

**Rutgers University Senate
Budget and Finance Committee (BFC)
Report and Recommendations on
New School of Nursing-Camden
March 2011**

1. The Charge

Charge A-1102: Proposal for New School of Nursing-Camden: At the February 2011 committee meeting, discuss the **Proposal to Establish a School of Nursing at Rutgers-Camden**. Discuss with Camden Chancellor Pritchett or his representative, who will attend your committee meeting, any questions or concerns you may have relating to the proposal, from the perspective of your committee's standing charge. By March 7, 2011, prepare and send to the Senate Executive Secretary your advice, findings, and recommendations on the proposal, which will be forwarded to the University Structure and Governance Committee so it can prepare its own response on this matter immediately after its discussions at its March 2011 meeting. Respond to Senate Executive Secretary (for the Senate Executive Committee) no later than March 7, 2011.

2. Acknowledgement

This charge was dealt with at the February 25, 2011 meeting of the University Senate's Budget and Finance Committee. This report reflects the main issues discussed. The members of the Budget and Finance Committee are grateful to Camden Chancellor Wendell Pritchett, Faculty of Arts and Sciences-Camden Executive Dean Margaret Marsh, and Faculty of Arts and Sciences-Camden Nursing Chair Joanne Robinson for responding to questions asked by members of the BFC at the meeting. The background documents that were available to us prior to the meeting are those provided by the Senate Executive Committee and the extended pro forma for the nursing school budget provided to us by Chancellor Pritchett. We are grateful to Vice President for University Budgeting Nancy Winterbauer for her detailed description and discussions of the (historical) costs and revenues structure of the School of Nursing Newark and New Brunswick.

Unless explicitly quoted, we cannot separate the committee's opinion and suggestions from those brought to our attention by others, and we assume the responsibility as if they were originated by us.

3. Summary

All members of The University Senate's Budget and Finance Committee agree that, both nationally and statewide, registered nurses are in short supply. With the current complexities of the healthcare environment necessitating a professional nursing force with a minimum Bachelor of Science in Nursing (BSN) degree Rutgers University should provide the needed framework to help address this growing need.

The section of the standing charges to the BFC that is relevant to this issue is: “To evaluate the probable financial impact of proposed new programs being considered by the Senate.” Therefore, our comments will be restricted to very closely related issues.

The two important budgetary/financial questions are:

1. What is the cost of the change from a department of nursing which is part of SAS-Camden to the proposed school of nursing?
2. What are the ongoing costs in the form of the basic subsidy per student per year in nursing education?

By their nature, *ceteris paribus*, schools are more expensive than departments. Since no documentation or information was available to us on this aspect, we cannot provide an estimate of this cost.

From the data available to us regarding the all-funds-budgeting (AFB) cost/revenue structure of the College of Nursing Newark and New Brunswick, we see that the average subsidy per student per year is about \$2,700. From the data regarding the projected costs of the school of Nursing Camden, the average projected subsidy per student per year is about the same with somewhat greater variability.

The primary and most important question regarding all professional education in general and nursing education in particular is: What is the appropriate amount of subsidy the university should provide to students in professional schools? Would it be \$1,000, \$2,000, \$3,000 or \$4,000 per student per year? The follow-up question is: From where these resources should come? Should it come from the Law School or from the Business School etc.?

A wide range of answers were given by members of the BFC to the primary question. Some suggested that given the State of New Jersey’s fiscal situation, and given Rutgers University’s current, difficult financial situation, zero subsidies should be provided to any new professional education programs and schools.

On the more moderate side, the financial planning of the new school of nursing should be updated to lower the amount of the subsidy. This objective can be achieved by adopting a differential tuition to students of professional schools that will cover a greater share of the cost of their education. This differential tuition policy can be justified for professional schools whose graduates are making a substantial return on their investment in academic education. Although we don’t have the detailed analysis, data provided in Appendix 1 suggests that graduates of the school of nursing are better paid compared to the average wage earner in the US. This differential (higher) tuition should be accompanied by an easier access to a greater pool of financial support (aid and loans) to needy students of the School of Nursing.

No clear explanation was given to the BFC about the sources of funding of the subsidy to the school of nursing.

4. Conclusion

The BFC recommend that Rutgers University expand its role in providing high quality academic/professional education to nurses. At this stage and age when the State of New Jersey's support is decreasing, this new school of Nursing, like other professional schools, should be funded in sound way so that it will not become a financial burden on the limited resource available to the Camden Campus.

Budget and Finance Committee

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Appendix 1:

Average Salary of RN Jobs with Related Titles

In USD as of Mar 7, 2011	
RN LVN Nurse	\$50,000
Travel Nurse RN	\$71,000
Operating Room RN	\$75,000
RN RN ER	\$101,000
Critical Care Icu RN	\$85,000
RN RN Icu	\$101,000
RN RN Icu UP	\$101,000
Pharmacy Technician Training	\$31,000
Clinical Management Supervisor RN	\$80,000
LPN Primary Care	\$51,000
RN Hospice	\$74,000
Medical Surgical RN	\$75,000
RN Nicu	\$86,000
RN Operating Room	\$79,000
Case Manager RN	\$72,000

Source: <http://www.indeed.com/salary/Nurse-RN.html>