

New Jersey Institute of Technology

FY18 Budget Status Report and FY19 Budget Development Status

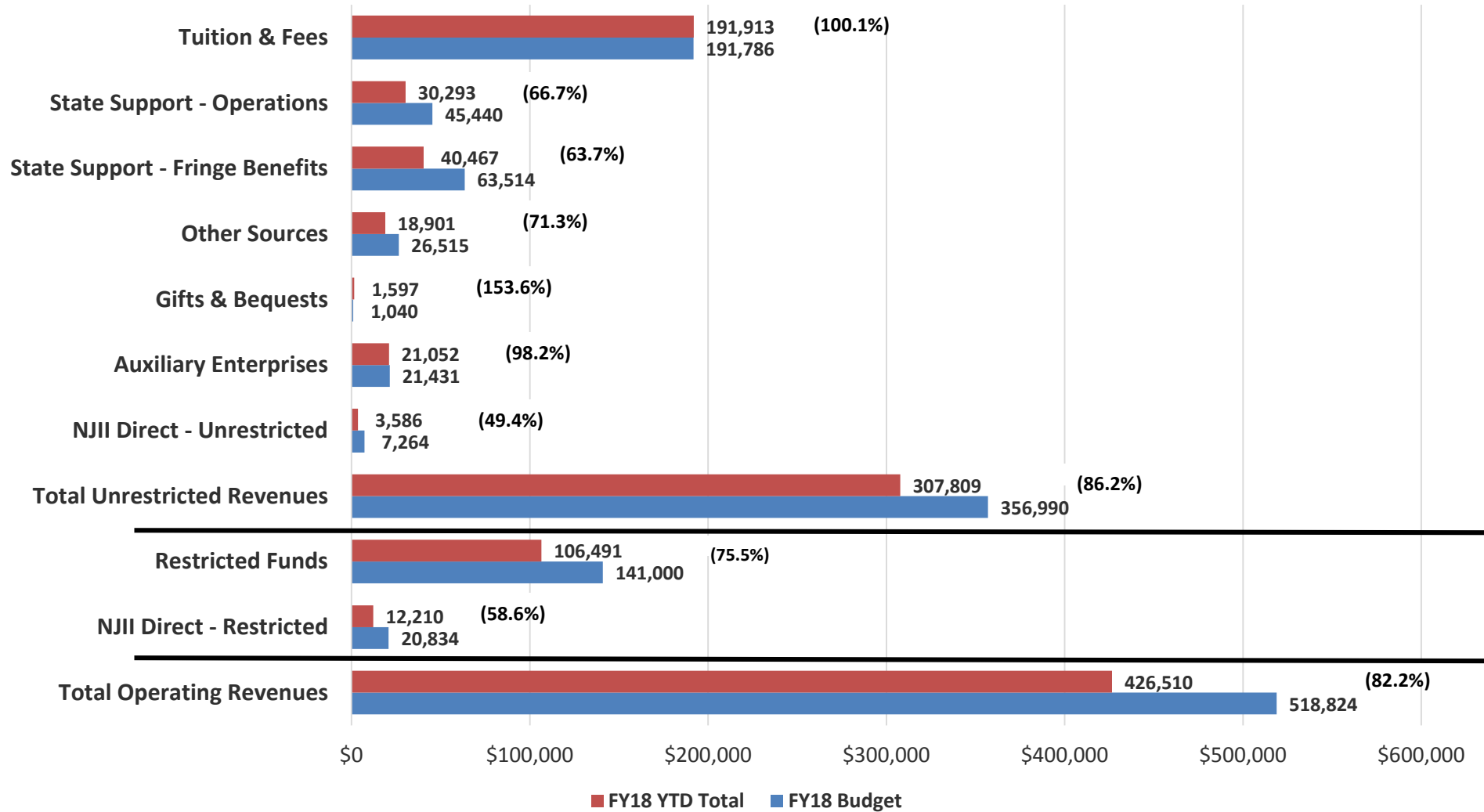
Presented to the Joint Session of the
Strategic Planning Steering Committee and
Committee on Academic Strategic Planning
& Budget Priorities

