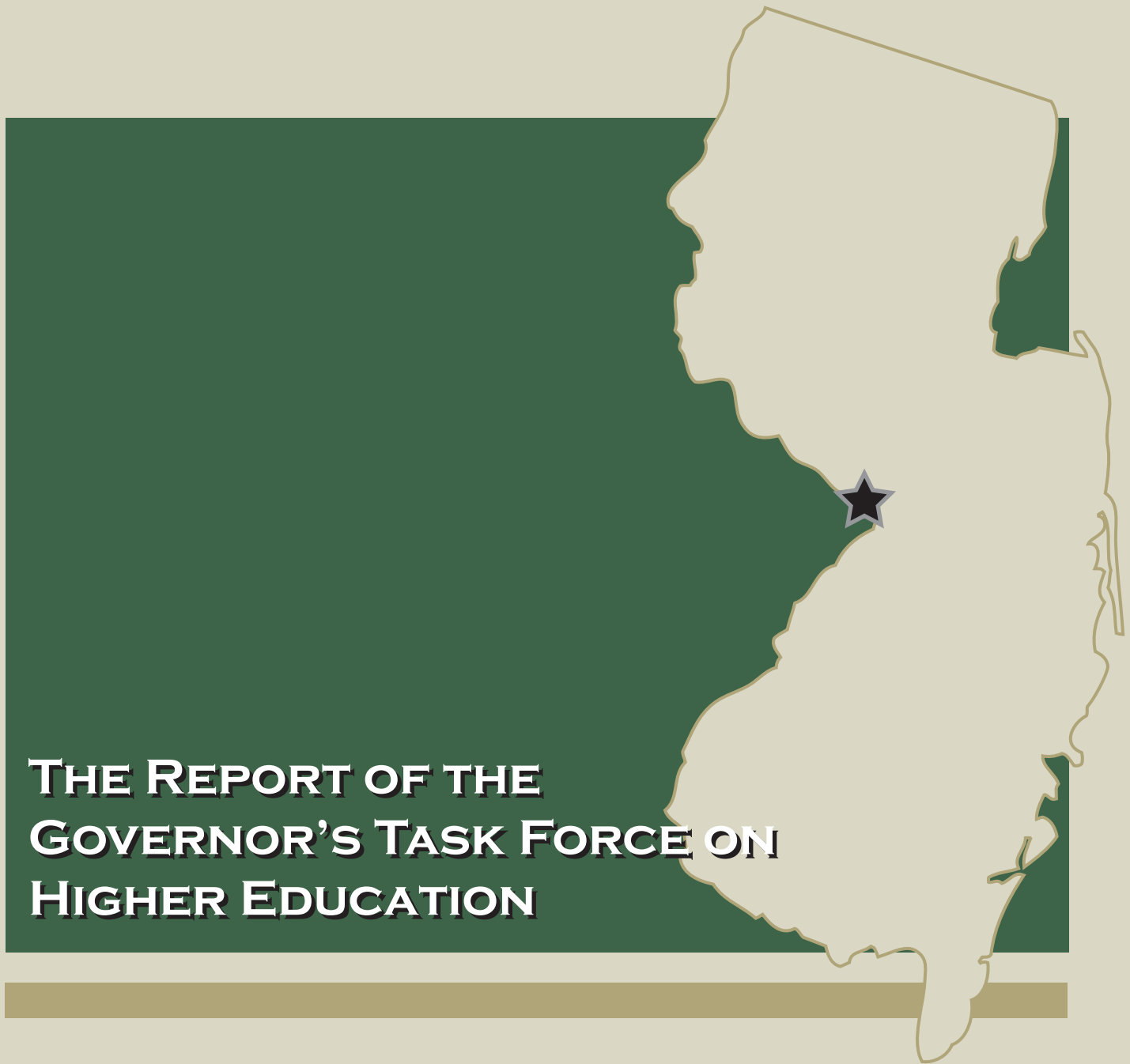
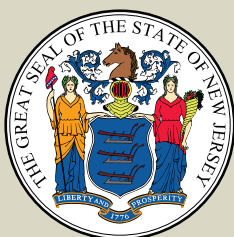


December 2010



**THE REPORT OF THE
GOVERNOR'S TASK FORCE ON
HIGHER EDUCATION**



Prepared by:
The New Jersey Higher Education Task Force
The Hon. Thomas H. Kean, Chair

Rutgers—The State University Of New Jersey

For a state to be great, it must have a great state university. New Jersey is rightfully proud of the history and accomplishments of Rutgers, its only comprehensive public research university. Rutgers is the only institution of higher education in the nation to include in its history the heritage of a colonial college, the designation as a land-grant institution, and development into a modern state university. This heterogeneous heritage, while a proud one, has sometimes contributed to a diffused mission over almost 250 years.

