Open Hearing on Tuition and Fees

April 24, 2019
University Overview
Budget FY 2019 Revenue $4.4 Billion

- Student Tuition & Fees: 29%
- Patient Care: 20%
- State Appropriations & State Paid Fringe Benefits: 20%
- Grants & Contracts: 13%
- Federal and State Student Aid: 5%
- Auxiliary Enterprise: 7%
- Gifts & Endowments: 2%
- Other: 4%
<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Impact Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees ~29%</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 ~20%</td>
<td>Impact of health care reform, federal and state health care spending</td>
</tr>
<tr>
<td>Grants and Contracts ~13%</td>
<td>Significant federal government spending cuts impacting revenue</td>
</tr>
</tbody>
</table>

Note: The remaining 18% is made up of various revenue sources.
Budget FY 2019 Expense $4.4 Billion

- Salary & Wages: 49%
- Fringe Benefits: 16%
- Scholarships & Fellowships: 9%
- Supplies & Materials: 6%
- Services: 7%
- Utility, Repairs and Maintenance: 3%
- Debt Service: 4%
- Other: 6%
<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Wages</td>
<td>~49%</td>
<td>All 24 labor unions have negotiated, mandatory annual salary increases</td>
</tr>
<tr>
<td>Fringe Benefit Costs</td>
<td>~16%</td>
<td>Dictated by the State, based on cost projections; the University pays</td>
</tr>
<tr>
<td></td>
<td>~65%</td>
<td>approximately 50% of all benefit costs; remainder covered by the State</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>~9%</td>
<td>Providing access through affordability with Rutgers Institutional Aid</td>
</tr>
<tr>
<td>All Other</td>
<td>~26%</td>
<td>Areas where the University has seen increases in consumables, service</td>
</tr>
<tr>
<td></td>
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<td>contract escalations, construction costs, and food services.</td>
</tr>
</tbody>
</table>
### Key Facts

<table>
<thead>
<tr>
<th></th>
<th>NEW BRUNSWICK</th>
<th>NEWARK</th>
<th>CAMDEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Undergraduate Enrollment</td>
<td>36,039</td>
<td>9,142</td>
<td>5,776</td>
</tr>
<tr>
<td>Total Undergraduate Enrollment – Full Time Degree Seeking</td>
<td>35,656</td>
<td>8,761</td>
<td>5,618</td>
</tr>
<tr>
<td>Incoming First Year Full Time</td>
<td>7,028</td>
<td>1,318</td>
<td>817</td>
</tr>
<tr>
<td>Percent Receiving Pell Grant Aid</td>
<td>27.1%</td>
<td>61.1%</td>
<td>53.1%</td>
</tr>
<tr>
<td>Incoming Transfer Full Time</td>
<td>2,451</td>
<td>1,127</td>
<td>710</td>
</tr>
<tr>
<td>Percent Receiving Pell Grant Aid</td>
<td>34.3%</td>
<td>63.8%</td>
<td>51.4%</td>
</tr>
<tr>
<td>Incoming First Year Full Time In Campus Housing (As Percent of Total Incoming FYFT)</td>
<td>5,995 (85.3%)</td>
<td>959 (72.8%)</td>
<td>388 (47.5%)</td>
</tr>
</tbody>
</table>

Note: Data includes student headcount information
Tuition, Fees and Financial Aid
5-Year Average Annual Tuition and Fee Increases

New Jersey Senior Public Institutions

NJIT NJCU Kean Montclair St TCNJ Stockton R-C R-NB R-N Rowan Wm Paterson Ramapo

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2.1% 2.1% 2.1%
0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0%
FY 2019 Tuition and Fees

New Jersey Senior Public Institutions
5-Year Average Annual Tuition and Fee Increases

New Brunswick & Comparators - AAU Publics

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

2.1%
FY 2019 Tuition and Fees

New Brunswick & Comparators - AAU Publics

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

New Brunswick & Comparators - Big 10 Institutions
FY 2019 Tuition and Fees

New Brunswick & Comparators - Big 10 Institutions
5-Year Average Annual Tuition and Fee Increases

Newark & Comparators

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

Tuition Increases:
- George Mason: 5%
- Texas-Dallas: 4%
- Alabama-Birm: 3%
- UMBC: 2%
- UNC-Charlotte: 2%
- Rutgers - N: 2.1%
- Georgia State: 1%
- Missouri-St.Louis: 1%
- Illinois-Chicago: 1%
FY 2019 Tuition and Fees

Newark & Comparators

- Illinois-Chicago
- Texas-Dallas
- George Mason
- UMBC
- Missouri-St.Louis
- Georgia State
- Alabama-Birm
- UNC-Charlotte
5-Year Average Annual Tuition and Fee Increases

Camden & Comparators

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

tuition and fee increases:

- Camden: 2.1% (highlighted in red)
- Comparators: Ranges from 0% to 4%

Note: The image contains a bar chart illustrating the 5-year average annual tuition and fee increases for Camden and its comparators.
FY 2019 Tuition and Fees

Camden & Comparators

TCNJ - Rutgers
UMass-Boston
Stockton
Rowan
Wayne State
Mich-Dearborn
Montclair State
UMBC
Western Conn
Southern Maine
Portland State
UT-Chattanooga
SUNY-Geneseo
San Fran State
UNC-Wilmington
Financial Aid

