

**** APPROVED July 20, 2023 ****

New Jersey Institute of Technology

FY24 Proposed Operating & Capital Budget

Presented to the Board of Trustees

July 20, 2023

Fiscal Stewardship Priorities

**Fiscal Health &
Long-Term Planning**

**Control Expense
Growth**

**Diversify & Grow
Revenues**

1. Secure financial position by budgeting for reserves and targeting operating margins in line with improving or maintaining credit ratings.
2. Change campus mindset & budget model from “incremental budgeting” to a resource allocation model based on ROI decision-making where appropriate.
3. Align long-term revenue and expenditure growth through revenue diversification strategies. Limit reliance on one-time funding sources for recurring expenses.
4. Improve fiscal collaboration and transparency across all university stakeholders.

FY24 Proposed Base Budget Summary

(\$000's)	FY2023		Total Change from FY23 Approved Budget	Preliminary Base at 7/7/23	FY2024	
	Approved Budget	Year-End Projection @ 7/7/23			Total Change from FY23 Year- End Projection	% Change from FY23 Projection
Revenues						
Tuition & Fees	229,830	243,522	13,692	254,486	10,964	4.5%
State Appropriation - Base	52,404	53,189	785	57,018	3,829	7.2%
State Appropriation - Fringes	72,013	71,257	(756)	96,421	25,164	35.3%
Federal Programs	3,900	3,198	(702)	-	(3,198)	-100.0%
Auxiliaries	26,524	28,080	1,556	29,541	1,461	5.2%
ICR, Investments, & Other Misc.	15,597	19,637	4,040	17,076	(2,561)	-13.0%
Allocated Balances	12,696	13,696	1,000	16,998	3,302	24.1%
ERP Implementation Project	-	-	-	9,150	9,150	
Subtotal NJIT Unrestricted Operations	412,964	432,579	19,615	480,690	48,111	11.1%
NJIT Restricted Programs	157,450	162,050	4,600	166,912	4,862	3.0%
Total NJIT Operating Revenues	570,414	594,629	24,215	647,602	52,973	8.9%
Total NJII Operating Revenues	28,750	28,750	-	38,878	10,128	35.2%
Grand Total Revenues	599,164	623,379	24,215	686,480	63,101	10.1%
Expenses						
Personnel						
Personnel (Salaries, Wages, & Fringe)	240,776	239,829	(947)	279,744	39,915	16.6%
CRR (Facilities / IST)	17,166	21,116	3,950	22,916	1,800	8.5%
Facilities	11,800	15,750	3,950	16,750	1,000	6.3%
IST	5,366	5,366	-	6,166	800	14.9%
Debt Service	19,731	19,731	-	19,901	170	0.9%
Student Awards	51,227	51,413	186	44,772	(6,641)	-12.9%
General Operating	76,745	76,522	(223)	80,406	3,884	5.1%
Operating Contingency	2,000	1,810	(190)	2,000	190	10.5%
Strategic Priorities	1,325	1,166	(159)	17,216	16,050	1376.5%
ERP Implementation Project	-	-	-	9,150	9,150	
Subtotal Non-Personnel	168,194	171,758	3,564	196,361	24,603	14.3%
Subtotal NJIT Unrestricted Expenses	408,970	411,587	2,617	476,106	64,519	15.7%
NJIT Restricted Programs	157,450	162,050	4,600	166,912	4,862	3.0%
Total NJIT Operating Expenses	566,420	573,637	7,217	643,018	69,381	12.1%
Total NJII Operating Expenses	28,750	28,750	-	38,878	10,128	35.2%
Grand Total Expenses	595,170	602,387	7,217	681,896	79,509	13.2%
Operating Reserves						
Contribution to Operating Reserve Fund	3,994	3,994	-	4,584	590	100.0%
Budget Surplus / (Shortfall)	-	16,998	16,998	0	(16,998)	

