Proposed State Budget

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

• Actions to address the deficit
  o Expenditure reductions: $2.5 billion
  o Elimination/reduction of expenditure growth: $1.1 billion
    • Includes furloughs/salary freeze/layoffs
  o Federal Stimulus funds: $2.2 billion
  o Revenue enhancements: $1.1 billion
  o 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 likely be guided by what the State does as it builds the FY10 budget
NJIT Campus Gateway Plan

- NJIT-St. Michael’s MOU Jan, 2009
- Plan approved by City Council Jan 2009
- NJIT designated Redeveloper by City Council Jan 2009
- NJIT-Jones Lang LaSalle MOU April, 2009 including Phasing Plan
- NJIT-City of Newark Redevelopment Agreement drafted May, 2009
- Greek Village Task Force-3 Greek orgs signed on, 2 others considering; financial models developed