

The FY 2007 Budget

(In Millions)

	<u>FY2006 Adjusted Approp.</u>	<u>FY2007 Budget</u>	<u>% Change</u>
Opening Surplus	\$ 780	\$ 824	5.6
Revenues			
Income			
Base	10,585	11,720	10.7
Initiatives		(105)	
Sales			
Base	6,716	6,944	3.4
Initiatives		1,433	
Corporate			
Base	2,805	2,463	(12.2)
Initiatives		60	
Other			
Base	8,091	7,829	(3.2)
Initiatives		308	
Total Revenues	<u>\$ 28,197</u>	<u>\$ 30,652</u>	8.7
Lapses	<u>112</u>		
Total Resources	<u>\$ 29,089</u>	<u>\$ 31,476</u>	8.2
Appropriations			
Original	\$ 27,920	\$ 30,875	10.6
Supplemental	<u>345</u>		
Total Appropriations	<u>\$ 28,265</u>	<u>\$ 30,875</u>	9.2
Fund Balance	<u>\$ 824</u>	<u>\$ 601</u>	

Reductions

Higher Education (\$117 million): Reductions of 10% in the State subsidy to senior public institutions (\$89 million), county colleges (\$16 million) and a 50% reduction in aid to independent colleges (\$12 million), all of which will need to seek the same types of cost efficiencies that the State plans to employ.

Constraints

Higher Education (\$122 million): This Budget does not provide growth for fringe benefits (\$80 million) and salary increases (\$42 million) for senior public colleges;

Total Direct State Services By Department

(In Thousands)

	FY2006	FY2006	FY2007	Change	
	Appropriation	Adjusted Appropriation	Recommendation	\$	%
Chief Executive	\$ 4,972	\$ 5,183	\$ 4,924	\$ (259)	-5.0%
Agriculture	9,215	9,569	8,994	(575)	-6.0%
Banking and Insurance	67,037	68,033	67,965	(68)	-0.1%
Community Affairs	35,586	37,811	36,914	(897)	-2.4%
Corrections	906,980	938,166	931,420	(6,746)	-0.7%
Education	60,124	62,368	62,042	(326)	-0.5%
Environmental Protection	217,956	226,918	238,217	11,299	5.0%
Health & Senior Services	63,581	65,743	73,797	8,054	12.3%
Balance of Human Services	51,371	38,749	38,450	(299)	-0.8%
Central Office	24,068	47,454	30,696	(16,758)	-35.3%
Developmental Disabilities	208,074	217,354	94,441	(122,913)	-56.5%
Medical Assistance	26,989	26,221	25,779	(442)	-1.7%
Mental Health	259,530	268,737	264,015	(4,722)	-1.8%
Labor	60,696	62,072	61,849	(223)	-0.4%
Law & Public Safety	135,503	146,079	146,352	273	0.2%
State Police	304,949	312,464	306,524	(5,940)	-1.9%
Division of Law	28,983	28,647	17,052	(11,595)	-40.5%
Juvenile Justice Commission	94,910	98,381	97,025	(1,356)	-1.4%
Military & Veterans' Affairs	85,711	88,280	86,411	(1,869)	-2.1%
Personnel	24,540	25,463	23,990	(1,473)	-5.8%
Public Advocate	15,937	16,220	19,420	3,200	19.7%
State	14,268	16,819	13,213	(3,606)	-21.4%
Public Broadcasting	6,446	6,727	5,604	(1,123)	-16.7%
State Library	4,370	4,570	4,570	-	0.0%
Transportation	89,675	103,955	86,448	(17,507)	-16.8%
Treasury	394,053	421,877	401,092	(20,785)	-4.9%
Misc. Executive Commissions	1,403	1,432	1,407	(25)	-1.7%
<i>Total Executive Branch</i>	<i>\$ 3,196,927</i>	<i>\$ 3,345,292</i>	<i>\$ 3,148,611</i>	<i>\$ (196,681)</i>	<i>-5.9%</i>
Legislature	\$ 74,173	\$ 76,221	\$ 76,221	-	0.0%
Judiciary	554,026	571,750	571,750	-	0.0%
Subtotal Operations-Base	\$ 3,825,126	\$ 3,993,263	\$ 3,796,582	\$ (196,681)	-4.9%

