

New Jersey Institute of Technology

FY2009 Proposed Budget

July 2008

New Jersey Institute of Technology

FY2009 Budget Overview

- Decrease in base State funding totaling \$5.7 million
- Projected partial State funding (\$2.1 million) of FY09 salary program (\$4.2 million expense), resulting in an unfunded net cost of \$2.1 million
- Funds (\$1.5 million) from the Faculty Separation Incentive Program to allow the hiring of 9 new faculty and start-up and an additional 11 faculty hires for FY10 (start Fall 09)
- \$1.7 million increase due to AY08/09 projected enrollment growth
- \$6.0 million additional revenue generated from 8% tuition (price) increase for undergraduate and graduate students
- \$1.4 million additional fee revenue based on an 8% rate increase supporting technology, athletics, and facilities debt service
- 17.7% increase in student awards (including strategic plan allocations)

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FY2009 Budget Overview (cont.)

- Continued investment in Strategic Priorities (\$2.5 million)
- \$1.7 million increase in required debt service
- 1.3% of the recurring operating budget built on non-recurring funds compared to 0.23% for FY2008 (\$2.7 million One-Time Funds / \$207 million Total Operating Budget)
- Limited residence hall rate increase to 3.5% to meet external competition
- 5% continued steady growth in restricted grants and contracts
- Funds \$7.8 million in capital maintenance projects

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FY2010 Budget Obligations

- \$2.7 million one-time funds used to balance FY2009 budget
- FY10 salary program
- \$1.6 million deferred capital maintenance projects

FY09 Preliminary Budget Adjustments (\$000"s)			
Action	Revenue Change	Expense Change	Net Change
FY08 Unrestricted Budget @7/1/07	\$196,997	\$196,997	\$0
FY08/09 Adjustments	(\$5,522)	(\$5,052)	(\$470)
Adjusted FY09 Base Budget	\$191,475	\$191,945	(\$470)
Revenue Reductions/Mandatory Commitments	(\$3,524)	\$9,216	(\$12,740)
Revenue Enhancements/Expenditure Reductions	\$14,144	(\$2,864)	\$17,008
Strategic Plan-Student Recruiting	\$2,101	\$1,694	\$407
Strategic Plan-Quality of Life	\$550	\$1,026	(\$476)
Strategic Plan-Private Resources/National Programs		\$993	(\$993)
Strategic Plan-Research	(\$28)	(\$248)	\$220
Total Recurring	\$204,718	\$201,762	\$2,956
Transfer to Plant for capital projects		\$2,956	(\$2,956)
Total	\$204,718	\$204,718	\$0

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FY2009 Critical Funded Positions (\$000's)

FSIP FY09 New Hires (9 FTE's) and Start-Up	1,496
Other Faculty Hires (3 FTE's)	279
IST Staff (3 FTE's)	196
Undergraduate Advisor - Computer Science	50
Assistant to the Chair - Biomedical Engineering	61
Administrative Assistant - Financial Aid	43
NCAA Division I Personnel	323
Restricted Fund Accountant	47
Human Resources Generalist	46
Customer Service Representative - Alumni Relations	45
Lab Specialist	60
Total Critical Positions Funded	2,646

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Review of Annual Operating Budget FY2003 - FY2009

	State Request	Base State Appro.	Fiscal Year Shortfall	% Fiscal Year Shortfall	Tuition/Fee Revenue	Tuition/Fee Revenue Increase	Annual % Increase Tuition	% Tuition Cap	Budgetary Expenditure Reductions/Reallocations
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)
FY07	56,564	47,132	(9,432)	-16.7%	83,605	3,581	7.0	8.0	(11,567)
FY08	50,209	49,097	(1,112)	-2.2%	95,038	11,433	7.0	-	827
Cumulative (FY03-FY08)			(23,529)						
FY09	53,238	45,537	(7,701)	-14.5%	104,178	9,140	8.0	-	(4,707)

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FY2009 Budget Development Review of Tuition Revenue

