

Finance

Town Hall

JULY 20, 2021

Before We Begin...

Everyone has been placed on mute by the host.



If you have questions for the presenters, use the Q&A function.



We will address questions at the end of each presentation.



If you want to talk with other participants, please use the chat.



Welcome

Adam Day

Associate Vice President

Associate Treasurer

Today's Agenda

Welcome

Responsibility Center Management

FY 2022 Budget

Lease Administration & Scarlet Journey

Close



RCM at Rutgers: Five-Year Review

Brian Ballentine

Senior Vice President for
University Strategy



Many Sources of Input

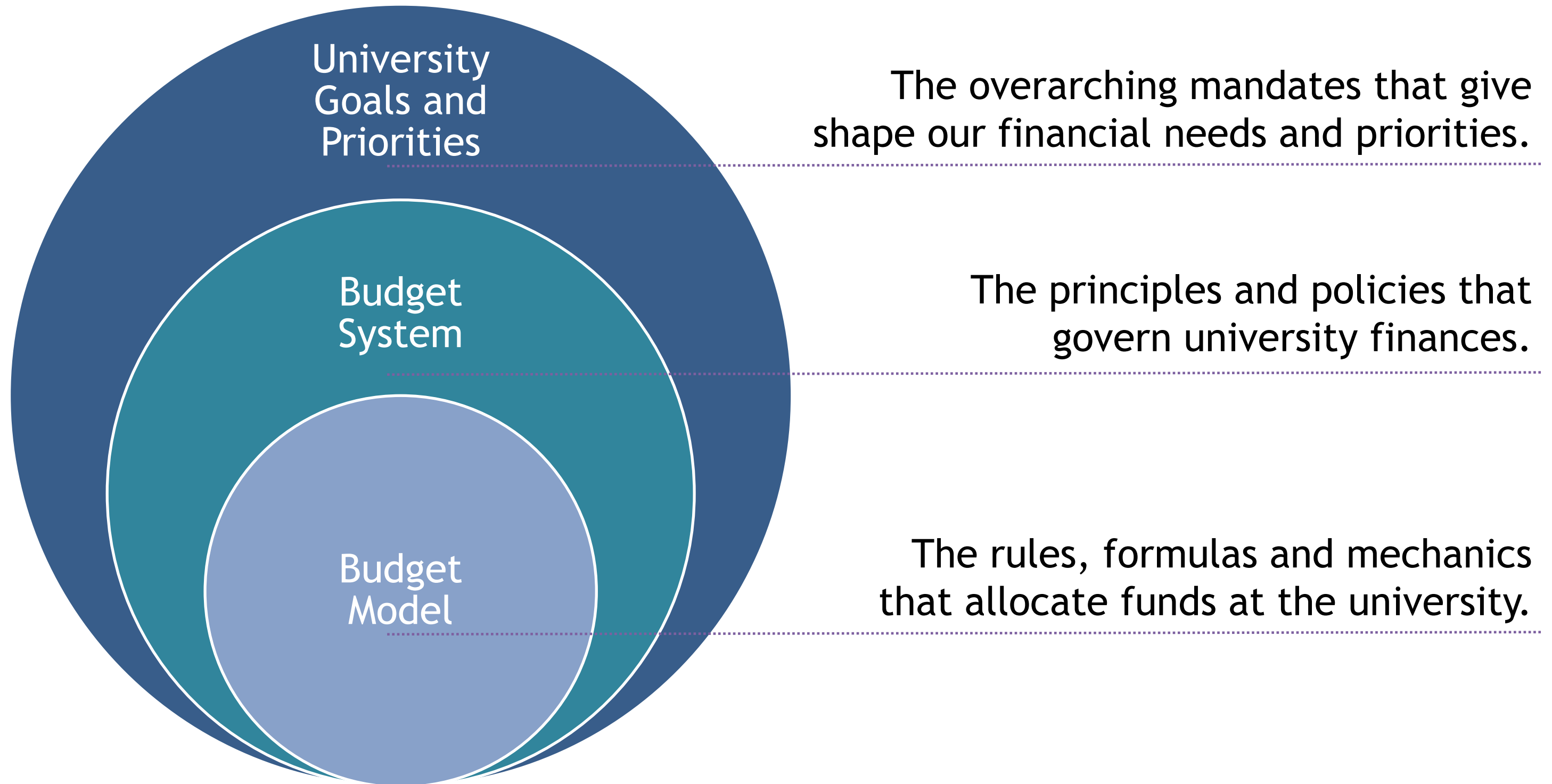
The RCM review committee established five subcommittees focused on major domains of university activity.

- *Graduate Education*
 - *Undergraduate Education*
 - *Cost Center Operations*
 - *Healthcare*
 - *Research*
-

The committee also relied upon shared governance bodies and the community broadly:

- *University Senate*
- *Deans' Councils*
- *Committee on Academic Planning*
- *Faculty Councils*
- *Student Government Representatives*
- *Surveys of Rutgers faculty and staff, and survey of the Administrative Council*

The Budget Model in Context



Summary

- The committee identified areas where **the design of the current budget model appears to discourage mission-critical programs and initiatives**, including doctoral graduate education programs, programs and units in the arts and humanities, and other initiatives intended to further the University's public mission.
- Across the campuses, schools, and departments, **the design of the current budget model seems to hinder interdisciplinary efforts and collaboration across budget lines**, making it difficult for faculty to collaborate on courses that cross schools or chancellor-units, creating unnecessary competition for students, and complicating efforts to build inter-unit research collaborations.
- The committee found **significant confusion within the Rutgers community over the mechanics and design of the current budget model, and related policies, practices, and procedures**, including the use of service level agreements, cost center accountability, how budget priorities are communicated, and the terminology used.
- Community feedback reveals a prevailing view that the budget model is determining academic strategy.

