

NJIT

New Jersey's Science &  
Technology University

*THE EDGE IN KNOWLEDGE*

## **Corzine to Cabinet: Find \$3 billion in budget cuts**

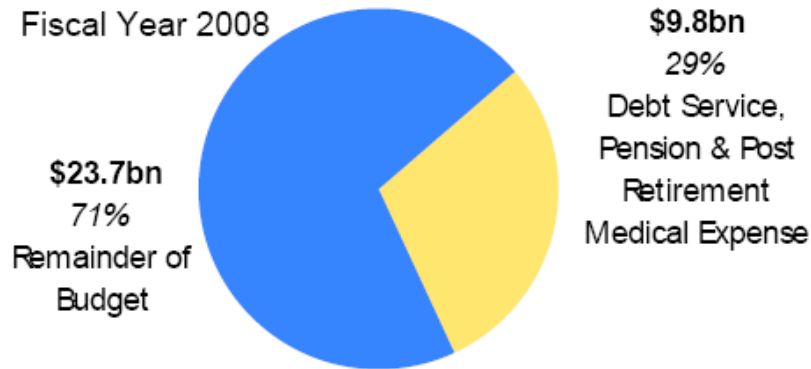
**Only school aid, rebates appear safe as governor looks to avert fiscal disaster next year**

**Saturday, October 13, 2007**

- FY08 State budget totaled \$33.5B
- FY09 “Built in” increases from contractual obligations, mandatory and statutory increases, and school funding formula costs bring projected FY09 budget to \$35.7B
- FY09 revenue projections total \$32.5B leaving a \$3.2B short fall in revenue to cover projected FY09 budget
- \$0.5B of the shortfall covered with carry forward funds from FY08
- Leaving a \$2.7B shortfall

### Annual Required Contribution

Fiscal Year 2008



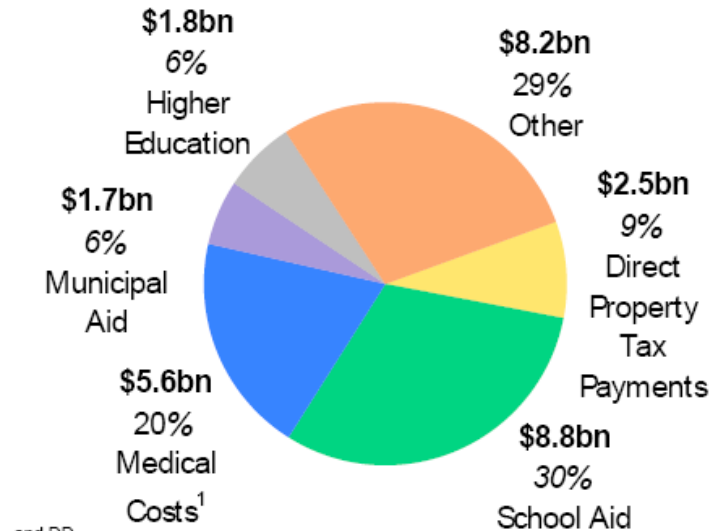
Total FY08 Budget = \$33.5bn

30% of expenditures  
“mandated”

