



University budget review

Senate Budget and Finance Committee



1. The data problem

let the numbers talk

Data sources

Board of Governors' Approved University Budget
for Fiscal Years 2013-14, 2014-15, and 2015–2016 (1 page)

University financial statements (2 pages of revenue and expense numbers)

Financial Analysis of Rutgers and UMDNJ, Howard Bunsis, 2014

IPEDS: Federal data from all universities

(Brief) conversations with budget office

Transparency:
RU One Page Budget
Reporting Policy

Rutgers Budgets (\$ 000)		
FY	Total Rev	# of Pages
2005	1,543,752	1
2006	1,626,628	1
2007	1,634,283	1
2008	1,748,314	1
2009	1,815,758	1
2010	1,919,892	1
2011	1,997,221	1
2012	2,137,459	1
2013	2,206,635	1
2014	3,597,479	1
2015	3,673,893	1
2016	3,781,111	1

The problems of the one page budget

1. Rarely any explanation for major or minor budgetary changes.
2. Budget data cannot be chained backward and analyzed as a time series.
3. Major changes in budget policy are not reported.

After 2013

Addition of RBHS (medical school)

Development of RCM (responsibility center management)

Changes in many categories

- a. Some expenses moved from instruction to libraries and academic support
- b. State pensions moved to University books (state requirement)
- c. Central costs allocated to campuses (required by merger act)
- d. Debt service line spread across G&A and others in 2016
- e. B-school allocated to Newark: drives Newark numbers up

RU Auxiliary Enterprises

FY	Revenues	Expenses	Rev-Expen
2005	188,745	188,745	0
2006	199,681	199,681	0
2007	209,665	209,665	0
2008	219,939	219,939	0
2009	240,000	240,000	0
2010	255,425	255,425	0
2011	276,654	276,654	0
2012	290,330	290,330	0
2013	313,525	313,525	0
2014	317,350	318,781	-1,431
2015	337,441	337,441	0
2016	355,585	411,933	-56,348

Big change in reporting policy. Why?

STRATEGIC FUNDS 2015-16	NB	Newark	Camden	RBHS	Central	Total
ON THE REVENUE SIDE						
Strategic Fund Transfer - NEW						
Total Strategic Funds - NEW	-26,661	-6,499	-2,774	-23,091		-59,026
President and Chancellor Share - NEW	13,331	3,250	1,387	11,546	29,513	59,026
Total Transfers - NEW	-13,331	-3,250	-1,387	-11,546	29,513	0
ON THE EXPENSES SIDE						
Use of President Strategic Fund - NEW		-3,000	-5,500		8,500	
Use of one time funds - NEW			-22,370			-22,370
Total Educational & General Expenses					8,500	
Total Strategic Fund Expenses - NEW	13,331	3,250	1,387	11,546	21,012	
Total Expenses					29,513	