Outline of Major Recommendations

Align the Budget Model with University Priorities

- Center academic excellence and the public mission
- Articulate priorities and create incentives

Support Interdisciplinary Activities and Collaboration

- Support teaching and learning across schools and campuses
- Facilitate interdisciplinary research

Promote Transparency and Clarity

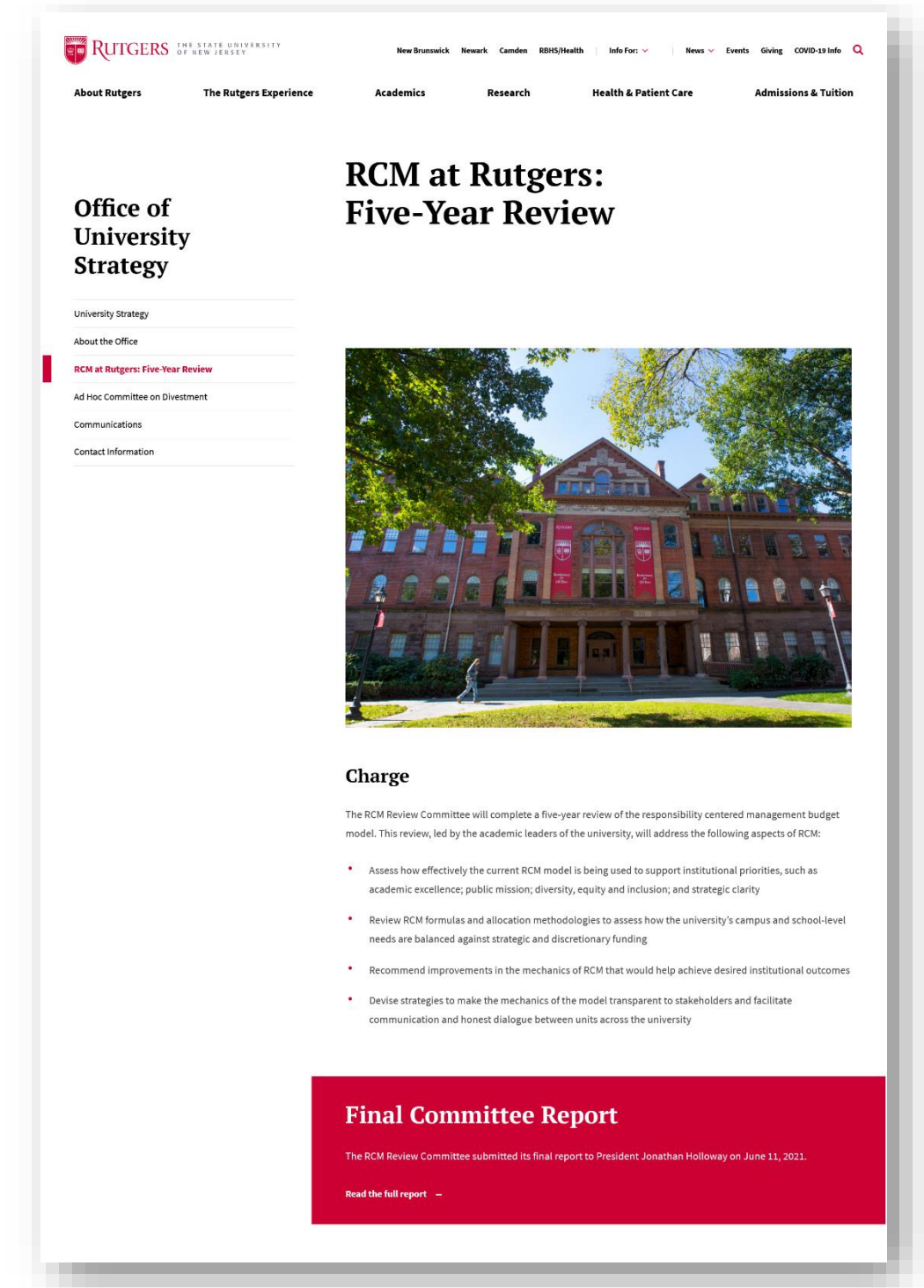
- Enable transparency of central costs and services
- Improve communication, training, terminology
- Establish principles for budget governance
- Clarify responsibility for physical space costs and debt service

Next Steps and Discussion

Review and prioritization of recommendations will begin immediately, and will assess:

- *Which recommendations have the greatest impact?*
- *Which recommendations are immediately actionable?*
- *Which recommendations require modeling, testing, and further definition?*
- *What are the trade-offs in implementing recommendations?*

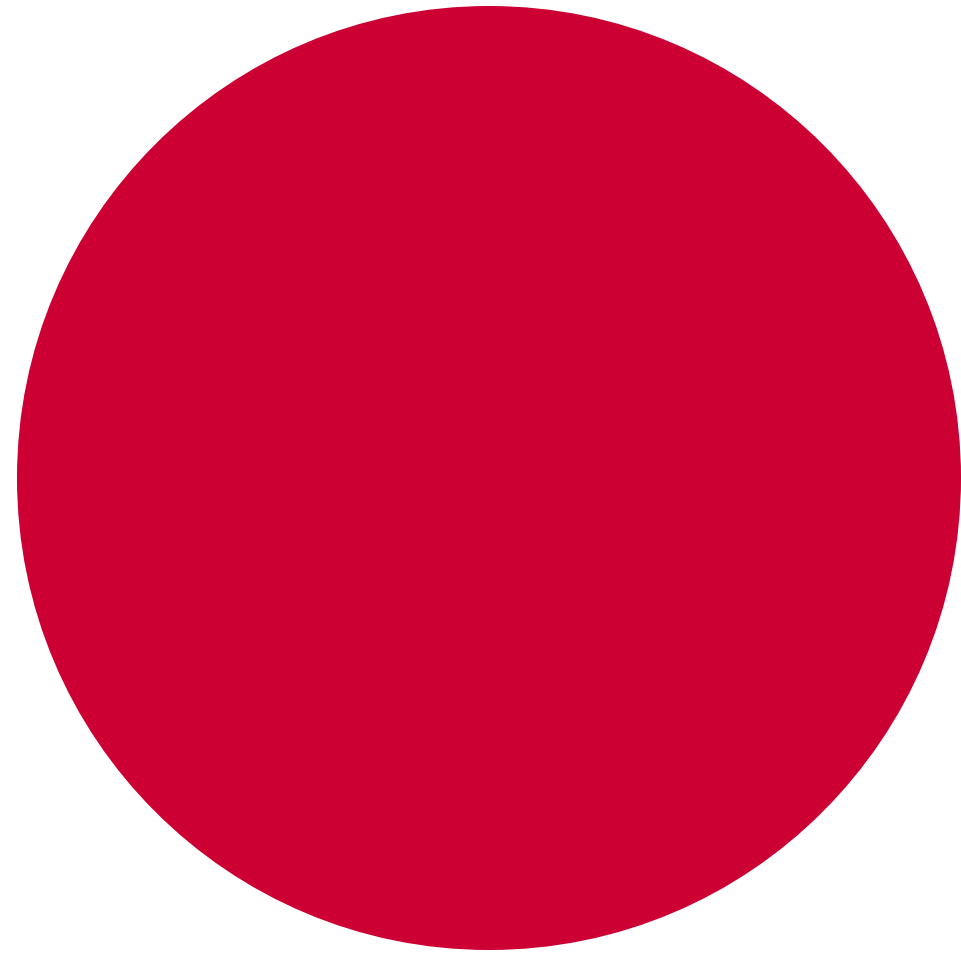
Planning to address these questions will continue through fiscal year 2022.