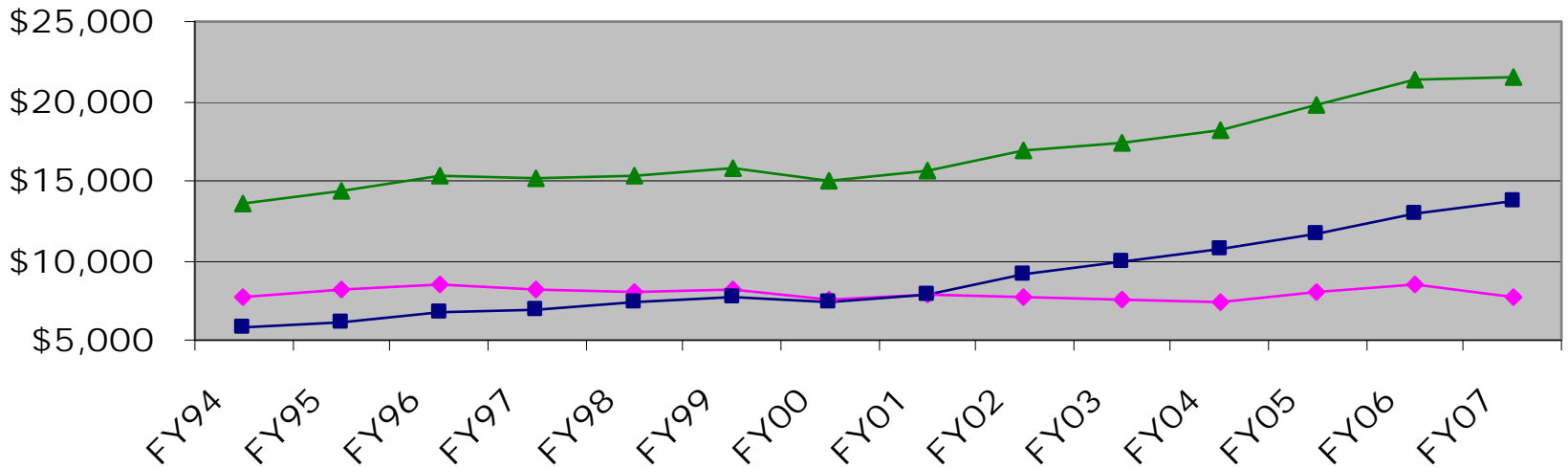
\$2.7 billion reduction in FY09 to hold at FY08 expenditures spread over \$23.7 billion or 11.4% reduction in Remainder of Budget

### Remainder of Budget

Fiscal Year 2008



## Comparison of State Appropriation and Tuition & Fee Income per FTE FY94-FY07 (000's)



- ◆ State Appropriation \$ Per Full-Time Equivalent Student
- Actual Tuition & Fee Income Per Full-Time Equivalent Student
- ▲ Tuition, Fee & State Appropriation Per Full-Time Equivalent Student

State funding per FTE has been flat for about 15 years

The issue:

We have “built ins” as well

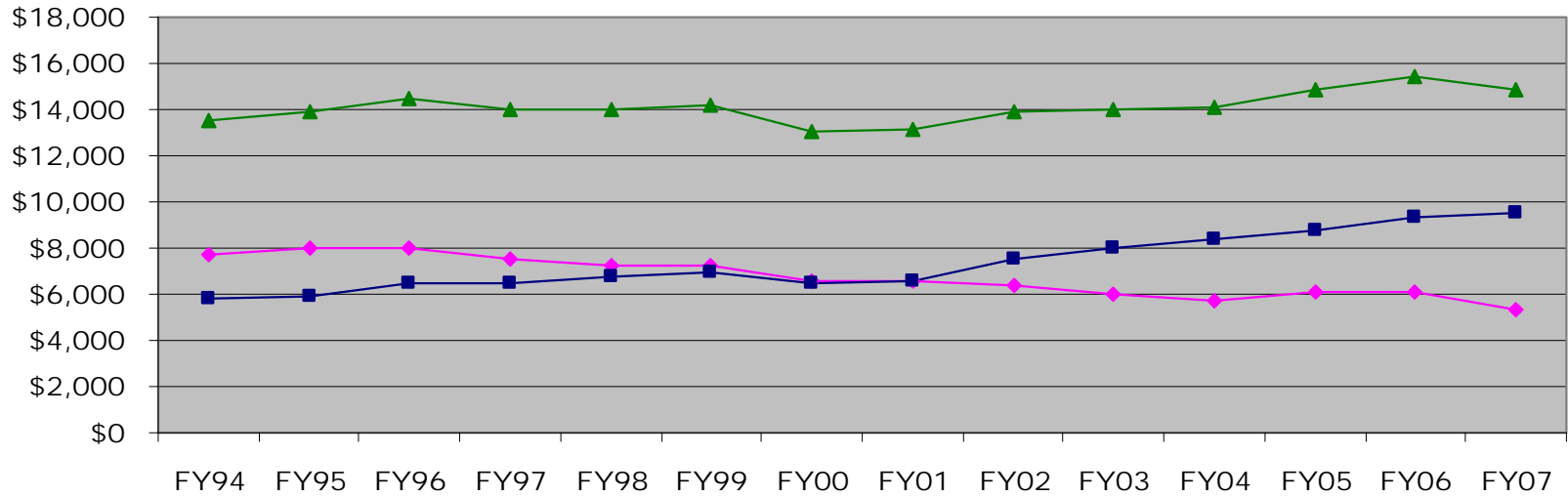
Inflation

Cost increases: utilities, insurance, etc.

