RUTGERS UNIVERSITY FY28 BUDGET DEVELOPMENT KICK-OFF MEETING MINUTES
October 29, 2026

MINUTES: Rutgers University FY28 Budget Development Kick-Off Meeting

DATE: October 29, 2026

TIME AND PLACE: 9:00 a.m., 33 Knightsbridge Road, Piscataway Rooms 135A-B

Welcome & Opening Remarks

9:00 am - 9:25 am
William F. Tate IV, President of Rutgers University
Kimberly J. Lewis, Executive Vice President and Chief Administrative Officer

Notes (President Tate's Remarks):

- This will be the first budget under the revenue first model.
- Looking for a sustainable business model to obtain success.
- Four campuses leading in social mobility in the U.S. – we do it at scale, but what's the underlying reason we can do that? - We have a good budget.
- Last year, no layoffs.
    - Asked not to lay off anyone this year.
- How can we make sure we optimize what we have so we don't have to get there (layoffs), especially when costs are going through the roof and the state is also not in a good financial status. Schools cannot rely on the state for assistance.
- State's budget is not balanced so Rutgers must fix own problems - first step is to develop a revenue strategy that predicts what we really have so we don't spend more than we have to avoid layoffs.
- Layoffs will happen if we don't get the budget right.
- Budget is the foundation of an institution and the state needs Rutgers.
- Cranberry farms can't do their business without Rutgers (we are the heart of food security).
- "The best thing to do for poor people is to not be one of them."
- 70% of the budget is tuition; you get enrollment management wrong; you go belly up.

University-Informed FY28 Baseline Budget Outlook

9:25 am - 9:40 am
Cathy Brennan, Vice President for Financial Planning & Analytics and Chief Budget Officer

Notes:

- Everyone has stake in the budget.
- Rutgers is currently in a relatively solid position at the moment in terms of the budget.
- Framing a conversation for FY28 budget development; numbers today are just a starting point and not THE numbers. Assumptions/decisions will change as the days go.
- If nothing else changes from now and June, we haven't challenged ourselves.
- Everyone must come together to make decisions for the good of the whole institution and approaching the budget as "we are one Rutgers".
- Today's meeting launches the beginning of the University's Revenue Forecasting Committee – so that we understand what the resources are before they are committed for the fiscal year.

- Today's meeting is for establishing a common baseline for the budget development; will make decisions that influence the process along the way.
- Budgets are not fixed; they are iterative and need to be managed. It's not just "give me the budget and tell me what to spend", it's not anyone else's responsibility to balance the budget.
- First question when developing a budget: how much do we have to spend? What's available as a resource for next year? We cannot allocate what we don't have.
- Today's numbers are the best numbers we've collected up until this point and are framing the conversation, it's not the definitive plan.
- Our job is to understand what changes and why and to help get us to a balanced budget.
- What happened last year?
    - When we started the conversation last year, there were two analyses: baseline projection and university informed.
    - Budget FY27 showed 248 million dollar deficit.
    - Did not have dining/housing rate assumed or tuition/fees until February (took 100 million dollars off the table).
    - Gave instructions to units to grow budgets.
    - By spring, 64 million dollars was still a problem.
    - Closer in June had changes to the salary program and tuition/fees. To make the budget work, we had to change assumptions on the salary program and FTE lines for the fringe burn.
    - Also reinstating special interest items.
    - End of July got to a balanced budget – 163 million by August.
- In a 6 billion dollar budget, we should be able to solve the problems.
- Where are we starting for FY28?
    - Linear – 63.7M
    - University Informed – 100.3M
    - This fall we applied tuition and fee increase which did not happen last fall (3%) as well as increase for dining (4%).
    - 1.5% salary program increase is being carried forward which is absorbed within the existing budget. Still have 100M to solve for.
- It's not that Rutgers has a budget problem between 63 – 100M dollars, it's just a starting point. What happens this year will inform next year which is why the units are being pushed hard for forecasting. Some of the enrollment for this fall is not matching the budget assumptions for this fiscal year. No way we can get to June without having a balanced budget.
- Do not wait for finance to tell you what to do with the budget, central is not responsible for your budget. You have an obligation to manage to your budget.
- Question: what do we need to do differently to drive a different outcome because we either drive revenues, expenses, or both either directly or indirectly.
- Expenses are outpacing revenue growth.