[Browse the Committee Report](#)



*Comments or
Questions?*



Quick Break

The meeting will resume in three minutes.

FY 2022 Budget

A budget that reflects our priorities

David Moore

Associate Vice President and Chief Budget Officer

University Budget

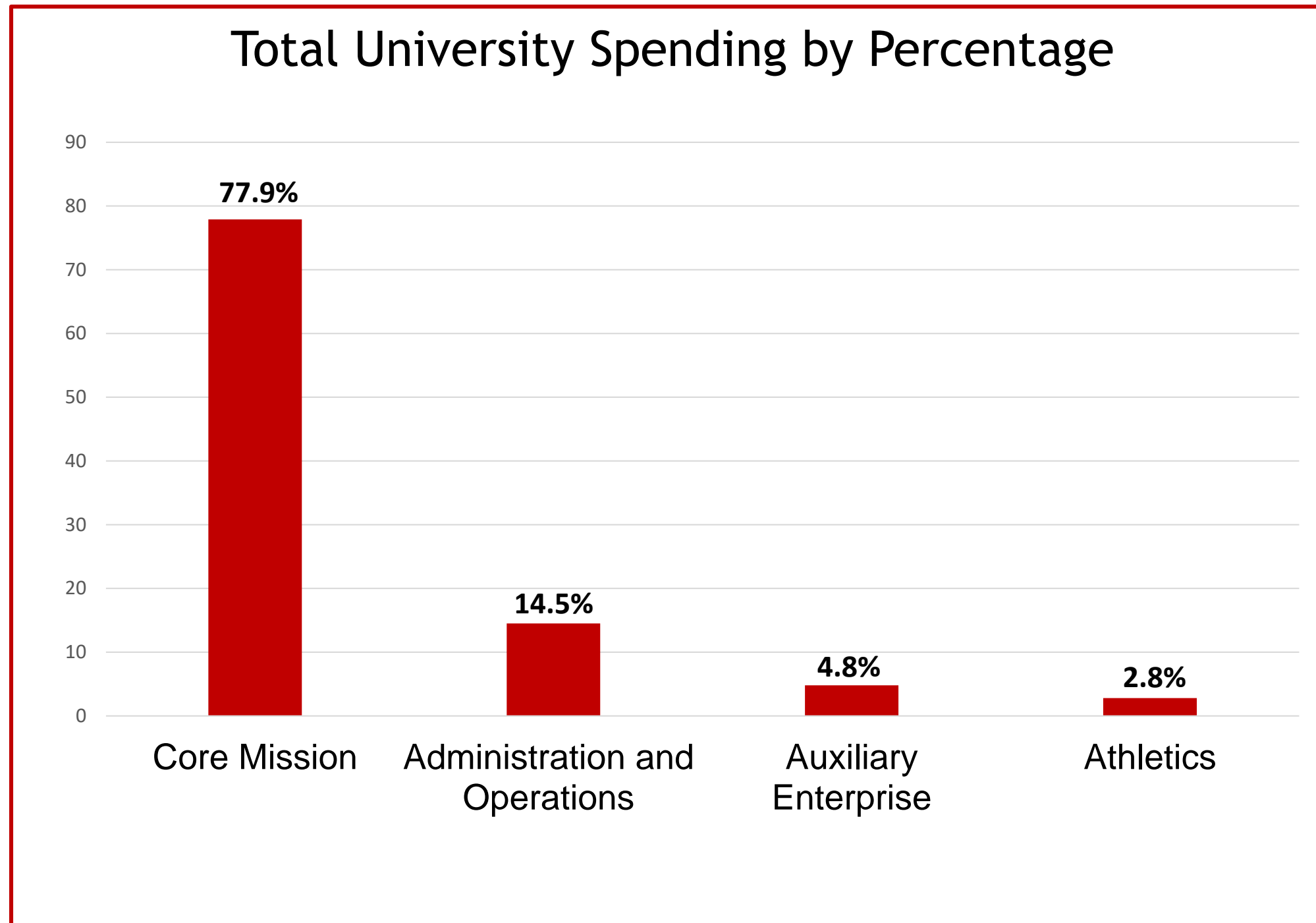
Rutgers' annual budget reflects the values of the university in fulfilling its core priorities of outstanding teaching, research, service, and clinical care, while providing the best academic experience for our students.

The University's FY 2022 total proposed budget is a **\$4.8 billion** statement of our priorities, a statement of our values and a recognition of the fiscal limitations we face together.