Interdepartmental

Other	\$ 86,921	\$ 86,921	\$ 84,642	\$ (2,279)	-2.6%
Pension, Health Benefits & PRM	1,097,748	1,149,748	1,375,787	226,039	19.7%
Employer Taxes	337,049	346,049	340,337	(5,712)	-1.7%
Insurance, Utilities, and Other	271,115	284,515	316,317	31,802	11.2%
Salary Program	140,124	-	127,860	127,860	-
Subtotal Interdepartmental	\$ 1,932,957	\$ 1,867,233	\$ 2,244,943	377,710	20.2%
Total	\$ 5,940,592	\$ 6,052,377	\$ 6,326,571	274,194	4.5%

FY 2007 Revenue Actions

(In Millions)

Taxes

Sales Tax - Increase to 7%	\$ 1,085
Sales Tax - Consumer Services	248
Cigarette Tax	80
Corporation Business Tax Surcharge 2.5%	60
Surcharge on New Luxury Car Registrations	17
Realty Transfer Tax Commercial Property >\$1 Million	17
Alcohol Beverage Tax Increase	12
Water Supply Surcharge	12

Miscellaneous Revenues

Sales Tax - Urban Enterprise Zone Reform	100
State Disability Benefit Fund	50
Autonomous Transportation Authorities	38
Improved Tax Collections from Audit and Enforcement Collection	36
State Police Rural Patrol	24
Other	<u>22</u>

Revenue Solutions 1,801

Low-Income Refundable Tax Credit (105)

Total Revenue Actions \$ 1,696

Higher Education

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Senior Public Institutions			
Rutgers University	\$ 356.3	\$ 300.3	\$ (55.9)
UMDNJ	242.9	194.2	(48.8)
NJIT	51.5	45.8	(5.8)
Thomas Edison State College	6.7	5.4	(1.2)
Rowan University	39.5	35.4	(4.1)
New Jersey City University	33.5	30.1	(3.4)
Kean University	43.2	37.8	(5.4)
William Paterson University	42.1	37.8	(4.2)
Montclair State University	50.4	44.8	(5.6)
College of New Jersey	38.0	34.0	(4.0)
Ramapo College of New Jersey	21.4	19.0	(2.4)
Richard Stockton College of New Jersey	25.7	23.0	(2.7)
Subtotal Senior Publics Direct Aid	\$ 951.1	\$ 807.6	\$ (143.5)
Senior Publics Salary Funding	-	-	-
Senior Publics Net Fringe Benefits	545.7	545.7	-
Total Senior Publics	\$ 1,496.7	\$ 1,353.2	\$ (143.5)
Total County Colleges ^(a)	223.6	208.1	(15.5)
Total Independent Colleges and Universities	24.0	12.0	(12.0)
Student Financial Assistance			
Tuition Aid Grants (TAG)	208.9	214.7	5.8
Part-time TAG for County Colleges	4.5	4.9	0.5
NJSTARS I & II	8.0	8.0	-
EOF Grants and Scholarships	40.6	40.6	-
Loan Forgiveness for Mental Health Workers	3.5	3.5	-
Other Student Aid Programs	24.0	18.3	(5.7)
Total Student Financial Assistance	\$ 289.4	\$ 290.1	\$ 0.6
Other Programs			
Capital Grants and Facilities Support ^(b)	90.0	98.5	8.5
New Jersey Stem Cell Research Institute	5.5	5.5	-
All Other Programs	18.8	11.6	(7.2)
Total Other Programs	\$ 114.3	\$ 115.6	\$ 1.3
Grand Total Higher Education	\$ 2,148.0	\$ 1,979.0	\$ (169.1)

**NEW JERSEY INSTITUTE OF TECHNOLOGY
COMPARISON OF FINANCIAL STATEMENT ACTIVITY**

\$000's

UPDATED ON 4/04/2006

FISCAL YEAR	(1) BASE STATE APPROP	(1) STATE FRINGE BENEFITS	TOTAL N J STATE SUPPORT	OTHER SUPPORT	(1) TOTAL INCOME	(2) RESEARCH EXPENSES
FY80	\$15,797	\$1,424	\$17,221	\$10,777	\$27,998	\$2,761
FY97	\$45,608	\$11,371	\$56,979	\$89,801	\$146,780	\$31,571
FY98	\$46,852	\$11,101	\$57,953	\$99,910	\$157,863	\$31,738
FY99	\$48,013	\$11,978	\$59,991	\$104,686	\$164,677	\$31,942
FY00	\$51,490	\$13,119	\$64,609	\$111,830	\$176,439	\$34,965
FY01	\$53,341	\$13,510	\$66,851	\$124,073	\$190,924	\$40,697
FY02	\$52,383	\$15,660	\$68,043	\$134,174	\$202,217	\$40,913
FY03	\$50,221	\$17,165	\$67,386	\$144,673	\$212,059	\$45,554
FY04	\$48,790	\$18,254	\$67,044	\$145,032	\$212,076	(a) \$40,515
FY05	\$50,312	\$19,123	\$69,435	\$149,095	\$218,530	\$39,039
FY06	(3) \$51,512	\$22,700	\$74,212	\$163,469	\$237,681	\$56,200
FY07	(4) \$45,752					