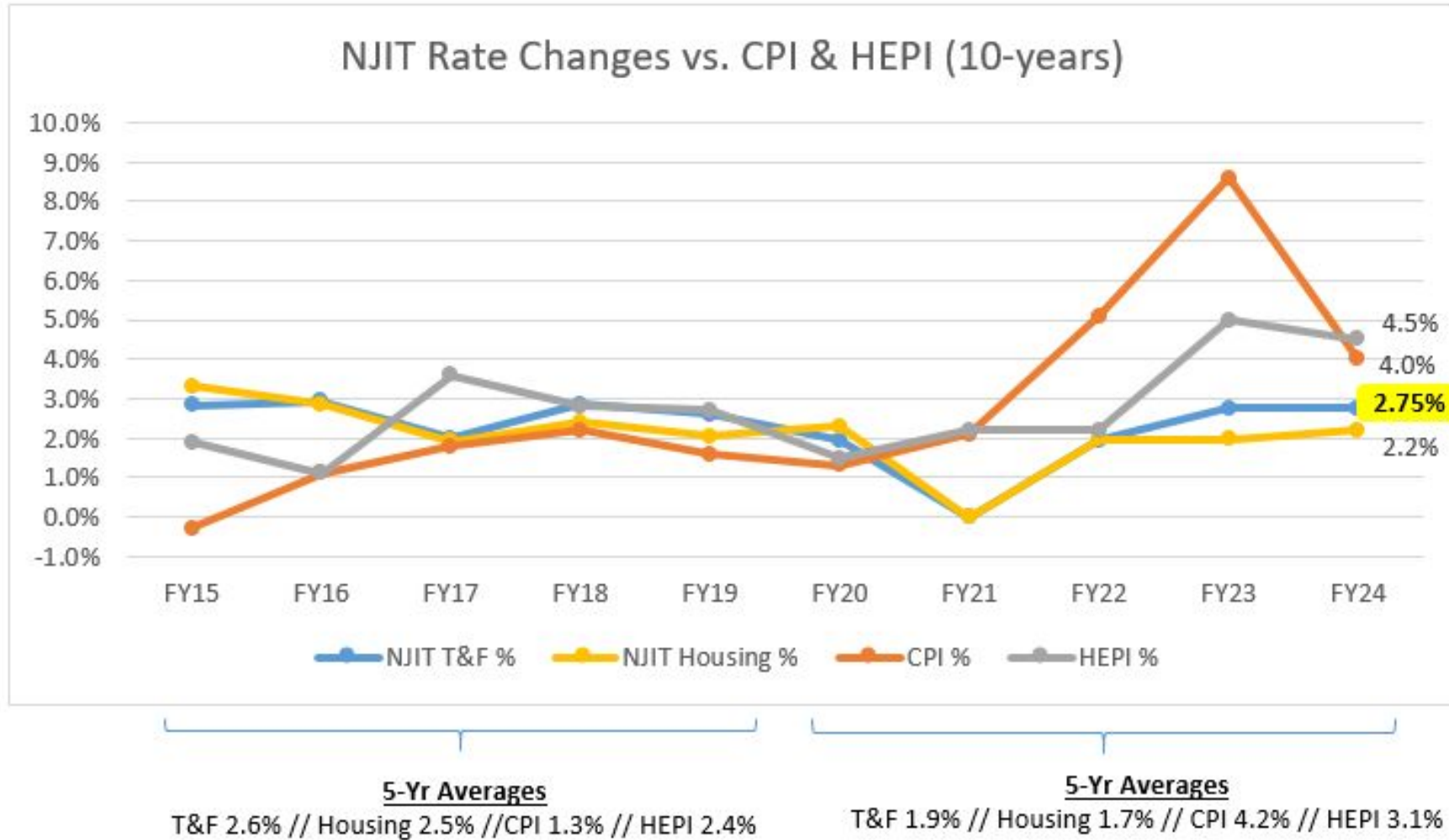
FY24 Budget: Major Revenue Assumptions

- Fall 2023 Y-O-Y enrollment growth of 3.59% (+443 students); Net impact = \$4.44M
- Housing Occupancy growth of 4.6% (+197 filled beds); Net impact = \$1.65M
- Room & Board rate changes of 2.2% included (adopted 6/8/23) = \$0.57M
- Tuition & Fees rate increase of 2.75%; Net impact = \$5.25M
- State Polytech Adjustment Aid continued = \$9.50M
- Increased Outcomes Based Allocation (OBA) Performance Pool = \$6.23M
- Increased Research Institution Fringe Benefit Support = \$3.64M
- Reduced State Appropriation for Garden State Guarantee Program = (-\$4.61M)
- Biocentriq Proceeds to Support Phase 1 of ERP Implementation Project = \$9.15M
- No State or Federal Pandemic Relief Funds (Programs have expired)

FY24 Budget: Major Expense Assumptions

- Strategic Priorities included:
 - \$9.15M Phase 1 of ERP Implementation Project (Supported by Biocentriq Proceeds)
 - \$2.73M IT Digital Strategy Plan (Year 2)
 - \$4.59M Contribution to Operating Reserve Fund
 - \$1.53M Faculty Recruitment Program
 - \$1.46M Student Success Initiatives
 - \$3.68M Enrollment & Growth Initiatives
 - \$3.43M Research & Faculty Success Initiatives
- Capital Renewal & Replacement (CRR): \$16.75M
- Full-year building lease payment on Maple Hall: \$4.05M
- Base assumption salary program: \$5.755M