Revenue Forecasting Committee Presentations

RU Enrollment Model: Future State, Current Assumptions and Outlook
9:40 am - 10:50 am
Dr. Jose Aviles, Senior Vice President for Enrollment Management and Student Success

Notes:

- Needed a baseline of where enrollment management was when Dr. Aviles first started nearly a year ago.
- Majority of enrollment fell in the 1-2 in the levels of maturity. There's a fragment in the dataset that hampers ability to move through data cycles at a moment's notice. Technology stack that is difficult to maneuver- no easy way for IT to pull data at a moment's notice or quickly.
- Broken headcount between tuition and revenue generating – Biggest gap for enrollment.
- Over the next 12 months, this is going to be a painful exercise.
- There is no beginning and end to enrollment management; it's a cycle.
- A smaller regional recruitment pool- projected change in high school graduates (6-year change). NJ-4.7%. Decrease has been consistent on the back end of this decade with first year students. Same decrease for the entire northeast (CT, ME, MA, NH, NY, PA, RI, VT).
- Problem is that NJ has a lot of competition with recruitment.
- College participation rates have been a key driver of growth over time, however in recent years rates have declined to 1995 levels.
- Can't just be in the business of recruitment just to recruit, must be talented students.
- Rutgers Camden – looking at the difference between participation rates for students graduating from high schools across the state and those specifically graduating from high school in Camden. Participation in higher education at a different rate between the two.
- National freshman enrollment by sector: private sector has increased expenditures by discounting tuition rates and that has increased their enrollment and making them competitive (Rider U did this). Creating competition for schools in the public sector.
- Average published tuition and fees in 2024 dollars- not a big difference between in state and out of state tuitions, which gives students larger choice and may lose out on keeping students in the state (LSU is only $2K more than Rutgers so students are more likely to go).
- Institutional grants (gift aid coming from Rutgers) has increased throughout the years since 2005- using our own dollars to aid students to secure our own head count which is important to understand. Our discount rate is relatively low compared to the marketplace - In NB and Newark specifically. The brand strength could be strong enough to sustain by the past fall we didn't make our head count. So, we need to reconsider how we leverage aid.
- 60% for private institutions are discounting their tuition. Rutgers is not there, most large publics are somewhere in the mid 30%.
- 39% discount for non-residents (Rutgers).
- Demand grew while first-year enrollment fell.
    - First year class is always the cornerstone of building the budget/revenue
    - System first-year enrollment (10,800 to 10,218: -582, -5.4%)
    - Overall there are more admits but fewer enrolled for all CLUs.
    - Camden really improved over the past year (was down 17% in deposits the previous year). The melt rate at Camden was between 28-48% (should be between 13-14%).
    - Camden's enrollment team changed strategies (texts, robot calls, and other things they've never done to get students to show up to orientation in record numbers) which is what helped reduce their melt.
    - Transfer growth only partly offset first-year losses.
- Proposed scholarship philosophy
    - Must balance access, enrollment growth, and net tuition revenue.
    - Access: reduce financial barriers for students with demonstrated need.

