

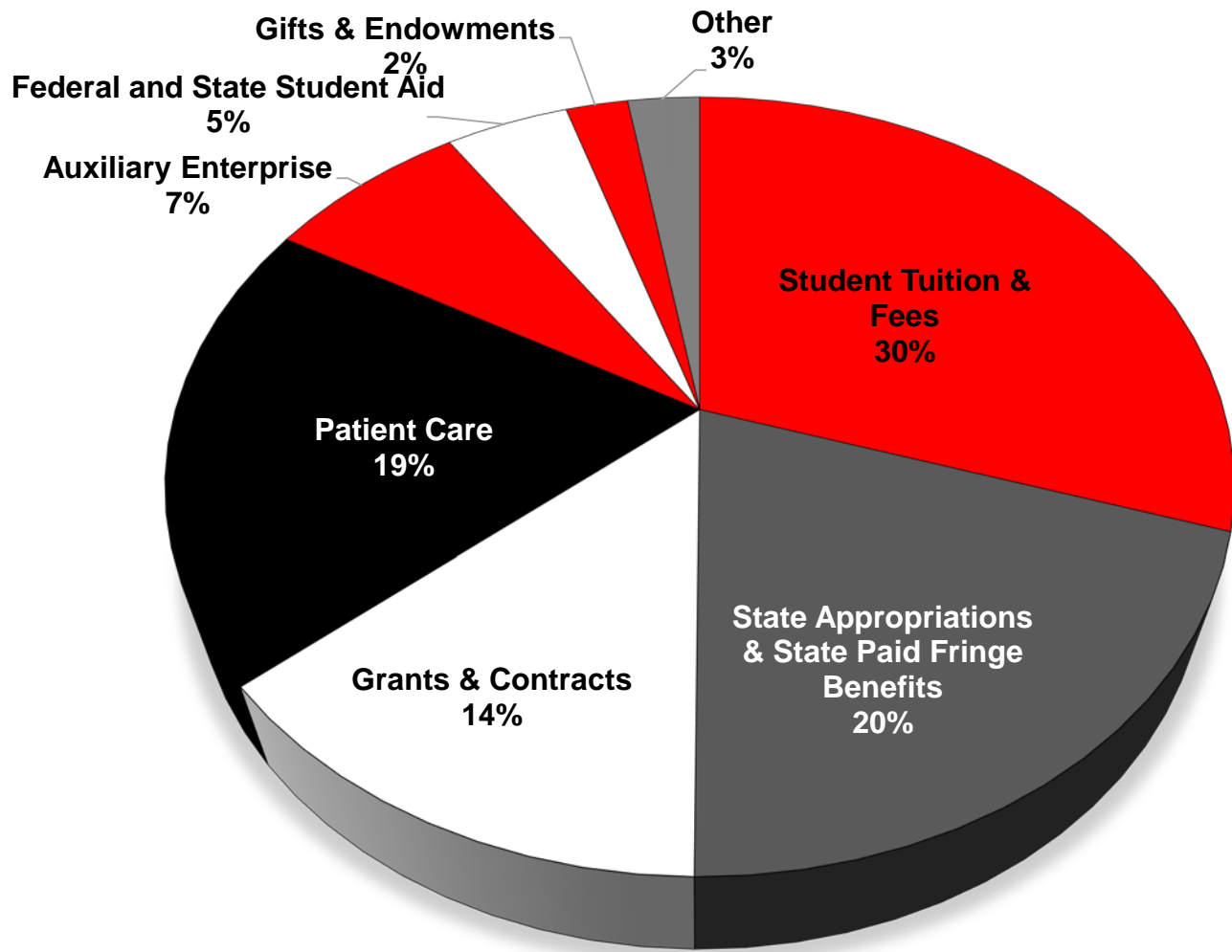


RUTGERS

# Public Hearing on Tuition and Fees

April 25, 2018

# University Overview



Note: State Paid Fringe Benefits have been restated to more closely reflect the value of the State support

Tuition and Fees and other Student Charges (~30%)

Student affordability and access, federal changes to financial aid and student support, as well as public scrutiny on rising costs

State Appropriations (~20%)

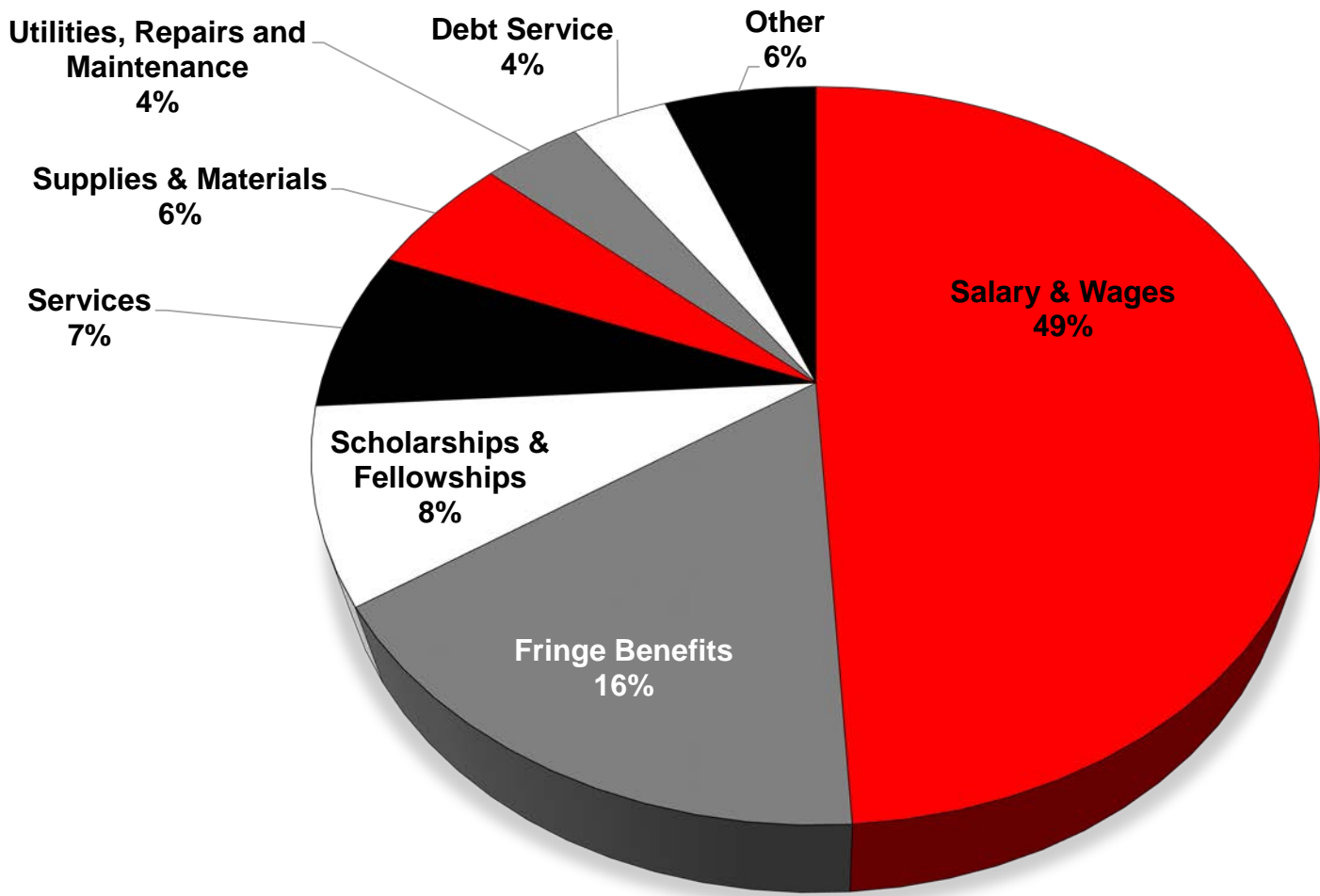
Constrained State government spending not keeping pace with the growth of the University

Patient Care (~19%)

Impact of health care reform, federal and state health care spending

Grants and Contracts (~14%)

Significant federal government spending cuts expected to impact revenue



Note: Fringe Benefit Expenses have been restated to more closely reflect the actual expense

Salary and Wages (~49%)

24 labor unions with negotiated, mandatory annual salary increases

Fringe Benefit Costs (~16%)


Dictated by the state based on cost projections; the University pays approximately 50% of all benefit costs

Financial Aid (~8%)

Providing access through affordability with Rutgers Institutional Aid

All Other (~27%)