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Base Tuition	\$ 52,911	\$ 55,551	\$ 60,011	\$ 64,800	\$ 67,062	\$ 76,852	\$ 82,324
Gross Tuition Increase %	9.7%	8.5%	8.0%	7.0%	7.0%	7.0%	8.0%
Gross Tuition Increase \$	\$ 5,132	\$ 4,722	\$ 4,801	\$ 4,536	\$ 4,697	\$ 5,380	\$ 6,586
Less: Additional Student Awards	<u>\$ (606)</u>	<u>\$ (1,139)</u>	<u>\$ (1,714)</u>	<u>\$ (827)</u>	<u>\$ (1,770)</u>	<u>\$ (2,289)</u>	<u>\$ (2,736)</u>
Net Additional Tuition \$	\$ 4,526	\$ 3,583	\$ 3,087	\$ 3,709	\$ 2,927	\$ 3,091	\$ 3,850
Actual % Yield From Rate Increase	8.6%	6.4%	5.1%	5.7%	4.4%	4.0%	4.7%
Tuition Increase Discount %	11.8%	24.1%	35.7%	18.2%	37.7%	42.5%	41.5%

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Analysis of FY2009 Proposed Budget Summary of One-Time Funds Needed (\$000's)

	FY08	FY09	Variance	
	ORIGINAL OPERATING BUDGET	PROPOSED OPERATING BUDGET	\$	%
STATE BASE OPERATING APPROPRIATION	48,490	43,437	(5,053)	-10.4%
STATE SALARY PROGRAM APPROPRIATION	607	2,100	1,493	246.0%
TOTAL	49,097	45,537	(3,560)	-7.3%
TUITION + FEE REVENUE	95,038	104,178	9,140	9.6%
TOTAL	144,135	149,715	5,580	3.9%
ADDITIONAL EXPENSES			(9,817)	
FY08 ONE-TIME FUND PAYOFF			(470)	
VARIANCE - SURPLUS / (SHORTFALL)			(4,707)	
FY08 ONE-TIME CARRYFORWARD			5,000	
TRANSFER TO PLANT			(2,956)	
FY09 ONE-TIME FUNDS IN OPERATING BUDGET			(2,663)	

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FY 2009 Proposed Facilities Budget/ Cash Disbursements (\$000's)

<u>Resources</u>	<u>FY 2008 Approved</u>	<u>FY2009 Proposed</u>	<u>FY2010+ Planning</u>
Plant Fund Allocation	3,800	2,956	
Enterprise Dev Ctr Income	1,100		
Plant Fund	700	4,870	
Total Resources	5,600	7,826	-
<u>Projected Disbursements</u>			
Priority/Tactic			
<i>Develop a core of nationally recognized programs</i>			
<i>Build three programs to national prominence by 2008</i>			
Expanded SOA studio space Fall 07	600		
Tiernan, GITC and York Updates/Relocations	200	2,300	
SOA Studios / Related Relocations		880	
Total	800	3,180	-

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FY 2009 Proposed Facilities Budget/ Cash Disbursements (cont.)

	<u>FY 2008</u> <u>Approved</u>	<u>FY2009</u> <u>Proposed</u>	<u>FY2010+</u> <u>Planning</u>
<i>Enhance and enrich the quality of life of the university community and Develop and implement a landscaping/campus appearance</i>			
Class/Lab Upgrade Expansion			
Particle Labs Relocation, Phase 1	150		
Leir/ Exec. Mgt Conference/lecture room	400		
Concrete Labs	275		
NCE Upgrades	50		
York Student Workstations			25
Microelectronics Controls			375
ECE Wireless Lab			25
Classrooms Upgrades		100	
Fenster BME Wet Lab			65
Colton Computational Biology Lab			60
Stable Lab	550		
Tiernan Fume Hood Upgrade 2 labs	150	250	
Academic Departments	200	100	
	<hr/> 1,775	<hr/> 450	<hr/> 550
Campus Center			
Upgrade Highlander Club	100		
Food Services Update	250	486	
Total	<hr/> 350	<hr/> 486	<hr/> -
Athletics			
Fleisher Gym HVAC Upgrade	50		
Enhance/Replace Heating and Cooling Systems			1,050
Training Room/ Locker Room Upgrades		100	325
Total	<hr/> 50	<hr/> 100	<hr/> 1,375

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FY 2009 Proposed Facilities Budget/ Cash Disbursements (cont.)