    - Enrollment; Target support where it can change student's decision
    - Revenue: assess the tuition and fees retained after institutional gift aid.
- Access commitments and affordability
    - Ability to pay and willingness to pay answer different questions
    - The more qualified a student is, the less they are willing to pay. It's a buyer's market.
- A portfolio of scholarship choices
    - Compare alternatives under explicit enrollment and budget constraints.
    - Need based grants, merit awards, decision rule.
- 57% discount rate is unfunded aid, what is funded is 43%.
- Nationally the mean of the students sits in the middle in terms of need financially.
- NJ student migration issue influencing need?
- 1.5-2% variance is acceptable when looking at the model interpretation.
- Dislike any press about new scholarships because models are always changing and we are competitive state and the model can't detect environment.
- Right now, the model is based on multiple enrollment considerations and the way we do business at Rutgers.
- An enrollment projection is an estimate, not a guarantee.
- We have a messy dataset, maybe because we have multiple campuses.
- Fall 2027 Goals (aggressive yet realistic/ keeping aid budget the same but it being applied differently will cause the growth in discount):
    - NB domestic- 7,365 (growth of 427 from last year baseline)
    - NB international- 700 (+300 NR – growing non-residents because we aren't offering enough aid to the non-residents)
    - NB total- 8,065
    - Newark- 2,000 (growth of 420 from last year baseline)
    - Camden – 950 (930 was in the class of 2019 so why can't we do it again, which is why 950 was generated) (267 increase from last year baseline) (discount rate is significantly higher in market and has been 66% discount this past year and is not consistent with what a public should be- goal is to get back to mid 30's%). Needs to assign housing to students that really need housing and not just want housing.
    - Rutgers total – 11,015
    - For both Camden and Newark - really craving a strategic that works with the foundation of both campuses
    - System: preliminary net tuition and fees rise 9.5%
- Data reconciliation precedes the final strategy comparison. Once data is reviewed, each campus will receive a visit and concrete conversations about strategies to see if the aggressive but realistic projections make sense.
- Comment: From the student accounts perspective, this is great work, but the last thing we want to do is put things in place that stop students from enrollment. We can budget for bad debt because we know earlier who will be willing to pay. Billing is trying to move from reactive to proactive model and wants to send the bill and tell students how to pay. The scholarship piece is great.
- There is a scholarship management system-wide which will help identify opportunities to award scholarships. Starting with SEBS and SAS to figure out how this works for students. Federal loans need to be watched more closely because this year is the first year of federal loans being limited.
- Question: We don't have a demand problem, so do we know what is happening with the students after they enroll and what are the strategies?

    - Biggest problem in Camden has to do with breakdown in communication in the recruitment.
    - Would not send a single piece of communication to a student until they are admitted- which needs to be more aggressive in the marketing strategy.
- Question: Is marketing in the budget for the students?
    - We are finding resources to do that, but we need to understand what that expense is year to year because every year there will be an increase.
- Question: One of the things that led to medical school merger was internal competition between students so wouldn't that be the same between campuses? How do we account for that?
    - Came to this point last spring and created distinct marketing for Camden and Newark to distinguish between each other.
    - Try to create a framework where we are admitting students to one campus and one program. That means each individual campus would have distinct admitted classes. Yes, there is a lot of competition between campuses, but there needs to be a unique count for each class.
- Question: Historically we've had students apply to two campuses where one is a top choice and the other is a second choice, but they don't hear back in a timely manner to get them to their top choices.
    - Thinking about how to improve this system moving forward.

Break 10:50 am - 11:05 am

<u>Campus Revenues:</u>
Rutgers University-New Brunswick
11:05 am - 11:35 am
Nayland Smith, Executive Vice Chancellor for Strategy and Business Operations and Chief Business Officer

Notes:

- Fiscal year 27 budgeted and current performance
    - 2.05 B total budget revenue
    - 2.01 B total budget expenses
    - 35.2 M budgeted net position
    - 2.12 B forecast expenses
    - 2.14 B forecast revenue

- Budgeted about 921M for FY27
    - Adjusted the gap in the scarlet guarantee program
    - Elimination of the grad plus loan
    - Parent plus loans limited to 20K a year which makes it more difficult to pay for education
    - International students having difficulty obtaining visas and struggling to get to Rutgers – along with political rhetoric
    - Over the last few years, there has been a positive trajectory over the last four years. Yet there was a dip this fall. In-state students have grown compared to out of state/international students which was intentional to boost revenue.
    - Received some notes from SSW- 400 students that have holds right now and there is no way to close the gap.
    - New changes coupled with affordability changes are major influences.