Areas where the University can look for efficiencies and cost control

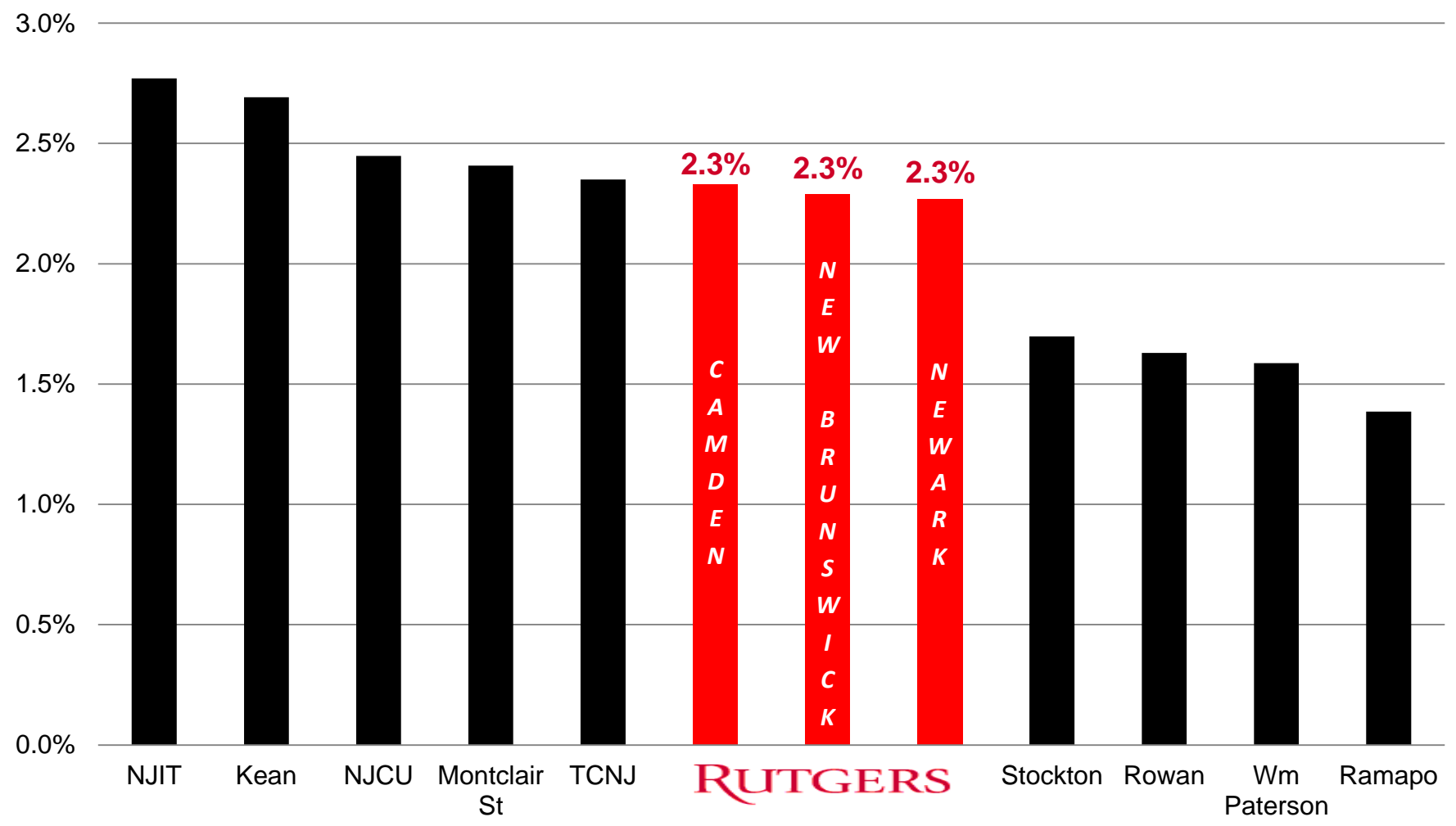
	NEW BRUNSWICK	NEWARK	CAMDEN
Total Undergraduate Enrollment	35,641	8,551	5,489
Total Undergraduate Enrollment – Full Time Degree Seeking	33,619	7,156	4,444
Incoming First Year Full Time Percent Receiving Pell Grant Aid	6,266 27.0%	1,319 54.6%	757 51.8%
Incoming Transfer Full Time Percent Receiving Pell Grant Aid	2,532 33.0%	1,029 61.0%	685 51.1%
Incoming First Year Full Time In Campus Housing (As Percent of Total Incoming FYFT)	5,308 (84.7%)	878 (66.6%)	458 (60.5%)