March 29, 2018

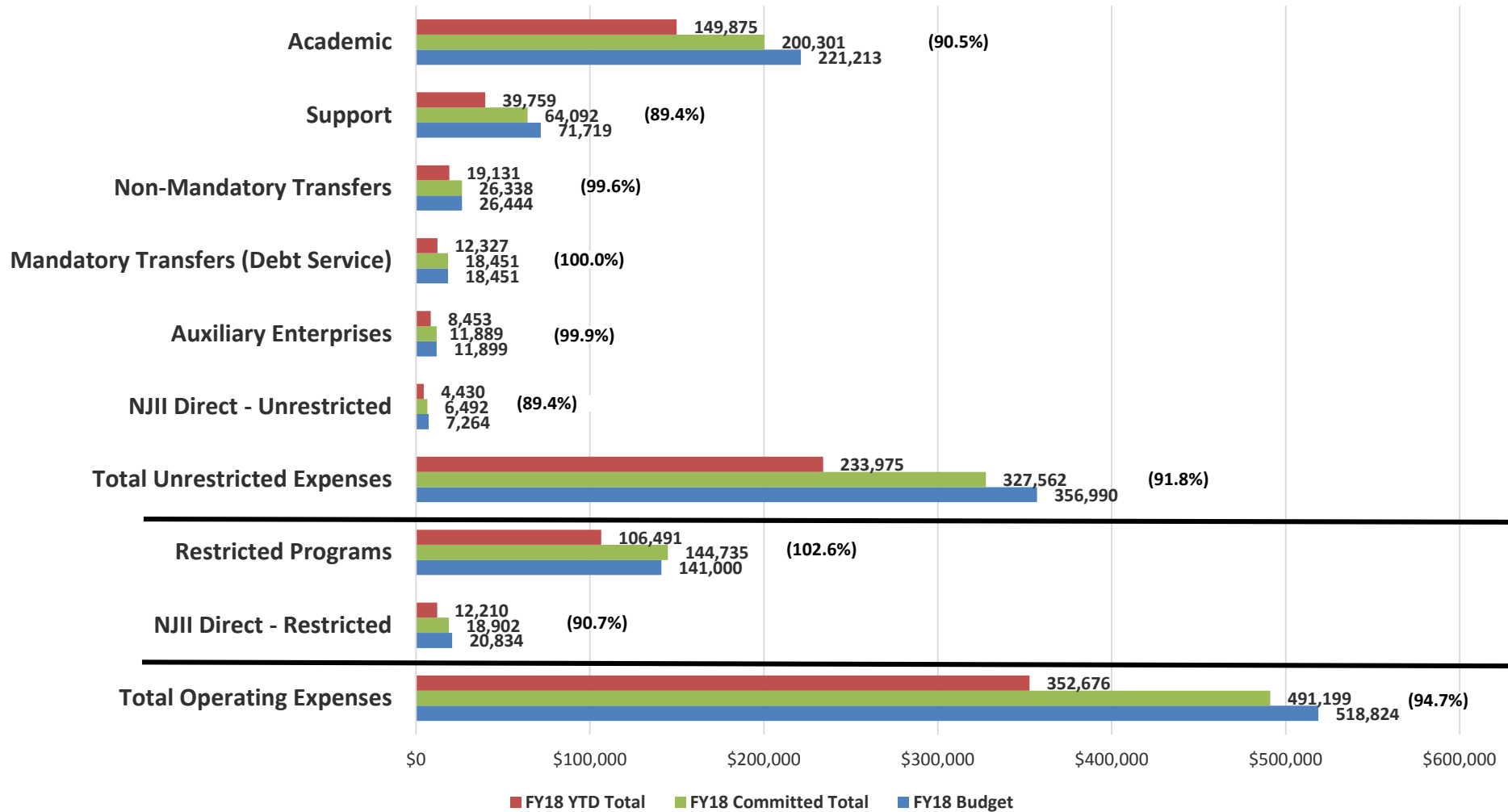
FY2018 Budget Status

- 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



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



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

	<u>FY2017 Actual</u>	<u>FY2018 Actual</u>	<u>FY2019 Proposed</u>	<u>Variance</u> <u>FY19 to FY18</u>	
	<u>Fall 2016</u> <u>10th Day</u>	<u>Fall 2017</u> <u>10th Day</u>	<u>Budget (1)</u> <u>Fall 2018</u> <u>10th Day</u>	<u>Budget to</u> <u>Actual</u> <u>Fall 2018</u> <u>10th Day</u>	<u>% Change</u> <u>Fall 2018</u> <u>10th Day</u>
Undergraduate	8,293	8,550	8,950	400	4.7%
Graduate	2,726	2,548	2,311	(237)	-9.3%
PHD	427	453	463	10	2.2%
Total Enrollment	11,446	11,551	11,724	173	1.5%

(1) Provided by Enrollment Management & Academic Services as of January 2018

FY18 Mid-Year Budget to FY19 Developing Budget @ 3/28

Executive Summary (\$000's)

