New Jersey Institute of Technology

FY18 Budget Status Report and FY19 Budget Development Status

Presented to the Joint Session of the Strategic Planning Steering Committee and Committee on Academic Strategic Planning & Budget Priorities

March 29, 2018
FY2018 Budget Status

- In July, the Board of Trustees approved the FY18 operating budget, totaling $518.8M, which was made up of an unrestricted operating budget of $356.9M and a $161.8M restricted budget.

- Following a mid-year review of the NJIT operating budget, minor revisions were made totaling approximately $750K (0.02%) of the overall budget.

- Fiscal year results as of February 28, 2018 indicate that the overall budget will be met.
FY18 Operating Budget: $518,824,000
Revenue Components: Budget vs. YTD Total ($000's) and Percentages
For the eight months ended February 28, 2018

**Tuition & Fees**
- FY18 YTD Total: $191,913
- FY18 Budget: $191,786
- Percent: 100.1%

**State Support - Operations**
- FY18 YTD Total: $30,293
- FY18 Budget: $45,440
- Percent: 63.7%

**State Support - Fringe Benefits**
- FY18 YTD Total: $40,467
- FY18 Budget: $63,514
- Percent: 63.7%

**Other Sources**
- FY18 YTD Total: $18,901
- FY18 Budget: $26,515
- Percent: 71.3%

**Gifts & Bequests**
- FY18 YTD Total: $1,597
- FY18 Budget: $1,040
- Percent: 153.6%

**Auxiliary Enterprises**
- FY18 YTD Total: $21,052
- FY18 Budget: $21,431
- Percent: 98.2%

**NJIT Direct - Unrestricted**
- FY18 YTD Total: $3,586
- FY18 Budget: $7,264
- Percent: 49.4%

**Total Unrestricted Revenues**
- FY18 YTD Total: $307,809
- FY18 Budget: $356,990
- Percent: 86.2%

**Restricted Funds**
- FY18 YTD Total: $106,491
- FY18 Budget: $141,000
- Percent: 75.5%

**NJIT Direct - Restricted**
- FY18 YTD Total: $12,210
- FY18 Budget: $20,834
- Percent: 58.6%

**Total Operating Revenues**
- FY18 YTD Total: $426,510
- FY18 Budget: $518,824
- Percent: 82.2%
FY18 Operating Budget: $518,824,000
Expenses Components: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
For the eight months ended February 28, 2018

- **Academic**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $149,875
  - FY18 YTD Total: $200,301
  - FY18 Committed Total: $221,213
  - Percentage: (90.5%)

- **Support**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $64,092
  - FY18 YTD Total: $71,719
  - FY18 Committed Total: $71,719
  - Percentage: (89.4%)

- **Non-Mandatory Transfers**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $26,338
  - FY18 YTD Total: $26,444
  - FY18 Committed Total: $26,444
  - Percentage: (99.6%)

- **Mandatory Transfers (Debt Service)**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $12,327
  - FY18 YTD Total: $18,451
  - FY18 Committed Total: $18,451
  - Percentage: (100.0%)

- **Auxiliary Enterprises**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $11,889
  - FY18 YTD Total: $11,899
  - FY18 Committed Total: $11,899
  - Percentage: (99.9%)

- **NJII Direct - Unrestricted**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $4,430
  - FY18 YTD Total: $6,492
  - FY18 Committed Total: $7,264
  - Percentage: (89.4%)

- **Total Unrestricted Expenses**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $233,975
  - FY18 YTD Total: $327,562
  - FY18 Committed Total: $356,990
  - Percentage: (91.8%)

- **Restricted Programs**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $106,491
  - FY18 YTD Total: $144,735
  - FY18 Committed Total: $141,000
  - Percentage: (102.6%)

- **NJII Direct - Restricted**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $12,210
  - FY18 YTD Total: $18,902
  - FY18 Committed Total: $20,834
  - Percentage: (90.7%)

- **Total Operating Expenses**: Budget vs. YTD Total vs. Total Committed ($000's) and Percentages
  - FY18 Budget: $352,676
  - FY18 YTD Total: $491,199
  - FY18 Committed Total: $518,824
  - Percentage: (94.7%)
FY19 Budget Development
FY2019 Budget Development Timeline

• **January**
  - Preliminary fall 2018 enrollment is projected
  - Preliminary Budget Scorecard is developed
  - VPs present their recommended budget requests including capital for consideration at FY19 Budget Presentation meeting

• **February**
  - FY19 Personnel Book is distributed for review by Vice Presidents

• **March**
  - FY19 Governor’s Budget is introduced on March 13, 2018
  - Operating and capital requests are prioritized by Sr. Staff which includes feedback from the University Senate Strategic Planning Committee
  - Revised fall enrollment and other revenue and expense factors are incorporated into Budget Scorecard
FY2019 Budget Development Timeline