Contractually mandated salary increases

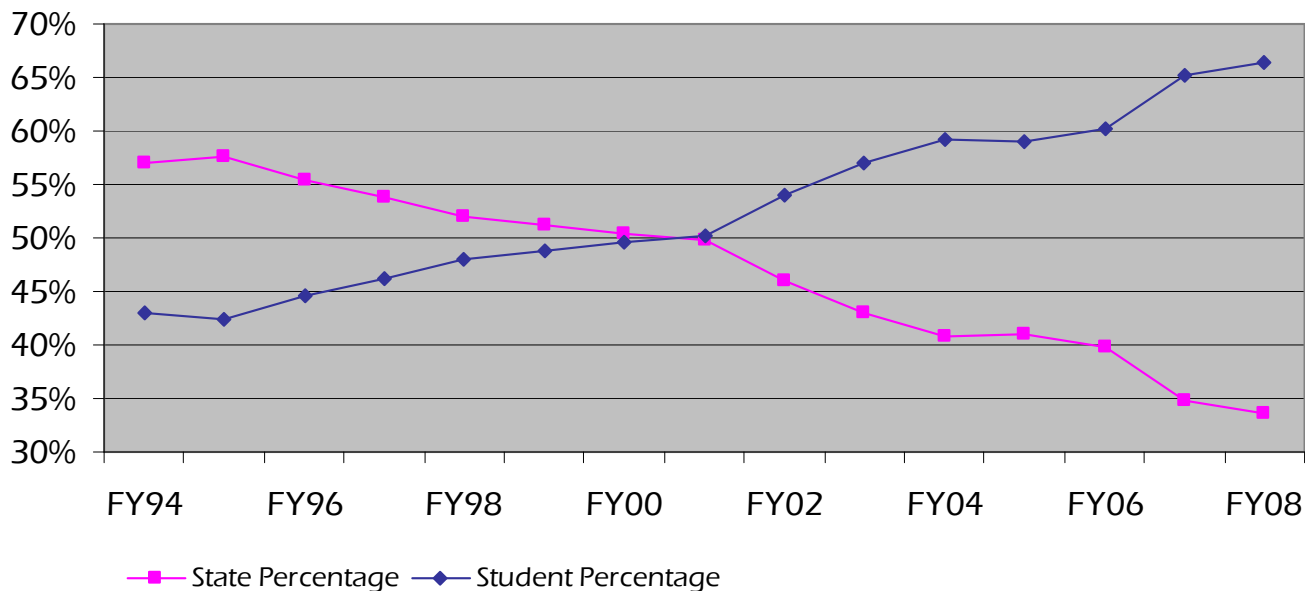
Mandated federal/state laws/regulations

## Comparion of CPI Adjusted Value of State Appropriation and Tuition & Fee Income per FTE FY94-FY07 (000's)



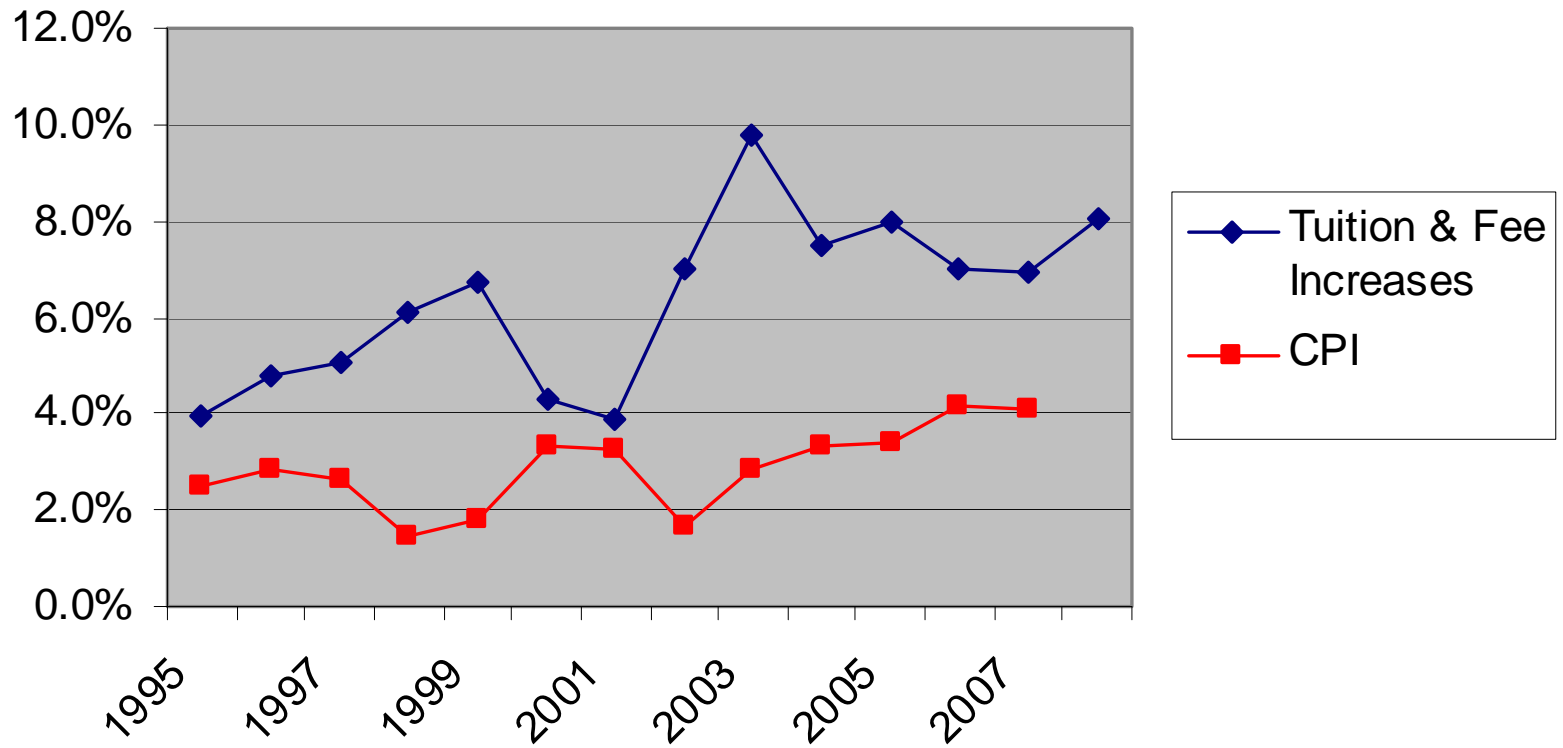
- ◆ CPI Adjusted Value of State Appropriations Per Full-Time Equivalent Students
- CPI Adjusted Value of Tuition & Fee Income Per Full-Time Equivalent Student
- ▲ CPI Adjusted Value of Tuition, Fee & Base State Appropriation Per Full-Time Equivalent Student