# Tuition, Fees and Financial Aid

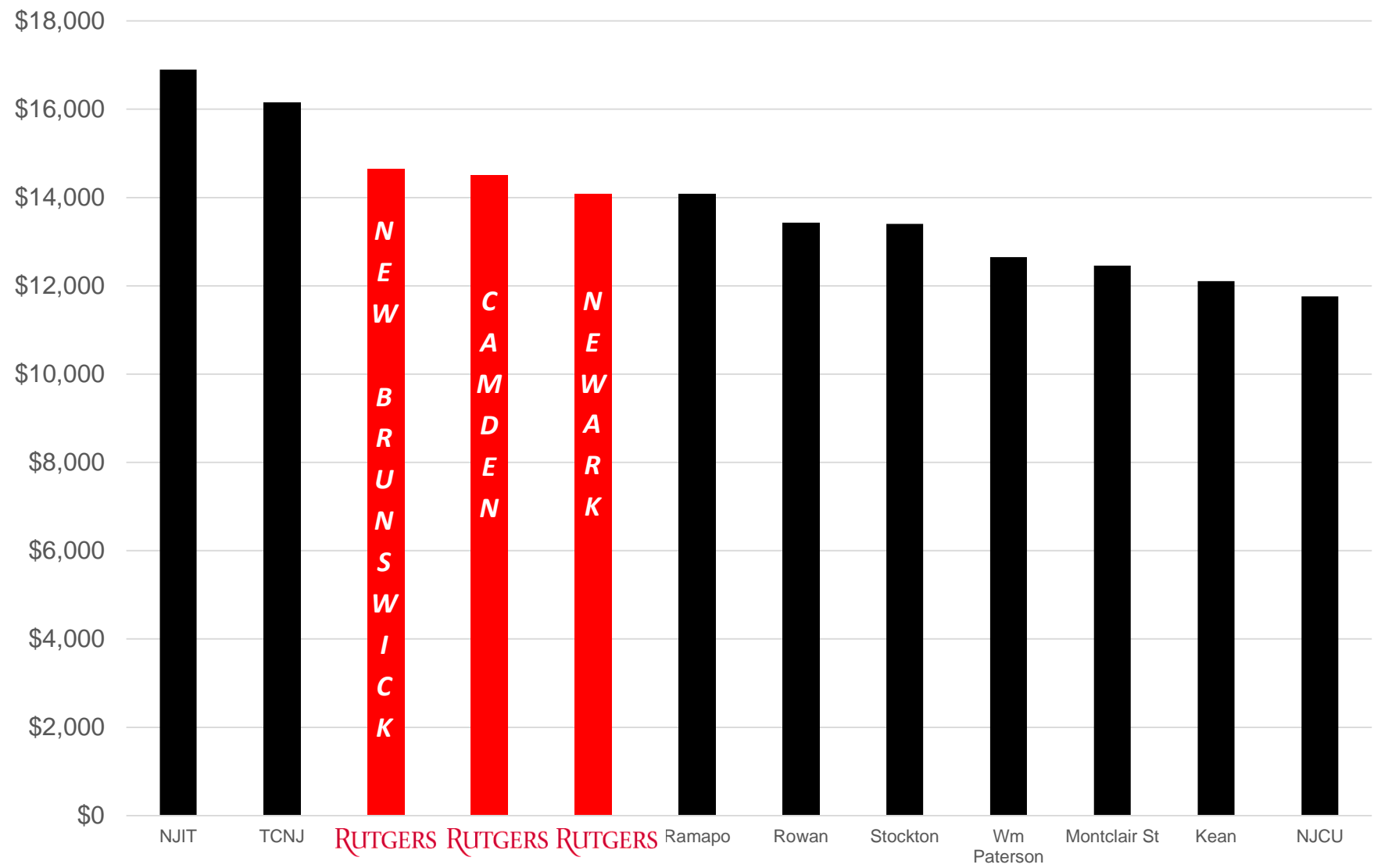


# 5-Year Average Annual Tuition and Fee Increases

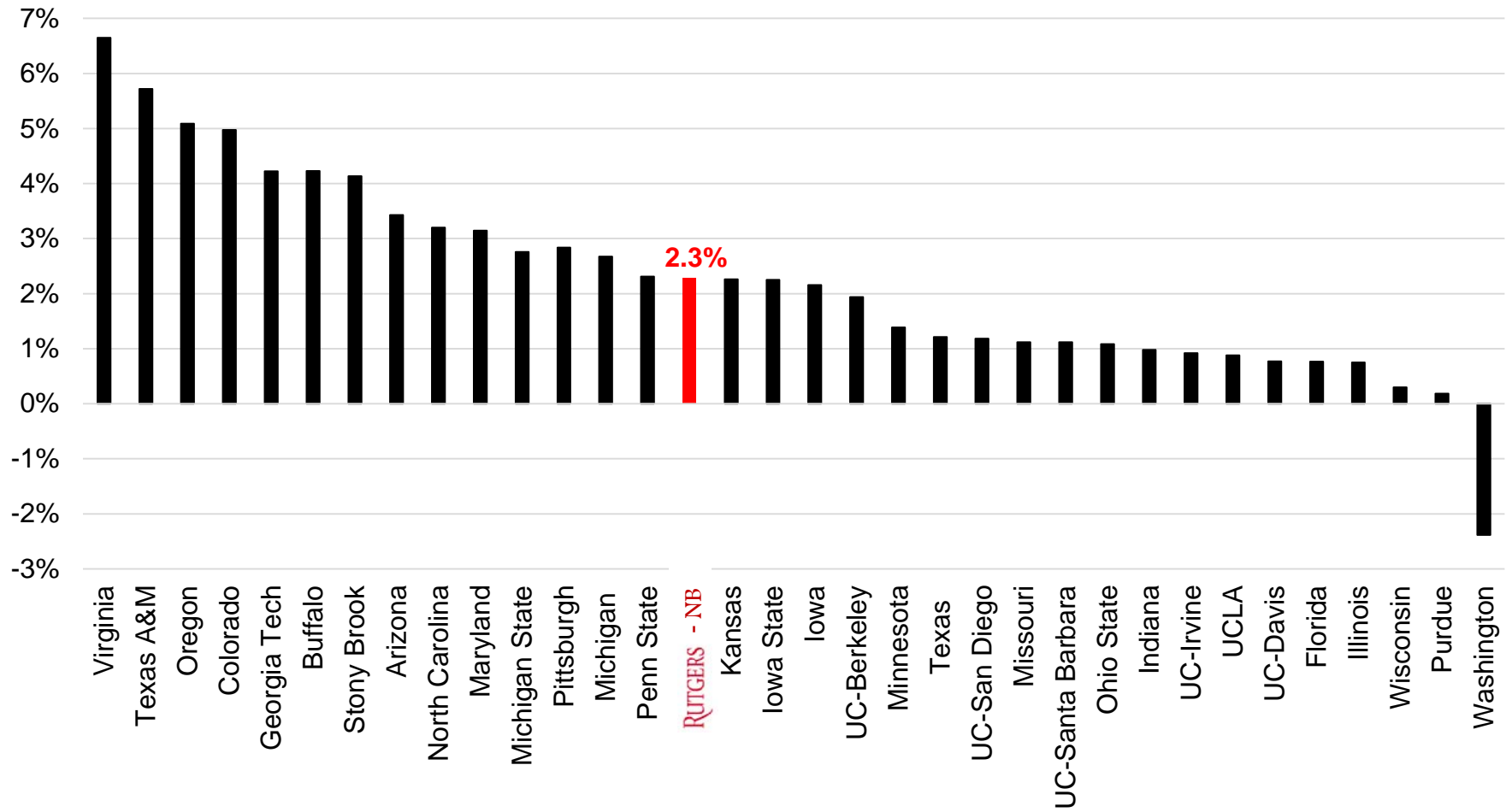
New Jersey Senior Public Institutions



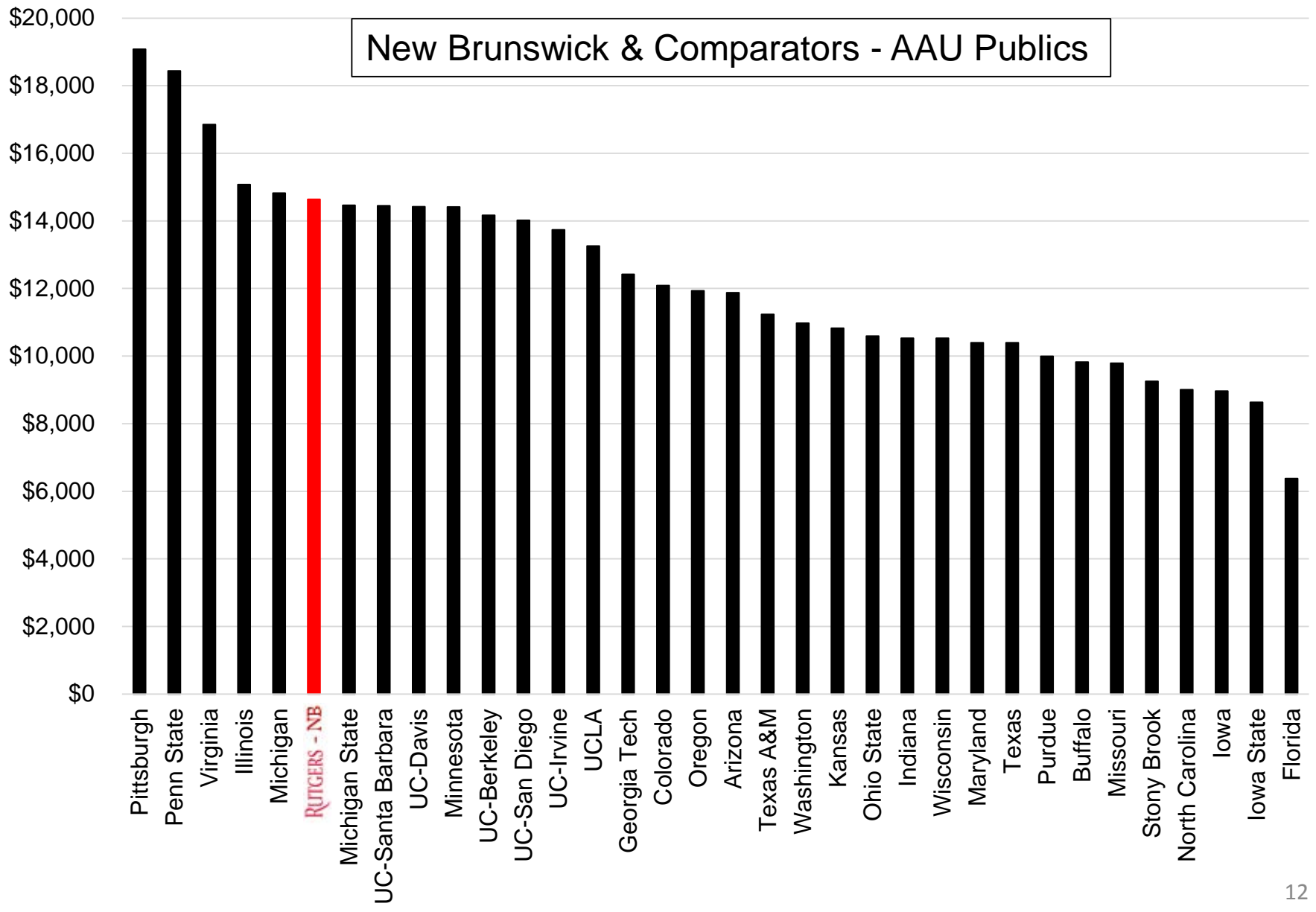
## New Jersey Senior Public Institutions



