

[▶ SEARCH RUTGERS](#)
Links:

- ▶ About us
- ▶ Send us story ideas
- ▶ Publication dates
- ▶ Archive

Campus News:

- ▶ Rutgers–Camden
- ▶ Rutgers–Newark
- ▶ Rutgers–New Brunswick / Piscataway
- ▶ Events at Rutgers

Search Focus:

Rutgers to face fiscal challenge in coming year

New Jersey budget crisis means less state funding for universities, college aid programs

Archived article from Apr 10, 2006

By Ashanti M. Alvarez

President Richard L. McCormick said the Rutgers community will take a “two-pronged approach” in response to proposed cuts in higher education funding from the state: clearly communicating to legislators the impact of reductions on quality education and actively seeking to streamline operations at Rutgers to save money.

Gov. Jon S. Corzine’s proposed budget, which he unveiled on March 21, calls for an unprecedented \$169 million reduction in overall state support for higher education in New Jersey – a 7.9 percent cut. The budget also includes no funding for salary or fringe benefit increases at the four-year public colleges and universities, increasing the higher education shortfall by approximately another \$180 million. Between spending cuts and unfunded mandates for salary and benefit increases, Rutgers faces a budget shortfall of approximately \$114 million.

“Were anything like this degree of cut to be enacted, it would cause some extremely painful choices, and that is putting it mildly,” McCormick said. “It would change the fundamentals of this university, and would be particularly onerous for our students who would find it more difficult than ever to complete their educational programs, to get the courses they need.”

The president has formed a Budget Advisory Committee, chaired by Executive Vice President for Academic Affairs Philip Furmanski, which will help McCormick and the Rutgers administration develop solutions to the budget shortfall. The committee is made up of faculty, administrators, students, union leaders and alumni. The committee is looking into all options to cut costs while protecting core functions of the university.

Corzine’s proposed budget provides \$1.9 billion in state support to New Jersey colleges and universities. The state Legislature must approve a budget by the end of June. According to the proposal, Rutgers will receive a \$37 million cut in its annual base funding from New Jersey – more than a 10 percent reduction – plus the elimination of legislative additions, primarily a one-time capital allocation for the Rutgers Business School-Newark and New Brunswick.

Those figures, however, understate the problems facing Rutgers in the next fiscal year. Additional obligations and funding sources not addressed in the proposed cuts to base funding include:

- More than \$34 million for obligatory salary increases
- More than \$24 million in fringe benefit increases for state authorized positions
- Nearly \$2.7 million for the first-year Outstanding Scholars, a merit-based scholarship program that would be phased out in the next fiscal year.
- The elimination of the Higher Education Incentive Endowment Fund. Rutgers received \$846,000 from this program, intended to match large contributions from individuals and organizations.

In addition, increases in fuel and utilities, insurance, financial aid and other essentials are expected to exceed \$14 million.



The resulting \$114 million budget shortfall is about double the gap Rutgers faced in the 2003-2004 fiscal year, when significant cuts were proposed for higher education.

At the annual budget and tuition hearing April 4 at the Livingston Student Center, students detailed how they and their peers will have to make tough choices – whether to work extra hours to pay for tuition increases, take out private loans or even leave school for good. Some worried that entire programs of study would be jettisoned.

“Among my peers, I am hearing plans to transfer out, join the workforce and, most disturbing, be all they can be by joining the Army Reserve,” said Sheanika Crawford, a member of the Rutgers College Educational Opportunity Program Student Association. “I’m sure working this summer at Red Lobster is not going to help me pay tuition. ... I may have to transfer.”

Perhaps the only bright spot in the proposed higher education budget is increased funding for need-based student assistance programs. The Tuition Aid Grant program received a \$5.8 million increase, supplementing awards by an average of \$296 to 18,800 students. The Educational Opportunity Fund program will remain level at \$40.6 million.

continued...

Page 1 of 2 [Next >](#)

 [Email Article](#)

 [Print Article](#)

[Return to the Apr 10, 2006 issue](#)

For questions or comments about this site, contact [Greg Trevor](#)
Last Updated: May 30, 2006

© 2007 Rutgers, The State University of New Jersey. All rights reserved.

[XML](#)