NJIT

Review of Annual Operating Budget FY02 - FY07

	State Request	State Appropriation	Fiscal Year Shortfall	% Fiscal Year Shortfall	Tuition/Fee Revenue	Tuition/Fee Revenue	Annual % Increase Tuition	% Tuition Cap	Budget Expenditure Reductions
FY02	56,110	52,133	(3,977)	-7.1%	62,378	N/A	6.9	-	N/A
FY03	55,896	49,621	(6,275)	-11.2%	67,596	5,218	9.7	-	2,896
FY04	52,367	48,690	(3,677)	-7.0%	72,777	5,181	8.5	9.0	3,936
FY05	51,526	50,112	(1,414)	-2.7%	74,462	1,685	8.0	8.0	6,070
FY06	53,131	51,512	(1,619)	-3.0%	80,024	5,562	7.0	8.0	3,303
Cumulative			(16,962)			17,646			16,205
FY07(a)	56,564	45,752	(10,812)	-19.1%					

(a)proposed

New Jersey Institute of Technology
Targeted Cost Containment Measures
FY03 - FY06
(\$000's)

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
Salaries				
• Vacancy budget	1,088		555	
• TEC personnel			752	76
• Administrative stipends for Faculty				100
• Faculty retirements, sabbaticals, and turnover		700		
• A/Y Adjunct faculty teaching additional courses		300		
• Overtime		55		
Utilities				
• Compressed summer schedule		130	130	130
General Operating Expenses				
• University-Wide non-salary expenses	1,808	400		1,500
• Eliminate TEC related expenses		597	648	
• Continuing and Professional Education				125
• Consultants, memberships, events and meetings		84		290
• PC software program				105
• Legal fees				100
• 1-time funding of freshmen PC program from a State grant		1,000		
• Eliminate freshman PC distribution program			1,000	
Student Aid				
• Shift graduate awards to restricted funds				200
• Required graduate awards grant match				200
Mandatory Transfers - Debt Service				
• Debt service refinancing			2,985	
Non-Mandatory Transfers				
• Information Services and Technology support		270		477
University Wide Budget Reserves				
• Reduce budgeted reserve to target		400		
Grand Total Budget Reductions	2,896	3,936	6,070	3,303

FY07 Proposed Governor's Budget (3/31/06)-NJIT (\$000's)					
	FY06 (\$000)	FY07 (\$000)	\$Δ	%Δ	
Base Operating Appropriation	\$50,712	\$45,752	(\$4,960)	-9.8%	On Base
Salary Program	\$800	\$0	(\$800)	-100.0%	On Base
Total	\$51,512	\$45,752	(\$5,760)	-11.2%	On Base
Tuition+Fee Revenue	\$79,175	\$79,175	\$0	0.0%	Tuition+ Fee
Total	\$130,687	\$124,927	(\$5,760)	-4.4%	On Total
Commitments/Needs					
Salary Program			(\$4,225)	-8.3%	On Base
Fringe Benefits			(\$1,500)	-3.0%	On Base
Strategic Plan			(\$2,053)	-4.0%	On Base
Restore FY06 Mid Year Vacancy Reduction			(\$375)	-0.7%	On Base
Graduate Stipends			(\$219)	-0.4%	On Base
Insurance			(\$165)	-0.3%	On Base
Utilities			(\$1,335)	-2.6%	On Base
FY06 Salary Annualization			(\$625)	-1.2%	On Base
Debt Service			(\$836)	-1.6%	On Base
Total			(\$17,093)	-13.1%	On Total
Equivalent Tuition+Fee Revenue				21.6%	
Equivalent Tuition+Fee Increase				35.0%	
FY07 Special Lecturers Contract Non-renewal			\$540		
FY07 Probationary Employee Contract Non-renewal			\$500		Est
FY07 Vacant Positions			\$3,250		Total
FY06 Personnel Savings			\$2,000		
FY06 Non-personnel Savings			\$2,100		
FY06 Operating Reserve			\$1,000		
FY05 Carry Forward			\$570		
Increased Tuition+Fee Revenue			\$7,126	9%	
Total			(\$7)		