• **April**
  - Operating and capital requests are finalized to fit within resources
  - Revised fall enrollment and other revenue and expense factors are incorporated into Budget Scorecard
  - Budget development status is reviewed with Board of Trustee Executive and Audit and Finance Committees

• **May – June**
  - FY19 Budget Scorecard and Tuition and Fee rate scenarios are prepared
  - Draft Operating and Capital / Technology Budget presentations are prepared
  - Draft Tuition and Fee Rates schedule is prepared

• **July**
  - FY19 State Appropriation is finalized
  - FY19 Budget Schedules are prepared for:
    - Public Hearing scheduled for Monday, July 9th
    - Board of Trustee action on Thursday, July 19th
FY2019 Budget Development: Key Components @ 3/28

- An enrollment increase of 1.5%, Fall 2018 enrollment totaling 11,724
- New faculty hires – includes salary and year 1 start-up totaling $1.6M
- Flat State funding of $35.440M
- Capital renewal and replacement budget totaling $15.34M
- Vice President requests supporting 2020 Vision totaling $2.0M
- Salary program for all collective bargaining units totaling $3.49M
- Faculty/Lecturer salary turnover target of $786K (1.5%)
- Staff salary turnover target of $1,783K (2.65%)
- Excludes the FY18 $10M special State appropriation of $10M for Makerspace
- Residence Halls projected occupancy at 97% (1949 beds filled) and an average rate increase of 1.5%
- Debt service increased by $1.28M totaling $19.7M
FY2019 Budget Development: Pending Items @ 3/28

- Summer and Fall enrollments
- Tuition & Fee rates
- Finalize faculty and staff recruitment hiring plans
- Student awards
- Fringe benefits (Income/ Expense)
- IT Strategy and Operational Alignment
- New Jersey Innovation Institute (HIS inc., Cell & Gene Therapy, Shared Services)
- Branding and marketing
- Online graduate programs
- Business to Business Opportunities
- EDC
- EMBA
- Medical Devices – State Appropriation (Medical Device/Innovation Cluster $12.5M)
FY2019 Budget Development: External Factors

- Federal Loan Borrowing Cap
- Free Community College Tuition Initiative
- Formula-Based Funding (linked to Student Outcomes or Enrollment)
- International Student Enrollment Decline (Graduate Population)
- Neighboring States Offering “In-State” Rates to New Jersey Residents
- Decreased “perceived” Value of a Bachelors’ Degree
- Expanding STEM Education with $2M grant program to help high schools offer college-level Computer Science courses and support teacher professional development
- Increased EOF fund and added 3500 new TAG grants
- Investments in incubators
- Governor’s initiative to restore leadership in innovation and infrastructure
- Approaching State FTE cap of 1,187
## Enrollment History and FY19 Projection

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Actual</th>
<th>FY2018 Actual</th>
<th>FY2019 Proposed Budget (1)</th>
<th>Budget to Actual</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fall 2016 10th Day</td>
<td>Fall 2017 10th Day</td>
<td>Fall 2018 10th Day</td>
<td>Fall 2018 10th Day</td>
<td>Fall 2018 10th Day</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>8,293</td>
<td>8,550</td>
<td>8,950</td>
<td>400</td>
<td>4.7%</td>
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<tr>
<td>Graduate</td>
<td>2,726</td>
<td>2,548</td>
<td>2,311</td>
<td>(237)</td>
<td>-9.3%</td>
</tr>
<tr>
<td>PHD</td>
<td>427</td>
<td>453</td>
<td>463</td>
<td>10</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Total Enrollment</strong></td>
<td><strong>11,446</strong></td>
<td><strong>11,551</strong></td>
<td><strong>11,724</strong></td>
<td><strong>173</strong></td>
<td><strong>1.5%</strong></td>
</tr>
</tbody>
</table>

(1) Provided by Enrollment Management & Academic Services as of January 2018
## Executive Summary ($000's)

### Revenue:

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Year-End Actuals</th>
<th>FY2018 Mid-Year Budget</th>
<th>FY2019 Developing Budget</th>
<th>$ Variance FY19 Developing Budget / FY18 Mid-Year Budget</th>
<th>% Variance FY19 Developing Budget / FY18 Mid-Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>187,205</td>
<td>192,309</td>
<td>194,254</td>
<td>1,945</td>
<td>1.0%</td>
</tr>
<tr>
<td>State Appropriation- Base</td>
<td>35,440</td>
<td>45,440</td>
<td>35,440</td>
<td>(10,000)</td>
<td>-22.0%</td>
</tr>
<tr>
<td>State Appropriation- Fringes</td>
<td>61,089</td>
<td>63,514</td>
<td>65,504</td>
<td>1,990</td>
<td>3.1%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>20,955</td>
<td>21,931</td>
<td>22,341</td>
<td>410</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>23,022</td>
<td>27,317</td>
<td>27,137</td>
<td>(180)</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>Total Unrestricted Revenues</strong></td>
<td><strong>327,711</strong></td>
<td><strong>350,511</strong></td>
<td><strong>344,676</strong></td>
<td><strong>(5,835)</strong></td>
<td><strong>-1.7%</strong></td>
</tr>
</tbody>
</table>