New Brunswick & Comparators - AAU Publics

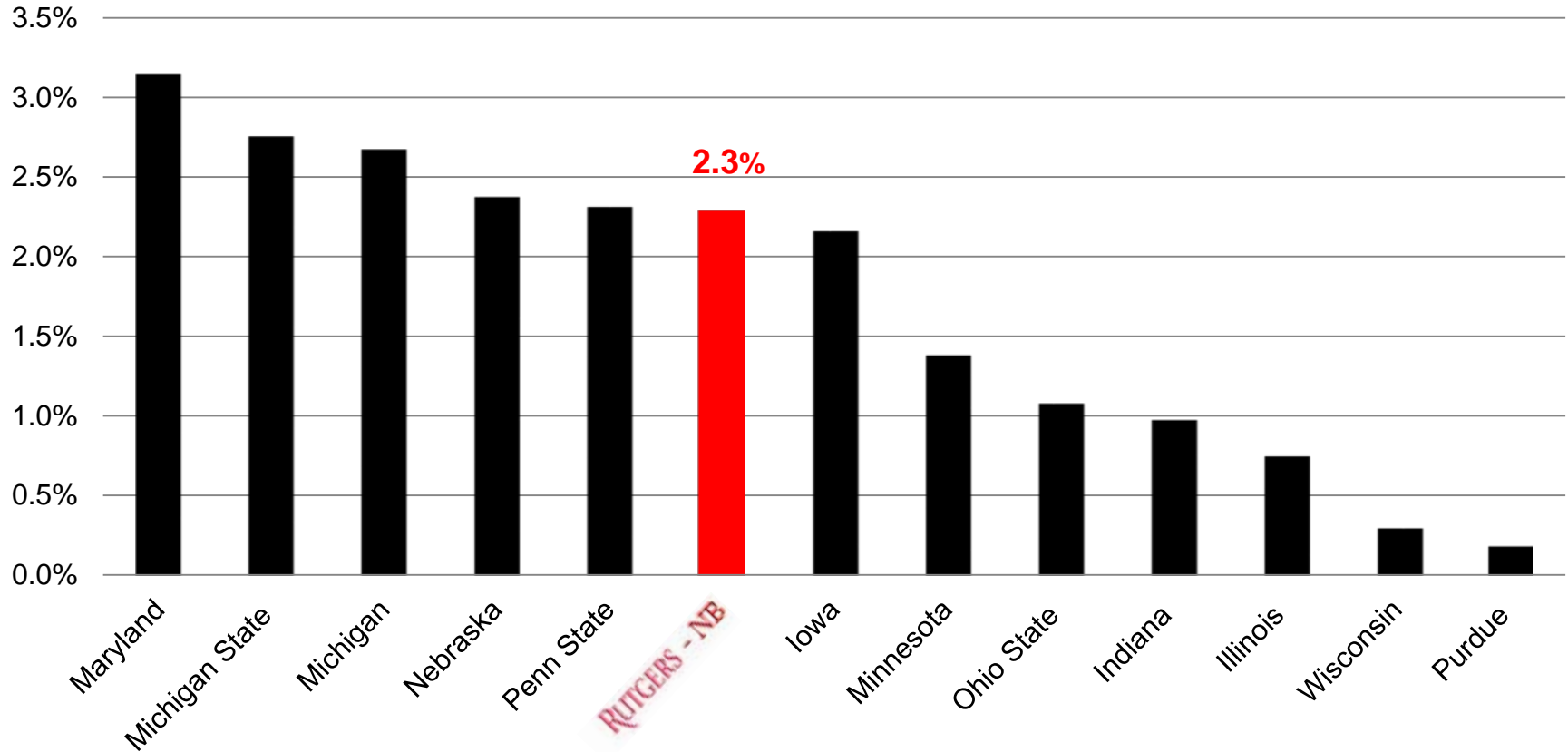


New Brunswick & Comparators - AAU Publics

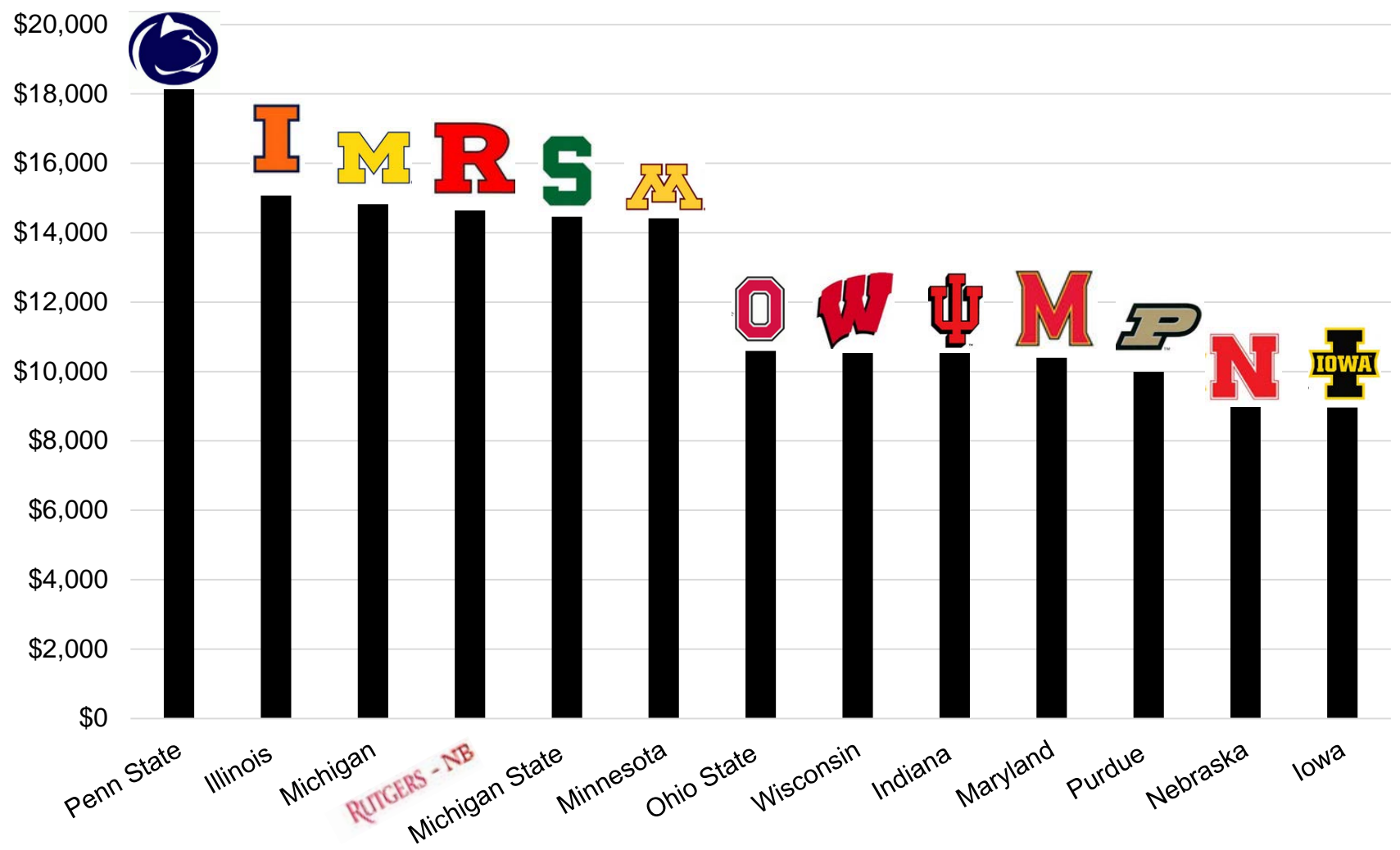


# 5-Year Average Annual Tuition