



President's Report

Faculty and Instructional Staff

May 12, 2004



Agenda

- **FY05 budget**
- **Facilities**
- **Reconfiguration report**
- **Trenton**



NEW JERSEY INSTITUTE OF TECHNOLOGY
FY04 Operating Budget
 (\$000's)

	Revenue	Expense	Net to Close/ (Widen) Budget Gap - FRS
FY03 Budget @2/28/03:	159,288	159,288	0

Adjustments to FY04 Preliminary Budget:			
State Appropriation	(6,648)	0	(6,648)
Tuition Incentive Program	3,054	0	3,054
Student Aid/Awards	0	1,098	(1,098)
Tuition and Fees	3,344	135	3,209
Fringe Benefits	1,500	732	768
Auxiliary Services	689	14	675
Foundation Programs	480	623	(143)
Unrestricted Giving	(800)	(800)	0
Indirect Cost Recovery	460	0	460
Salary Program/Adjustments	0	1,743	(1,743)
Vacation Separation Payment	0	(2,100)	2,100
Other Programs	20	(1,379)	1,399
Technical Adjustments	0	(406)	406
Budgeted Reserve	0	(400)	400
One - Time Savings	0	(2,310)	2,310
Insurance Coverage	0	640	(640)
Debt Service	0	1,310	(1,310)
Physical Plant	0	1,095	(1,095)
Reinvestment Fund	0	2,104	(2,104)
Total Adjustments	2,099	2,099	0
Approved FY04 Budget	161,387	161,387	0



NEW JERSEY INSTITUTE OF TECHNOLOGY
FY04 Operating Budget
 (\$000's)

	<u>Revenue</u>	<u>Expense</u>	<u>Net to Close/ (Widen) Budget Gap - FRS</u>
Approved FY04 Budget	161,387	161,387	0
FY04 Mid Year Budget Adjustments			
Student Aid/Awards	(46)	182	(228)
CPE Programs	(1,438)	(938)	(500)
Tuition and Fees	621	(182)	803
Auxiliary Services	75	75	0
Foundation Programs	(605)	(522)	(83)
Unrestricted Giving	88	88	0
Indirect Cost Recovery	310	83	227
Personnel Adjustments	0	234	(234)
Other Programs	0	920	(920)
Budgeted Reserve	0	(695)	695
Insurance Coverage	0	(240)	240
Total Adjustments	(995)	(995)	0
FY04 Revised Budget @ 2/28/04	160,392	160,392	0



NEW JERSEY INSTITUTE OF TECHNOLOGY

FY05 Budget Development

May 11, 2004

(\$000's)

			Net to
			Close/ (Widen)
			Budget Gap
Detail	Revenue	Expense	(FRS)
FY04 Budget @2/28/04:	160,392	160,392	-
Adjustments Programmed Into FY05 Budget:			
Reinvestment Fund	-	804	(804)
Graduate Tuition	240	-	240
Undergraduate Tuition	100	-	100
Undergraduate Tuition - TEC transfers to Newark	200	-	200
TEC - Undergraduate Tuition	(900)	-	(900)
TEC - Undergraduate Fees	(140)	-	(140)
TEC - Eliminate expense budgets	-	(1,420)	1,420
TEC - Instruction transferred to Newark	-	26	(26)
State Appropriation - TEC	(100)	-	(100)
Summer Sessions	351	-	351
Student Fees	(34)	-	(34)
Accounting accruals	-	200	(200)
Eliminate "1 Time" accrual budget savings	-	2,100	(2,100)
Student PC Program	-	1,000	(1,000)
Utilities - Physical Plant	-	277	(277)
Add'l Physical Plant staffing requirements	-	165	(165)
Salary Program costing	1,400	2,800	(1,400)
Fringe Benefits	1,900	2,265	(365)
Investment Interest	(75)	-	(75)
Auxiliary Services	9	-	9
SBR - FY05 first year funding eliminated	-	(140)	140
Faculty start-up	-	140	(140)
Miscellaneous adjustments	-	346	(346)
Decrease Research Center Income	(66)	-	(66)
Fullerenes Tech R&D savings	-	(152)	152
General Operating Expenses - Inflation	-	366	(366)
Reverse 1-Time budget transfers	-	(725)	725
Restore University Reserve	-	725	(725)
Subtotal Adjustments To Base	2,885	8,777	(5,892)



Equivalent Tuition Increase* to Balance Necessary Budget Adjustments

NEW JERSEY INSTITUTE OF TECHNOLOGY					
FY05 Budget Development					
May 11, 2004					
(\$000's)					
Subtotal Adjustments To Base	2,885		8,777	(5,892)	
Charges To Students:					
Residence Hall rate	316		-	316	4% rate increase
Tuition rate/enrollment rate - Undergraduate	3,103		-	3,103	11.5% increase
Tuition rate/enrollment rate - Graduate	2,183		-	2,183	11.5% increase
PC's Fee	(510)		-	(510)	Elimination of fee
Technology Fee	760		-	760	Increase to offset PC's Fee
Fees	-		-	-	
Sub-Total - Student Charges	5,853		-	5,853	

***Only for illustration; not a proposed tuition increase!**



NEW JERSEY INSTITUTE OF TECHNOLOGY
FY05 Budget Development
May 11, 2004
(\$000's)