University Spending

\$4.8 billion spent on the things that are most important to us



- 77.9% spent on our core missions of student instruction, research, public service and patient care
- 14.5% spent on administration, operations and maintenance
- 4.8% spent on auxiliary enterprise
- 2.8% spent on athletics

University Spending (Expense Function)

\$4.8 billion spent on the things that are most important to us

- **Classroom instruction and academic support** includes faculty compensation and staff support for academic units, libraries and deans' offices: \$1.5 billion or 32.0%
- **Student services and scholarships** includes financial aid, admissions and social/cultural events: \$600.1 million or 12.4%
- **Sponsored research and other sponsored programs** includes funds spent on research associated with federal, state and nongovernmental grants and contracts: \$630.7 million or 13.1%
- **Public service, extension and patient care** includes agricultural extension programs, delivery of health care, support for health clinics, and community services provided throughout the state: \$982.3 million or 20.4%

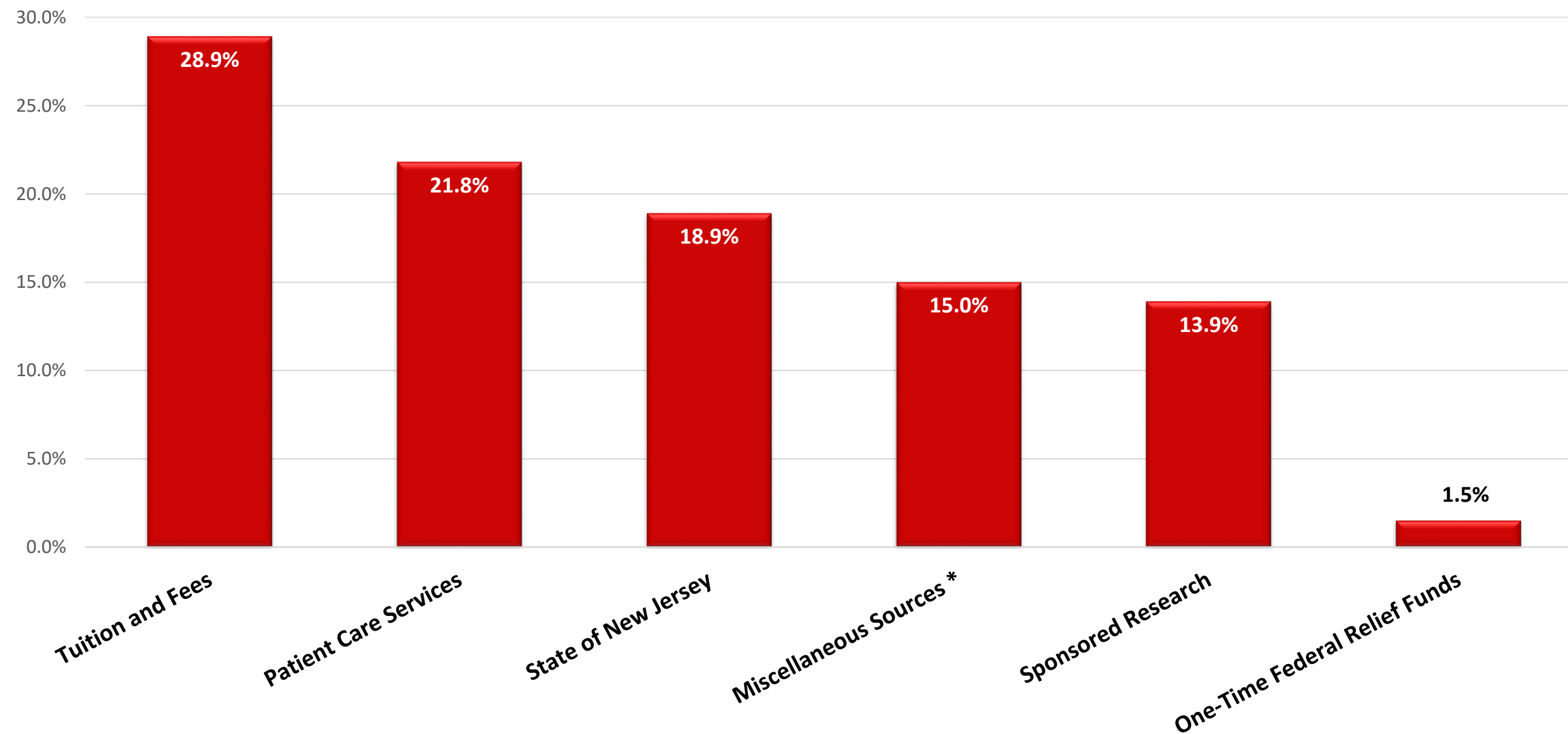
University Spending (Expense Function)

\$4.8 billion spent on the things that are most important to us

- **General Administration** includes support for central administrative offices such as research administration, finance, human resources, procurement, legal and the office of the university president: \$481.5 million or 10.0%
- **Operations and Maintenance** of all Rutgers' buildings includes insurance, fuel, upkeep and utilities costs: \$217.2 million or 4.5%
- **Auxiliary Enterprise** includes housing operations, dining operations as well as parking and transportation costs: \$230.5 million or 4.8%
- **Athletics** includes 24 men's and women's Division 1 sports programs at RU-New Brunswick: \$135.5 million or 2.8%

University Revenue

Where does the \$4.8 billion come from?