- **Grants**
  - Need based money without repayment
  -Merit or performance based money without repayment

- **Scholarships**
  -Need based campus job, earnings get paid directly to student as wages

- **Work Study**
  -Fixed low interest rate money that has to be repaid

- **Federal Loans**
## Financial Aid

<table>
<thead>
<tr>
<th></th>
<th>NEW BRUNSWICK</th>
<th>NEWARK</th>
<th>CAMDEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW BRUNSWICK</strong></td>
<td>%</td>
<td>AVG AWARD</td>
<td>%</td>
</tr>
<tr>
<td><strong>NEED BASED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Need Based Grant Aid</td>
<td>40.7%</td>
<td>$10,619</td>
<td>70.1%</td>
</tr>
<tr>
<td>Federal Need Based Loans</td>
<td>42.9%</td>
<td>$4,895</td>
<td>48.0%</td>
</tr>
<tr>
<td>Federal Work Study</td>
<td>7.8%</td>
<td>$1,501</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>MERIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions/ Recruitment Grants</td>
<td>9.1%</td>
<td>$11,527</td>
<td>0.9%</td>
</tr>
<tr>
<td>Other Merit Grants</td>
<td>2.4%</td>
<td>$3,920</td>
<td>5.4%</td>
</tr>
<tr>
<td>Total Merit Grants</td>
<td>10.8%</td>
<td>$10,618</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Total Merit and Need Based Grants</strong></td>
<td>47.5%</td>
<td>$11,495</td>
<td>71.6%</td>
</tr>
<tr>
<td><strong>Year over Year Change in Total Merit and Need Based Grants</strong></td>
<td>0.3%</td>
<td>$574; 5.3%</td>
<td>7.4%</td>
</tr>
<tr>
<td></td>
<td>NEW BRUNSWICK</td>
<td></td>
<td>NEWARK</td>
</tr>
<tr>
<td>----------------------</td>
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</tr>
<tr>
<td></td>
<td>#</td>
<td>Total</td>
<td>#</td>
</tr>
<tr>
<td><strong>NEED BASED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Need Based Grant Aid</td>
<td>14,506</td>
<td>$154,040</td>
<td>5,997</td>
</tr>
<tr>
<td>Federal Need Based Loans</td>
<td>15,293</td>
<td>$74,862</td>
<td>4,101</td>
</tr>
<tr>
<td>Federal Work Study</td>
<td>2,769</td>
<td>$4,156</td>
<td>648</td>
</tr>
<tr>
<td><strong>MERIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions/ Recruitment Grants</td>
<td>3,243</td>
<td>$37,382</td>
<td>79</td>
</tr>
<tr>
<td>Other Merit Grants</td>
<td>846</td>
<td>$3,317</td>
<td>464</td>
</tr>
<tr>
<td><strong>Total Merit Grants</strong></td>
<td>3,833</td>
<td>$40,698</td>
<td>474</td>
</tr>
<tr>
<td><strong>Total Merit and Need Based Grants</strong></td>
<td>16,941</td>
<td>$194,738</td>
<td>6,123</td>
</tr>
</tbody>
</table>

Note: Dollars in Thousands
Financial Aid

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

  - **New Brunswick**: $16,295 net price out of $29,992 total costs
  - **Newark**: $11,301 net price out of $25,044 total costs
  - **Camden**: $12,279 net price out of $26,038 total costs

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

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 2017, 804 students were included in the net price calculations for the $0 to $30,000 group and 472 students for the $30,0001 to $48,000 group.
Unrestricted Net Position
Invested Reserves 38% - Includes BOG and BOT reserves, student merit aid reserves, reserves held by schools/centers/departments for strategic initiatives, etc.

Designated Funds 32% - 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.

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

Capital Improvement Funds 8% - Funding for deferred maintenance and construction projects in process, such as ongoing residence hall renovations.

Student Services 8% - 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 6% - Support of the University’s self-insurance program.

*Net of GASB 68 Adjustment. From Rutgers’ 2017-2018 Financial Report, page 9, Management Discussion and Analysis*
Ratio of Spendable Cash & Investments to Operating Expense

Source: Moody’s Investors Service 2018. Pennsylvania State University, University of Illinois, and University of Nebraska only has 2017 data available at this time.
Salary / State Appropriations / Tuition and Fees
As a Percent of Total Budget

Source: Rutgers BOG Approved Budget
Total Compensation / Revenue Sources

- Total Salary ~ 49%
- Total Benefits ~ 16%
- Total Compensation ~ 65%

Any increase in salary, requires a permanent increase in revenue sources
## Salary / Tuition and Fees

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Salaries Supported by Tuition and Fees</td>
<td>$1,461 million</td>
</tr>
<tr>
<td>1% of salary</td>
<td>$14.6 million</td>
</tr>
<tr>
<td>Total Tuition and Fees</td>
<td>$1,245 million</td>
</tr>
<tr>
<td>Tuition Discounting</td>
<td>$128 million</td>
</tr>
<tr>
<td>Net Tuition</td>
<td>$1,117 million</td>
</tr>
<tr>
<td>1% of net tuition</td>
<td>$11.2 million</td>
</tr>
</tbody>
</table>

Therefore: Every 1% increase in salary requires a 1.3% increase in tuition and fees
A mind that is stretched by a new experience can never go back to its old dimensions.

*Oliver Wendell Holmes, Jr.*