- RBS and RU-Health(nursing) over performed their budgets which helped offset some differences.
- SAS-NB teaches over 20,000 students per year alone.
- Dining revenue is forecasted to decrease by 6.6 M from budget preliminary due to the drop in 210 meal plans.
    - Reductions in meal plan sales are driven by the steep decline in housing occupancy (90.2% as opposed to the budgeted 97%).
    - Many are first year students in dorms that are required to hold the 210 meal plans – housing occupancy took a hit.
    - There are host of issues that contribute to the housing drop – financial issues, students didn't show up who were enrolled and didn't come, some are health related issues.
- Other revenue categories:
    - Grants and contracts revenue
    - F&A recoveries
    - Other sources (less continuing education revenue)
- 45M in reductions which would put us in 10M in deficits
- 26M in additional reductions in revenue
- Still 19M gap
- FY28 Campus enrollment assumptions and strategies
    - Graduate enrollment stays flat
    - Summer and winter based on FY26 actuals
    - Percentage of part-time students and fall-spring melt are layered in historical averages
    - Incoming class target remains at 8,065 students
    - Domestic out of state enrollment goal increased by 300 students
    - International student enrollment goal is 700
    - 300 spring semester enrollments (200 in SEBS and 100 in SAS).
- 8065 first year goal / 49618 total enrollment
- SAS FY27 first year enrollment was 3796 students of which 2783 were NJ residents.
- Looking to push for more out of state students.
- Offering aid packages earlier is an attempt to managing the timetable better (maybe going to the waitlist earlier).
- Anticipated revenue in dining has to do with 4% increase with dining increase assumption as long as it holds.
- Conservative approaches to revenue categories when it comes to the FY28 budget with certain schools (SOE, SAS, SEBS not generating as much).
- 372 students projected to increase enrollment for Fall 2027 (in state and out).
- Questions: Enrollment for graduate school; can we make available an extra 20M through HESA or are students not taking advantage of it because of the grant loans going away or are we not using the state loans that are tax exempt?
    - Comes to packaging and how the information is relayed to students. Large percentage of graduate students are international. The federal issues impact the graduate students a lot more than the domestic undergrad.
- Question: The reduction in endowments spending, is that because areas aren't spending the money or are the scholarships not existing anymore?
    - They aren't spending it and a lot of the endowment agreements are restricted to if we don't spend it then we don't have it. Constant telling of units to spend the money.

Rutgers University-Camden
11:35 am – 12:05 pm
Dallas Grundy, Senior Vice Chancellor for Finance and Administration

Notes:

- Improvement to tuition compared to previous years.
- Composition of enrollment is important: Out of state enrollment increased by more than 15% and in state decreased by 6%.
- Enrollment objections and financial implications need to be connected.
- One methodological issue in enrollment comparison- some were budgeted in credits rather than headcounts.
- Information presented does not establish individual contributions to the variance.
- MBA online attendance declined significantly.
- Cohort for MBA did not launch in fall 2026 so this cohort will need to be revisited in the future.
- Improvement and remaining exposure needs to be understood for fiscal Y27 outlook.
- Current assessment is fee revenue and net tuition is performing better than fall 2025 but is underperforming to fall 2026 (as of September 2026).
- Active budget management is occurring throughout the entire year.
- Fall performance will either persist or be fully recovered by the end of the year.
- Projected spring enrollment informs the revenue model.
- Potential increase in first year enrollment remains under consideration and needs to be distinguished from the current flat opportunity.
- Revisiting the campus scholarship program is closely connected to the enrollment forecast.
- Enrollment and pricing assumption flow to the revenue.
- Enrollment is held flat relative to the fall 2026 baseline.
- What shares of the projected revenue change comes from the rate assumption? How might updated enrollment expectations change the result?
- Housing and Dining projections which require their own revenue and demand assumptions.
    - 16% increase in headcount for housing over the four years
        - 36% revenue increase over four years
    - 27% meal plans sold over four years
        - 66% revenue increase over four years
    - Revenue grew faster than participation.
    - Need to understand campus financial benefit better and revenue alone does not establish the benefit.
- Fall 2026 revenue performance is stronger than previous year but remains below budget.
- Sound resource decisions will require close coordination between financial and enrollment budgets.

Rutgers University-Newark
12:05 pm - 12:35 pm
Arcelio Aponte, Senior Vice Chancellor Finance, Administration and Chief Financial Officer

Notes:

- Revenue results are favorable and outperformed budget.
    - Due to positive growth in tuition and fees/ revenue

