



Budget Environment

- 7% reduction in State appropriation + zero salary program funding
 - 20.6% to recover State shortfall (including Rutgers)
 - 16.3% to recover State shortfall (not including Rutgers)
 - 8% tuition increase cap imposed
- Zero merit based awards for new students
- No capital/maintenance funding
- Internal budget demands equivalent to 14% of State appropriation



**Review of Annual Operating Budget
FY02 - FY07
(\$000's)**

	Fiscal Year	% Fiscal Year	Budgetary Expenditure	Annual % Increase	% Tuition Cap
	State Shortfall	Shortfall	Reductions/ Reallocations	Tuition	
FY02	(\$3,977)	-7.1%	N/A	6.9	-
FY03	(\$6,275)	-11.2%	\$2,896	9.7	-
FY04	(\$3,677)	-7.0%	\$3,936	8.5	9.0
FY05	(\$1,414)	-2.7%	\$6,070	8.0	8.0
FY06	(\$1,619)	-3.0%	\$3,303	7.0	8.0
FY07	(\$8,554)	-15.3%	\$11,567	7.0	8.0



FY07 Budget/Tuition and Fees

- Sensitive to rising price of education
- Incorporates substantial operating and personnel reductions
- Conservatively assumes flat enrollment
- Minimizes the use of one-time funds for recurring expenditures
- Allocates modest but needed funds for plant renovation/maintenance
- Continues investment in Strategic Priorities



Budgeting Approach

- Freeze FY06
 - personnel funds
 - operations spending rate
 - reserve funds
- Limit FY07 contract renewal and hiring (≈ 60 FTE)
- Reduce FY07 non-academic operating expenditures
- Reduce FY07 recurring salary increase obligations
- Restructure CPE-reduce expenditures/enhance revenue
- Increase student awards
- Limit tuition increase
- Support capital/maintenance program



FY07 Budget/Tuition and Fees

- 7% tuition/fee (price) increase compared to
 - 8% tuition increase cap
 - 8% plus tuition increase at other institutions
 - recovers modest yield (average cost increase \approx 2.5% less than 7% price increase)
- 14% increase in student awards (including Strategic Plan allocations)
- 4.5% of recurring budget built on recurring expenditure reduction
- 1.7% of recurring budget built on non-recurring funds
- 1.6% of budget to capital/maintenance (0.9% of plant replacement value compared to APPA recommendation of 1.5-3.0%)
http://www.njit.edu/publicinfo/pdf/public_board_budget-tuition.pdf



NEW JERSEY INSTITUTE OF TECHNOLOGY

Schedule of Tuition & Fees

Actual FY 2006 & FY 2007

EXHIBIT A

Summary Change - In-State Full Time Undergraduate

	ACTUAL		DIFFERENCE	
	FY 2006	FY 2007	AMOUNT	PERCENT
	Full-Time Per Semester Tuition	\$ 4,236	\$ 4,533	\$ 297
Full-Time Per Semester Fees	\$ 675	\$ 720	\$ 45	6.7%
Complete Schedule of Mandatory Tuition and Fees				



**New Jersey Institute of Technology
 FY2007 Budget Development
 Review of Tuition Rate Increases**

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
Gross Tuition Increase %	6.9%	9.7%	8.5%	8.0%	7.0%	7.0%
Actual % Yield From Rate Increase	6.0%	8.6%	6.4%	5.1%	5.7%	4.4%



FY07 Plant Fund	
Project/Tuition Rate Increase	7%
Warren St. Prop/demo	\$2,500
Renovate Fleisher Gym	\$1,200
SOA Studio	\$1,100
Cypress Fire Alarm	\$350
Classrooms	\$150
Acad Depts	\$200
Kupfrian Air Handler	\$300
Cypress Elevators	\$160
Other Maintenance	\$500
Total	\$6,460
Plant Fund FY06 Balance	\$2,300
Plant Fund FY07 Allocation	\$3,056
Private Fund Transfer	\$1,200
Plant Fund FY07 Balance	\$96