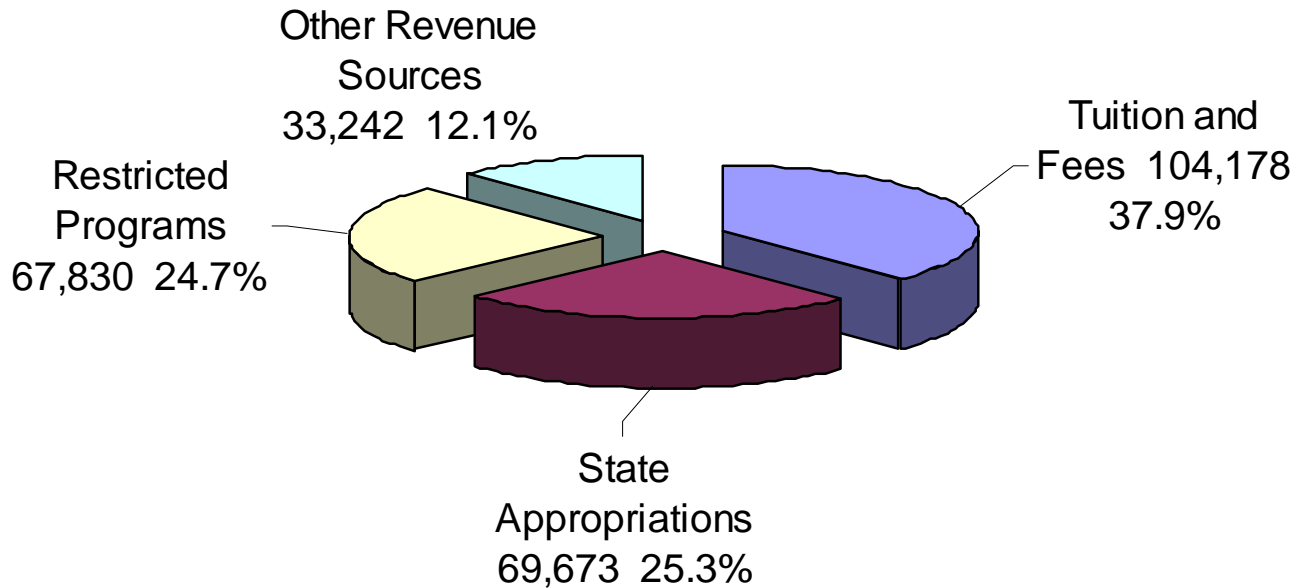
	<u>FY 2008</u> <u>Approved</u>	<u>FY2009</u> <u>Proposed</u>	<u>FY2010+</u> <u>Planning</u>
<u>Other Plant Projects</u>			
Replace kitchenettes - Oak Hall (1/2)	340	375	
Emergency Generator Replacement - Central Ave Bldg	80		
Faculty Hall EPA Compliance - Ductwork Replace Air Handler	160	55	
Upgrade power for Computer Center	410		
Fire Pumps Replacement Redwood Hall	45		
NJDEP Monitoring wells	90		
EDC III Fit Out	1,100		
CAB - Repl AC 1,2,3 and Heating Valves			550
Repl Roll filters with Racks / Repl Hydraulic Oil			375
Colton - Demolish Boilers, remove asbestos			300
Oak Hall - Upgrade Valves/Control System - New Chiller/Pumps Required			280
Parking Deck - Paint and Waterproof			375
Compressor Replacement			200
Roof Replacements			1,945
MEP Upgrades (Mechanical, Electrical, Plumbing)			8,530
Specht HVAC Replacement			100
Cullimore Expansion of Telecomm			50
ECE Replacement of Rooftop Units			200
HVAC Upgrades	150	1,870	700
Replace Windows			1,000
Elevators Upgrade			1,040
Administrative Computing System		300	
Cullimore Boiler Room Upgrades		80	
Student Mall Boiler Replacement		80	
Kupfrian Installation of New Boiler		150	
Oak Hall - Replace Rooftop Heat Recovery Unit		100	100
Bathroom Fixtures and Plumbing Replacements		100	1,070
Other Projects	250	500	60
	<u>2,625</u>	<u>3,610</u>	<u>16,875</u>
Land Acquisition/Paving			<u>350</u>
Total Projected Disbursements	<u>5,600</u>	<u>7,826</u>	<u>19,150</u>
Net	<u>0</u>	<u>0</u>	<u>(19,150)</u>