and Fee Increases

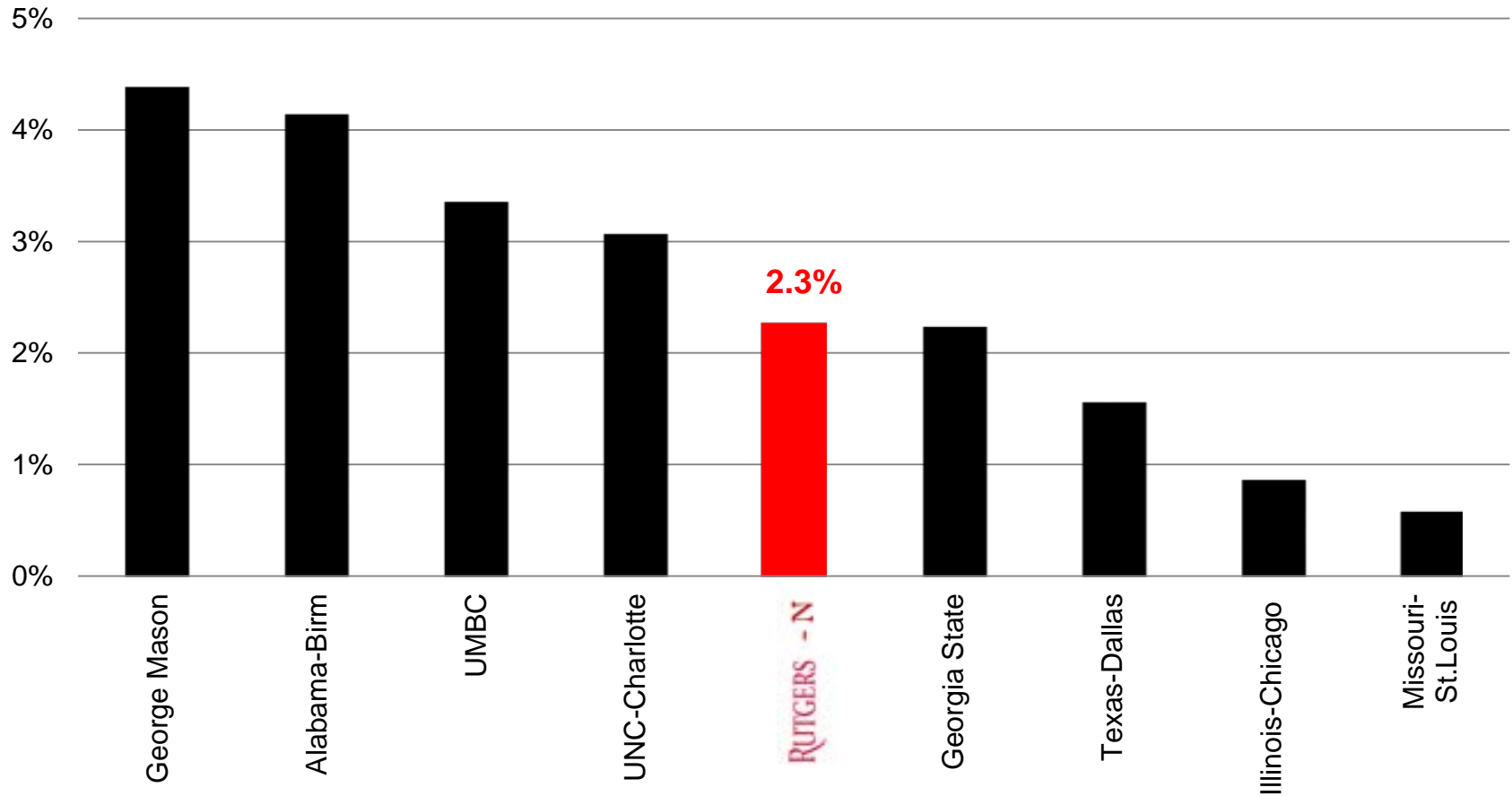
New Brunswick & Comparators - Big 10 Institutions



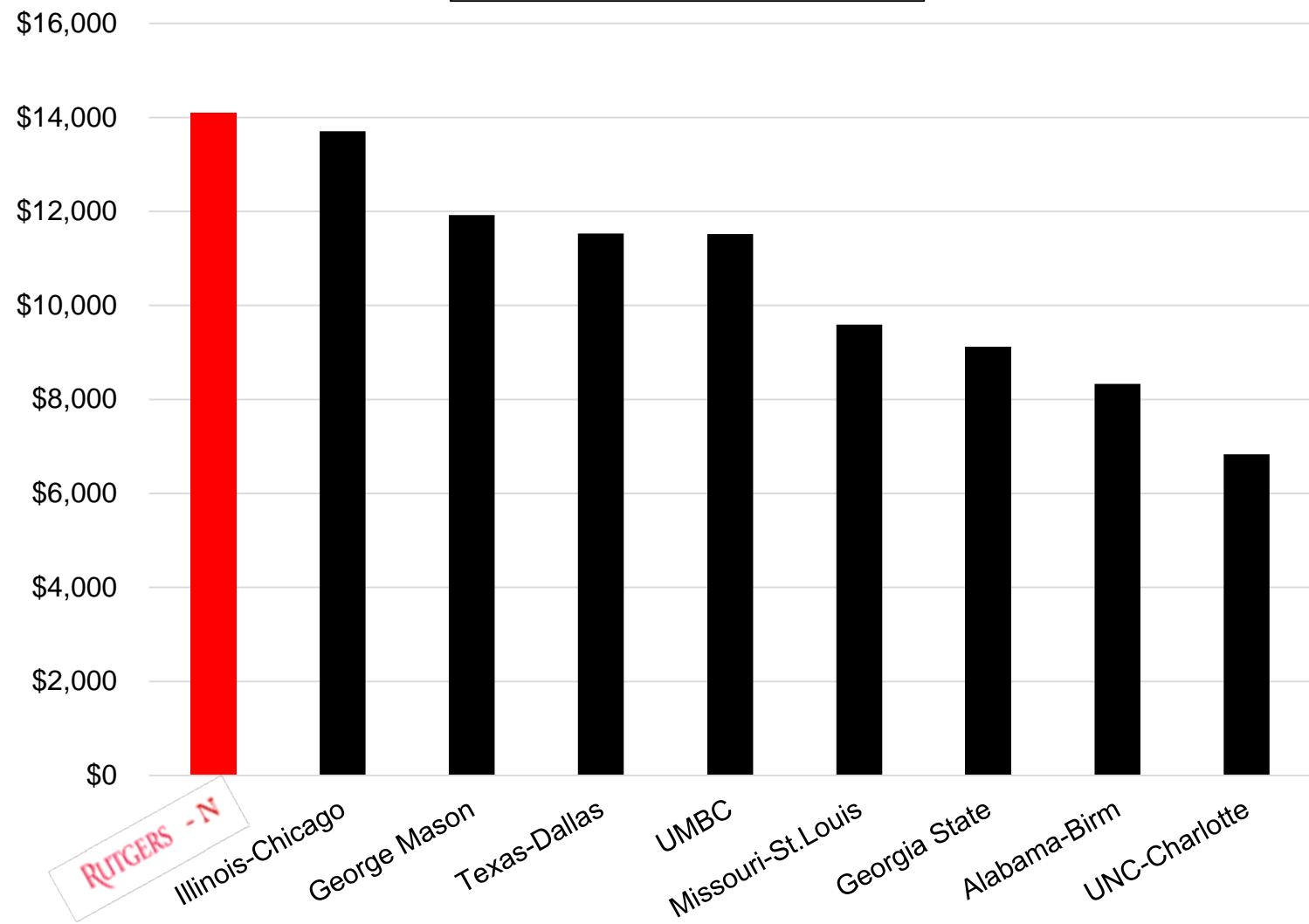
New Brunswick & Comparators - Big 10 Institutions