### Expense:

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Year-End Actuals</th>
<th>FY2018 Mid-Year Budget</th>
<th>FY2019 Developing Budget</th>
<th>$ Variance FY19 Developing Budget / FY18 Mid-Year Budget</th>
<th>% Variance FY19 Developing Budget / FY18 Mid-Year Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>137,534</td>
<td>146,791</td>
<td>150,150</td>
<td>3,359</td>
<td>2.3%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>63,013</td>
<td>65,100</td>
<td>67,090</td>
<td>1,990</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>Subtotal- Personnel</strong></td>
<td><strong>200,547</strong></td>
<td><strong>211,891</strong></td>
<td><strong>217,240</strong></td>
<td><strong>5,349</strong></td>
<td><strong>2.5%</strong></td>
</tr>
<tr>
<td>General Non-Personnel</td>
<td>57,482</td>
<td>60,260</td>
<td>61,329</td>
<td>1,069</td>
<td>1.8%</td>
</tr>
<tr>
<td>Student Awards</td>
<td>30,744</td>
<td>33,052</td>
<td>33,619</td>
<td>567</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mandatory Transfers</td>
<td>14,631</td>
<td>18,425</td>
<td>19,705</td>
<td>1,280</td>
<td>6.9%</td>
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<tr>
<td>Non-Mandatory Transfers</td>
<td>24,307</td>
<td>26,883</td>
<td>17,364</td>
<td>(9,519)</td>
<td>-35.4%</td>
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<tr>
<td><strong>Subtotal- Non-Personnel</strong></td>
<td><strong>127,164</strong></td>
<td><strong>138,620</strong></td>
<td><strong>132,017</strong></td>
<td><strong>(6,603)</strong></td>
<td><strong>-4.76%</strong></td>
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<tr>
<td><strong>Total Unrestricted Expenses</strong></td>
<td><strong>327,711</strong></td>
<td><strong>350,511</strong></td>
<td><strong>349,257</strong></td>
<td><strong>(1,254)</strong></td>
<td><strong>-0.36%</strong></td>
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</tbody>
</table>

### Total Budget Surplus/ (Shortfall)

- FY2017: 0
- FY2018: 0
- FY2019 Developing: (4,581)