	<u>FY2017 Year- End Actuals</u>	<u>FY2018 Mid- Year Budget</u>	<u>FY2019 Developing Budget</u>	<u>\$ Variance FY19 Developing Budget / FY18 Mid-Year Budget</u>	<u>% Variance FY19 Developing Budget / FY18 Mid-Year Budget</u>
<u>Revenue:</u>					
Tuition & Fees	187,205	192,309	194,254	1,945	1.0%
State Appropriation- Base	35,440	45,440	35,440	(10,000)	-22.0%
State Appropriation- Fringes	61,089	63,514	65,504	1,990	3.1%
Auxiliaries	20,955	21,931	22,341	410	1.9%
Other Sources	23,022	27,317	27,137	(180)	-0.7%
Total Unrestricted Revenues	327,711	350,511	344,676	(5,835)	-1.7%
<u>Expense:</u>					
Salaries & Wages	137,534	146,791	150,150	3,359	2.3%
Fringe Benefits	63,013	65,100	67,090	1,990	3.1%
Subtotal- Personnel	200,547	211,891	217,240	5,349	2.5%
General Non-Personnel	57,482	60,260	61,329	1,069	1.8%
Student Awards	30,744	33,052	33,619	567	1.7%
Mandatory Transfers	14,631	18,425	19,705	1,280	6.9%
Non-Mandatory Transfers	24,307	26,883	17,364	(9,519)	-35.4%
Subtotal- Non-Personnel	127,164	138,620	132,017	(6,603)	-4.76%
Total Unrestricted Expenses	327,711	350,511	349,257	(1,254)	-0.36%
Total Budget Surplus/ (Shortfall)	0	0	(4,581)	(4,581)	⁽¹⁾

(1) To balance the current FY19 Budget, a Tuition & Fee Rate increase of 2.97% would be required.

History of NJIT Tuition & Fee Rates

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

Fiscal Year	Tuition & Required Fee History										5 Year Average Tuition \$ Δ	5 Year Average Tuition % Δ
	Tuition Full-Time In State			Required Fees- Full-time In-State			Total- Full Time In State					
	Annual	\$ Δ	% Δ	Annual	\$ Δ	% Δ	Annual	\$ Δ	% Δ			
1994	3,998	208	5.5%	792	58	7.9%	4,790	266	5.9%	}	260	5.2%
1995	4,188	190	4.8%	792	0	0.0%	4,980	190	4.0%			
1996	4,378	190	4.5%	842	50	6.3%	5,220	240	4.8%			
1997	4,638	260	5.9%	848	6	0.7%	5,486	266	5.1%			
1998	4,958	320	6.9%	864	16	1.9%	5,822	336	6.1%			
1999	5,250	292	5.9%	964	100	11.6%	6,214	392	6.7%	}	417	6.3%
2000	5,508	258	4.9%	972	8	0.8%	6,480	266	4.3%			
2001	5,758	250	4.5%	972	0	0.0%	6,730	250	3.9%			
2002	6,158	400	6.9%	1,042	70	7.2%	7,200	470	7.0%			
2003	6,758	600	9.7%	1,148	106	10.2%	7,906	706	9.8%			
2004	7,332	574	8.5%	1,168	20	1.7%	8,500	594	7.5%	}	689	7.5%
2005	7,918	586	8.0%	1,262	94	8.0%	9,180	680	8.0%			
2006	8,472	554	7.0%	1,350	88	7.0%	9,822	642	7.0%			
2007	9,066	594	7.0%	1,440	90	6.7%	10,506	684	7.0%			
2008	9,700	634	7.0%	1,650	210	14.6%	11,350	844	8.0%			
2009	10,500	800	8.2%	1,982	332	20.1%	12,482	1,132	10.0%	}	678	5.4%
2010	10,816	316	3.0%	2,040	58	2.9%	12,856	374	3.0%			
2011	11,248	432	4.0%	2,122	82	4.0%	13,370	514	4.0%			
2012	11,756	508	4.5%	2,218	96	4.5%	13,974	604	4.5%			
2013	12,400	644	5.5%	2,340	122	5.5%	14,740	766	5.5%			
2014	12,800	400	3.2%	2,418	78	3.3%	15,218	478	3.2%	}	432	2.8%
2015	13,120	320	2.5%	2,528	110	4.5%	15,648	430	2.8%			
2016	13,434	314	2.4%	2,674	146	5.8%	16,108	460	2.9%			
2017	13,602	168	1.3%	2,828	154	5.8%	16,430	322	2.0%			
2018	13,906	304	2.2%	2,992	164	5.8%	16,898	468	2.85%			

FY19 Preliminary Capital Renewal & Replacement Projects

(\$000's)

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