Rutgers is a well-respected university. However, for New Jersey's students to receive the quality of higher education they deserve, and for all our citizens to have the economic future we want, Rutgers must become a great university.

Founded in 1766 as Queen's College in New Brunswick, Rutgers was the eighth college established in the colonies. Named after Revolutionary War veteran Colonel Henry Rutgers in 1825, Rutgers was designated as the site of New Jersey's land-grant institution under the Morrill Act of 1862 and established Rutgers Scientific School in 1864, which has since become the agricultural school named Cook College. Rutgers was designated the state university in 1945, but only in 1956, under a series of statutes called the Rutgers Compact, did the State assume full control. In 1989, Rutgers became the 58th member of the Association of American Universities, the group of leading public and private research universities distinguished by their excellence in their education and research programs.

Rutgers became a three-campus system when it absorbed the University of Newark in 1946 and the College of South Jersey in Camden in 1950. Across the three campuses, Rutgers enrolled 36,684 full-time undergraduates and 14,125 full-time and part-time graduate students in the fall of 2009.

Due to the history of Rutgers' transformation from a private institution to a public one, the university has both a board of governors and a board of trustees. The board of trustees was the governing body of the institution from its founding until it became New Jersey's state university in 1956. The "Rutgers, the State University Act of 1956" created a board of governors as the governing body of the university. The law modified the board of trustees to have certain fiduciary responsibilities over university assets that existed before 1956, including land and the school's name.

The board of governors is composed of 11 voting members, six appointed by the governor with confirmation by the State Senate, and five elected by and from the board of trustees. Members of the board of governors serve six-year terms and may succeed themselves for one additional term.

The board of trustees comprises 59 voting members, chosen as follows:

- 28 charter members elected by the Board of Trustees, three of whom must be women and three of whom must be initially elected as undergraduate students entering their junior year;
- 20 alumni or alumnae members nominated by the board of trustees;
- five public members appointed by the governor and confirmed by the State Senate; and
- the six members of the board of governors appointed by New Jersey's governor.

Like the board of governors, the trustees serve six-year terms and may succeed themselves for no more than one additional term.

Rutgers' governing bodies oversee a large and diverse institution that is a distinctive gateway for college opportunity. Rutgers enrolls over 43,000 full-time students, more than the average at all the members of the Association of American Universities. More than half of Rutgers' undergraduates—52%—identify themselves as a race other than white, compared to the average of 33% at the public AAU members. About one-third of Rutgers' students are the first in their family to go to college, and 80% of the university's first-year students receive financial aid, compared to an average of 70% at the public AAU institutions.

While Rutgers is New Jersey's largest university, size is not necessarily an attribute of excellence. The University of California at Berkeley, the University of Michigan at Ann Arbor, the University of North Carolina at Chapel Hill, and the University of Virginia at Charlottesville have well deserved reputations as outstanding public research universities, yet not one of them is the largest public university in its state.

In addition to being large, Rutgers is an enormously complex institution. Its research capacity, professional schools, and doctoral programs give Rutgers a unique role among New Jersey's colleges and universities, and help it make important contributions to the state's economy.

Appropriately, as New Jersey's land-grant institution, Rutgers has significantly contributed to the agricultural development of the Garden State. Scientists at Rutgers developed the first Kentucky bluegrass hybrid, a major breakthrough for groundcover needs in cool-weather states. Rutgers physicists are critical members of the team working on the Large Hadron Collider in Switzerland, a multinational experimental device designed to understand the most fundamental processes of atomic and subatomic transformation. The Rutgers University Cell and DNA Repository is a global leader in supporting genetic research to cure complex diseases and addictions. It provides resources to hundreds of research laboratories around the world and has created hundreds of jobs in New Jersey.

Rutgers' researchers also make important contributions to public service. For example, scientists at Rutgers' Environmental and Occupational Health Sciences Institute wrote the defining report on dust from the World Trade Center after the 9/11 attacks.

Rutgers can boast having some of the highest-ranking academic departments in the country. The Department of Philosophy is ranked second in the U.S., and third in the English-speaking world. The National Research Council recently ranked Rutgers' departments in Food Science, Biochemistry and Microbiology, Communication, History, English, Linguistics, Sociology, Physics, and Mathematics among the best in the nation.