** Miscellaneous Sources includes auxiliary enterprise, student aid, athletics as well as endowment and investment income.*



Keeping

Rutgers

Affordable

FY 2022 Tuition, Fees, Room and Board

Our aim is to keep Rutgers among the most affordable major public research universities in our peer group



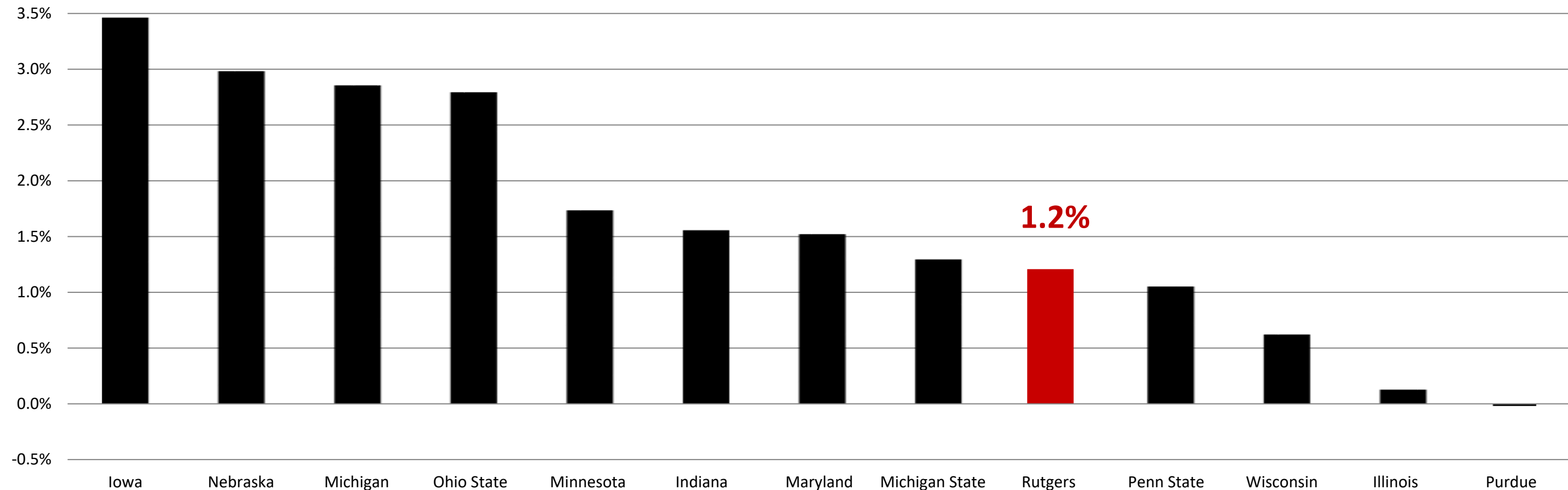
The approved budget increases tuition by 2.5% and increases mandatory fees by 2.9% for most undergraduate and graduate programs.

Together, tuition and fees will increase by 2.6%. In addition, room and board rates and residence education fees will have a comparable increase.

This proposed increase comes after a year when Rutgers was one of the few institutions in the country that proposed no increase and after a 2.9% increase two years ago.

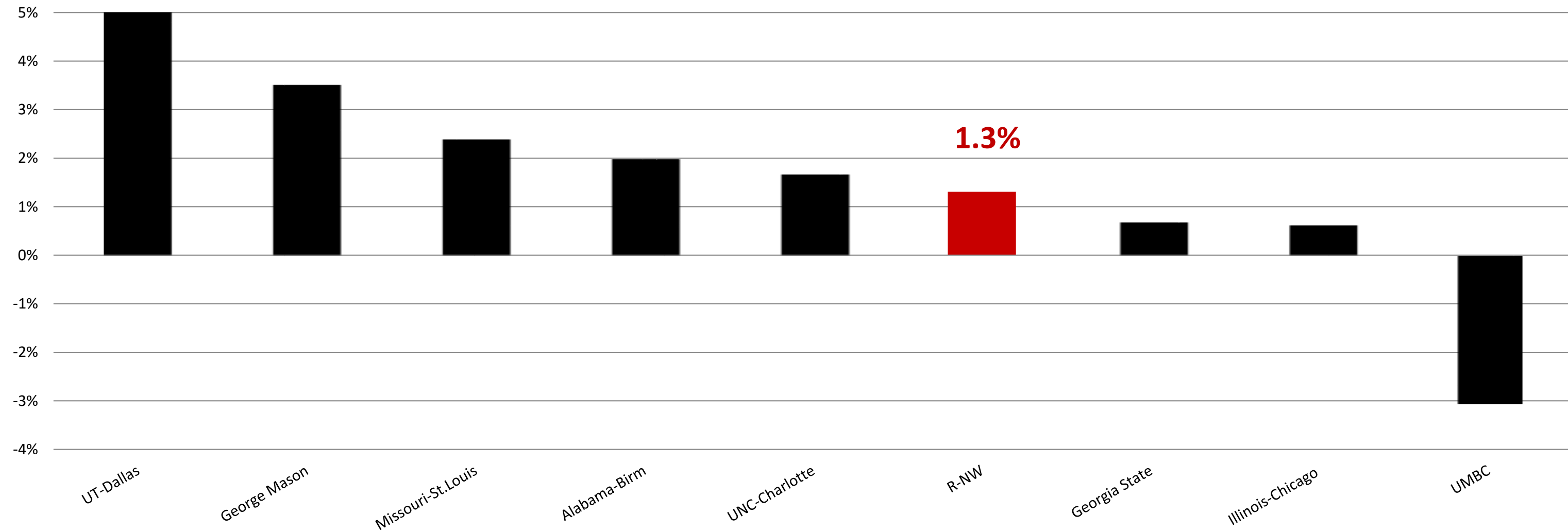
New Brunswick and Comparators – Big Ten Institutions

