

Special Meeting on Higher Education
Testimony from Rider University President Gregory G. Dell’Omo, Ph.D.
March 16, 2023

Good afternoon. Thank you for the opportunity to testify before you today.

My name is Dr. Gregory Dell’Omo and I have been the president of Rider University since 2015. This is actually in my 18th year as a university president since I was previously president of Robert Morris University in Pittsburgh from 2005 to 2015. I currently serve on the boards of the National Association of Independent Colleges and Universities, the New Jersey Presidents’ Council including its Executive Committee, the Independent Colleges and Universities of New Jersey where I am presently the Vice Chair and will be the incoming Chair in July.

But even more importantly, I was born and raised in New Jersey, and received two thirds of my higher education from two New Jersey public universities, Montclair State University and Rutgers University. And now I’m very proud to be leading one of our state’s finest independent, non-profit institutions of higher education with a long and impressive history.

Founded in 1865 as Trenton Business College, Rider University, as it would eventually become, was established to train leaders in the post-Civil War economy. In the early years, Rider educated not only veterans returning from the war, but also women, students of color and even international students. While Rider still produces some of today’s leading business executives, it has evolved into a mid-size, residential comprehensive university with a diverse campus community and vibrant undergraduate and graduate programs in the arts, sciences, music, fine and performing arts, humanities, education, counseling, and leadership.

Today, Rider’s student body is as diverse as the State of New Jersey. Of our over 4,000 total students, forty three percent (43%) are individuals of color. Thirty three percent (33%) of the Class of 2025 are first-generation college students. Forty nine percent (49%) of our STEM majors are underrepresented students. Fifty two percent (52%) of STEM majors identify as female. Thirty four percent (34%) of undergraduate students are eligible for a Pell Grant.

Seventy three percent (73%) of Rider students are from New Jersey, with students enrolled from all 21 counties. We have 1100 total employees, 917 of whom reside in New Jersey, with an annual employee payroll equating to \$73 million in salaries and benefits. The University’s 450 full and part time faculty, athletic coaches, trainers and librarians are represented by the American Association of University Professors - the AAUP. And approximately 100 support staff are represented by the American Federation of State, County & Municipal Employees, or AFSCME.

We offer 21 Division I NCAA sports, more than 70 undergraduate and graduate programs, including one doctoral program in Educational Leadership, and boast an impressive network of 62,000 alumni around the globe.

For all of Rider’s almost 158 years, the University has always had a remarkable ability to adapt. However, the past five years have undeniably been the most transformative in our long history.

It's no secret that the landscape of higher education is changing rapidly and dramatically. Every day, tuition-dependent, non-profit independent institutions like Rider are grappling with issues related to affordability, enrollment, competition, shrinking state and federal funding, student success and retention, the looming drop in the number of high school graduates, and the growing skepticism among certain parts of our society as to the value of a college education. As if this wasn't enough, a global pandemic exacerbated these existing challenges and created unforeseen new ones.

As you may have seen in *The Star Ledger* recently, nationwide undergraduate enrollment has dropped 8% from 2019 to 2022. This was a clear impact of the pandemic, yet many of these students are not coming back to college, and that should concern us all.

At Rider, we have seen our net tuition, fees and auxiliary revenue decline by 16% since the pandemic, which equates to a \$20.3 million loss to our bottom line. Enrollment alone is down 15%, and auxiliary revenue has dropped by 10%.

You've most likely heard of colleges and universities preparing for the upcoming nationwide enrollment cliff. We anticipate this decline in high school graduates to be particularly impactful in the Northeast. Estimates project a 7% decline of high school graduates in New Jersey alone between now and 2030.

As you know, we have historically seen a large out-migration of New Jersey high school students to other states for college. Today, we're all facing very aggressive efforts from neighboring states, including New York, to recruit New Jersey students to attend their institutions by charging in-state tuition. From New York alone we've seen a decline of 22% in applications this year.

Like all institutions, rising costs for essential operations are also hurting Rider. Post-pandemic, costs for things like electricity, food, medical benefits for our employees and contracted services have all risen by double digits.

But these environmental changes affect more than just Rider. The entire industry is faced with these hurdles, and we must work together to change the paradigm as these problems are simply not just going to go away.

I will be even more direct: The impact of these realities is UNSUSTAINABLE!

But know this - at Rider we're not just sitting idly by while these challenges continue to mount. We've taken decisive action to address our own reality with a plan we call Our Path Forward.

