Proposed State Budget

• FY09/FY10
  • $33 billion budget established July 1, 2008
  • FY10 expenditure growth projected at $3 billion
  • FY10 projected revenue $29 billion
  • \[ \therefore \text{\$7 billion dollar deficit} \]

• Actions to address the deficit
  • Expenditure reductions: $2.5 billion
  • Elimination/reduction of expenditure growth: $1.1 billion
    • Includes furloughs/salary freeze/layoffs
  • Federal Stimulus funds: $2.2 billion
  • Revenue enhancements: $1.1 billion
  • Reductions to generate FY09 “surplus”: $0.1 billion
Proposed State Budget Impact on NJIT

• FY09 impact
  o $850,000 revenue reduction in salary program funds
    o Appropriation covered about half of funds computed based on state program
    o Mid-year reduction results in receiving 25% of computed salary program
    o Tentatively covered by budgeted reserve and FY09 vacancies

• FY10 potential impact
  o $3 million base appropriation reduction
  o State would provide $42.1 million compared to about $183 million total unrestricted budget (w/o fringe benefits) or 23% of unrestricted budget
  o $0 appropriated for salary increases
  o “Salary Freezes for Public Employees Including Colleges” ($262 million of the $7 billion shortfall)
Proposed State Budget Impact on NJIT

• FY10 potential impact

  o Of the $183 million unrestricted budget, $130 million is in personnel or 71%

  o What we do will be guided by what the State does as it builds the FY10 budget