5-Year Average Annual Tuition and Fee Increases

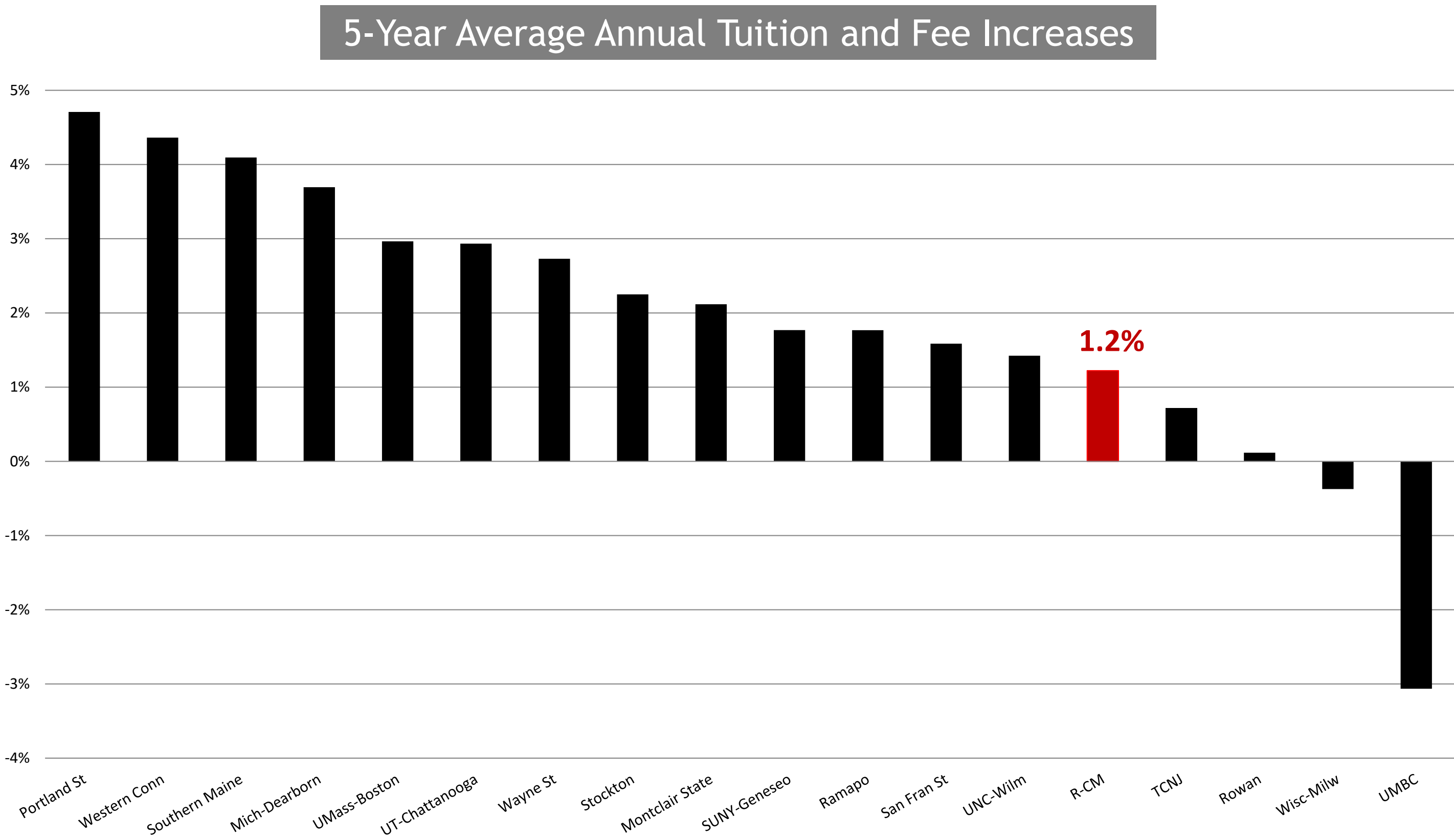


Newark and Comparators

5-Year Average Annual Tuition and Fee Increases

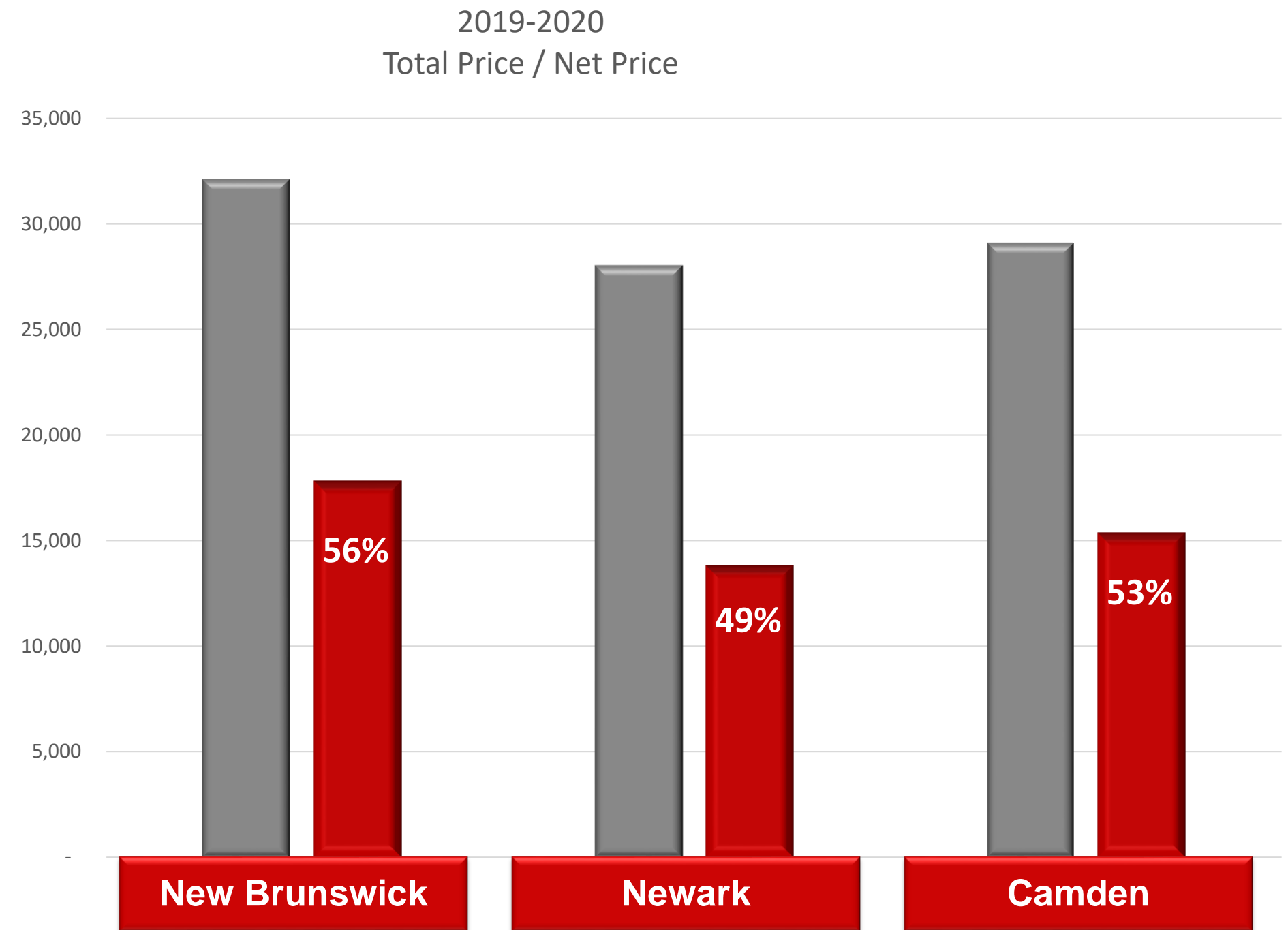


Camden and Comparators



Affordability

We put a high priority on keeping Rutgers affordable by providing our students with institutional student aid, qualifying state and federal aid, and grant programs



Average net price for Rutgers' first-year, in-state students receiving scholarship/grant assistance. Total costs include tuition, fees, room, board, and other expenses. Figures shown are impacted by commuter/resident mix at each location.

Looking Forward – FY 2022



- Uncertainty about the continued impacts resulting from the pandemic - what will “normal” look like
- Ongoing concerns about incoming classes and retention as well as international student enrollments as a result of the pandemic and the projected decline in high school graduates over the next several years
- Continue prudent spending controls including hiring review by Cabinet members, moderating travel, and reviewing discretionary spending
- Continue to strategically use limited federal relief funds to help bridge funding gaps over the next year
- Reserve funding to provide stable sources of funds during what could be a prolonged period of relatively unpredictable economic conditions
- Embrace the operational lessons and strategies learned over the past year that will help Rutgers move into a post-pandemic world, stronger and more vibrant



Through this budget we strive to provide an affordable, high-quality education for our students and achieve academic and research excellence.

Proposed 2021-2022 Budget – Revenue

Dollars in thousands

	Revenue (Sources of Funds)	New Brunswick	Newark	Camden	RBHS	Central	Total
1	Student Tuition and Fees	699,675	300,048	119,972	205,906	51,143	1,376,744
2	Federal and State Student Aid	24,604	18,436	6,871	1,989	218,142	270,042
3	Federal Appropriation	7,426	0	0	0	0	7,426
4	Allocated University Support	0	0	0	0	0	0