- Estimated additional needs for bargaining unit salary pool
- Removal of Garden State Guarantee Student Awards Expense (-\$8.106M)

FY24 Proposed Budget: Tuition & Fee Rate Trends



CPI = Consumer Price Index (Northeast Urban region) as of June 13, 2023

HEPI = Higher Education Price Index as of June 22, 2023

FY24 Proposed Budget: Student Impact of Proposed Rate Changes

	FY 2023 Approved	FY 2024 Proposed	\$ Δ	% Δ
<u>Undergraduate</u>				
Full-Time Per Semester Tuition and Fees	9,256	9,510	254	2.75%
Part-Time Per Semester Tuition and Fees	774	795	21	2.75%
Out-of-State				
Full-Time Per Semester Tuition and Fees	17,486	17,966	480	2.75%
Part-Time Per Semester Tuition and Fees	1,549	1,592	43	2.75%
<u>Graduate / Doctoral</u>				
Full-Time Per Semester Tuition and Fees	12,612	12,958	346	2.75%
Part-Time Per Semester Tuition and Fees	1,387	1,425	38	2.75%
Out-of-State				
Full-Time Per Semester Tuition and Fees	17,859	18,350	491	2.75%
Part-Time Per Semester Tuition and Fees	1,907	1,959	52	2.75%
<u>Special Programs</u>				
Undergraduate 100% Online Programs (Tuition per Credit)	523	537	14	2.75%
Graduate 100% Online Programs (Tuition per Credit)	1,112	1,143	31	2.75%
NJIT @ Jersey City Programs Tuition and Fees	1,150	1,182	32	2.75%
<u>Room & Board Rates (average)</u>				
Residence Halls, including Greek Village	4,740	4,830	90	2.00%
Maple Hall	6,120	6,334	214	3.50%
Meal Plans	2,097	2,223	126	6.00%