The faculty members in these highly regarded disciplines are the heart of the undergraduate education at Rutgers. For example, star scholars and scientists at the School of Arts and Sciences use innovative teaching styles and techniques in Signature Courses, which engage students in big-picture topics like Global East Asia, and Energy and Climate Change. Students learn how to think through a problem from many perspectives, helping them become better educated citizens.

Rutgers is primarily a research university, and it needs to establish itself among the nation's top ten public research institutions. Rutgers falls behind its national peers in some important measures. Rutgers ranked 64th in federally financed research and development expenditures in 2009. This ranking is influenced by the absence of a medical school, which could help attract top-flight researchers and research grants to Rutgers. Federal research support at Rutgers increased over 27% between 2008 and 2009, and increased almost 23% between 2009 and 2010. Taking medical-school research out of other schools' totals would place Rutgers higher in the national rankings.

The absence of a medical school at Rutgers undercuts its performance in the study conducted by the Center for Measuring University Performance. The Center determines the top American research universities by their rank on nine measures: total research, federal research, endowment assets, annual giving, National Academy members, faculty awards, doctorates granted, postdoctoral appointees, and SAT/ACT range. Rutgers has no measures in the top 25 nationally, and only three measures in the top 26-50 nationally. Compared to only public institutions, Rutgers has three measures in the top 25, and six measures in the top 26-50, as detailed below:

Category	Measure	Overall Rank	Rank Among Public Institutions
2007 Total Research	\$281,186,000	60	39
2007 Federal Research	\$125,364,000	74	46
2008 Endowment Assets	\$ 588,558,000	120	40
2008 Annual Giving	\$ 84,067,000	80	47
2008 National Academy Members	35	28	11
2008 Faculty Awards	21	29	15
2008 Doctorates Granted	431	35	22
2007 Postdocs	185	78	49
SAT Median between 25th and 75th Percentiles			
English	520-630		
Verbal	550-670	205	46

Exactly 100 years ago, a book called *Great American Universities* identified 14 universities as the best in the U.S. What distinguished all 14 of these great universities—including the five public universities on the list—was their exceptional funding. With strong financial support, they built settings of academic and research excellence, giving them the ability to recruit and retain the best students and faculties. The greater the investment, the greater the university will be.

The same is true today. The Center for Measuring University Performance has written that “the revenue imperative is a constant for all institutions” (2009, p. 2). Institutional wealth indicates a university’s ability “to compete in a marketplace where the critical and scarce elements of high performing faculty, staff, and student talent, and the support structures required to ensure their effectiveness, must all be purchased” (p. 2).

Compared to many of its national peers, Rutgers is financially disadvantaged. State appropriations to Rutgers have fallen rapidly, battering the institution’s budget. In Fiscal Year 2011, the university received direct appropriations of \$262.5 million, a 26.3% cut from just five years ago, and the lowest amount since Fiscal Year 1994. These figures are not adjusted for inflation, meaning New Jersey is spending much less on Rutgers than just about ever before. As one consequence, Rutgers canceled pay increases and froze salaries for all university employees this year, at a time when faculty and staff are serving over 10,000 more full-time equivalent students than in 1994.

Most of Rutgers’ students are from New Jersey, which fulfills an important part of the university’s mission, but increasing the number of out-of-state students can help diversify the student body. Moreover, out-of-state students must meet higher admissions criteria, thereby boosting the intellectual capacity of the student body. Only 8% of Rutgers’ undergraduates came from outside New Jersey in the fall of 2009, compared to 35% out-of-state undergraduates at the University of Wisconsin at Madison, 29% at the

University of Michigan in Ann Arbor, 27% at the University of Virginia in Charlottesville, and 16% at the University of North Carolina at Chapel Hill.

In addition to helping expand diversity and increase academic quality, out-of-state students contribute much-needed revenue. Public colleges and universities typically charge nonresident students higher tuition than in-state students to cover more fully the cost of their education, which for resident students is subsidized by the State. In 2009-2010, Rutgers charged New Jersey undergraduates \$11,886 in tuition and fees, compared to \$23,058 for out-of-state students, a differential of almost 94%. Rutgers could charge even more, compared to its aspirant peers as shown in the chart below:

Institution	2009-2010 In-State Tuition & Fees	2009-2010 Out-of-State Tuition & Fees	Price Differential	Percentage Differential
University of California at Berkeley	\$8,353	\$31,022	\$22,669	271%
University of Illinois	\$12,528	\$26,670	\$14,142	113%
University of Michigan	\$11,659	\$34,937	\$23,278	200%
Univ. of North Carolina	\$5,625	\$23,513	\$17,888	318%
University of Virginia	\$9,872	\$31,872	\$22,000	223%
University of Washington	\$7,692	\$24,367	\$16,675	217%
University of Wisconsin	\$8,310	\$23,059	\$14,749	177%

We applaud Rutgers and the other 24 institutions of higher education in New Jersey that recently partnered with the U.S. Department of Commerce to launch a Web site called Study New Jersey. The site aims to attract more foreign students to attend college in New Jersey.