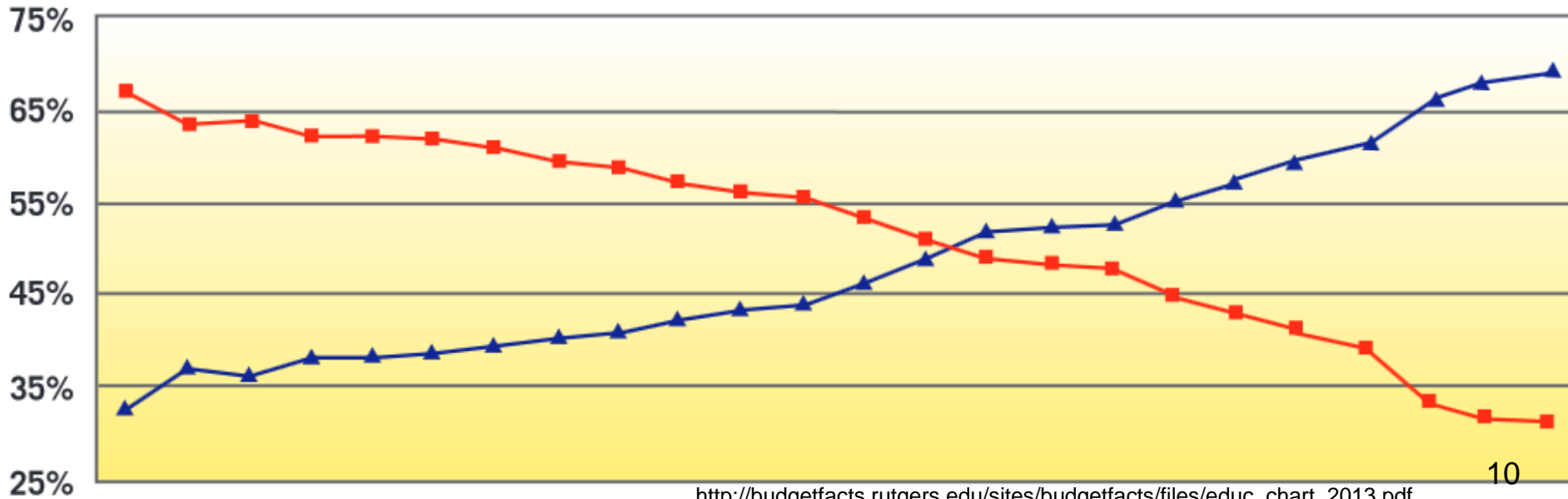
2. the basic picture



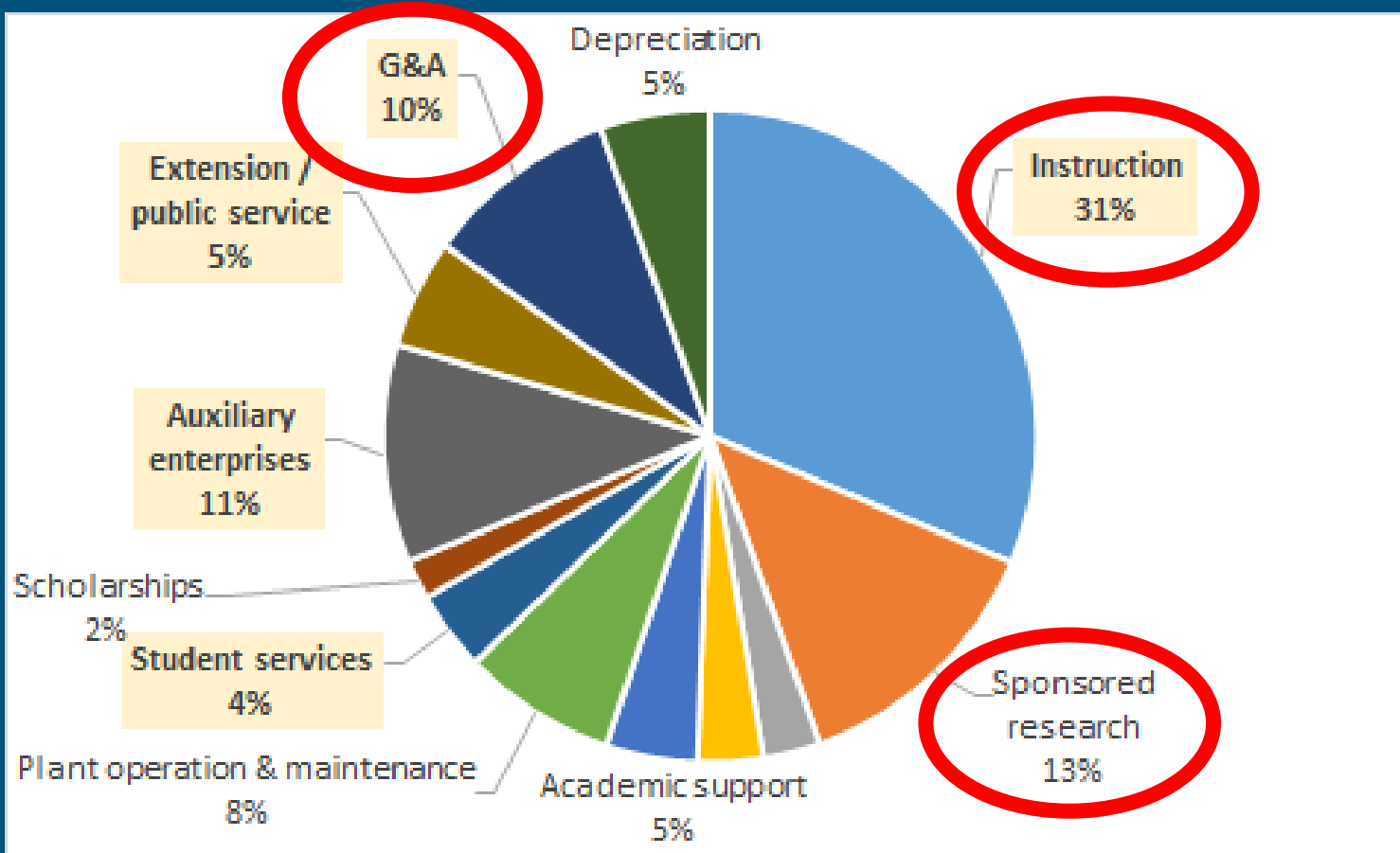
Revenues

Student and State Share of Costs of a Rutgers Education FY1990–2013

Students are paying a steadily increasing share of the cost of their education as the state share declines.