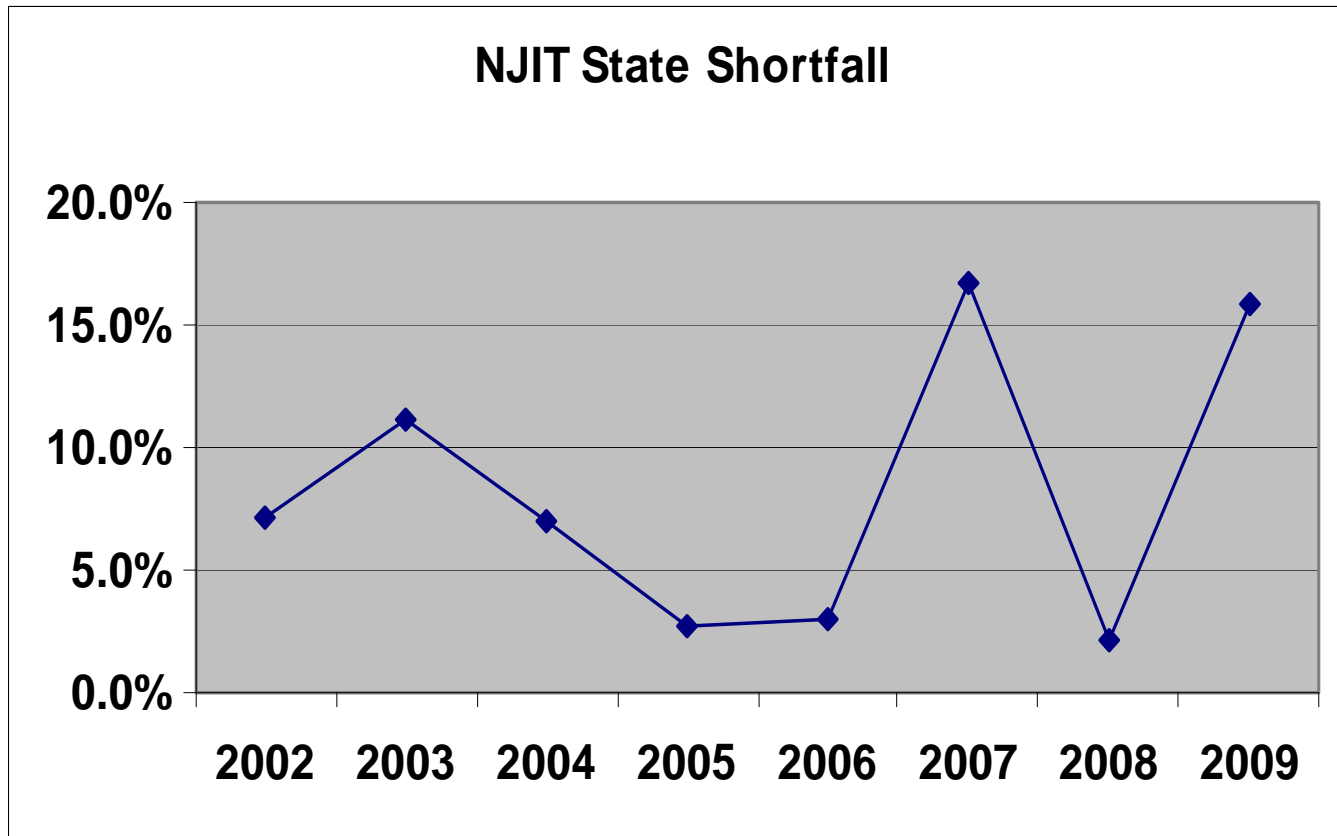
## NJIT Percent of Educational Costs FY94-FY08



Increased enrollment ↓ State \$\$ per FTE, but provides an “argument” for increased State funding