- Assumptions driving revenues
    - Tuition and Fees rate increases
    - Housing and meal plan increase
    - First year enrollment growth
    - Transfer students remains flat
    - No state appropriation increase
- Depending on state tuition and fees
- Enrollment Targets: there is a discussion about enrollment which is important and drives everything they do but also accounts for RBS: NB. Expect new transfer headcounts for RBS NB and Newark will remain flat in the headcount. Graduates were off the mark and down about 200 students. Continuing student headcount decreased and projected slightly lower numbers in FY28 because of the first year student decreasing over time. Total FTE- 10440 for FY27, 10801 for FY28.
- How are you handling the revenue for the RBS NB students? They are based in NB but based on the RCM model, tuition and fees are shared between Newark and NB teaching schools. Over 60 credits are taught by SAS-NB.
- 1960 first year students last year, wanting to get back to this number this year.
- Great opportunities in competing for students who are graduating from local districts in Newark. Not the most selected school in the region (Kean is a big competition).
- Mix within enrollment strategy. Important to continue to monitor with the units to mitigate any loss.
- 4.7 M improvement from the fall and will do a similar analysis for the spring.
- Trending upward in terms of overall tuition and fees. Growth will be dependent upon tuition and fees.
- Anticipate offering more scholarships to assist in generating revenue which will cause a slight dip.
- Aggressive approach to recruiting first year students. Keeping an eye on margin which is important for growing revenue and managing costs.
- Were at a -8.8% margin in FY24 and now above the negative (0.16% for FY27) with a future target of 5%.
- Revenue risks: state budget cuts, auxiliary underperforming, enrollment volatility, reduced grant funding, discount presses, increased competition.
- Addressing budget challenges
    - Student services, infrastructure, technology and capacity constraints.
- Framework for budget development
    - Budget alignment to institution priorities
    - Clear governance
    - Eary leadership engagement
    - Cross unit collaboration
    - Evidence based decision making
- Budget is aligned with mission, priorities and enrollment strategy.
- Revenues will be adjusted as information is gained.
- Tuition and fees will remain primary driver of revenue growth.
- Continued work on budget development is required.

Lunch – to be provided 12:35 pm – 1:35 pm

Rutgers University FY28 Budget Development Kick-Off Meeting
Afternoon Sessions

Rutgers Health
1:35 pm – 2:05 pm
Kathleen Bramwell, Senior Vice Chancellor for Finance and Administration

Notes:

- Made up of 17 entities, 8 of which are schools, 7 research institutes, and cancer institute (known for world renown cancer institutes in the US). University behavioral healthcare provides behavior health and addiction services across the state – partners with the corrections facilities.
- Engaged in community service but also clinical service which makes them unique.
- Over 1700 clinical affiliations
- Master affiliation agreement with RWJBH – revenues exceed 11 B. Partnered with them to over ambulatory practice under the health systems.
- Faculty practices across the country lose money.
- 100M sits in endowment from Academic Health Care in NJ to retain best doctors in the state of NJ.
- University Hospital in Newark is to be the teaching hospital of the Newark based schools
- External partners that pay Rutgers – affiliate agreements with other hospitals where they pay Rutgers to train their staff (pharmacy).
- SPH- increase during covid and created certificates in public health.
- Master of Biomedical Sciences program which is generating margin and helps subsides PHD program. So successful, the Dean has a lot of competition with people trying to recreate the program.
- State gives state appropriations but distribute the funds to the deans and directors through formula that incentivizes revenue growth.
- Successful in working with unions for creating incentives for faculty like research coverage.
- Constantly keeping eye on the external program – what programs are out there?
- Faculty can get more money and can see more Medicare patients – great program Medicaid Access to Physician Services (MAPS).
- Creating endowments – working with Mike Gower's team to let it grow, especially with professorships.
- Continually evaluating and consolidating underperforming centers and institutes, which allows for resources to be reallocated for other programs that need it.
- Actively pursuing LCME accreditation as one medical school for the NJMS and RWJMS merger.
    - Consolidating administrative infrastructure creating high performing business office functions while streamlining costs.
    - What's been working, what's not working? How do we streamline the process without losing jobs.
- Healthcare revenue has increased – HEALS program contributes to the revenue growth.
- Last two years brought huge margins which is related to the HEALS programs.
- Continually investing in faculty – reserves are earmarked for faculty with start-up programs.
    - NJMS medical science building renovation
    - University hospital expansion/master plan
    - Health and life science exchange (HELIX) site
    - Other deferred maintenance
- 2.7 B budget

