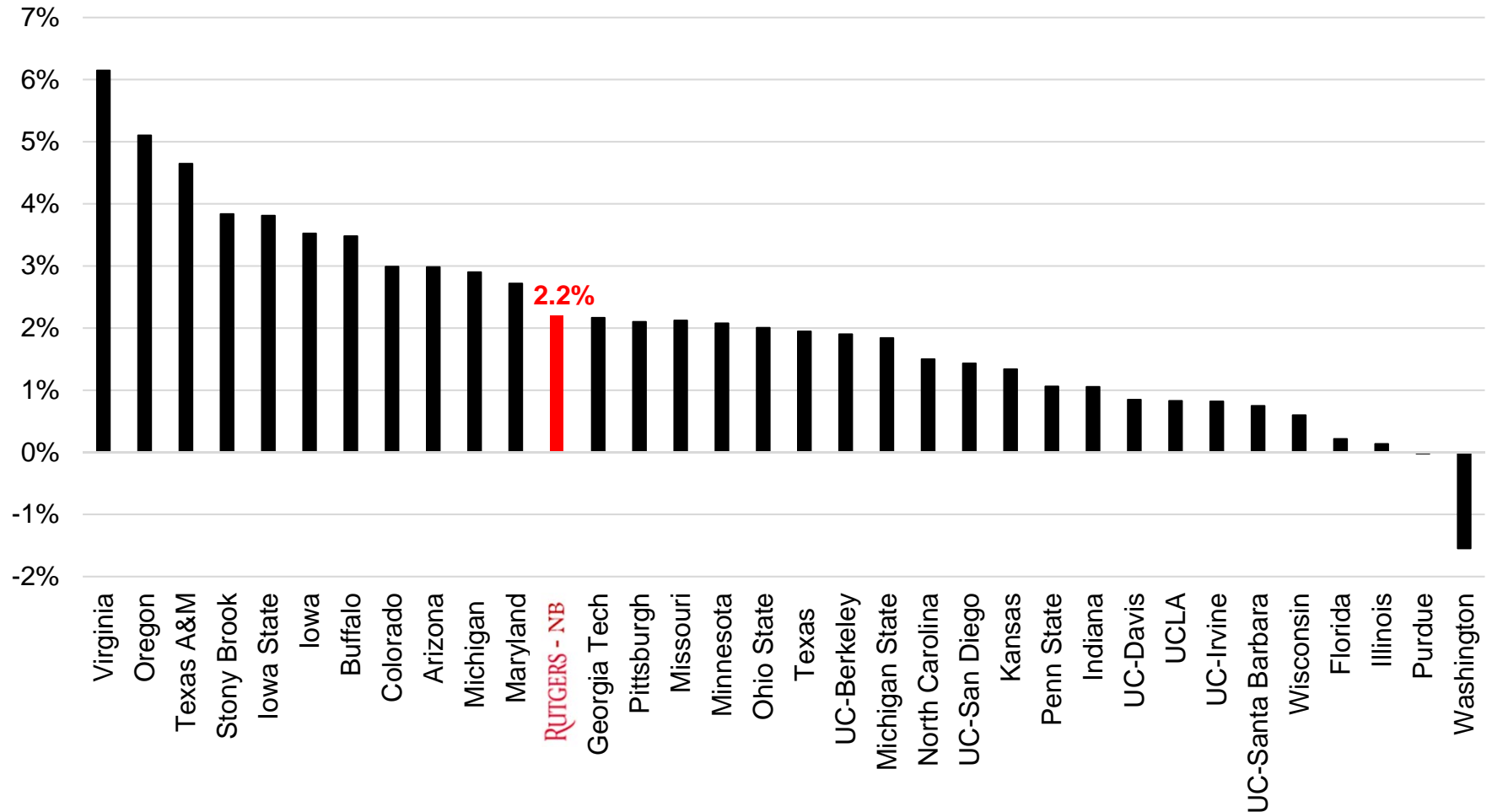


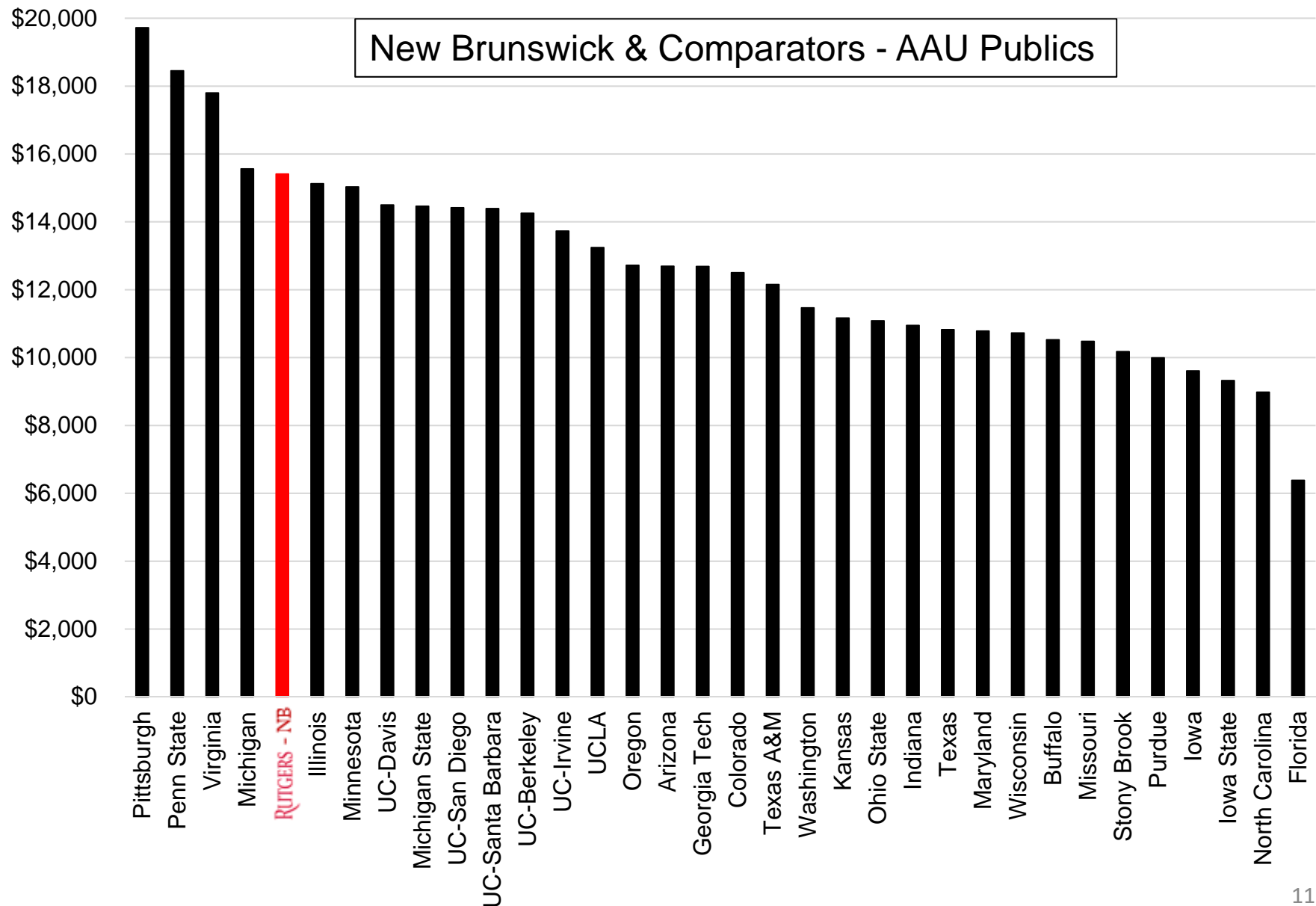
## New Jersey Senior Public Institutions