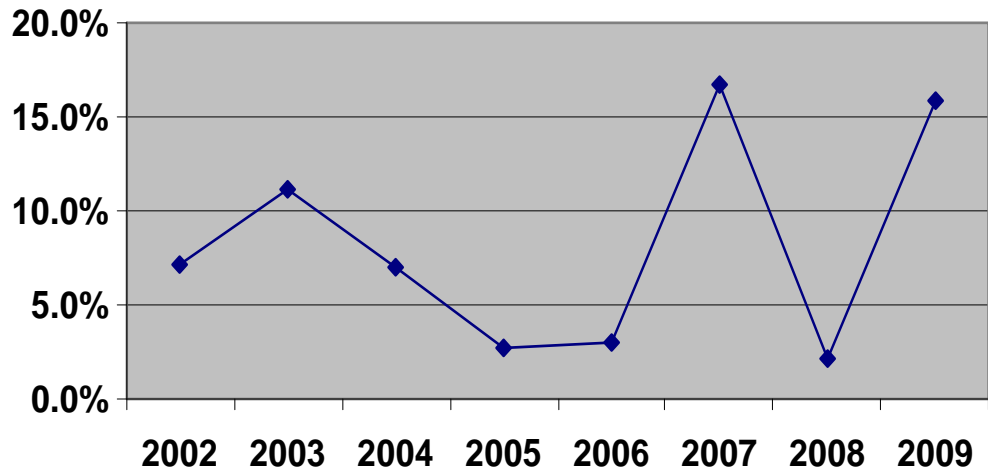
## NJIT Tuition & Fee Increases



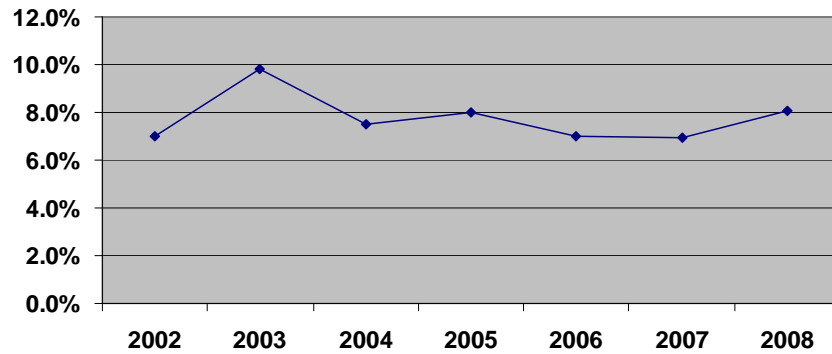


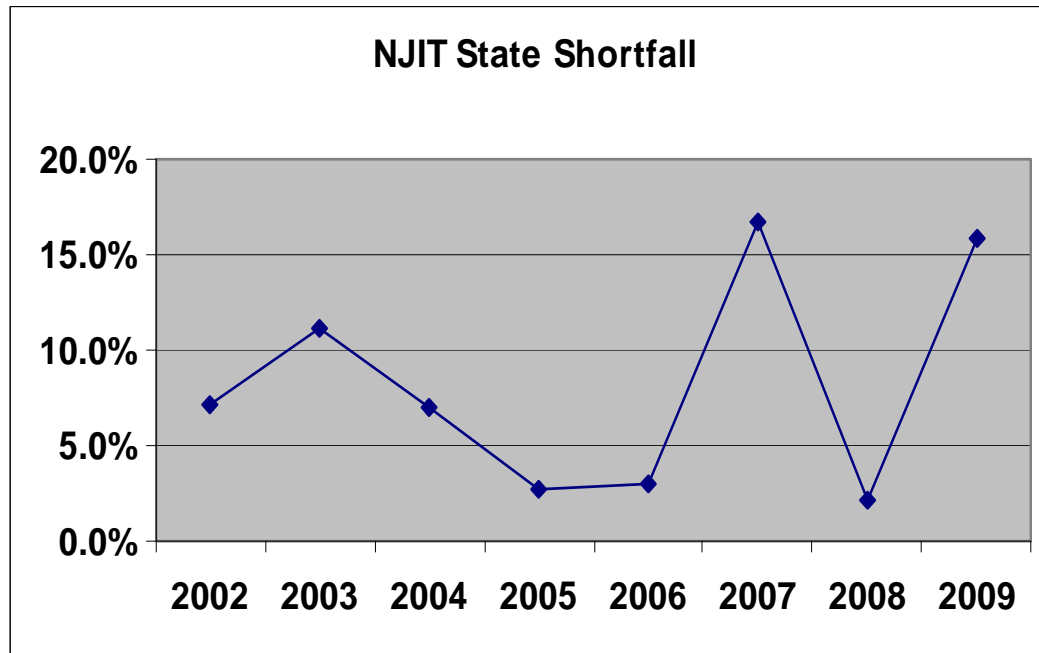
Shortfall=Previous year appropriation less unfunded “built ins”

### NJIT State Shortfall



### Tuition & Fee Increases





To accommodate appropriation shortfalls and tuition pressures expenditure reductions/reallocations from FY03 to FY08 total \$27 million or about 14% of unrestricted budget or equivalent to 14% of the operating budget

## NJIT FY09 Proposed Budget

FY08 State appropriation=\$49.1 million

FY08 unrestricted budget=\$200.9 million

FY09 State appropriation (proposed)=\$44.7 million

Address the shortfall through combination of:

- Enrollment (revenue) increases holding overhead costs fixed

- Reduction of “discretionary” budget insofar as possible

- Minimized tuition and fee increase

# Enrollment increase through

- Increasing applications
  - e.g., increased contact pool; enhanced web site, more personal HS contacts; more Grad Open Houses, etc.
- Efficient processing of applications
  - e.g., more instant decision days; auto processing of grad applicants; etc.
- “New” program implementation
  - some repackaging of options, courses, etc.; respond to prospective student interest; broaden base into new, but related, areas

## NJ 2007 College-Bound Seniors Intended Majors

Intended Major	Interest
Business Management	17%
Health Professions	16%
Education	11%
Visual and Performing Arts	9%
Engineering	7%
Biological and Biomedical Sciences	5%
<b>Total</b>	<b>65%</b>