Public Hearing on Tuition and Fees

April 25, 2018
University Overview
Revenue-$4.2 Billion

Student Tuition & Fees 30%
State Appropriations & State Paid Fringe Benefits 20%
Patient Care 19%
Grants & Contracts 14%
Auxiliary Enterprise 7%
Federal and State Student Aid 5%
Gifts & Endowments 2%
Other 3%
Federal and State Student Aid 5%

Note: State Paid Fringe Benefits have been restated to more closely reflect the value of the State support
<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Factors Impacting Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees and other Student Charges (~30%)</td>
<td>Student affordability and access, federal changes to financial aid and student support, as well as public scrutiny on rising costs</td>
</tr>
<tr>
<td>State Appropriations (~20%)</td>
<td>Constrained State government spending not keeping pace with the growth of the University</td>
</tr>
<tr>
<td>Patient Care (~19%)</td>
<td>Impact of health care reform, federal and state health care spending</td>
</tr>
<tr>
<td>Grants and Contracts (~14%)</td>
<td>Significant federal government spending cuts expected to impact revenue</td>
</tr>
</tbody>
</table>

Note: The remaining 17% is made up of various revenue sources.
Salary & Wages 49%
Fringe Benefits 16%
Scholarships & Fellowships 8%
Supplies & Materials 6%
Services 7%
Utilities, Repairs and Maintenance 4%
Debt Service 4%
Other 6%

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

Expense-$4.2 Billion
<table>
<thead>
<tr>
<th>Expense Constraints</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Wages (~49%)</td>
<td>24 labor unions with negotiated, mandatory annual salary increases</td>
</tr>
<tr>
<td>Fringe Benefit Costs (~16%)</td>
<td>Dictated by the state based on cost projections; the University pays approximately 50% of all benefit costs</td>
</tr>
<tr>
<td>Financial Aid (~8%)</td>
<td>Providing access through affordability with Rutgers Institutional Aid</td>
</tr>
<tr>
<td>All Other (~27%)</td>
<td>Areas where the University can look for efficiencies and cost control</td>
</tr>
<tr>
<td><strong>Key Facts</strong></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td><strong>NEW BRUNSWICK</strong></td>
<td><strong>NEWARK</strong></td>
</tr>
<tr>
<td>Total Undergraduate Enrollment</td>
<td>35,641</td>
</tr>
<tr>
<td>Total Undergraduate Enrollment – Full Time Degree Seeking</td>
<td>33,619</td>
</tr>
<tr>
<td>Incoming First Year Full Time</td>
<td>6,266</td>
</tr>
<tr>
<td>Percent Receiving Pell Grant Aid</td>
<td>27.0%</td>
</tr>
<tr>
<td>Incoming Transfer Full Time</td>
<td>2,532</td>
</tr>
<tr>
<td>Percent Receiving Pell Grant Aid</td>
<td>33.0%</td>
</tr>
<tr>
<td>Incoming First Year Full Time In Campus Housing (As Percent of Total Incoming FYFT)</td>
<td>5,308 (84.7%)</td>
</tr>
</tbody>
</table>
Tuition, Fees and Financial Aid
New Jersey Senior Public Institutions

5-Year Average Annual Tuition and Fee Increases

- NJIT
- Kean
- NJCU
- Montclair St
- TCNJ
- Stockton
- Rowan
- Wm Paterson
- Ramapo

Tuition and Fee Increases:
- Camden: 2.3%
- New Brunswick: 2.3%
- Newark: 2.3%
FY 2018 Tuition and Fees

New Jersey Senior Public Institutions

NJIT  TCNJ  Rutgers-B  Rutgers-C  Rutgers-N  Rutgers-BR  Rutgers-New  Kean  Montclair  Rowan  Stockton  Wm Paterson  NJCU
5-Year Average Annual Tuition and Fee Increases