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FY2009 Revenue Operating Budget

Revenue = \$274,923

(\$000's)

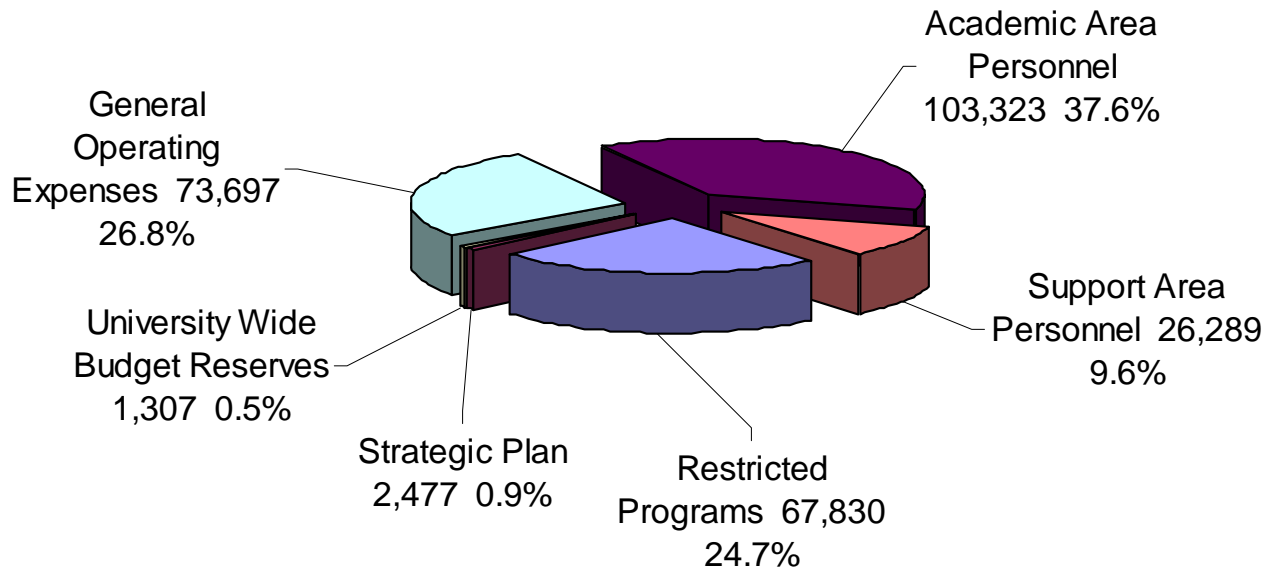


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FY2009 Expenses Operating Budget

Expenses = \$274,923

(\$000's)