# 5-Year Average Annual Tuition and Fee Increases

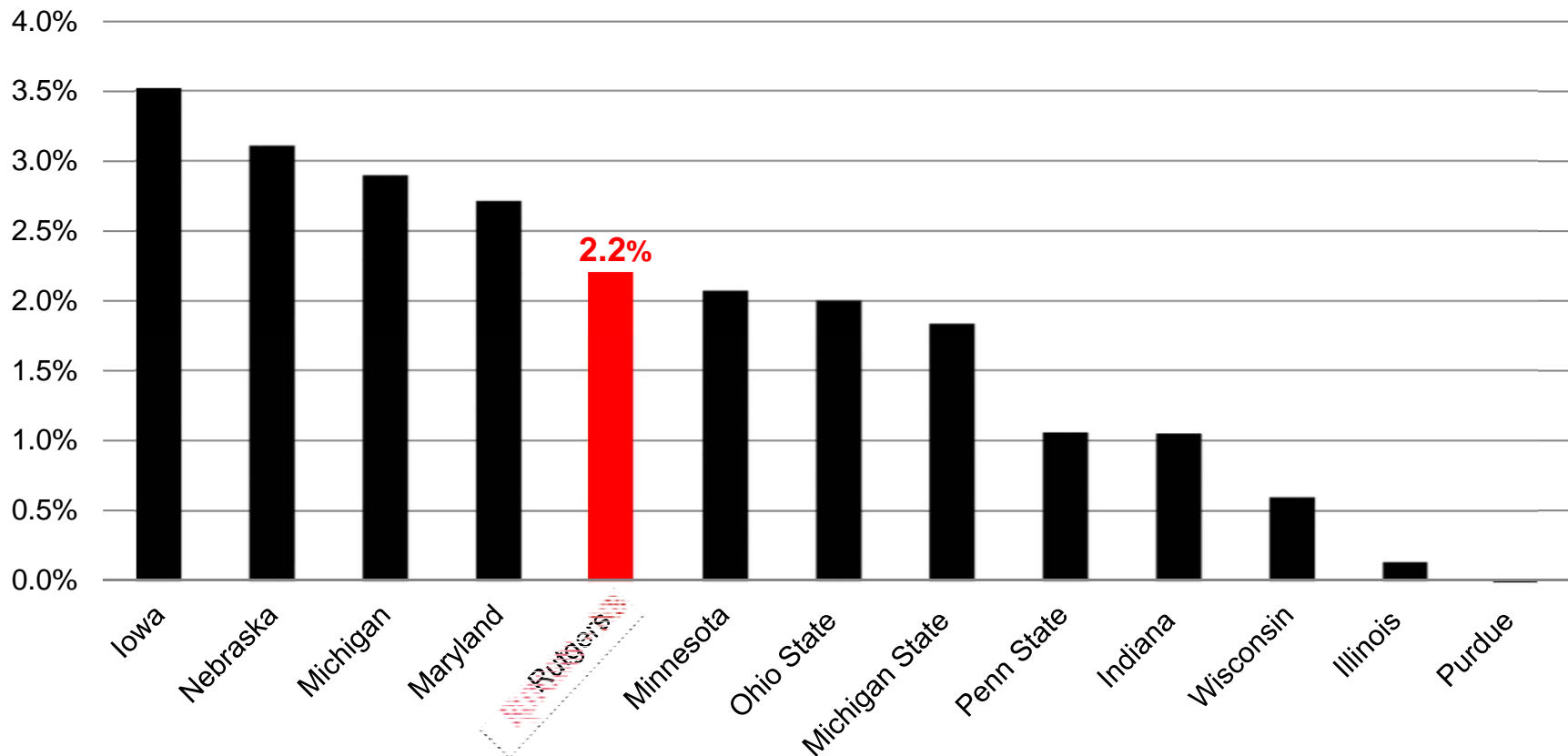
## New Brunswick & Comparators - AAU Publics