New Brunswick & Comparators - AAU Publics
FY 2018 Tuition and Fees

New Brunswick & Comparators - AAU Publics

Pittsburgh
Penn State
Virginia
Illinois
Michigan
Michigan State
UC-Santa Barbara
UC-Davis
Minnesota
UC-Berkeley
UC-San Diego
UC-Irvine
UCLA
Georgia Tech
Colorado
Oregon
Arizona
Texas A&M
Washington
Kansas
Ohio State
Indiana
Wisconsin
Maryland
Texas
Purdue
Buffalo
Missouri
Stony Brook
North Carolina
Iowa
Iowa State
Florida
5-Year Average Annual Tuition and Fee Increases

New Brunswick & Comparators - Big 10 Institutions

Bar graph showing the 5-year average annual tuition and fee increases for different institutions, with Rutgers-New Brunswick having a 2.3% increase.
5-Year Average Annual Tuition and Fee Increases

Newark & Comparators

<table>
<thead>
<tr>
<th>Institution</th>
<th>Average Annual Tuition Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Mason</td>
<td>4%</td>
</tr>
<tr>
<td>Alabama-Birm</td>
<td>4%</td>
</tr>
<tr>
<td>UMBC</td>
<td>3%</td>
</tr>
<tr>
<td>UNC-Charlotte</td>
<td>2.3%</td>
</tr>
<tr>
<td>Georgia State</td>
<td>2%</td>
</tr>
<tr>
<td>Texas-Dallas</td>
<td>2%</td>
</tr>
<tr>
<td>Illinois-Chicago</td>
<td>1%</td>
</tr>
<tr>
<td>Missouri-St. Louis</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: The average annual tuition increase for Rutgers - N is 2.3%.
FY 2018 Tuition and Fees

Newark & Comparators

Rutgers - N

Illinois-Chicago
George Mason
Texas-Dallas
UMBC
Missouri-St.Louis
Georgia State
Alabama-Birm
UNC-Charlotte

Tuition and Fees
5-Year Average Annual Tuition and Fee Increases

Camden & Comparators

- Wayne St
- Western Conn
- Mich-Dearborn
- UT-Chattanooga
- SUNY-Geneseo
- UMBC
- UMass-Boston
- Portland St
- UNC-Wilm
- San Fran St
- Montclair State
- TCNJ
- Southern Maine
- Stockton
- Rowan
- Ramapo
- Wisc-Milw

RUTGERS - C
FY 2018 Room and Board

- Housing - NB
  - Dining

- Housing - N
  - Dining

- Housing - C
  - Dining
Financial Aid

- **Grants**: Need based money without repayment
- **Scholarships**: Merit or performance based money without repayment
- **Work Study**: Need based campus job, earnings get paid directly to student as wages
- **Federal Loans**: Fixed low interest rate money that has to be repaid

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<table>
<thead>
<tr>
<th></th>
<th>NEW BRUNSWICK</th>
<th>NEWARK</th>
<th>CAMDEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEED BASED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Need Based Grant Aid</td>
<td>40.8%</td>
<td>$10,039</td>
<td>62.5%</td>
</tr>
<tr>
<td>Federal Need Based Loans</td>
<td>43.4%</td>
<td>$4,623</td>
<td>49.0%</td>
</tr>
<tr>
<td>Federal Work Study</td>
<td>8.8%</td>
<td>$1,232</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>MERIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions/ Recruitment Grants</td>
<td>9.2%</td>
<td>$10,774</td>
<td>1.0%</td>
</tr>
<tr>
<td>Other Merit Grants</td>
<td>1.7%</td>
<td>$3,832</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total Merit Grants</td>
<td>10.4%</td>
<td>$10,127</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Total Merit and Need Based Grants</strong></td>
<td>47.2%</td>
<td>$10,921</td>
<td>64.2%</td>
</tr>
</tbody>
</table>
• 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 in-state 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 $30,0001 to $48,000 group.
Unrestricted Net Position
FY17
Rutgers FY17 “Unrestricted Net Position” -$784 million *

**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.

Ratio of Spendable Cash & Investments to Operating Expense

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 | $126 million
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