## Newark & Comparators



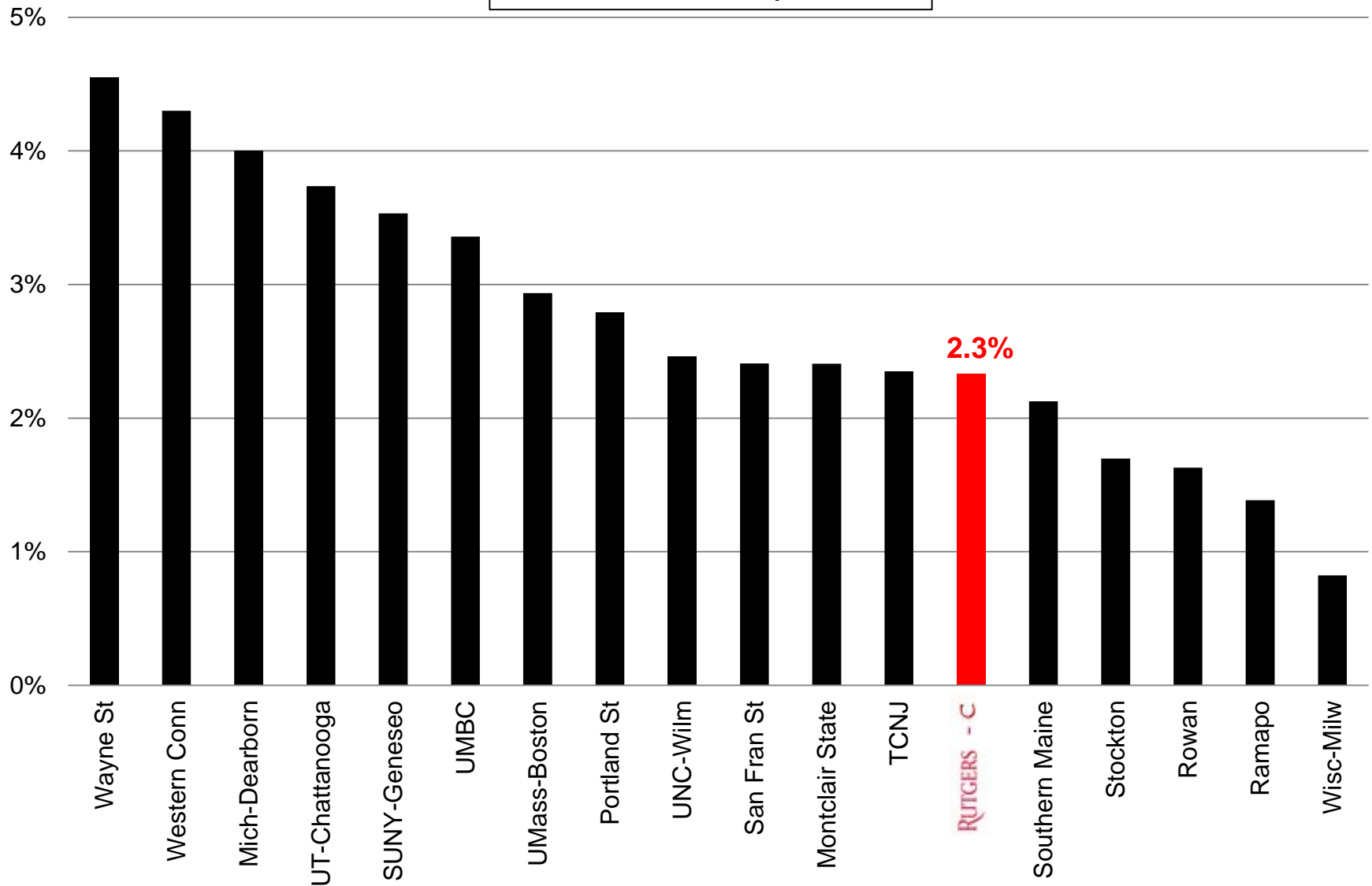
Newark & Comparators



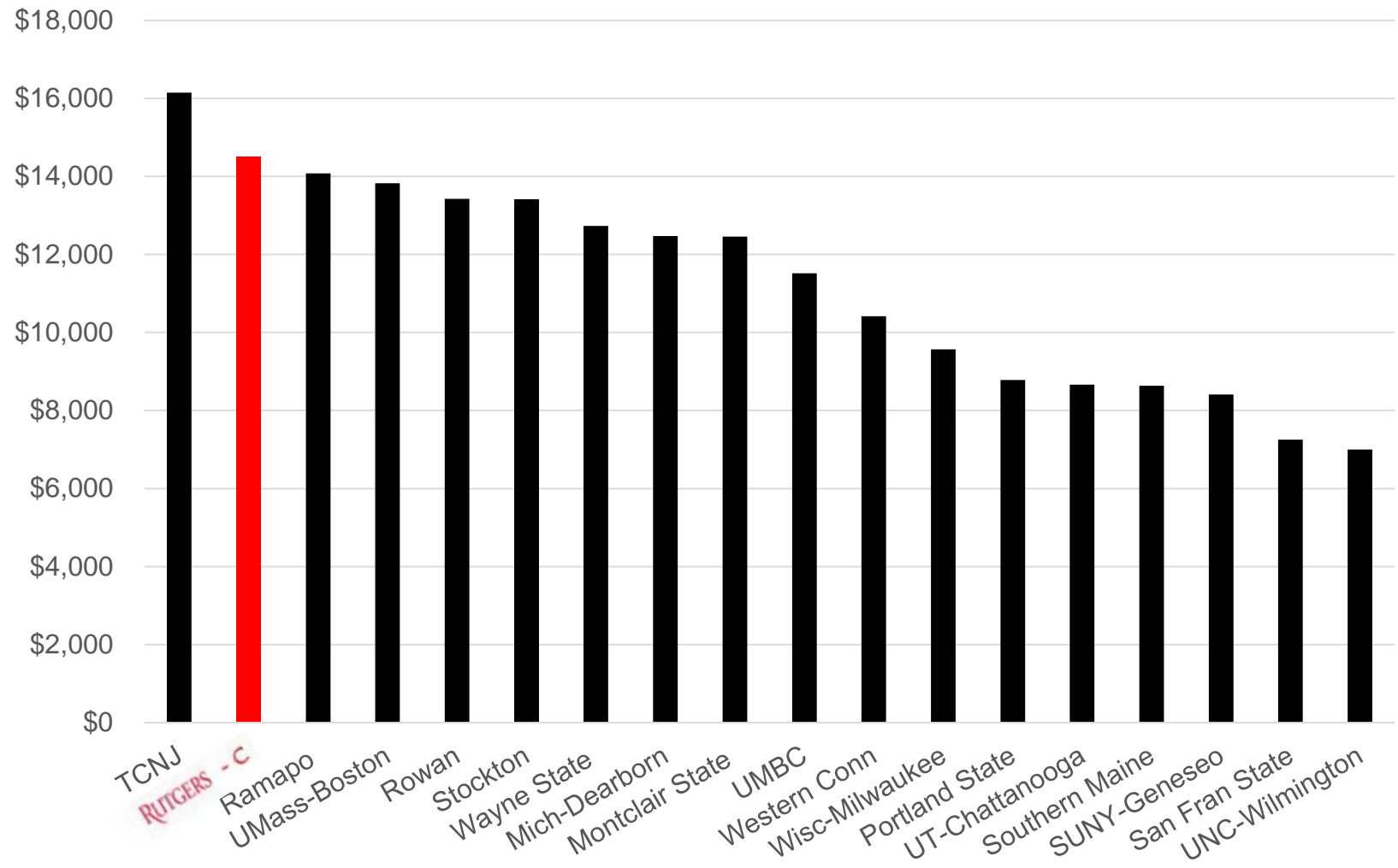


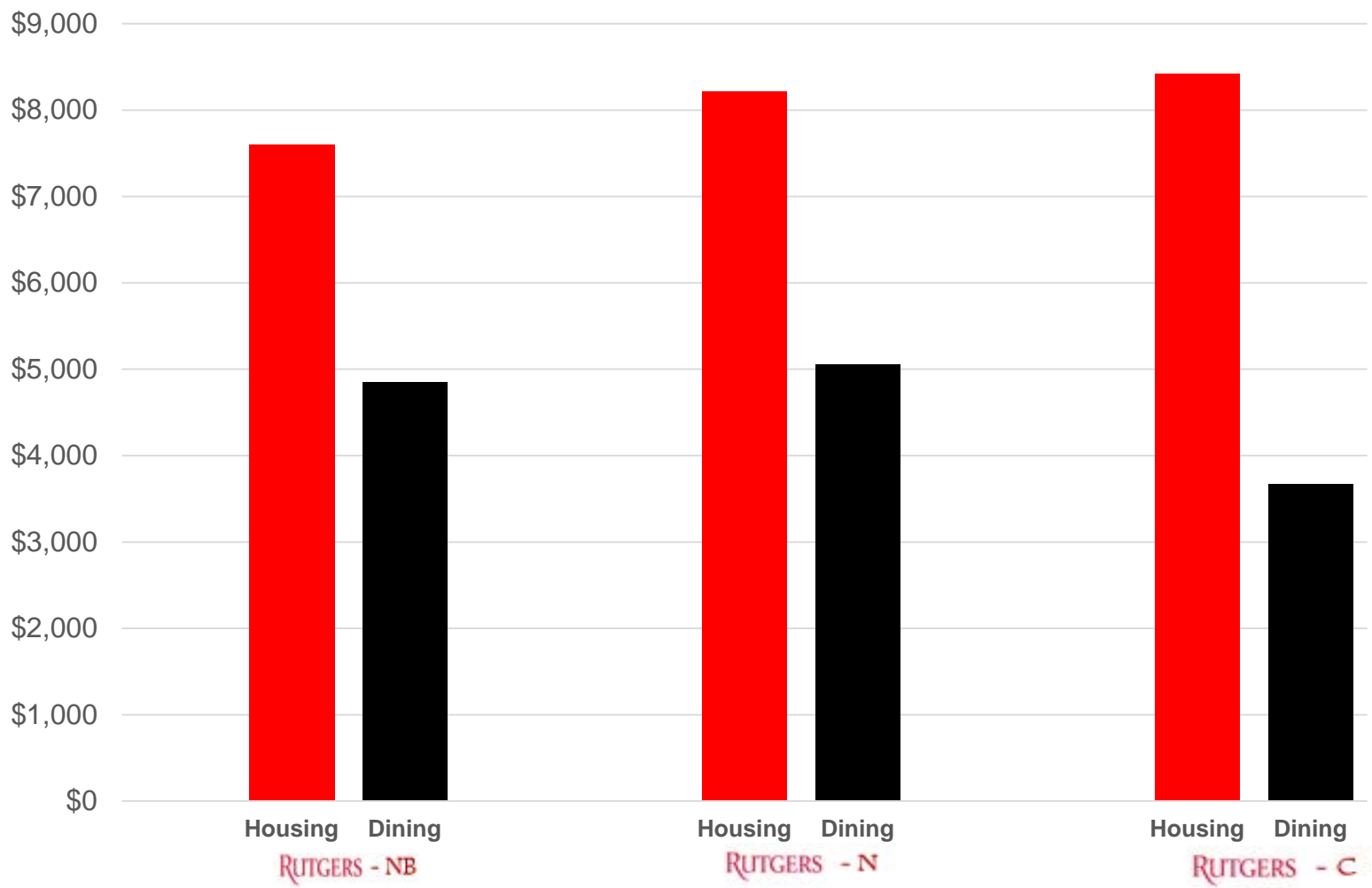
# 5-Year Average Annual Tuition and Fee Increases