- Why can't we send money from RU Health to cover the budget gap? Because 47% is health care revenue. They are billing and collecting and keeping the revenues. Faculty practices are absorbing the losses.
- Fee for Service Revenue – bill covered by insurance and copay provided by patient is fee for service revenue.
- When they spend a dollar of their recruitment package, Rutgers gets reimbursed for that.
- Other sources of revenue
    - HEALS- bringing in 21 M a year
        - Health, Education, Advancement, Learning, And Success
        - Rutgers does a little investment, and the federal government gives it back.
- Expected increase in 5% this year in revenue.
- Substantial financial improvements since UMDNJ integration.
- RWJBH partnership remains a critical financial support mechanism.
- Large portion of clinical revenue is reimbursement.
- Have to think about new and creative ways to generate revenue
- Questions: Explanation for tuition being benchmarked compared to other campuses. They have 8 different schools and medical students. The number of medical students brought in every year has been about the same. Increasing the size of the nursing students due to demand but it's more complicated for Rutgers health. Waitlist of over 1000 students who are very qualified, but we need clinical placements for people. Each of the schools benchmark their tuition every year with the BTAA and that's how they set their tuition to remain competitive, but they aren't having to do as much advertisement to ensure they get the students. They have students knocking down the doors to get into the programs, but the challenge is filling to capacity.

Major Auxiliaries
2:05 pm - 2:40 pm
Henry Velez, Senior Vice President and University Chief Operating Officer

Notes:
- Housing revenue projections:
    - 19K beds across the university and 70K students
- Five ingredients to establish the housing revenue budget:
    - Enrollment targets
    - Bed capacity
    - Demand signals
    - Market evidence
    - Budget mechanics
- New Brunswick has a lottery process for students – unique to this campus only because there aren't enough beds for all the students it holds. Over 12,000 applicants in the lottery and typically places about half of them.
- New Brunswick dropped 7 points by cancellation/melt in the beginning of the semester. Went to 97% to 94% a few weeks into school. But then it got worse by the end of September and in four weeks dropped an additional 4 points. Never happened to them or any other campus. Very unique to NB and didn't see this in any other campuses.
- Looks at competitors for off campus housing to match amenities/setup of housing to remain competitive. If the market can't compete with housing, then students are more likely to stick with Rutgers housing.
- 2026 changes to graduate and parent plus borrowing can constrain financing for some households and programs.

- Students look at the amenities, dining halls, and residents halls which means a lot for retaining students.
- Next year will bring in a consultant to compare rates of housing off campus to the campus housing- will not really see many increases in the market right now.
- Off campus has to do 12 months while NB will do a 9 month contract which makes them competitive. Maintenance request forms are also competitive and not having to share bills for utilities.
- All of the state has had tremendous increases in rent which Rutgers also uses to remain competitive.
- Rutgers right in the middle of the BTAA tier for housing and dining rates.
- Trends with occupancy:
    - Camden - Fall 2022 rose from 68% to Fall 2026 90.4%
    - Newark – Fall 2022 rose from 56% to Fall 2026 86.5% (also includes 300 NJIT students being housed)- NJIT was a two-year agreement while they are building a new dorm which will be done soon.
    - New Brunswick – Fall 2022 dropped from 91% to Fall 2026 90.1% (unique first for the campus) What happens with the bed space? The current drop has left vacancies in the bed. Lottery is also tied to enrollment and not just for housing, which is why there is still vacancy in the beds and can't just go to the students on the waitlist. More work will need to be done to recruit more students into housing for the spring. Without the decrease, the percentage likely would have been closer to 99% with the predictions. Didn't have the right model to predict properly, but if they knew they could have avoided the issue. How many of the decrease are students who saw their assignment or didn't see their assignment (unknown)? Also, can we send a survey to those who drop out to identify why?
    - RU Health – Fall 2022 dropped from 75% and dropped to 51.7% Fall 2026 – due to housing that was taken offline due to space renovations and assumed that the numbers will increase once the renovations are completed.
    - University wide occupancy dropped by 1000 since Fall 2025.
- Newark had less incoming compared to continuing cohorts.
- Never asked for reports after campus tours but will start to do so now to get better feedback.
- Question: Are the occupancy assumptions realistic?
    - NB we will need to pay closer attention to the trends, but everything else is realistic. Camden is putting in a new strategy to bring more people onto to campus. Now we get to see the targets we didn't have before when it comes to first year students and we need to market to them so they don't lease off campus and stay on campus.