New Jersey Institute of Technology

FY2009 Revenue Operating Budget

	FY08	FY09	FY09 BUDGET	
	ORIGINAL OPERATING BUDGET	PROPOSED OPERATING BUDGET	TO FY08 ORIGINAL BUDGET \$	%
INCOME DETAIL - UNRESTRICTED OPERATIONS				
REGULAR TUITION	82,232	88,910	6,678	8.1%
REGULAR FEES	10,973	12,386	1,413	12.9%
OTHER TUITION	1,833	2,882	1,049	57.2%
SUBTOTAL REGULAR TUITION	95,038	104,178	9,140	9.6%
<u>STATE APPROPRIATIONS:</u>				
STATE APPROPRIATION	48,490	43,437	(5,053)	-10.4%
SALARY PROGRAM	607	2,100	1,493	246.0%
STATE SUPPORTED FRINGES	22,000	24,136	2,136	9.7%
TOTAL STATE APPROPRIATIONS	71,097	69,673	(1,424)	-2.0%
<u>OTHER SOURCES:</u>				
OTHER FEES & ASSESSMENTS	1,820	1,965	145	8.0%
INVESTMENTS & UNRESTRICTED GIVING	1,400	1,100	(300)	-21.4%
AUXILIARIES	11,372	12,260	888	7.8%
NON-RECURRING CARRYFORWARD SAVINGS	5,097	4,530	(567)	-11.1%
ALLOCATED BALANCES - PO's	3,930	2,007	(1,923)	-48.9%
ALLOCATED BALANCES - OTHER	588	368	(220)	-37.4%
ALLOCATED BALANCES	4,518	2,375	(2,143)	-47.4%
UNRESTRICTED RESEARCH ACTIVITIES	10,585	11,012	427	4.0%
SUBTOTAL OTHER SOURCES	34,792	33,242	(1,550)	-4.5%
TOTAL REVENUE - CURRENT OPERATIONS	200,927	207,093	6,166	3.1%
RESTRICTED PROGRAMS (NET OF OPERATIONS)	64,600	67,830	3,230	5.0%
TOTAL OPERATING INCOME BUDGET	265,527	274,923	9,396	3.5%

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FY2009 Expense Operating Budget

	FY08	FY09	FY09 BUDGET	
	ORIGINAL OPERATING BUDGET	PROPOSED OPERATING BUDGET	TO FY08 ORIGINAL BUDGET \$	%
EXPENSE DETAIL - CURRENT OPERATIONS				
ACADEMIC & PROGRAM AREA SALARIES	78,266	80,423	2,157	2.8%
FACULTY SEPARATION INCENTIVE PROGRAM	1,734	-	(1,734)	-100.0%
ACADEMIC & PROGRAM AREA FRINGE BENEFITS	20,982	22,900	1,918	9.1%
TOTAL ACADEMIC AREA	100,982	103,323	2,341	2.3%
SUPPORT AREA SALARIES	20,102	20,512	410	2.0%
SUPPORT AREA FRINGE BENEFITS	5,350	5,777	427	8.0%
TOTAL SUPPORT AREA	25,452	26,289	837	3.3%
TOTAL PERSONNEL	126,434	129,612	3,178	2.5%
NON-PERSONNEL				
EQUIPMENT	3,073	3,233	161	5.2%
UTILITIES - PHYSICAL PLANT	8,055	9,005	950	11.8%
GENERAL OPERATING EXPENSES	21,886	21,509	(377)	-1.7%
LIBRARY COLLECTIONS	1,110	1,064	(46)	-4.1%
STUDENT AID	15,461	18,197	2,736	17.7%
MANDATORY TRANS. - DEBT SERVICE	11,639	13,293	1,654	14.2%
NON-MANDATORY TRANSFERS	5,931	5,021	(910)	-15.3%
PRIOR YEAR COMMITMENTS (ALLOCATED BALANCES)	3,930	2,375	(1,555)	-39.6%
TOTAL NON-PERSONNEL	71,085	73,697	2,613	3.7%
RE-INVESTMENT PROGRAM	1,435	2,477	1,043	72.7%
ADDITIONAL RE-INVESTMENT FUNDS	-	-	-	0.0%
UNIVERSITY WIDE BUDGET RESERVES	1,974	1,307	(667)	-33.8%
TOTAL OPERATING EXPENSE BUDGET	3,409	3,784	376	11.0%
TOTAL OPERATING EXPENSE BUDGET	200,927	207,093	6,166	3.1%
RESTRICTED PROGRAMS (NET OF OPERATIONS)	64,600	67,830	3,230	5.0%
TOTAL OPERATING EXPENSES	265,527	274,923	9,396	3.5%