

SCHOOL OF NURSING FINANCIAL MODEL

The following tables illustrate the financial performance of the School of Nursing – Camden for the three year period of FY2011/12 through FY2013/14.

Table 1

The School of Nursing – Camden (SNC) will develop two revenue streams: a prelicensure program for undergraduate nursing education and a RN-to-BSN completion program that will provide education to students who have earned a professional RN degree and seek a Bachelor of Science in Nursing degree. Table 1 illustrates the enrollment growth in each program and the revenue generation from each program.

The revenue projections assume that all the “prelicensure” students will be full-time students and that tuition will increase at a 4% rate on the 2010/11 tuition rate basis. The projection also assumes that the degree program will be 120 credits and that registrations will be equally split between the SNC and the Faculty of Arts & Sciences – Camden (FAS). The all-funds-budgeting (AFB) rates of balance of trade and teaching effort (30/70) have been applied assuming a separate School of Nursing from the beginning.

For the RN-to-BSN completion program, the projection assumes that each student will register for 18 credits per year, for two years, and complete the entire program on a part-time basis. The enrollments will be divided 2/3 to the SNC and 1/3 to the FAS.

In FY2011/12, the prelicensure program will enroll 180 students and generate \$1,858,320 in total tuition revenue. However, an allowance of 10% has been made for a contingency in the event of an enrollment deficiency – for a contingency adjusted total revenue amount of \$1,672,488. The contingency adjusted revenue will be allocated 45% to Central (\$752,620) and 55% to the Academic Units (\$919,868). Assuming the AFB rates and an equal distribution of enrollments between SNC and FAS, the academic units prelicensure tuition revenue will be allocated \$597,914 to the SNC and \$321,954 to FAS.

Also in FY2011/12, the RN-to-BSN completion program will enroll 100 students among three locations: Atlantic Cape Community College; Camden County College-Blackwood Campus; and on the Rutgers Camden campus. The completion program will generate \$597,168 in total revenue. However, an allowance of 10% has been made for a contingency in the event of an enrollment deficiency – for a contingency adjusted total revenue amount of \$537,451. The contingency adjusted revenue will be allocated 15% to Central

(\$80,618) and 85% to the Academic Units (\$456,834). Based on the above enrollment ratios, the revenue attributable to the SNC will be \$306,078 and the revenue attributable to the FAS will be \$150,755.

In FY2012/13, the prelicensure program will enroll 215 students, generate \$2,308,240 in tuition revenue which will be adjusted for contingency to \$1,077,416 and then allocated \$934,873 to Central and \$1,142,579 to the Academic Units. The Academic Units will distribute the revenue \$742,676 to the SNC and \$399,903 to FAS.

The RN-to-BSN completion program will enroll 150 students, generate \$931,582 in tuition revenue which will be adjusted for contingency to \$838,424 and then allocated \$125,764 to Central and \$712,660 to the Academic Units. The Academic Units will distribute the revenue \$477,482 to SNC and \$235,178 to FAS.

In FY2013/14, the prelicensure program will enroll 250 students, generate \$2,791,500 in tuition revenue which will be adjusted for contingency to \$2,512,150, and then allocated \$1,130,558 to Central and \$1,381,793 to the Academic Units. The Academic Units will distribute the revenue \$898,165 to the SNC and \$483,627 to FAS.

The RN-to-BSN completion program will enroll 150 students, generate \$968,845 in tuition revenue which will be adjusted for contingency to \$871,961, and then allocated \$130,794 to Central and \$741,167 to the Academic Units. The Academic Units will distribute the revenue \$496,582 to SNC and \$244,585 to FAS.

Table 2

The Nursing Department currently has 10 appointments: six (6) tenure track faculty members including the department chair; three (3) clinical track faculty members; and one (1) instructor. The tenure track faculty have a teaching load of 4 courses per academic year (and the department chair receives a 50% load reduction), the clinical track faculty have a teaching load of 5 courses per academic year; and the instructor has a teaching load of 8 courses per academic year. Faculty salaries and Part-time Lecturer appoints have been increased at the rate of 3% per fiscal year, using 2010/11 as the base year.

In FY2011/12, the SNC will not add any additional faculty members during FY2011-12 and the total faculty salaries will be \$726,567. Based on the configuration of the faculty size and the member teaching responsibilities, the SNC will need to employ part-time lecturers to support 27 sections, at a cost of \$10,000 per section. Administratively, the School of Nursing currently has an Administrative Assistant and a Department Chair and the Department Chairperson's salary is allocated 50% to faculty costs and 50% to administrative

costs. With the increased sites for the RN-to-BSN completion program, the SNC will provide 50% release from the teaching load for a faculty member to provide off-campus coordination. The salary of the faculty member to provide the coordination is allocated 50% to faculty costs and 50% to administration. The non-salary expenses for the SNC will be \$55,000. The total expenses for FY2011/12 will be \$1,068,218.