New Jersey has neglected the buildings and physical infrastructure of its colleges and universities, none more so than at Rutgers. Rutgers has over 800 buildings on its three campuses and throughout the state, many built between 1953 and 1972. For the current fiscal year, the university estimated over \$256 million of capital needs, ranging from fire safety compliance, electrical upgrades, energy conservation, information technology infrastructure upgrades and maintenance, and road repairs.

Modern, well-maintained facilities are critically important tools to recruit faculty and students, particularly in the physical and life sciences. Obsolete facilities like the Chemistry building on the Busch campus hold Rutgers back. Built in the mid-1950s, the Chemistry building needs extensive, costly upgrades. Recent renovations to just one laboratory covering less than 3,000 square feet cost over \$3 million.

The best researchers and students demand the best equipment. A state-of-the-art Chemistry building should have modern labs with equipment like nuclear magnetic resonance spectrometers, electron microscopes, and lasers. Placing such equipment in the current Chemistry facilities would be irresponsible. The temperature, humidity and power fluctuations would cause unreliable data and irreproducible results, and they can damage the equipment.

Building new space would be much more cost-effective than renovating existing space on a piecemeal basis. Capital support from the State—from general-obligation bond proceeds or annual capital appropriations—has been missing for years, leaving Rutgers on its own to maintain and modernize its facilities.

Rutgers is doing more to help itself secure the funding it needs, and the university is applauded for recently initiating a capital campaign to raise \$1 billion. “Our Rutgers, Our Future” is an apt title for the capital campaign. The future of New Jersey’s prosperity rests in large measure on the success of its state university.

Rutgers needs to have a strong endowment to provide a permanent source of income to support teaching and research. Based on 2009 figures, Rutgers’ endowment stood at \$545 million, ranking 106th among public and private colleges and universities in the U.S. The \$1-billion campaign will help fund scholarships, endowed faculty chairs, new buildings, and other important projects. The campaign is a strong step in the right direction, but it needs to be combined with other measures to lead Rutgers ahead.

A Call to Action

Together, university and State leaders need to develop and achieve a bold vision to make Rutgers University among the best of American universities. New Jersey should have the Rutgers of its dreams, ranking among the best research universities in the country, indeed in the world. This is a call to action to achieve that vision for Rutgers.

Rutgers should be integrally linked with the state. The research in professors’ labs should be partnered with our pharmaceutical and biomedical industries. The work of Rutgers’ history professors should document the achievements of the transformative figures and important events in New Jersey’s past. The ideas developed at the Bloustein School of Planning and Public Policy, the Heldrich Center for Workforce Development, and the Eagleton Institute of Politics should inform our government’s policies.

If the State demands more from Rutgers, it is only fair that Rutgers demand more from the State. State appropriations to Rutgers must stabilize and then increase. A greater, long-term investment from the State will help moderate tuition increases, build and improve much-needed facilities and long-ignored projects, and improve the morale of faculty and staff, who have faced salary freezes and uncertain futures.

Rutgers’ leaders need to be able to plan the institution’s budget, and a stronger partnership with Trenton that provides predictable and stable funding would greatly help that effort. A far-reaching budgeting horizon will help improve strategic planning and academic programming. Midyear budget cuts, like the one imposed in February 2010, cause slapdash solutions that postpone progress.

New Brunswick and Piscataway are recognized as the heart of Rutgers. Teaching and research are the driving forces behind high national rankings, and most of the university’s teaching and research occur in the Arts and Sciences at the main campus in New Brunswick. These important activities are what distinguish Rutgers from the rest of public higher education in New Jersey.

The university’s campuses in Camden and Newark must also be part of any long-term vision of Rutgers. Camden’s law school, unique doctoral program in childhood studies, and comprehensive four-year undergraduate business curriculum help that campus contribute to the corporate, legal, and family needs of the city of Camden and the region.