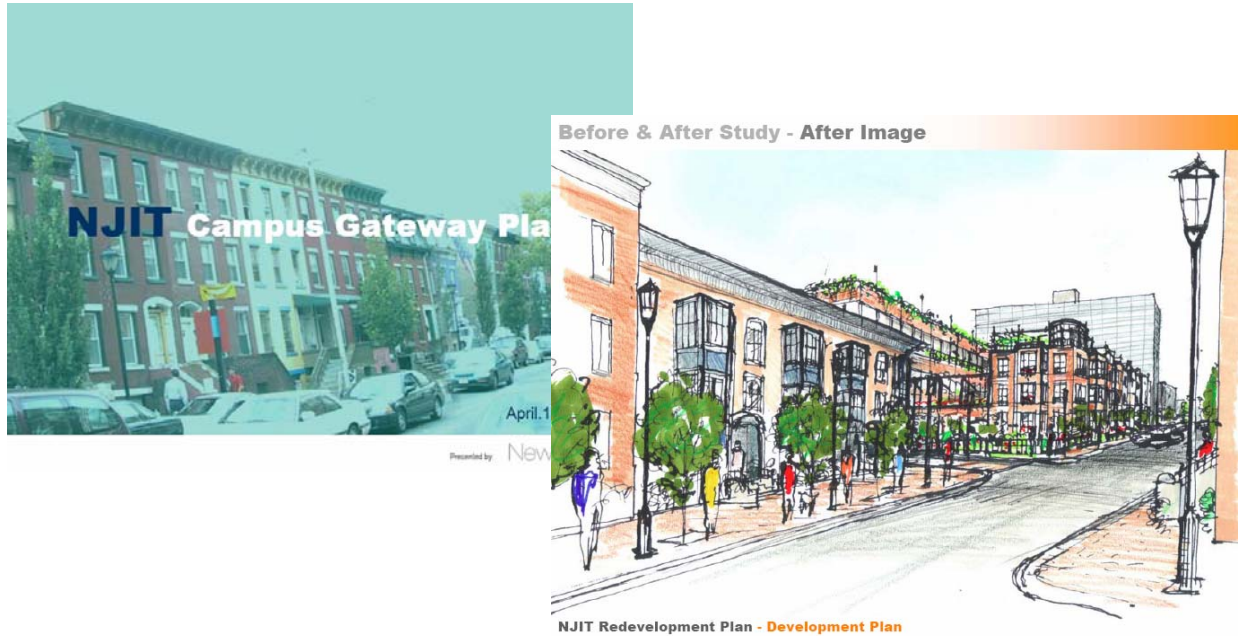


FY08 and Beyond Budget Planning

- Faculty Separation Incentive Program (recurring savings)
- Close 240 MLK facility (recurring savings)
- Rehab 240 MLK (recurring revenue)
- Cell phone tower site rental (recurring revenue)



FY08 and Beyond



<http://www.njit.edu/v2/activities/greekvillage.html>



FY08 and Beyond

- Develop residential housing plan including The Village at Newark, residence halls, Greek Village, Campus Gateway
- Complete Honors College & Athletics Campaigns and begin major campaign; needs assessment, wealth screening, feasibility study, launch
- Complete “academic” plans and assessment of program inventory compared to competition and revisit research “niches”
- Complete Campus Master Plan
- Participate in research university restructuring “discussions”



NJIT one of *America's* 150 Best Value Colleges



- Academics, tuition, GPA, financial aid, student borrowing
- 73% of need-based aid packages include some form of grant or scholarship
- 82% of aid recipient's demonstrated need met
- 100% of demonstrated need met for 12% of aid recipients
- Targeted non-need based aid for outstanding skills
- Targeted aid for students from under-represented groups



Top-Tier National Research University

- Peer assessment (→) and graduation rate (↑) account for >40% of ranking
- Increased “performance” in areas with 33% weight
- Decreased in “performance” in areas with weights of 10%