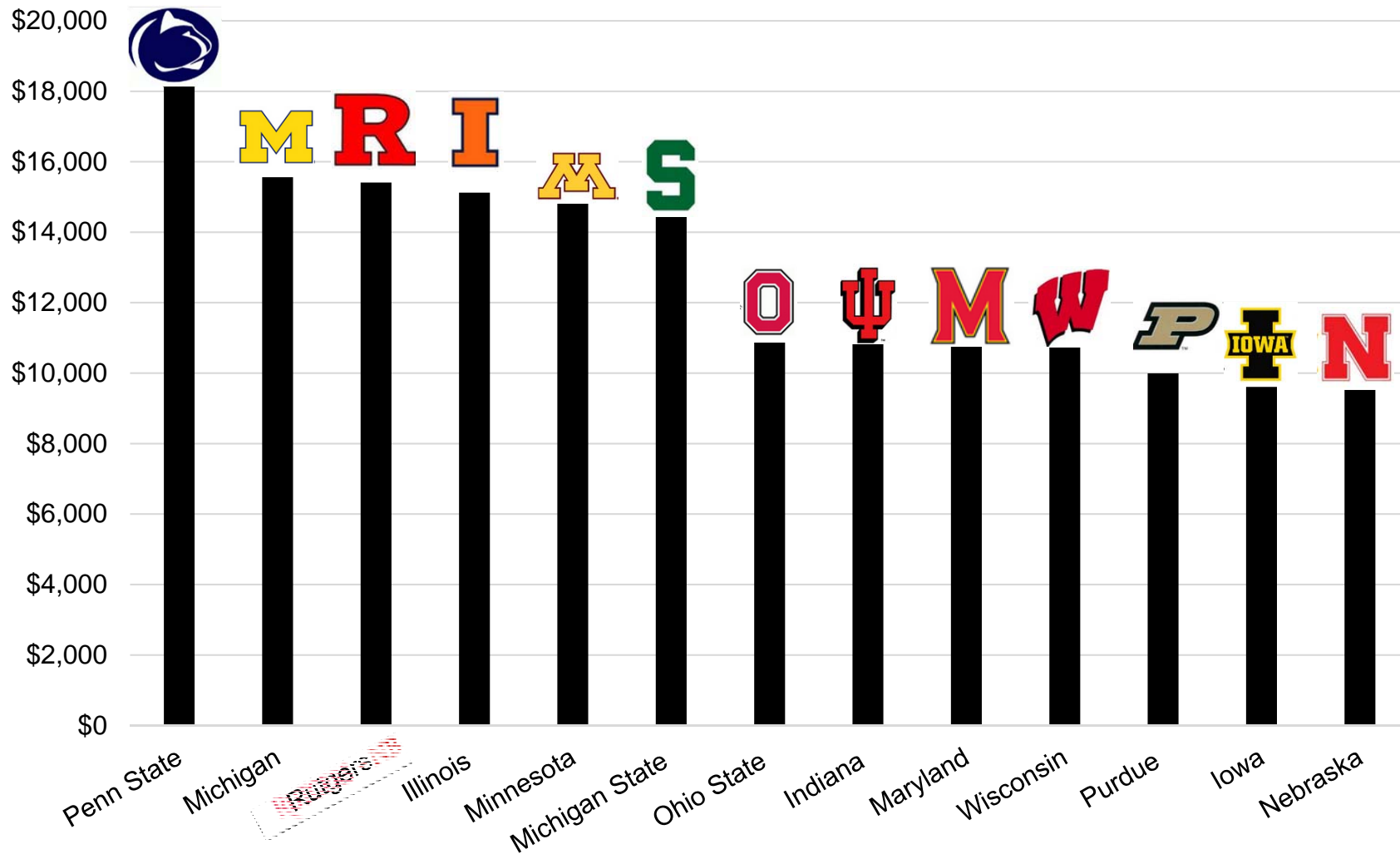


# 5-Year Average Annual Tuition and Fee Increases

## New Brunswick & Comparators - Big 10 Institutions