Research Forecast
2:40 pm – 3:05 pm
Michael Zwick, Senior Vice President for Research

Notes:

- Office of Research responsible for two sources of revenue:
    - Sponsored awards (Direct and Indirect)- 923M annually
    - Royalties- Patents and Copyright (less in scale but 5th in the Big10) – 10-15M annually
- Proposal totals have risen and proposal values have varied (sponsored award submissions are the total number and value of awards received each year)

- The number of faculty with awards have decreased.
- 102 fewer faculty with grants this year compared to last year.
- Total expenditures declined between FY25 and FY26.
- Royalty revenue declined year over year.
- Invention disclosures and licensing agreements increased year over year.
- It may take years to generate revenue on newly licensed technologies.
- More than 2000 technologies that we manage.
- Federal funding increased by 20% while state funding declined.
    - Largely driven by the federal grant for the school of nursing. In the past it's been booked as a state grant but now it's a federal grant. Clinical trials are variable types of sponsor awards.
- Camden increase due to research development by the research office in Camden.
- General Higher Ed Insights:
    - Several awards being held by additional approval steps by federal government.
    - Funding priorities changing (focus on AI, Quantum, etc)
    - Decentralized Research development
    - Changes in federal funding impacting other types of sponsors/awards
    - Changes to terms/conditions to award requirements are increasing costs (change in 60 M dollars).
    - Research security becoming more important federal regulatory requirement
    - Export control and agreements with non-US entities are more highly scrutinized than in the past (bipartisan issue, China is a big competitor).
- Down 5% in award projections this year and will probably continue to next year.
- Impact of indirect cost change:
    - A reduction from 57% to 15% could cost the university approx. 100M annually.
    - F&A covers facilities and administration costs but Deans are misusing (funding for faculty).
- Questions: how are we syncing up on obligating the grants up front?
    - Multiple different metrics are looked at.
    - Revenue coming in based on expense going out. A lot of research is expense reimbursable. We don't recognize revenue until expense is taken care of.
    -

Major Non-Tuition Revenues & Endowment

3:05 pm - 3:30 pm

Michael Gower, Chief Financial Officer & University Treasurer

Notes:

- Non-tuition revenues four major categories:
    - Investment Income
    - LTIP Distribution
    - Operating Gifts
    - Other Source Revenues
- One-year views of endowments aren't very helpful – look at the 10-year trends
- Endowment agreements required unspent funds from the distribution to be added back into principle as opposed to spending the money first (not a good practice). Donors question why all the money isn't being spent which is a problem.
- Gifts, endowments, and other revenue – 10.2% or 626.6M
- Down a bit in the first quarter because of down project spending.
- Cash flow takes in time and seasonal things.

- LTIP- long term investment pool: in which the university's long term investment assets are invested. Pool is up to 2.64 B.
- Anticipated 4% grown, net of RUF.
- We have the smallest endowment per FTE student in the Big10.
- Operating gifts is currently 1% of the budget but want to get it up to 2-3%.
- Questions: In terms of the 26-year growth, is most of the growth related to the market or fund raising?
    - Most is market. We haven't historically raised money for endowment. We put in maybe 35,000 a year.
- Question: Comparing the operating gifts trend over time compared to how we rate to Big10 peers? When there is successful growth, what university officers are most involved in the work?
    - Written down and will be answered later by Mike G.

Break 3:30 pm - 3:45 pm

State & Federal Appropriations
3:45 pm – 4:05 pm
Brian Quigley, Senior Vice President for Government Relations