FY24 Proposed T&F Rate Comparison: NJ Senior Publics

State College/University	AY 2022 - 2023			AY 2023 - 2024			Rate Changes	
	Tuition	Fee	Tuition & Fee	Tuition	Fee	Tuition & Fee	\$ Δ	% Δ
New Jersey Institute of Technology	15,198	3,314	18,512	15,616	3,405	19,021	\$ 509	2.75%
Rutgers Engineering (<i>New Brunswick</i>)	14,770	3,460	18,230	15,656	3,668	19,324	\$ 1,094	6.00%
The College of New Jersey	14,140	3,840	17,980	14,706	3,994	18,699	\$ 719	4.00%
Rutgers New Brunswick	12,900	3,363	16,262	13,674	3,565	17,238	\$ 976	6.00%
Rutgers Camden	12,585	3,122	15,707	13,340	3,309	16,649	\$ 942	6.00%
Rutgers Newark	12,900	2,749	15,649	13,674	2,914	16,588	\$ 939	6.00%
Ramapo College	15,363	-	15,363	15,978	-	15,978	\$ 615	4.00%
Stockton College	12,740	2,448	15,188	12,996	2,536	15,532	\$ 344	2.26%
Rowan University	10,715	4,236	14,951	11,250	4,450	15,700	\$ 749	5.01%
William Paterson University	14,192	432	14,624	14,690	460	15,150	\$ 526	3.60%
Montclair State University	12,755	1,007	13,762	12,755	1,007	13,762	Unknown	
New Jersey City University	13,384	180	13,564	13,785	186	13,971	\$ 407	3.00%
Kean University	10,758	2,214	12,972	11,135	2,290	13,425	\$ 453	3.49%
FY24 Average T&F % increase (excluding NJIT)								4.49%

FY23 vs. FY24 Comparison of State Appropriation

(\$000's)	FY23	FY24	FY24 CHANGE FROM FY23
Base Appropriation	34,585	34,585	-
Outcomes Based Allocation (OBA)	3,708	9,933	6,225
Garden State Guarantee (GSG)	4,611		(4,611)
Subtotal Operating Appropriation ⁽¹⁾	42,904	44,518	1,614
Special Purpose Appropriation: Capital Improvements		3,000	3,000
Special Purpose Appropriation: Polytech Adjustment Aid ⁽²⁾	9,500	9,500	-
Subtotal Special Purpose Appropriation	9,500	12,500	3,000
Research Institution Fringe Support	3,639	7,278	3,639
Subtotal Research Institution Fringe Support	3,639	7,278	3,639
Total State Appropriation - University Operations	56,043	64,296	8,253
State Supported Fringe Benefits ⁽³⁾	68,285	89,096	20,811
Total State Appropriation - Supported Fringe Benefits	68,285	89,096	20,811
Grand Total State Appropriation	124,328	153,392	29,064

State Approved FTE Cap	1,313	1,313	-
------------------------	-------	-------	---

- (1) Reduction of \$3M Operating Appropriation offset by \$8.0M reduction in GSG Student Awards expense.
- (2) Denotes Non-Recurring Resource.
- (3) State Supported Fringe Benefits represent indirect State support as they are received as an offset to the amount NJIT would otherwise owe to the State of NJ per the OMB fringe rate circular. NJIT receives an offset equal to the State approved FTE cap of 1,313.

FY24 Proposed Budget: Capital Renewal & Replacement (CRR)

Project Type	FY24	% of Total CRR
Annual Maintenance Projects		
Annual Facilities Maintenance Projects (22)	\$ 6,410,000	28.0%
Major Facilities Projects		
FY24 Lab Renovations	\$ 2,000,000	
GITC 2nd Floor - Data Science Suite (Formerly SAET Suite) & Relocation of Telecom	\$ 3,000,000	
GITC PhD Lab for Data Science and Mathematics	\$ 750,000	
Materials Engineering Lab	\$ 2,250,000	
EDC2 BME - 105 Venture Link 4th Floor	\$ 1,500,000	
HCAD Studio of the Future	\$ 350,000	
HCAD Additional studio desks/HCAD Studio Furniture Upgrades (5 studios)	\$ 165,000	
Dean of Students Office Relocation	\$ 325,000	
Subtotal Major Facilities Projects	\$ 10,340,000	45.1%
Total Facilities CRR Budget	\$ 16,750,000	73.1%
Major IST Projects		
Network/Telecom Financing	\$ 2,130,000	
Research Computing	\$ 1,526,000	
Workstation Replacement Programs	\$ 900,000	
Classroom Technology	\$ 825,000	
Studio Renovations	\$ 410,000	
Event Space Technology Replacement	\$ 287,000	
Other IST Initiatives	\$ 88,000	
FY24 IST CRR Budget	\$ 6,166,000	26.9%
FY24 Grand Total CRR Budget	\$ 22,916,000	