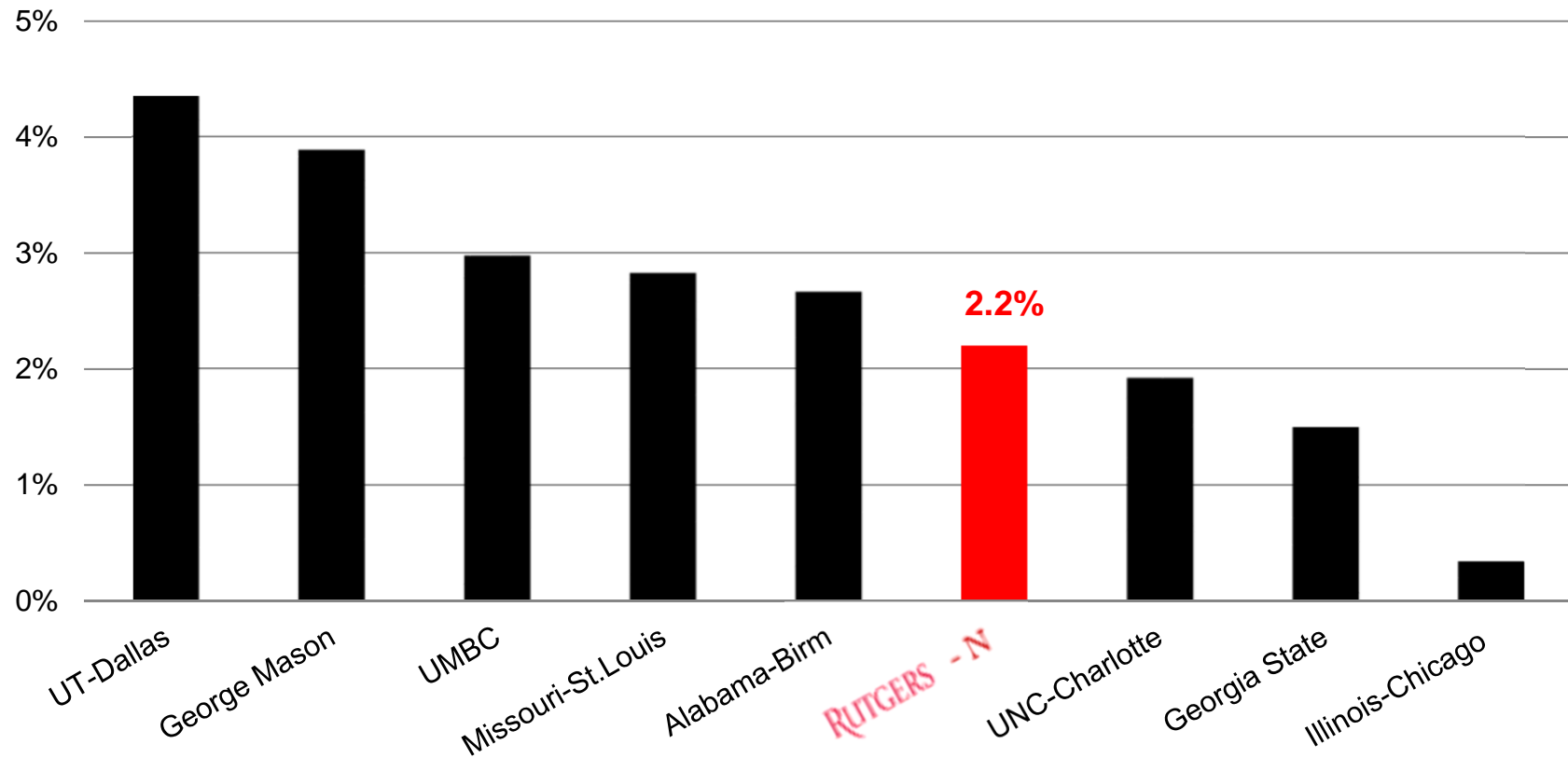


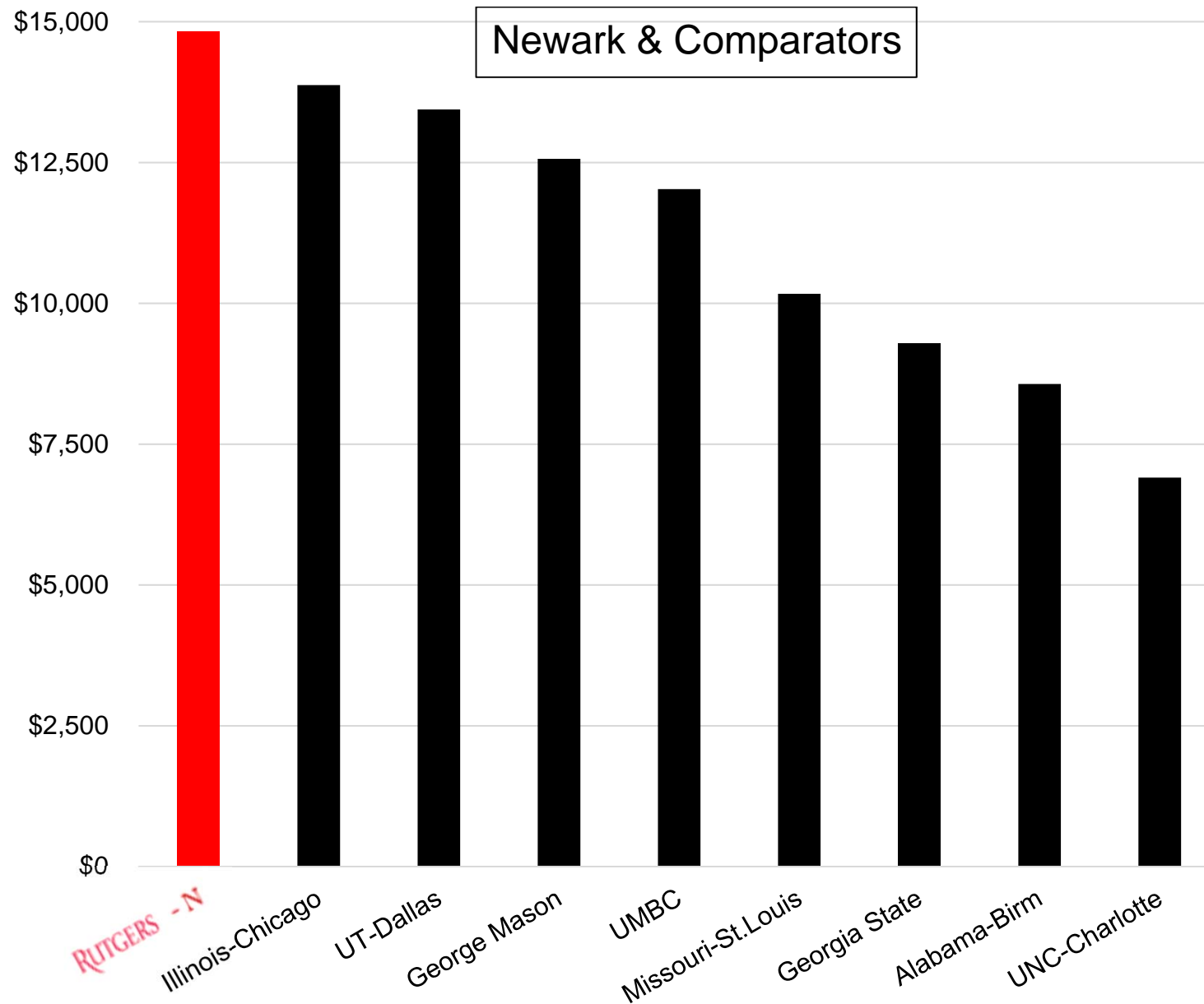
## New Brunswick & Comparators - Big 10 Institutions