Notes:
- NJ budget of $60.7 B which includes a 6.1B surplus.
- Bulk of tax collection comes in April so there is some surprise that comes around this time.
- Affordability a campaign issue in NJ.
- Federal funding currently maintained at the FY26 levels. Key student aid programs likely to remain flat.
- A tighter FY28 budget is likely without election-year austerity.
- Core obligations hold; higher education stays flat.
- Continued funding of state pension, K-12 state funding, and higher education operation support (or at least flat).
- Fringe slots turned proposed cuts into net savings. Total state support: 1.5B approximately across Rutgers.
- A bipartisan stopgap keeps funding stable- for now (through Dec. 11, 2026)
    - Avoided shutdown in the fall by Congress
    - Grant rules protected
    - Funding held at FY26 levels
- FY27 Appropriations: The process is split- and the outcome remains unresolved.
- Research funding outlook remains mixed but overall levels near recent years.
- Small increases expected at Rutgers's largest federal research funder.
- Possible cuts: NSF, NOAA, NASA, National Empowerment for the Humanities.
- Funding may shift away from HIS's (RU-Newark) and AANAPISIs (RU-Camden), in favor of HBCUs.
- Policy changes remain active – but key proposals are blocked.
- Questions: The earmarks that remain flat, will we think about increasing?
    - Depends on the priority of each CLU.
- Question: What's the feeling on Washington doing something past the Dec. 11 with continuing the resolution?

- Going to have different opinions in terms of what will happen. A shutdown is still looming regardless of outcome. Election results may not be enough.

Athletics Revenue
4:05 pm - 4:30 pm
Todd Knisley, Executive Deputy Athletics Director, Chief Operating & Revenue Officer

Notes:

- We understand we need to change the approach to revenue generation. Over the last fiscal year, became more intentional about opportunities and working in a strategic way to build sustainable model for long term revenue success.
- Increasing commercialization assets- taking a more professional model and introducing into a collegiate landscape and create more diverse revenue streams. Need to leverage current assets better.
- Rutgers Challenges:
  - On-field performance and commercial value.
  - New and diverse donor and acquisition.
  - Competition for consumer attention.
  - Need to fight for the dollar when there are lots of performances elsewhere around Rutgers.
- Revenue Generation Approach
  - Commercial Engine- Scarlet Knight Enterprises (SKE)- launched last March
  - Strategic Hiring- specific focus on data, sales, and new marketing lead. Targeting people who understood data and can talk to fans the right way with ticket sales and funding.
  - Coordinated Revenue Strategy- Identify, evaluate, and prioritize new and reoccurring revenue streams. Captured 2.2 M in new revenue streams.
  - White space exercises- How are we maximizing our assets and creating new ones?
- Key revenue drivers
  - Corporate partnerships
  - New and diversified revenue streams- taking a very close look at this year. How are we approaching this? We have a lot of alumni. How are we bringing third party events into the arenas?
  - Premium offerings- We lack "premium" within our facilities.
- Commitment to being smart with spending.
- Question: What is the conversation within athletics regarding private equity investments?
  - These conversations throughout the industry were picking up steam. We wouldn't be doing our due diligence if we didn't engage in the conversations. It doesn't make sense for Rutgers, and they are asking for a lot in return for medium investment. We could do better internally looking at those rates.
- Question: In the save college sports act, what's Rutgers perspective?
  - Love it, supportive of it, want it to happen. Been engaged in political leaders throughout the state. Big10 is supportive of it as well as Rutgers.
- Question: What year does athletics anticipate having a balanced budget?
  - Unsure if they'll ever get there and they understand they run a heavy deficit. Making it a priority to knock down the deficit while still putting a competitive product on the field. Don't see us ever bringing the deficit down to 0 in the next 10 years. We would like to and will try to, but probably not realistic.

    - Forecast assumptions are based on being smarter on how they are spending. New and incremental revenue streams. Possible premium project as well that could bring in new revenue. Unsure if coaching salaries will get capped or what will happen with the save college sports act. Biggest drive is salary, contractual obligations, and trying not to cut them too much.
- Question: Economic Impact study been completed for athletics?
    - Yes, one has been completed prior to Todd's arrival. Will be important to lean on moving forward.

Multi-Year Forecasting Platform Update
4:30 pm - 4:50 pm
Joel Cruz, Assistant Vice President for Strategic Budget Modeling

Notes:

- Fusion Cloud Strategic Modeling Demo – product being rolled out soon.

Closing Remarks
4:50 pm – 5:00 pm
Kimberly J. Lewis, Executive Vice President and Chief Administrative Officer

Adjournment

The meeting adjourned at 5:00 p.m.
Minutes prepared by: Taryn Cooper, Executive Secretary of the University Senate