5	NJ State Appropriations	203,015	33,697	17,657	180,318	0	434,686
6	State Paid Fringe	130,176	41,036	19,676	188,711	85,028	464,625
7	Grants and Contracts	222,944	26,414	17,347	299,211	1,476	567,392
8	Facilities and Administrative Recoveries	52,025	5,208	1,755	69,121	208	128,316
9	Gift and Contribution Revenue	21,230	2,998	762	12,782	1,704	39,475
10	Endowment and Investment Income	23,151	4,863	1,119	10,706	17,260	57,099
11	Healthcare Revenue	1,575	0	18	411,711	0	413,304
12	Affiliated and Housestaff	0	0	0	616,446	11,177	627,623
13	Other Sources Revenue	53,855	6,766	2,773	12,370	28,274	104,037
14	Auxiliary Revenue	238,602	20,078	9,651	8,434	0	276,764
15	Total Revenue	1,678,278	459,544	197,601	2,017,702	414,412	4,767,533

Proposed 2021-2022 Budget – Expenses

Dollars in thousands

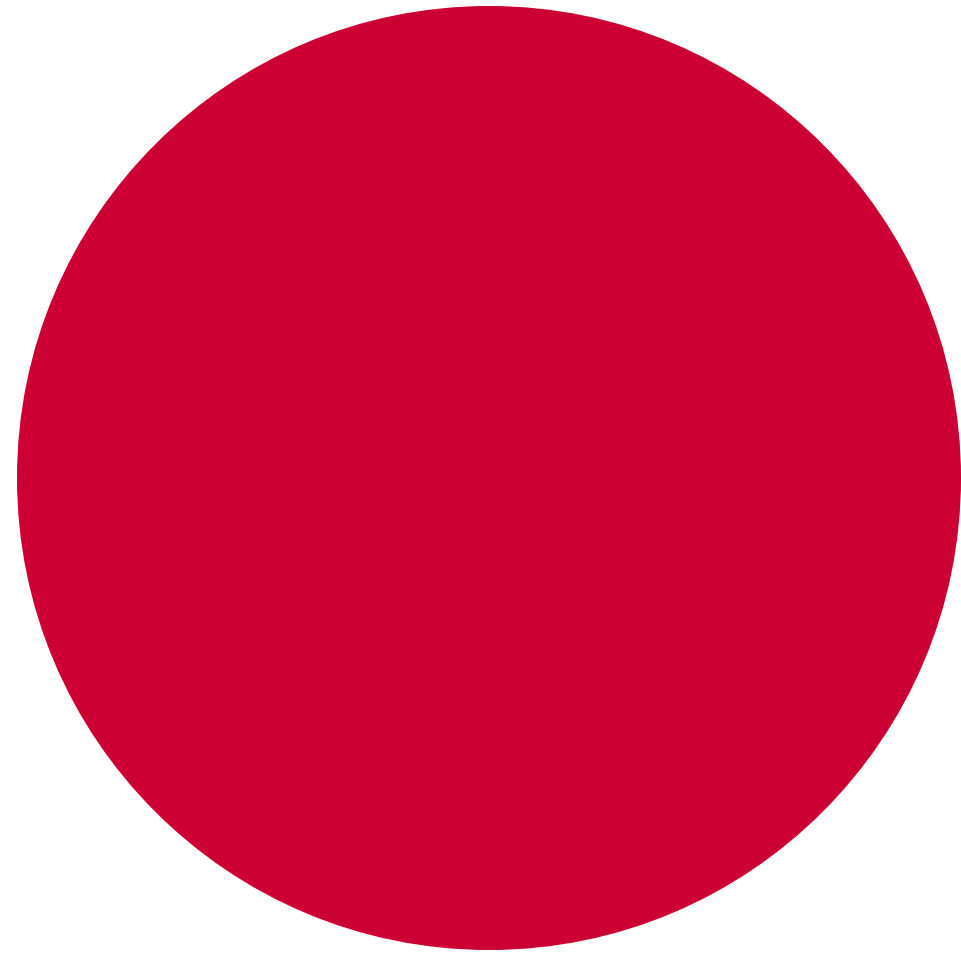
Revenue (Sources of Funds)		New Brunswick	Newark	Camden	RBHS	Central	Total
1	Total Revenue	1,678,278	459,544	197,601	2,017,702	414,412	4,767,533
Expense (Uses of Funds)							
2	Salaries and Wages	698,319	181,800	92,384	1,012,637	342,914	2,328,053
3	Fringe Benefits	240,042	60,598	31,951	362,310	118,997	813,897
4	Total Compensation	938,361	242,398	124,335	1,374,947	461,911	3,141,950
5	Scholarships and Fellowships	99,711	50,248	26,126	29,948	255,358	461,391
6	Debt Service - Principal and Interest	50,630	11,833	2,517	5,536	113,815	184,331
7	All Other Operating Expense	324,031	61,411	33,674	368,544	246,532	1,034,191
8	Total Expense	1,412,733	365,890	186,652	1,778,974	1,077,616	4,821,863
9	Surplus/(Deficit) before Transfers	265,545	93,654	10,949	238,728	(663,204)	(54,330)
10	Transfers	9,140	2,386	1,243	(2,452)	(10,317)	0
11	Cost Pool Transfers	(281,576)	(94,125)	(44,835)	(239,537)	660,073	0
12	Change in Fund Balance	(6,891)	1,915	(32,643)	(3,261)	(13,448)	(54,330)
Other Transfers							
13	Plant Fund & Non Operating Transfers*	(16,715)	(805)	(485)	(600)	518	(18,087)
14	Use of Prior Year Net Assets**	4,714	5,081	183	3,861	13,331	27,168
15	Change in Fund Balance Operations	(18,892)	6,191	(32,945)	-	401	(45,249)
	Margin	(1.13%)	1.35%	(16.67%)	0.00%	0.10%	(0.95%)