# 5-Year Average Annual Tuition and Fee Increases

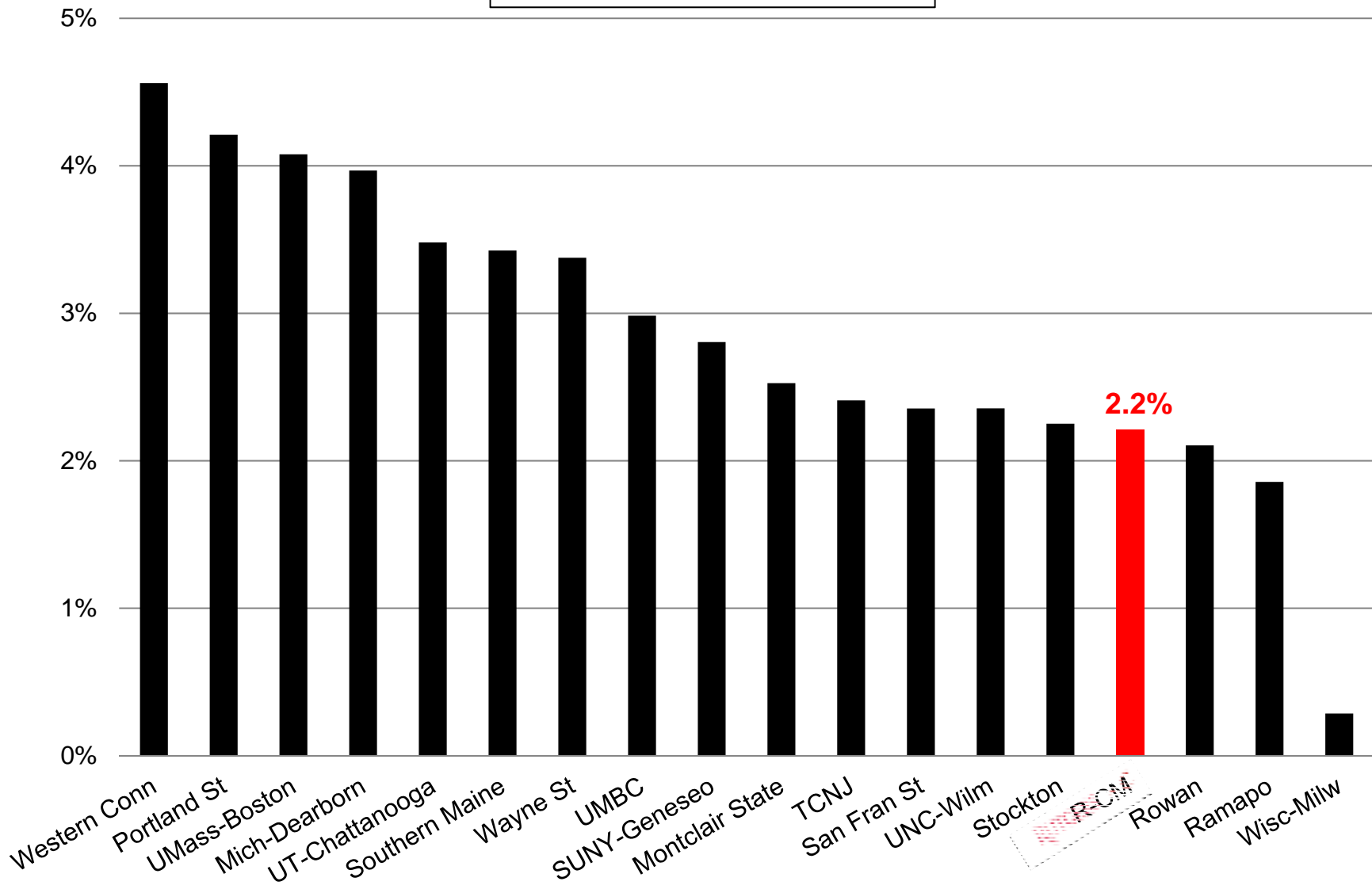
## Newark & Comparators





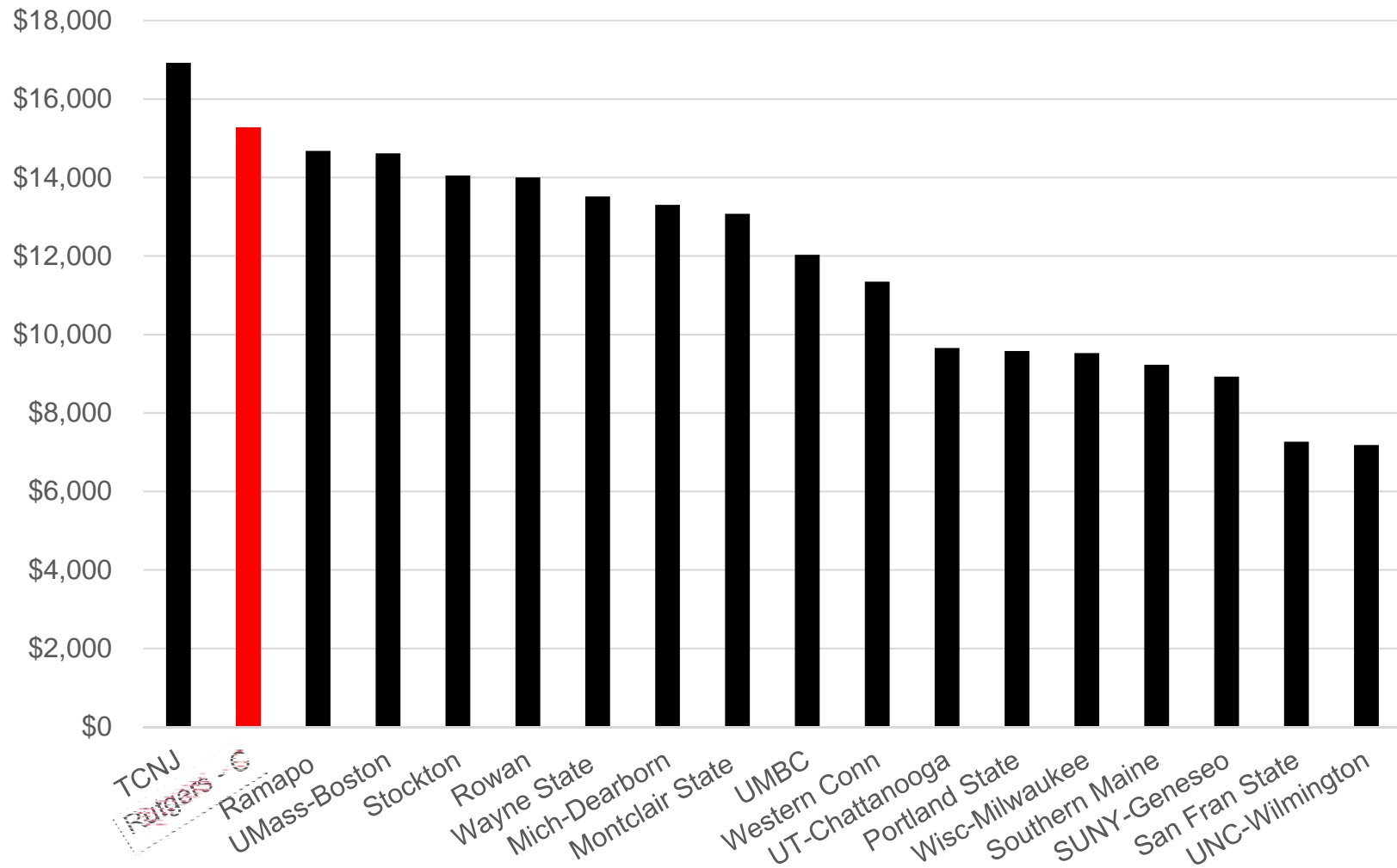
# 5-Year Average Annual Tuition and Fee Increases

## Camden & Comparators








## Camden & Comparators








RUTGERS



		NEW BRUNSWICK		NEWARK		CAMDEN	
		%	AVG AWARD	%	AVG AWARD	%	AVG AWARD
NEED BASED	All Need Based Grant Aid	39.9%	\$11,092	68.8%	\$11,596	63.0%	\$10,224
	Federal Need Based Loans	40.7%	\$4,351	44.8%	\$4,158	59.0%	\$4,131
	Federal Work Study	7.7%	\$1,591	9.2%	\$1,553	5.1%	\$1,567
MERIT	Admissions/ Recruitment Grants	9.1%	\$11,694	0.8%	\$10,106	35.2%	\$5,572
	Other Merit Grants	2.7%	\$5,799	6.0%	\$8,514	1.7%	\$5,504
	Total Merit Grants	11.1%	\$10,994	6.2%	\$9,633	36.5%	\$5,643
Total Merit and Need Based Grants		47.5%	\$12,059	70.4%	\$12,172	75.2%	\$11,313
Year over Year Change in Total Merit and Need Based Grants			\$564; <u>4.9%</u>		\$372; <u>3.2%</u>		\$1,063; <u>10.4%</u>