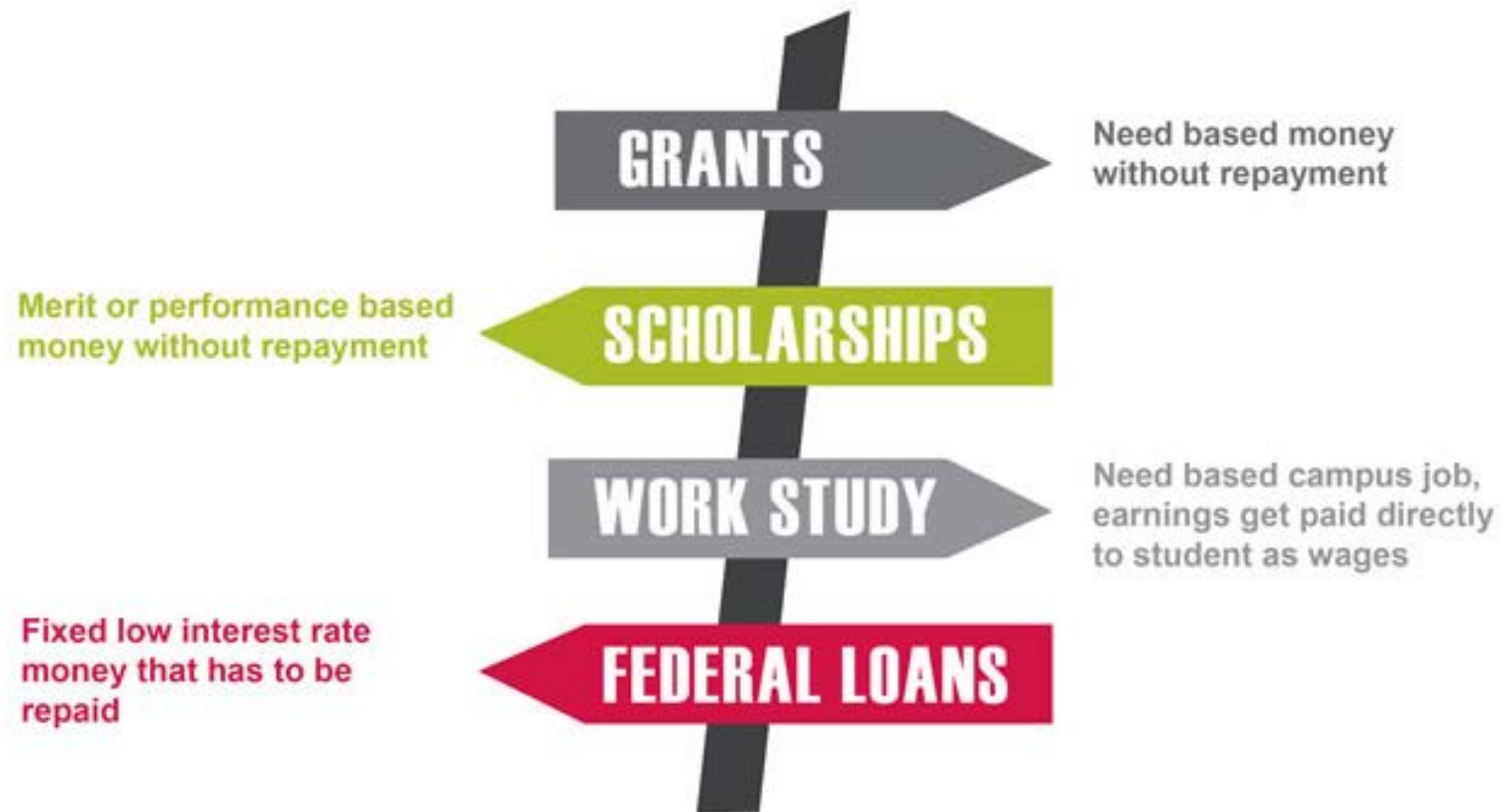
Camden & Comparators



Camden & Comparators







		<b>NEW BRUNSWICK</b>		<b>NEWARK</b>		<b>CAMDEN</b>	
		%	AVG AWARD	%	AVG AWARD	%	AVG AWARD
<b>NEED BASED</b>	All Need Based Grant Aid	40.8%	\$10,039	62.5%	\$10,548	62.0%	\$8,648
	Federal Need Based Loans	43.4%	\$4,623	49.0%	\$4,459	62.5%	\$4,433
	Federal Work Study	8.8%	\$1,232	6.9%	\$1,326	5.7%	\$1,558
<b>MERIT</b>	Admissions/ Recruitment Grants	9.2%	\$10,774	1.0%	\$9,276	8.2%	\$4,790
	Other Merit Grants	1.7%	\$3,832	4.5%	\$7,211	11.5%	\$2,819
	Total Merit Grants	10.4%	\$10,127	4.6%	\$9,070	16.5%	\$4,365
<b>Total Merit and Need Based Grants</b>		<b>47.2%</b>	<b>\$10,921</b>	<b>64.2%</b>	<b>\$10,922</b>	<b>67.9%</b>	<b>\$8,947</b>

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

## New Brunswick



\$16,016 net price out  
of \$29,489 total costs

## Newark



\$12,020 net price out  
of \$25,276 total costs

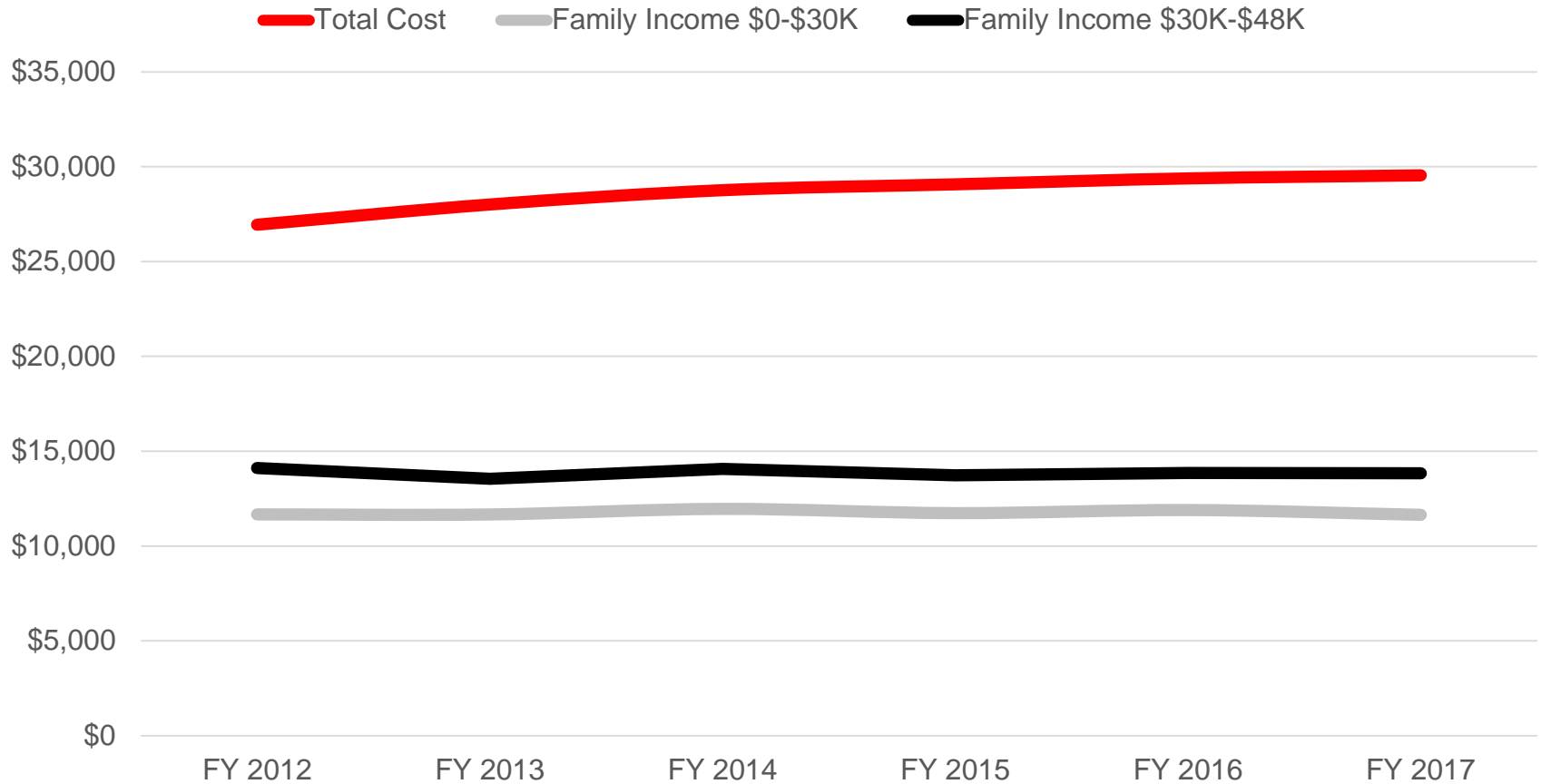
## Camden



\$12,399 net price out  
of \$25,303 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.

