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Monetizing state education: an opportunity for New Jersey and for students

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Highly placed sources within New Jersey government have recently declared that the state highways, including the New Jersey Turnpike, "the jewel of the Northeast," may be sold to private interests and leased back. The pressure to imagine and realize new ways to balance the structural deficit of the state budget continues. Here we consider a similar arrangement for another state asset, one perhaps not possessing the Turnpike's significance.

New Jersey's state-supported system of higher education is smaller, in proportion to the state's size and wealth, than that of many top-tier states. Its flagship university, Rutgers, serves approximately 50,000 students each year. The majority of these students are undergraduates and in-state residents. There are twenty-five hundred faculty members and more than seven thousand staff employees at Rutgers, represented by a bewildering variety of unions and professional organizations. In recent history, the state has shown an alarming tendency to intervene in the finance and governance of the university. Removing such a distraction would enable the legislature and the executive branch to focus more easily on their proper tasks. Although Rutgers is well-regarded as a state educational institution, its *brand name* is sometimes weaker in the market than that of less meritorious and smaller rivals. We suggest: **Sell Rutgers!** We analyze how this meets the needs of the state and of various Rutgers stakeholders.

- Any fair price will help balance the New Jersey budget for several years. A leaseback arrangement, based on the revenue stream of tuition and Federal monies, would guarantee support. Tuition, freed from politics, could increase to meet the true costs of the sale.
- The student population of New Jersey would continue to be a captive source of funding. There's no escape, since already many other states and institutions have taken special measures to prevent being submerged by the export of New Jersey youngsters.
- Major private research universities in the Northeast charge premium tuitions, and customers tolerate this. Most large private universities have effective student/faculty ratios and contact situations greatly resembling what's at Rutgers, yet, since Rutgers is a STATE-SUPPORTED EDUCATIONAL INSTITUTION, a correct price can't be charged. The acclaim of a private diploma will change this. Certainly an almost immediate doubling or tripling of tuition income can be foreseen. Professors make higher salaries at some major private research universities than at Rutgers, so an excellent opportunity exists for revenue increase in many communities as faculty members gain higher pay!
- Purchasers' interests will increase as naming opportunities for units and, indeed, the university itself, become evident. If the name of a minor college football bowl can be leased for millions, imagine the bids of Verizon or Exxon as they strive for a five-year lease on the name of the university! The cobranding will be huge. Each graduate could receive, for example, a new Verizon cell phone, or even permission to buy a tank of gas at full price.
- The benefits to the state itself are ample and obvious. Instead of interfering with college coaches and seeking sinecures for retiring officeholders, state government could concern itself with its rightful tasks, including evaluating the perqs of dual office-holding and concealing income sources.

The opportunity is clear, the need is dire, the time is now, so **Sell Rutgers!**.