		<b>NEW BRUNSWICK</b>		<b>NEWARK</b>		<b>CAMDEN</b>	
		#	Total	#	Total	#	Total
NEED BASED	All Need Based Grant Aid	14,368	\$159,375	6,290	\$72,940	3,641	\$37,225
	Federal Need Based Loans	14,656	\$63,763	4,098	\$17,038	3,407	\$14,075
	Federal Work Study	2,785	\$4,430	838	\$1,301	295	\$462
MERIT	Admissions/ Recruitment Grants	3,270	\$38,239	75	\$758	2,034	\$11,333
	Other Merit Grants	976	\$5,660	548	\$4,666	100	\$550
	Total Merit Grants	3,993	\$43,899	563	\$4,424	2,106	\$11,884
Total Merit and Need Based Grants		16,857	\$203,274	6,438	\$78,364	4,341	\$49,109
Year over Year Change in Total Merit and Need Based Grants			\$8,536; <u>4.4%</u>		\$6,114; <u>8.5%</u>		\$8,406; <u>20.7%</u>

Note: Dollars in Thousands

- Average net price for Rutgers' first-year, in-state students receiving scholarship/grant assistance:

## New Brunswick



\$16,873 net price out  
of \$31,041 total costs

## Newark



\$11,981 net price out  
of \$26,333 total costs

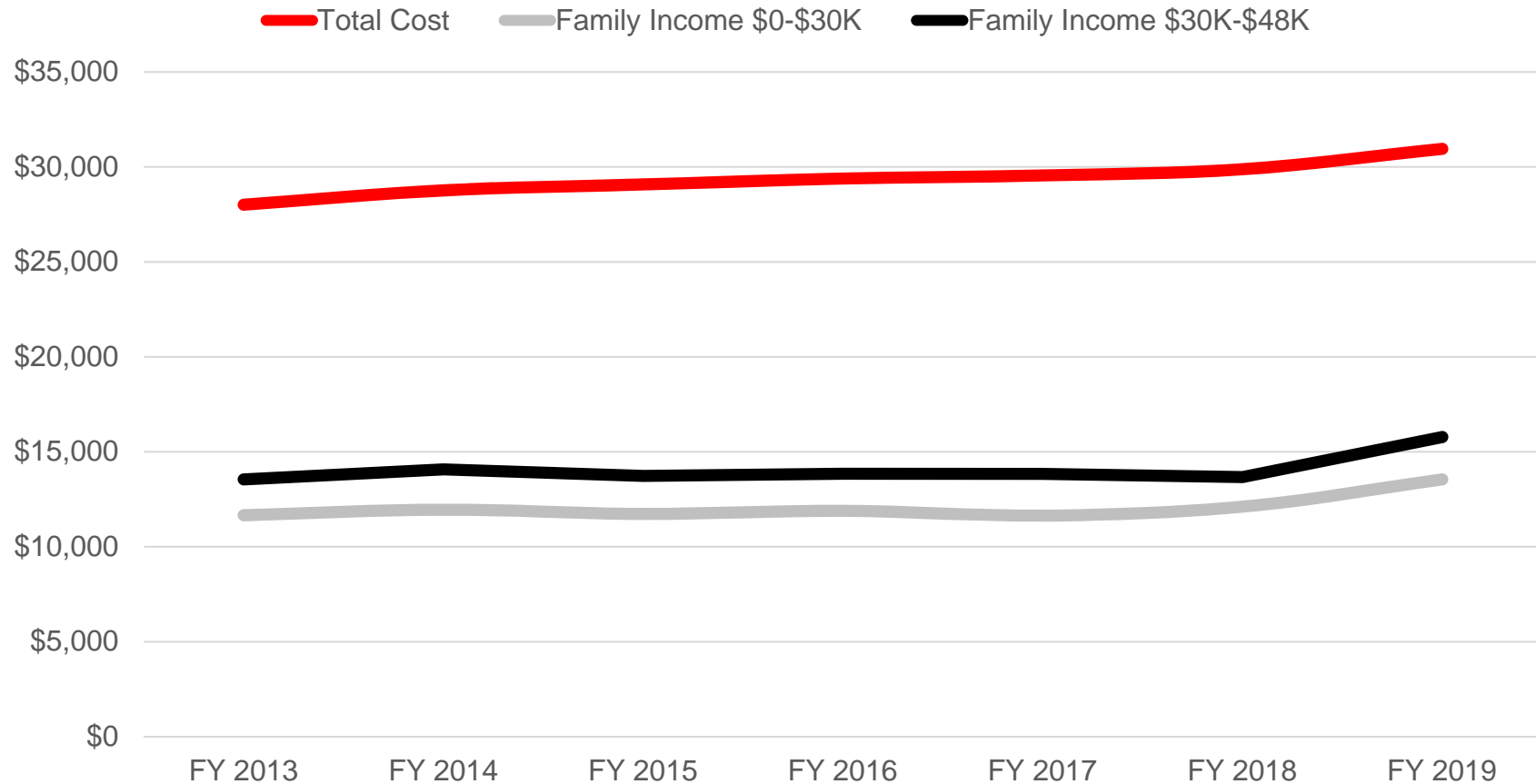
## Camden



\$13,844 net price out  
of \$27,568 total costs

- Total costs include tuition, fees, room, board, and other expenses. Figures shown are impacted by commuter/resident mix at each location.

## New Brunswick Students First Time Full Time In State Undergraduates



**Notes:**

Income cohorts include FTFT instate undergraduates awarded any Title IV federal aid (grants, loans, work study).

Net price based on grant aid awarded only (all sources) for families with incomes between \$0 to \$30,000 and \$30,001 to \$48,000.

# **Unrestricted Net Position**



Invested Funds 34% - Includes BOG and BOT reserves for need-based student aid, funds for student merit aid, funds held by schools/centers/departments for current and future strategic initiatives, etc.