Growing enrollment is paramount to our strategy, as 95% of Rider's revenue comes from tuition, room and board. We have not only invested in creating new academic programs to meet market demand and expanded our online offerings, especially in graduate and non-degree programs, but we are continuing to assess every program to determine their appropriate future.

In the past year alone, we have eliminated or archived 25 low enrolled undergraduate and graduate programs and restructured or consolidated a number of other programs, all of which have had minimal impact on faculty, students and staff given the comprehensive approach we have taken. These include better management and allocation of our resources and strategically reducing expenses.

We negotiated and implemented an early retirement incentive program for AAUP members, instituted a voluntary separation plan for non-union employees, eliminated a number of open positions, outsourced non-academic services where appropriate, and continue to closely evaluate every dollar we spend in our operating budget.

To grow revenue, we've focused our fundraising efforts in support of our operations and scholarships for students, while also working to expand our campus facility rentals for camps and conferences, and are seeking to generate other non-tuition revenue sources.

In total, we have reduced expenses by more than \$12 million over the past two years, and as part of Our Path Forward, we created a plan to generate additional revenue and lower operating costs by a combined \$14 million over the next three years.

In addition, when it was no longer feasible to keep the Westminster Choir College of Rider University operating separately on the Princeton campus, Rider relocated the Westminster programs, faculty, staff and students to its Lawrenceville campus in 2020 to preserve its historical mission and join Rider's other nationally recognized performing arts programs. The move eliminated significant duplicative costs of running two fully operational campuses only six miles apart. It is our plan to sell the Princeton campus and reinvest the funds back into the University, however we are involved in protracted litigation over the matter that is preventing the completion of this critically important project.

Like many universities, Rider follows a tuition pricing model that provides substantial discounts through scholarships and financial aid. This model can be challenging for students and families who believe a Rider education may be financially out of reach based solely on the institution's "sticker price."

In October 2020, Rider announced a series of steps intended to strengthen the overall value of a Rider education, including a 22% reduction of annual undergraduate tuition at the time, as well as increasing the robust support for career preparation and academic success. The new initiative, called Lifting Barriers, was designed to help students break through significant obstacles they face in obtaining a college education and a successful career, including understanding the true cost of college and the ability to adapt, both socially and academically, in a college environment and beyond.

At its heart, the Lifting Barriers initiative aims to provide more clarity on the actual cost of a Rider education and address the misconception that a private education is simply out of reach or unaffordable.

For many students, a Rider education is just as affordable, if not more so, than at a public institution in New Jersey. You may be surprised to know that Rider's increase in net tuition and fees, when you factor in increased scholarships and financial aid, continues to be very modest year-over-year, even below the rate of inflation. In fact, over the past 10 years, Rider's average net tuition and fees have only increased by a total of 5% and has actually declined by 4.87% over the last 5 years. This fiscal year we project that the average net tuition and fees will be less than \$20,000 annually, with 30% of our students paying less than \$15,000 per year.

We've worked very hard to make affordability a reality for New Jersey families and will continue to make significant investments in institutional aid and scholarships to ensure Rider remains a high-quality, affordable option.

A Rider education also provides significant value to students beyond a diploma. The core of a Rider education is its Engaged Learning Program. Through the program, undergraduate students are required to participate in real-world learning experiences, such as internships, co-ops, and others, which strengthen their employability and build their skills beyond the classroom.

In 2021, Rider launched its Cranberry Investment program, further deepening its commitment to students' success beyond their time at Rider. The program guarantees an entry-level job or acceptance into graduate or professional school within six months of graduation for students that fulfill their requirements. Should a student not have a job or plans to study at a higher level, we'll provide career coaching and additional coursework free of charge. We believe so much in our institution's ability to educate exceptional future leaders that we're willing to invest in the resources they need to succeed.

We are eager to continue serving New Jersey in vital ways, as our state's educational needs change. We're doing the hard work to stabilize Rider, support our students and the wider New Jersey community, but simply put, we need more time and, and quite frankly, support, to see these challenges through.

It is my sincere hope that the New Jersey legislature will see the value in institutions like Rider and will agree that universities like ours matter to New Jersey. We're important to the landscape of this great state and should have every chance to be part of the higher education landscape for years to come.

I also hope you will keep asking to hear from the leaders of our higher education institutions, just like you did today. It was my pleasure to share this information with you, and I am deeply grateful for your continued attention to the colleges and universities of New Jersey. Thank you.