(1) To balance the current FY19 Budget, a Tuition & Fee Rate increase of 2.97% would be required.
The below chart shows a 25 year history (1994-2018) of our tuition and required fee rates. Over the past 25 years, the past five year average is the lowest percent increase (2.8%), with the lowest rate increase of 2.0% in FY17.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tuition Full-Time In State</th>
<th>Required Fees- Full-time In-State</th>
<th>Total- Full Time In State</th>
<th>5 Year Average Tuition $</th>
<th>5 Year Average Tuition %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>3,998 $208 5.5%</td>
<td>792 $58 7.9%</td>
<td>4,790 $266 5.9%</td>
<td>260 $208 5.2%</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>4,188 $190 4.8%</td>
<td>792 $0 0.0%</td>
<td>4,980 $190 4.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>4,378 $190 4.5%</td>
<td>842 $50 6.3%</td>
<td>5,220 $240 4.8%</td>
<td></td>
<td></td>
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<tr>
<td>1997</td>
<td>4,638 $260 5.9%</td>
<td>848 $6 0.7%</td>
<td>5,486 $266 5.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>4,958 $320 6.9%</td>
<td>864 $16 1.9%</td>
<td>5,822 $336 6.1%</td>
<td></td>
<td></td>
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<tr>
<td>1999</td>
<td>5,250 $292 5.9%</td>
<td>964 $100 11.6%</td>
<td>6,214 $392 6.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>5,508 $258 4.9%</td>
<td>972 $8 0.8%</td>
<td>6,480 $266 4.3%</td>
<td></td>
<td></td>
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<tr>
<td>2001</td>
<td>5,758 $250 4.5%</td>
<td>972 $0 0.0%</td>
<td>6,730 $250 3.9%</td>
<td></td>
<td></td>
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<tr>
<td>2002</td>
<td>6,158 $400 6.9%</td>
<td>1,042 $70 7.2%</td>
<td>7,200 $470 7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>6,758 $600 9.7%</td>
<td>1,148 $106 10.2%</td>
<td>7,906 $706 9.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>7,332 $574 8.5%</td>
<td>1,168 $20 1.7%</td>
<td>8,500 $594 7.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>7,918 $586 8.0%</td>
<td>1,262 $94 8.0%</td>
<td>9,180 $680 8.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>8,472 $554 7.0%</td>
<td>1,350 $88 7.0%</td>
<td>9,822 $642 7.0%</td>
<td></td>
<td></td>
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<tr>
<td>2007</td>
<td>9,066 $594 7.0%</td>
<td>1,440 $90 6.7%</td>
<td>10,506 $684 7.0%</td>
<td></td>
<td></td>
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<tr>
<td>2008</td>
<td>9,700 $634 7.0%</td>
<td>1,650 $210 14.6%</td>
<td>11,350 $844 8.0%</td>
<td></td>
<td></td>
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<tr>
<td>2009</td>
<td>10,500 $800 8.2%</td>
<td>1,982 $322 20.1%</td>
<td>12,482 $1,132 10.0%</td>
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<td></td>
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<tr>
<td>2010</td>
<td>10,818 $316 3.0%</td>
<td>2,040 $58 2.9%</td>
<td>12,856 $374 3.0%</td>
<td></td>
<td></td>
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<tr>
<td>2011</td>
<td>11,248 $432 4.0%</td>
<td>2,122 $82 4.0%</td>
<td>13,370 $514 4.0%</td>
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<td></td>
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<tr>
<td>2012</td>
<td>11,756 $508 4.5%</td>
<td>2,218 $96 4.5%</td>
<td>13,974 $604 4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>12,400 $644 5.5%</td>
<td>2,340 $122 5.5%</td>
<td>14,740 $766 5.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>12,800 $400 3.2%</td>
<td>2,418 $78 3.3%</td>
<td>15,218 $478 3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>13,120 $320 2.5%</td>
<td>2,528 $110 4.5%</td>
<td>15,648 $430 2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>13,434 $314 2.4%</td>
<td>2,674 $146 5.8%</td>
<td>16,108 $460 2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>13,602 $168 1.3%</td>
<td>2,828 $154 5.8%</td>
<td>16,430 $322 2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>13,906 $304 2.2%</td>
<td>2,992 $164 5.8%</td>
<td>16,898 $468 2.85%</td>
<td></td>
<td></td>
</tr>
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</table>
FY19 Preliminary Capital Renewal & Replacement Projects
($000’s)

<table>
<thead>
<tr>
<th>Project Type</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Maintenance Projects</td>
<td>5,031</td>
</tr>
<tr>
<td><strong>FY19 VP Requests - Prioritized</strong></td>
<td>9,785</td>
</tr>
<tr>
<td>Unify Informatics Department on GITC 3rd Floor</td>
<td>2,400</td>
</tr>
<tr>
<td>GITC Lecture Hall 1400 Renovation</td>
<td>1,700</td>
</tr>
<tr>
<td>MEC 221 and 224 Lecture Hall Renovations</td>
<td>600</td>
</tr>
<tr>
<td>PC Lab Renovation Tieman Hall Lab 411 - Year 2</td>
<td>125</td>
</tr>
<tr>
<td>Tieman 209 Forensic Analysis Laboratory Renovation</td>
<td>1,400</td>
</tr>
<tr>
<td>GITC Lower Level 0411 Lab Construction</td>
<td>400</td>
</tr>
<tr>
<td>Faculty Memorial Hall Lower Level Lab Air Transfer Mitigation</td>
<td>400</td>
</tr>
<tr>
<td>Colton Hall Lab 120L Fume Hood and Furniture</td>
<td>50</td>
</tr>
<tr>
<td>Research Laboratory Upgrades for new faculty</td>
<td>900</td>
</tr>
<tr>
<td>CoAD Sound Studio in Weston 251 and 252</td>
<td>90</td>
</tr>
<tr>
<td>Kupfrian Hall Upper and Lower Level Improvements (supplement FY18 funds)</td>
<td>425</td>
</tr>
<tr>
<td>Fenster and Summit Street Parking Garage Repairs</td>
<td>875</td>
</tr>
<tr>
<td>Smart Card Equipment Upgrades</td>
<td>200</td>
</tr>
<tr>
<td>Campus Center Ballroom Technology Upgrade</td>
<td>160</td>
</tr>
<tr>
<td>Visitor Parking Payment System Installation</td>
<td>60</td>
</tr>
<tr>
<td><strong>FY2019 CRR Budget Allocation</strong></td>
<td>14,816</td>
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<tr>
<td>Faculty Memorial Hall - NJEFA 2016B - CRR Investment</td>
<td>11,559</td>
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<tr>
<td><strong>FY2019 CRR-Related Spend</strong></td>
<td>26,375</td>
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