

## STATEMENT

### RESOLUTION TO ADOPT FY 2024 OPERATING BUDGET

NJII's Interim CFO and staff, working with NJIT's CFO and staff have developed Operating Budgets for FY 2024, examining revenue and expense options. Following an iterative, consultative process, the resulting FY 2024 Operating Budget is balanced and consistent with NJII's strategic goals and objectives.

- **NJII 2024 Budget:** The approach to structuring the '24 Budget was based on Five tenets:
  - Increasing the Administration's Budget to include the hiring of both a new President as well as a Full-time CFO.
  - Develop a "conservative" growth plan for both our Healthcare (5%) and Defense (11%) Divisions with the majority of that growth driven by State and Federal Grants.
  - Ensure that the HCIS Division has a solid foundation to build upon and migrate from prior year losses to profitability.
  - Create a comprehensive approach to financial performance that aligns our interactive cash requirements/reimbursements with NJIT by including the Shared Services
  - Expenses (which was previously reported below the Margin line for Administration Services), within our reported monthly performance schedules.
  - Leverage the functionality of our Multiview environment to build Divisional Budgets with comparative monthly performance reporting/dashboard functionality.
  
- **In Summary:**
  - NJII's Budgeted Targets:
    - Revenue: \$40.4M excluding \$1.8M in Venture Link revenue transitioned to NJIT; an increase of 6.6%.
    - Margin "1": \$.902M excluding \$.554M in Venture Link margin; a \$.366M reduction primarily driven by the increase in the overall Administration budget.
    - Margin "2": "Breakeven" including \$.989M of Shared Services Expense from NJIT that reflects 1) Senior Staff Allocation, 2) Central Staff, 3) IT & Telecom Services, and 4) Cyber Security Insurance.
    - Indirect Cost Recovery Coverage Ratio: 16% (Total ICR Revenue > Total Administrative Expense); (\$6.0M - \$5.1M)/\$6.0M.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**  
**RESOLUTION TO ADOPT FISCAL YEAR 2024 OPERATING BUDGET FOR THE NEW**  
**JERSEY INNOVATION INSTITUTE (“NJII”)**

**WHEREAS**, the NJII Interim CFO, working with staff, in collaboration with NJIT’s CFO and staff have developed balanced Operating Budget for FY 2024 and has recommended said Budget for adoption;

**WHEREAS**, pursuant to the Amended and Restated Bylaws of NJII, adopted by the NJIT Board of Trustees on February 9, 2023, (Article II, Section 2.2(k)) the NJIT Board of Trustees retains the authority to approve the NJII annual budget, after NJII’s Board of Directors approves same;

**WHEREAS**, NJII has approved the said Budget at the regularly scheduled NJII Board of Directors meeting on September 6, 2023;

**WHEREAS**, the Audit & Finance Committee of the NJIT Board of Trustees has reviewed same and recommends acceptance of the proposed Budget;

**WHEREAS**, it has been determined by representatives of NJIT and NJII, working collaboratively, that NJIT is owed \$10,900,000 as of June 30, 2023 resulting from unreconciled cash advances and overpayments by NJIT to NJII attributable to NJII operational requirements and the NJIT Board of Trustees authorizes an agreement between the parties providing for such amount to be repaid over a period not to exceed ten years in order to appropriately reconcile the financial statements of both parties,

**NOW, THEREFORE BE IT RESOLVED**, that the FY 2024 Operating Budget presented here as schedule A to this resolution, is hereby unanimously approved and adopted by the Board of Trustees.

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Holly C. Stern  
General Counsel and  
Secretary to the Board of Trustees  
New Jersey Institute of Technology



## Schedule A

### NJII: FY 2023 Operating Results (Prelim) by vs. FY24 Budget

(\$000's)	2023 Results			2024 Budget Prelim			Variance/Change				
	Revenue	Expenses	Net	Revenue	Expenses	Net	Revenue	Revenue %	Expenses	Net \$	Net %
<b>Unrestricted</b>											
Administration	75	3,355	(3,280)	100	4,101	(4,001)	25	33%	746	(721)	-22%
Defense	843	731	113	1,013	686	327	170	20%	(44)	214	190%
Healthcare	5,163	679	4,484	5,891	1,952	3,939	729	14%	1,273	(545)	-12%
Entrepreneurship	742	1,348	(606)	801	1,064	(263)	59	8%	(284)	343	57%
Venture Link ( Building)	1,841	1,287	554	0	0	0	N/A	N/A	N/A	N/A	-100%
Prof Corp Education	1,306	549	757	1,200	600	600	(106)	-8%	51	(157)	-21%
<b>Total Unrestricted</b>	<b>9,970</b>	<b>7,949</b>	<b>2,021</b>	<b>9,005</b>	<b>8,403</b>	<b>602</b>	<b>877</b>	<b>-10%</b>	<b>1,742</b>	<b>(865)</b>	<b>236%</b>
<b>Restricted</b>											
Entrepreneurship	88	88	0	100	100	0	12	13%	12	0	N/A
Defense	2,524	2,524	0	2,799	2,799	0	275	11%	275	0	N/A
Healthcare	25,535	25,535	0	26,812	26,812	0	1,277	5%	1,277	0	N/A
<b>Total Restricted</b>	<b>28,147</b>	<b>28,147</b>	<b>0</b>	<b>29,711</b>	<b>29,711</b>	<b>0</b>	<b>1,563</b>	<b>6%</b>	<b>1,563</b>	<b>0</b>	<b>N/A</b>
HCIS	1,617	1,818	(201)	1,700	1,400	300	83		(418)	501	249%
<b>Total NJII - \$</b>	<b>39,734</b>	<b>37,914</b>	<b>1,820</b>	<b>40,416</b>	<b>39,514</b>	<b>902</b>	<b>682</b>	<b>2%</b>	<b>1,600</b>	<b>(918)</b>	<b>-50%</b>
<b>Total NJII - %</b>							<b>2%</b>		<b>4%</b>	<b>-50%</b>	