Rutgers-Newark is deeply connected to New Jersey’s largest city and its surrounding communities. Despite limited resources and an infrastructure that is not kept up to date, the institution’s students and faculty work closely with some of the state’s largest employers and most important civic organizations that are headquartered in Newark. Rutgers-Newark is nationally recognized for its ability to collaborate with the

community and apply institutional resources for the benefit of both the campus and its neighbors. Rutgers needs to continue to expand not only its academic programming in Newark, but must commit to enhancing an ongoing residential and community presence in the city.

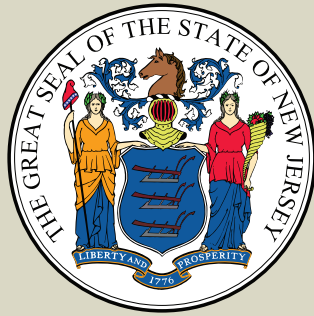
Rutgers-Newark reflects the many faces of Newark. It is recognized nationally as the most diverse national university in the U.S. This rich diversity offers an extraordinary educational opportunity for students. Professors use the diversity within their classroom as a teaching tool. After they graduate, Rutgers-Newark alumni report that the experiences they gained in school, working with people from so many different backgrounds, give them a competitive advantage in their careers, since diversity contributes significantly to business creativity in the global marketplace.

Recommendations

Rutgers is a good university. It should be great. To rise in national stature and become a great institution, it must take the following steps, in concert with an increasingly supportive State partner.

1. Rutgers should strategically choose to invest in areas of excellence, and eliminate redundancy across its campuses.
 - Rutgers must strive to achieve excellence. The university should focus its energy, attention, and resources on becoming a national center of excellence in its research capacity, professional schools, and doctoral programs. With this new strategic focus, Rutgers should consider areas in which it should not be involved.
 - One area of emphasis should be the university's research capacity in supporting the pharmaceutical industry, medical device industries, and their allied professions in New Jersey.
2. The State should stabilize, and enhance when fiscally possible, its financial support to Rutgers. Specific steps toward increased appropriations and capital support are discussed in more detail in the section of this report on Financing/Affordability.
3. Rutgers should prepare to merge with the University of Medicine and Dentistry's Robert Wood Johnson Medical School and School of Public Health to establish a first-class comprehensive university-based health science center.
 - The discussion and recommendations in the next section of this report detail the need to fundamentally transform the University of Medicine and Dentistry of New Jersey. Merging Robert Wood Johnson Medical School and the School of Public Health with Rutgers University is essential to the future educational, economic, and healthcare needs of New Jersey.
4. Rutgers must place undergraduate education in the context of its other important responsibilities.
 - A nationally prominent research university is buttressed by a robust and selective undergraduate program. Teaching and research come together in the classrooms and labs of Rutgers' professors, and more selective enrollment would enhance those experiences for students and faculty alike.
5. The president of Rutgers should at times act as the spokesperson for higher education in New Jersey.
 - The president's office of the state university is a powerful bully pulpit. The best state university presidents act as a spokesperson for higher education in their states.

6. As New Jersey's land-grant institution, with a tradition of contributing to the state's economic development, Rutgers must work more closely with the state's business community.
 - Rutgers and New Jersey's corporate community can grow together. Greater contributions from Rutgers to the research and innovation occurring in New Jersey's businesses will improve the state's business climate and help prepare Rutgers' students for the workforce.
7. Rutgers should increase the resources it provides to Rutgers-Newark.
 - Rutgers-Newark must remain a vibrant component of Rutgers University and should become even more integrated into the fabric of the city of Newark. The recommendation to merge components of UMDNJ based in New Brunswick and Piscataway with Rutgers could divert resources from UMDNJ's Newark-based facilities. By more strongly supporting its campus in Newark, Rutgers can solidify its commitment to New Jersey's largest city through educational, research, and public service opportunities, all contributing to the local community.
8. Rutgers-Camden must receive appropriate support to contribute to Rutgers' statewide mission.
 - Recommendation in the next section in this report should create opportunities for Rutgers-Camden to collaborate with other institutions of higher education and expand its research and instructional missions.
9. Rutgers must continue to have strong, independent institutional governance. Its complicated governing structure, however, should be reviewed and streamlined if possible, with due respect to the principles of the 1956 Compact.
 - Two governing boards—a board of governors and a board of trustees—is not a good management model under modern principles of governance. Reexamining this governance architecture more than 50 years since its design under the 1956 Compact is prudent.



***The Report
of the
Governor's Task Force
on Higher Education***

Prepared by:
The New Jersey Higher Education Task Force
The Hon. Thomas H. Kean, Chair