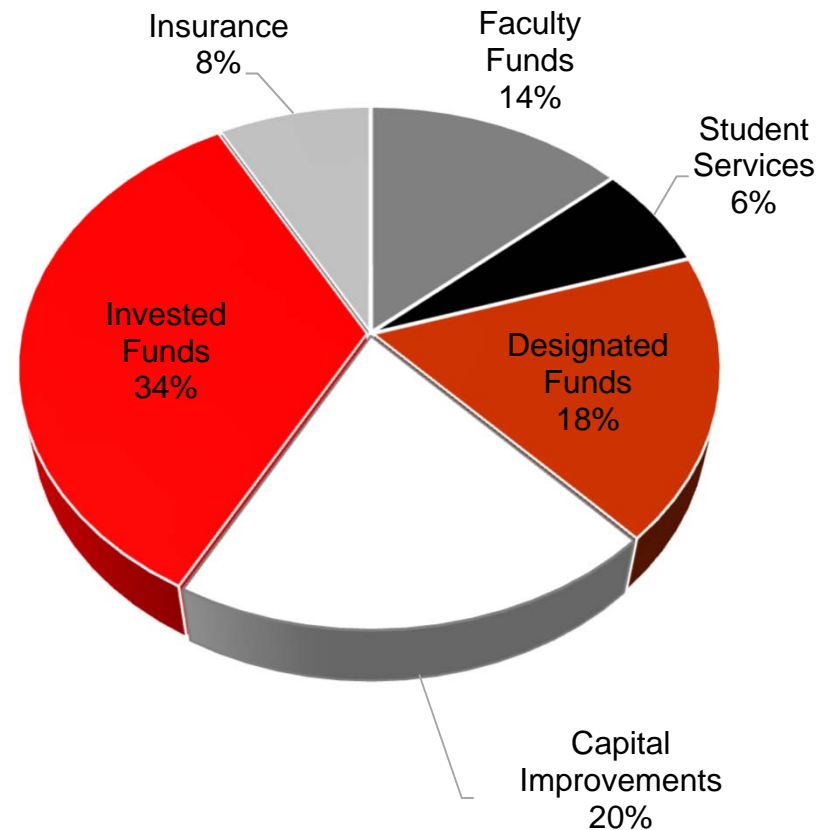
Capital Improvement Funds 20% - Funding for deferred maintenance and construction projects in progress, such as ongoing residence hall renovation and other construction projects across all campuses.

Designated Funds 18% - Funds held for department funded financial aid and strategic initiatives, multi-year projects, one-time support services, and capital reserves for Auxiliary Enterprises.

Faculty Funds 14% - Funds committed to individual faculty members to support research initiatives.

Insurance Funds 8% - Support of the University’s self-insurance program.

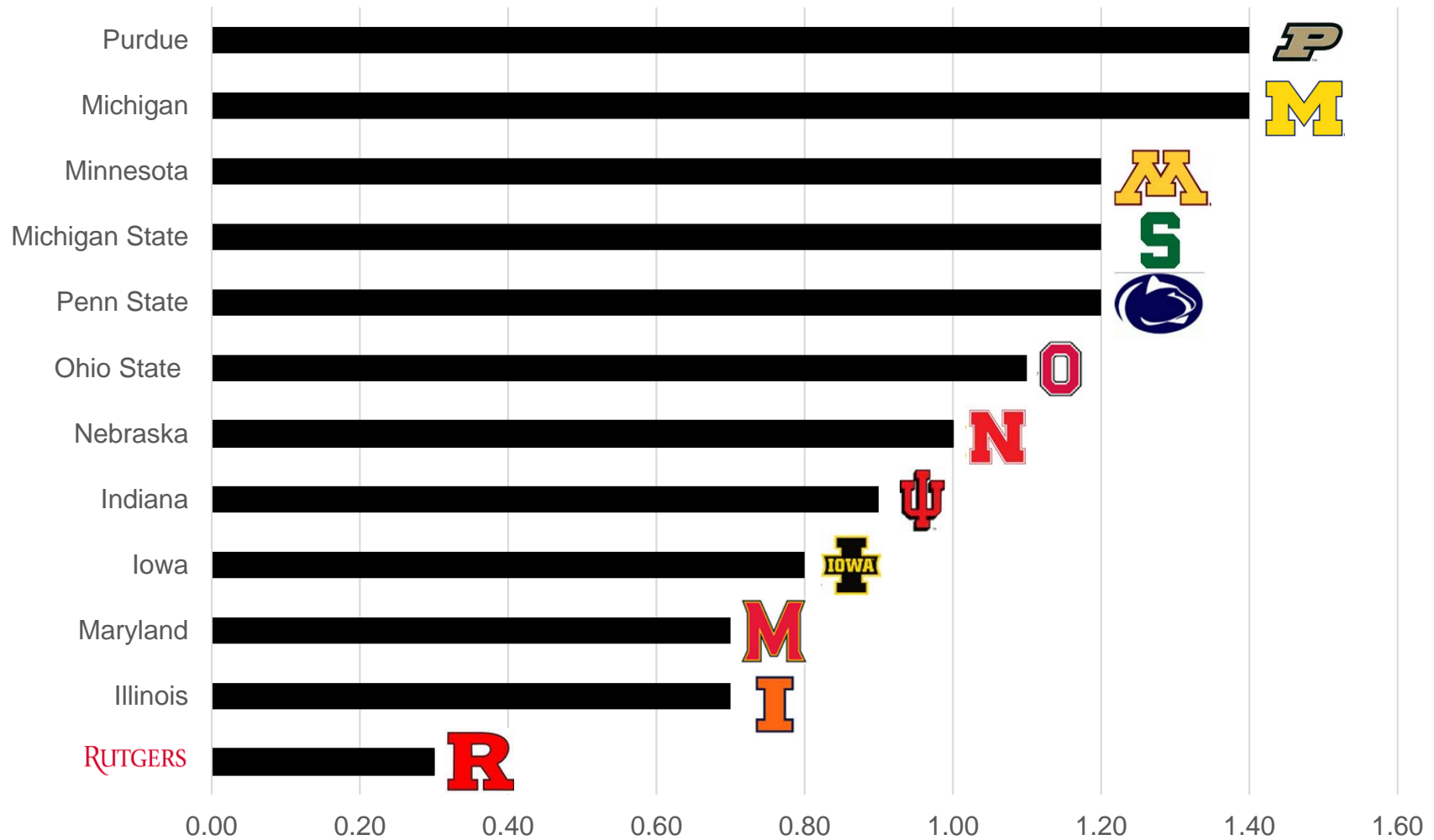
Student Services 6% - Funds held by student service areas such as student and recreation centers and student health, and for strategic initiatives and one-time expenses.