			Net to
			Close/ (Widen)
			Budget Gap
Detail	Revenue	Expense	(FRS)
FY04 Budget @2/28/04:	160,392	160,392	-
Subtotal Adjustments To Base	2,885	8,777	(5,892)
Proposed Changes To Base:	Revenue	Expense	(FRS)
Graduate enrollment decline - F/T Masters	(726)	-	(726)
Provost Fellowship program - breakeven	1,051	316	735
Undergraduate Students Enrollment Change	0	0	0
CPE Programs	(401)	(751)	350
Undergraduate awards	0	0	0
Eliminate TAG reserve	-	(153)	153
Indirect Cost Recovery - Adjust base to FY04 projection	(371)	-	(371)
Additional Indirect Cost Recovery over adjusted base	275	-	275
Faculty Start-Up	-	360	(360)
Special Lecurer adjustments	-	90	(90)
Graduate Stipend - Restore FY04 Mid Year reduction	-	200	(200)
Graduate Stipend - FY05 increase	-	301	(301)
Research-related disposal/licensing costs	-	50	(50)
Facilities Management - additional plant costs	-	60	(60)
Library - additional staff	-	60	(60)
Library - subscriptions, books, databases	-	324	(324)
UIS - personnel	-	0	0
UIS - maintenance	-	80	(80)
UIS - equipment	-	700	(700)
Big Bear Solar Observatory	-	200	(200)
Consultants (Trenton / D.C.)	-	25	(25)
Research Business Centers	-	82	(82)
Subtotal Proposed Changes To Base	(172)	1,944	(2,116)
Subtotal Base Adjustments	2,713	10,721	(8,008)



NEW JERSEY INSTITUTE OF TECHNOLOGY
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One-Time: FY04 Carryforward/FY05 Savings				
FY04 reserve carryforward	875		875	
FY04 reinvestment carryforward	1,036		1,036	
FY04 vacancy carryforward	500		500	
FY04 grant match carryforward	300		300	
FY04 debt service reduction carryforward	1,624		1,624	First HECIF payment due in FY06
Debt Service - Savings from refinancing	-	(2,708)	2,708	Short-term (3 year) bond refinancing
Debt Service	-	(1,624)	1,624	First HECIF payment due in FY06
TEC - Mt. Laurel Grants continued	-	54	(54)	25 transfer students to Newark @\$2,145
TEC - Mt. Laurel Room Grants	-	137	(137)	25 transfer students to Newark @\$5,467
Facilities Management - Expanded SOA studio space	-	150	(150)	
Facilities Management - ME Engine Lab		150	(150)	
Facilities Management - 4 Civil faculty offices		60	(60)	
TEC - Instruction transferred to Newark		133	(133)	TEC closing undergrad program-ECE
Library - Web Of Science (1-Time)	-	68	(68)	
Library - Compendex Backfile (1-Time)	-	23	(23)	
Sub-Total - One-Time Savings/Expenditures	4,335	(3,557)	7,892	



NEW JERSEY INSTITUTE OF TECHNOLOGY
FY05 Budget Development
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(\$000's)

			Net to	
			Close/ (Widen)	
			Budget Gap	
Detail	Revenue	Expense	(FRS)	Description
FY04 Budget @2/28/04:	160,392	160,392	-	
Subtotal Adjustments To Base	2,885	8,777	(5,892)	
Subtotal Proposed Changes To Base	(172)	1,944	(2,116)	
Subtotal Base Adjustments	2,713	10,721	(8,008)	
Charges To Students:				
Residence Hall rate	316	-	316	4% rate increase
Tuition rate/enrollment rate - Undergraduate	1,889	-	1,889	7% increase
Tuition rate/enrollment rate - Graduate	1,329	-	1,329	7% increase
PC's Fee	(510)	-	(510)	Elimination of fee
Technology Fee	760	-	760	Increase to offset PC's Fee
Fees	-	-	-	
Sub-Total - Student Charges	3,784	-	3,784	
Revised FY05 Budget	166,889	171,113	(4,224)	
Sub-Total - One-Time Savings/Expenditures	4,335	(3,557)	7,892	
Adjusted Budget	171,224	167,556	3,668	

Tuition/fee increases for illustration



Preliminary Budget

- **One-time fund plans**
 - **Enhancement of interior spaces as per strategic plan**
 - **Enhancement of landscaping as per strategic plan, e.g., West Plaza**
 - **Classroom upgrades**
 - **Renovation of vacated space**
 - **Other**



Preliminary Budget Summary

- **Operational state funding flat**
- **Presume 50% of salary increases appropriated**
 - **Chance percentage will increase**
 - **Reduce pressure on tuition increase**
- **Short-term financial health strong**
 - **Planned one-time cost savings**
 - **Budgeted reserve**
 - **Bond refinancing**
 - **Reinvestment fund carryforward**
- **Long-term recurring base of concern**
 - **Revenue increases**
 - **Increase in state operational funding**
 - **Full salary program funding**
 - **Increase in indirect cost revenue**
 - **Increase in private funding**
 - **Expenditure reductions**



Facilities

- **Within previously budgeted funds**
 - **Campus Center fall 04**
 - **Eberhardt Alumni Center fall 05**
 - **Playing field: artificial grass, jogging track**
- **One-time funds allocated**
 - **SOA studio space: increased enrollment**
 - **ME Engine Lab: enhanced instructional space**
 - **CEE faculty offices: co-location of tenure-track faculty**



Reconfiguration

- **Draft final report received**
- **Comments/response at**
 - **<http://www.njit.edu/publicinfo/news/univ-reconfig/>**
 - **Specific comments on report document**
 - **Response to report**
 - **North Vision: A comprehensive, research university focusing on science, technology, medicine and the professions responding to the economic, cultural and social needs of the city and beyond, and delivering quality and accessible health care and education.**
 - **Named colleges/schools**
 - **Separate colleges for liberal arts and for sciences**
 - **Units serve only one campus**
 - **IT/library**
 - **Costs**



Trenton

- **Full funding of salary program**
- **Homeland security**
- **Innovation zones**
- **AFL-CIO Training Academy**
- **Executive Masters programs in technical fields**