In FY2012/13, the SNC will add two (2) tenure track faculty members, one (1) clinical track faculty member, and one (1) instructor, increasing the number of appointments to 13 with the reduction of one faculty member to become Dean and the total faculty salaries will be \$951,662. The SNC will appoint PTLs to support 20 sections at a cost of \$206,000. Administratively, the Department Chairperson will be replaced by an Interim Dean, with 50% of the Department Chairperson's salary removed from the faculty salaries and 100% of the Interim Dean's salary added to the administrative costs. In addition the SNC will add a Budget Manager and provide a reduced teaching load to two faculty members to provide support as the Associate Dean and the Clinical Coordinator, with the salary of both appointments being allocated 50% to faculty costs and 50% to administrative costs. The non-salary expenses for the SNC will be \$75,000 and the SNC will incur \$25,000 in furniture and computer equipment costs for new faculty and staff. The total expenses for FY2012/13 will be \$1,655,458.

In FY2013/14, the SNC will add one (1) tenure track faculty member and four (4) clinical track faculty members, increasing the number of appointments to 18 (not including the Interim Dean) and the total faculty salaries will be \$1,395,170. The SNC will appoint PTLs to support 25 sections at a cost of \$265,225. The non-salary expenses for the SNC will be \$90,000 and the SNC will incur \$25,000 in furniture and computer equipment costs for new faculty. The total expenses for FY2013/14 will be \$2,185,167.

Table 3

This table summarizes the financial impact of the tuition revenues and the expenses for the School of Nursing.

In FY2011/12, the total revenue allocated to the SNC after the adjustment for contingency is \$903,993 and the total expenses are **(\$1,188,218)**, creating an "expenses over revenue" situation of **(\$284,225)**. As a result, the School of Nursing will require State subsidy for operations. Assuming that the enrollment contingency is an actuality, in FY2011/12 the required State subsidy support will be \$284,225. The State subsidy requirement will grow to \$430,300 in FY2012/13 and to \$775,420 in FY2013/14. This is a worthwhile investment, because, when **total** revenues are taken into consideration, the Nursing school will generate

\$2,209,939 in revenues to the university. The total cost in the SNC to generate these revenues is \$1,88,218, creating a “revenues over expenses” total of \$1,021,721.

PHYSICAL SPACE REQUIREMENTS

Currently, the Department of Nursing within the Faculty of Arts & Sciences – Camden occupies space on the fourth floor of Armitage Hall. The space consists of 10 offices for faculty members, administrative space, and space for three small simulation labs. This space was designed to support 80 nursing students in a two-year, upper-level program.

During the next five years, the Department of Nursing will transform into the School of Nursing – Camden, increasing the number of students from 80 nursing students in a two-year, upper-level program to 300 nursing students in a four-year program. The plan is to gradually increase the number of faculty and staff members from 11 to 21. This growth will significantly impact the space needs to accommodate the School of Nursing – Camden. The following proposal addresses these space needs on a short-term, an intermediate-term, and a long-term basis.

The short-term and intermediate-term plans would entail converting most of the fourth floor of Armitage Hall into facilities supporting the School of Nursing. The fourth floor currently provides office space for the Philosophy and Religion Department, Foreign Language Department, Liberal Studies Department, and the English Department. The relocation of these departments and the conversion of the space would provide facilities for 21 offices, administrative space, simulation labs, and specialized classrooms and provide an adequate location for the School of Nursing to grow to 300 students.

The Philosophy and Religion Department will relocate to a facility on Cooper Street within the next six months. Space for the Foreign Language Department and the Liberal Studies Department can be found either within Armitage Hall or in renovated properties along Cooper Street. However, the size of the English Department makes it difficult to find suitable space either in Armitage Hall or along Cooper Street to house them. Therefore, the proposal is to construct a facility for the English Department on Cooper Street, in a design build concept.

The total cost of the above proposal would be approximately \$5,000,000 allocated as follows: renovation of Armitage Hall for the School of Nursing – Camden - \$2,000,000; creation of a 7,000 square foot facility to house the English Department, \$3,000,000. The project could be completed simultaneously and would occur over the period of 2011/12 and 2012/13.

As stated above, the recovered space on the fourth floor of Armitage would probably accommodate the 300 student undergraduate programs of the School of Nursing. However, if the School grew to offer graduate and Ph.D. programs, additional space would be necessary. The long-term plan would be to build a facility to house the School of Business-Camden and convert the present Business & Science Building into a Nursing & Science Building.