Expenses 2014 *(% of total, without patient care services)*

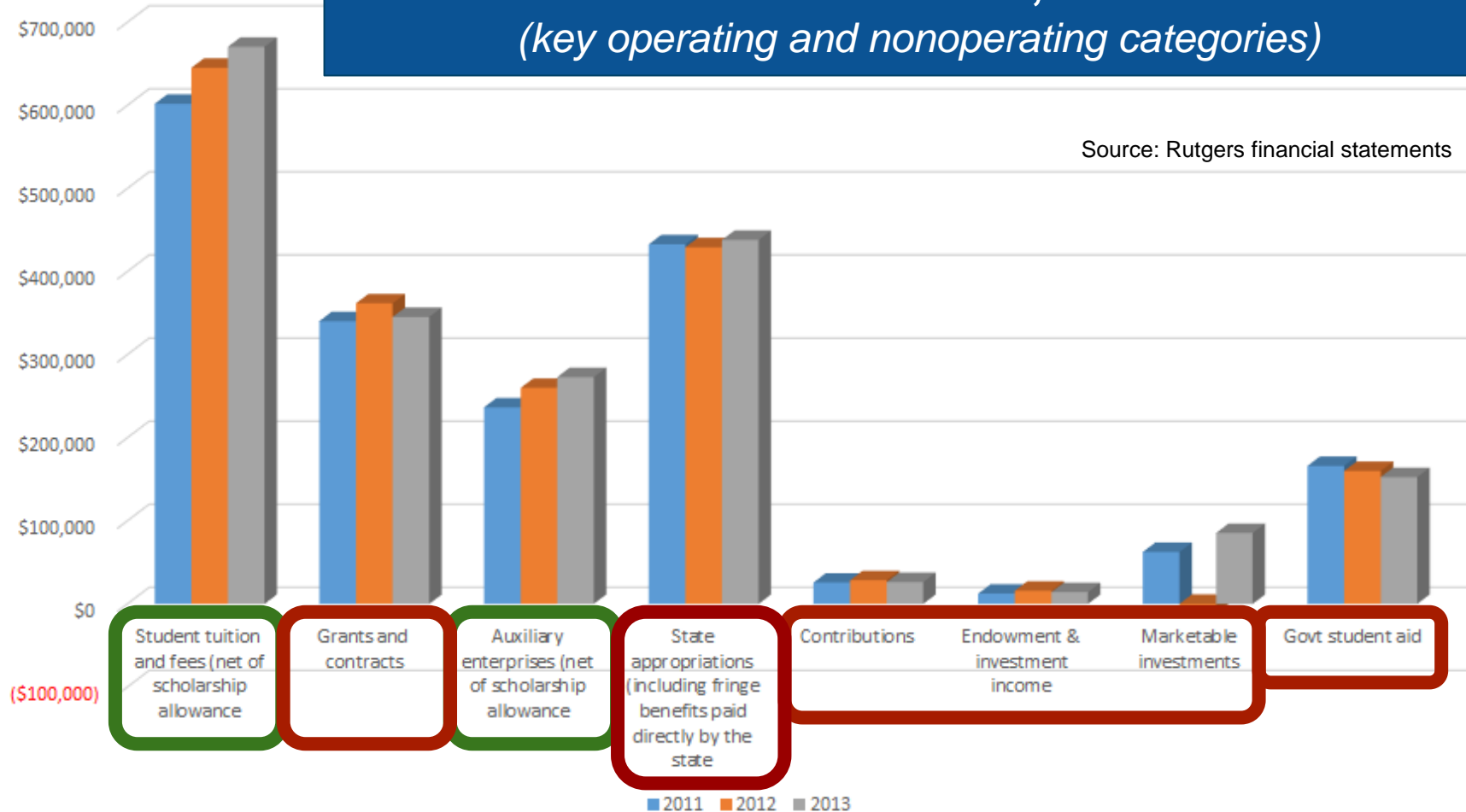


Based on 2014 financial report

Actual revenues , 2011-13

(key operating and nonoperating categories)

Source: Rutgers financial statements



Actual expenses (key operating and nonoperating), 2011-13

Source: Rutgers financial statements



Starting a conversation



Allocations

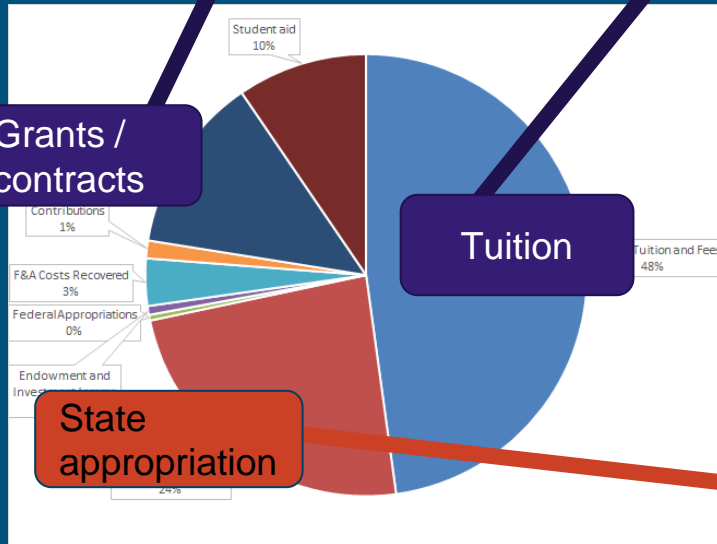
RCM:
allocated to units

Grants /
contracts

Tuition

State
appropriation

Allocation
process?



Starting a conversation

Foundational Elements

- Strong Core of Sciences and Humanities
- Inclusive, Diverse, and Cohesive Culture
- Effective and Efficient Infrastructure and Staff
- Financial Resources Sufficient to Fund Our Aspirations
- Robust Shared Governance, Academic Freedom, and Effective Communication

but.

It is not at all clear what conversations are to be held, and how.

Senate has not been included.

We don't have good data.