In Fall 2016, 833 students were included in the net price calculations for the \$0 to \$30,000 group and 507 students for the \$30,001 to \$48,000 group.

# Unrestricted Net Position FY17



Designated Funds 30% - Funds held for financial aid, strategic initiatives, multi-year projects and unexpected expenses, such as increases in fringe benefits costs, reductions in state support, etc.

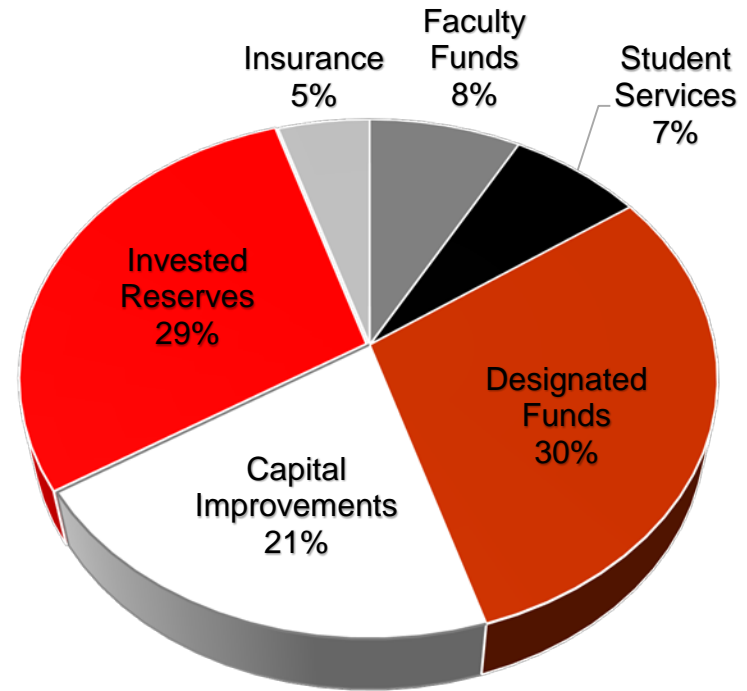
Invested Reserves 29% - Includes BOG and BOT reserves, student merit aid reserves, reserves held by schools/centers/departments for strategic initiatives, etc.

Capital Improvement Funds 21% - Funding for deferred maintenance and construction projects in process, such as ongoing residence hall renovations.

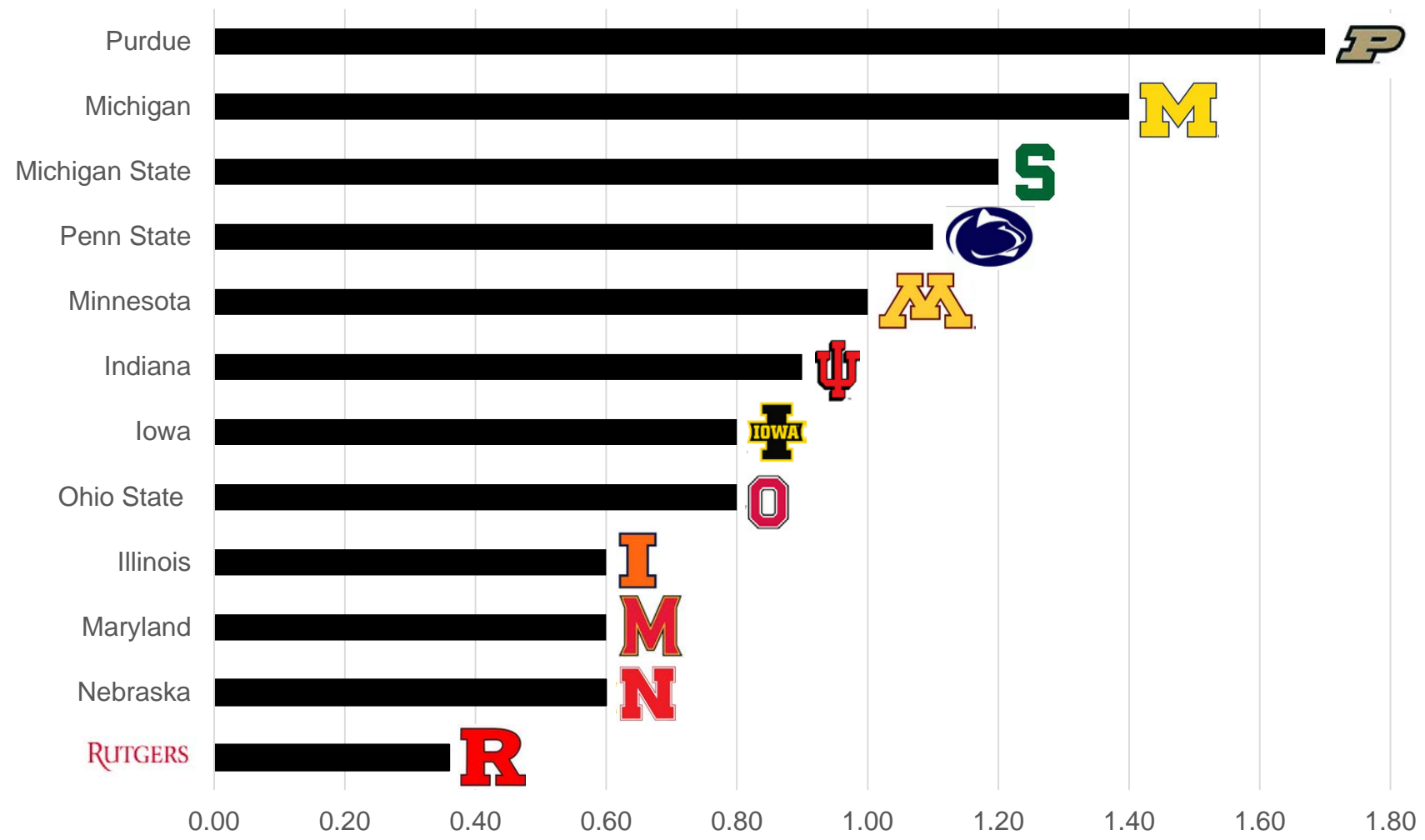
Faculty Funds 8% - Funds committed to individual faculty members to support research initiatives.

Student Services 7% - Funds held by student service areas such as student and recreation centers and student health, both for strategic initiatives and to be prepared for unexpected expenses.

Insurance Funds 5% - Support of the University’s self-insurance program.



*\*Net of GASB 68 Adjustment. From Rutgers’ 2016-2017 Financial Report, page 7, Management Discussion and Analysis (unaudited)*



Source: Moody's Investors Service

## Moody's Investors Service Credit Opinion for Rutgers (3/9/2018)

### Credit Challenges:

- “Thin operating reserve with spendable cash and investments to operating expenses of 0.4x and limited liquidity with 106 days cash on hand.”

### Factors that could lead to a downgrade:

- “Prolonged contraction of already slim operating margins”
- “Decline in cash and investments or weakening of liquidity”

### Consequence of a Downgrade and Related Risks:

- Increased borrowing costs
- Pressure on tuition for sustaining core University activities
- Insufficient cash to cover unforeseen natural and external financial events

# Salary / Tuition and Fees

Total Salaries Supported by Tuition and Fees	\$1,417 million
1% of salary	\$14.2 million
Total Tuition and Fees	\$1,204 million
Tuition Discounting	<u>\$126 million</u>
Net Tuition	\$1,078 million
1% of net tuition	\$10.8 million

Therefore: Every 1% increase in salary requires  
a 1.3% increase in tuition and fees