*Operating funds budgeted for deferred maintenance

**Prior year funds set aside for one-time strategic initiatives



*Comments or
Questions?*



Quick Break

The meeting will resume in three minutes.

Lease Administration & Scarlet Journey

John Fahey

Associate Vice President and Project Management
Office Executive

Lease Administration: Implementation

- Release 1 successfully launched on **April 30** focused on procurement and finance related functionality.
- Release 2 successfully launched on **June 28** with functionality for real estate leases and enhanced functionality for other areas.
- Additional training and administrative support in place and on-going.
- Resources and information can also be found on the Controller's Office website.
- Future improvements, such as new capital spend guidance policies, accounting changes (such as new natural accounts), guidance on lease vs. buy decision making, operating procedure improvements and more! These items are in development and will be shared with impacted parties shortly.



SCARLET JOURNEY

a CRM experience

Scarlet Journey: Functionality Delivered

The Scarlet Journey (Enterprise CRM Initiative) delivered five major releases from September 2021 to June 2021, introducing Salesforce functionality for all Chancellor units, with over 350 end users.

#	Date	Functionality	Group(s)
R1	September 1, 2021	<ul style="list-style-type: none">Case Management (multiple intake channels, queuing, routing)	<ul style="list-style-type: none">RU-NB One Stop, Financial Aid, Student Accounting, Registrar
R2	January 11, 2021	<ul style="list-style-type: none">Case Management (multiple/additional intake channels, queuing, routing)	<ul style="list-style-type: none">RU-NB One Stop, Financial Aid, Student Accounting, RegistrarRU-N One Stop, Financial Aid, Student Accounting, RegistrarRU-C One Stop, Financial Aid, Student Accounting, Registrar
R3	February 22, 2021	<ul style="list-style-type: none">Prospect Management (Core CRM)Event Management (Fonteva)Marketing (Marketing Cloud)	<ul style="list-style-type: none">RU-NB Undergraduate AdmissionsRU-N Undergraduate AdmissionsRU-C Undergraduate Admissions
R4	April 11, 2021	<ul style="list-style-type: none">Case Management (multiple intake channels, queuing, routing)	<ul style="list-style-type: none">RU-NB RU-info
		<ul style="list-style-type: none">Prospect Management (Core CRM)Event Management (Fonteva)Marketing (Marketing Cloud)	<ul style="list-style-type: none">RBHS Admissions
R5	June 7, 2021*	<ul style="list-style-type: none">Prospect Management (Core CRM)Event Management (Fonteva)Marketing (Marketing Cloud)	<ul style="list-style-type: none">RU-NB Graduate AdmissionsRU-N Graduate AdmissionsRU-C Graduate Admissions

Scarlet Journey: Functionality Delivered

The Scarlet Journey (Enterprise CRM Initiative) will deliver on the final major release of Phase 1 on August 2 and August 23, respectively, introducing a new Rutgers application portal, reading/decision experience, and case management.

#	Date	Functionality	Group(s)
R6	August 2, 2021*	• Case Management (multiple intake channels, queuing, routing)	• RU-NB Admissions (undergraduate) • RU-N Admissions • RU-C Admissions
		• Application / Application Portal (undergraduate, transfer, graduate)	• RU-NB Admissions • RU-N Admissions • RU-C Admissions • RBHS
		• Admissions Reporting (Rutgers-specific admissions reporting functionality)	
	August 23, 2021*	• Application Reading and Decision (undergraduate, transfer, graduate)	• RU-NB Admissions • RU-N Admissions • RU-C Admissions • RBHS
		• Coalition Application Integration	

* Major functionality areas identified; additional functionality and backend functionality will also be delivered during and post these periods (e.g., integrations, processing, reporting)



*Comments or
Questions?*

Thank You!



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