*\*Net of GASB 68 Adjustment. From Rutgers' 2018-2019 Financial Report, page 9, Management Discussion and Analysis*

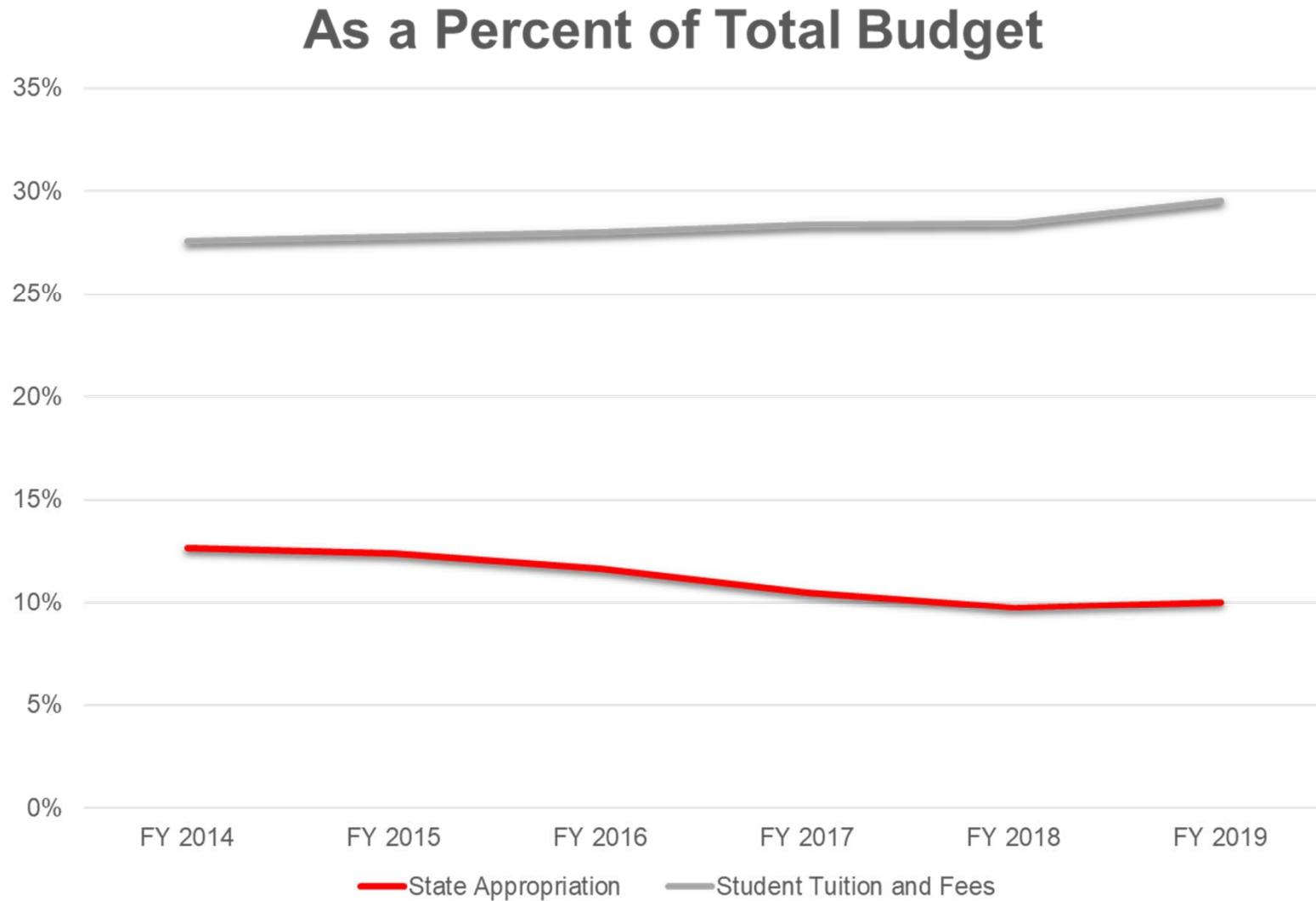


## Ratio of Spendable Cash & Investments to Operating Expense



Source: Moody's Investors Service 2019; University of Illinois and University of Nebraska only has FY18 data at this time.

# **State Appropriations / Tuition and Fees / Key Challenge**





## Key Challenge

How does RUTGERS  
remain

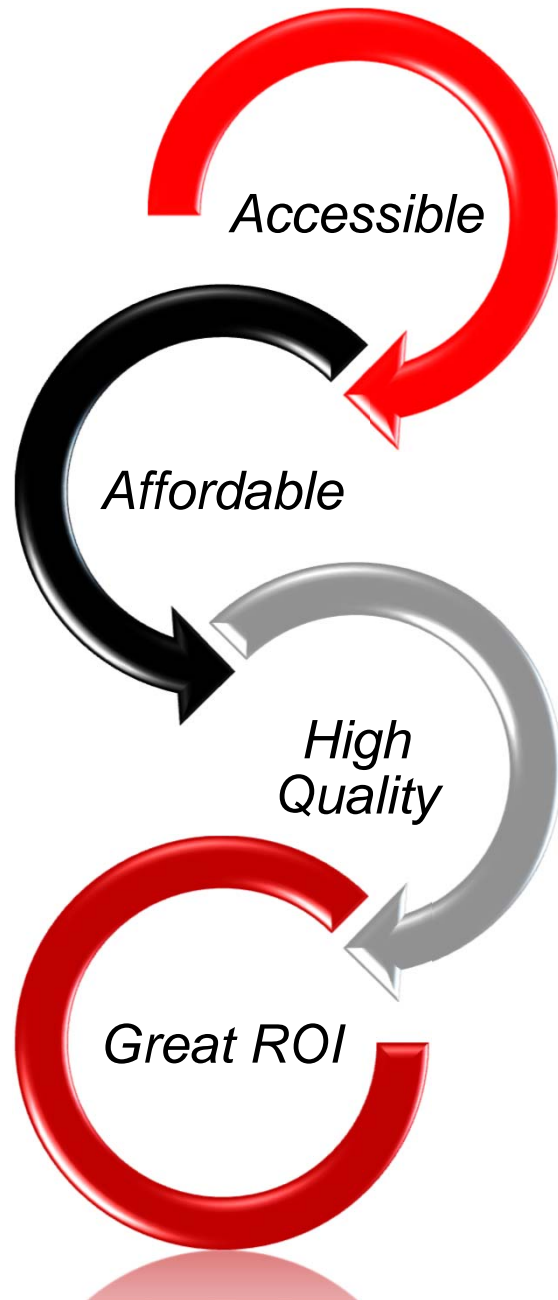
ACCESSIBLE  
AFFORDABLE  
HIGH QUALITY

with a great ROI

&

Balanced Budget?





➤ FY 2020

- Hiring freeze, voluntary salary reductions, limits on salary increases, moratorium on discretionary spending and travel, “hibernation” of buildings to limit spending; pursuing other HR actions; halting capital project planning
- Use of large amount of reserves and other available funds

➤ FY 2021

- Modeling various opening scenarios including remote and hybrid
- Continuing spending limits
- Concerned about incoming classes and retention as well as international student enrollments
- Uncertainty about New Jersey State Appropriations
- Holding tuition and fees flat for undergraduate and Graduate School programs
- Will refine budget projections throughout the summer





A mind that is stretched by a new  
experience can never go back to its old  
dimensions.

*Oliver Wendell Holmes. Jr.*