

New Jersey Institute of Technology

FY2020 Operating and Capital Budget

Presented to the Board of Trustees

July 18, 2019



New Jersey Institute of Technology

FY2020 Budget Development - External Factors

- Positive** - R1 Carnegie Classification (Very High Research Activity)
- Positive** - Increased 34 spots in 2019 US News & World Report Best Colleges Ranking (106th in the National Universities category)
- Positive** - Ranked #1 nationally for colleges with the highest upward mobility rates (Forbes) – April 2018
- Positive** - Expanding partnerships/articulation agreements with other institutions beyond our traditional partners (nationally & internationally)
- Positive** - Increased State Aid: Tuition Aid Grants (TAG) +1.2% and Educational Opportunity Fund Programs (EOF) +8.1%
- Positive** - Base State Appropriation increased by \$1.2M (3.1%) (first base increase in the last 12 years)
- Positive** - Year 2 of State funded supplemental appropriation totaling \$3.7M for Medical Devices Innovation Cluster
- Negative** - International student enrollment continues to be a challenge. Enrollment peaked in Fall 2015 and has declined by 368 (19.5%) through Fall 2018.
- Negative** - 2020 Federal Budget

FY2020 Budget Development Revenue Highlights

- Overall balanced budget totaling \$585.8M, which is \$37.3M (6.8%) above FY19 Year-End Projections
- \$10.5M (5.3%) increase to Tuition and Fees due an enrollment increase of 3.7%, (Fall 2019 enrollment 11,985- Slide 6) and a proposed 1.94% Tuition and Fee rate increase
- FY20 State Appropriation = \$40.355M
 - \$1.2M (3.1%) increase to our base State Appropriation which includes a net increase for outcomes based allocation
 - Year 2 capital funding of \$3.7M for Medical Devices Innovation Cluster
- \$2.2M (3.5%) increase to State Supported Fringe Benefits
- \$0.4M (1.9%) anticipated increases to Residence Halls, Greek Village, and meal plan commissions. Residence Halls includes a projected occupancy of 99.9% (2,046 beds filled including 165 triples) with a weighted average room and board rate increase of 1.4%
- \$1.1M (3.7%) in Other Sources primarily due to an increase in allocated balances (prior year purchase orders)
- \$8.2M (5.0%) anticipated increase in NJIT Restricted Programs
- \$13.7M (46.8%) anticipated increase in NJIT Direct Operations (Unrestricted + Restricted)

FY2020 Budget Development Expense Highlights

- \$7.8M (5.4%) anticipated personnel increases resulting from estimated salary program, minimum wage increase, faculty and staff recruitment, and increases for adjuncts due to enrollment growth
- \$2.9M (4.5%) increase to Fringe Benefits
- \$4.4M (6.8%) non-personnel increases including YWCC @ Jersey City, NJIT/OCC/Tatweer (Egypt), VentureLink (EDC), Research support, conferencing services, and an increase to allocated balances (prior year PO's)
- \$3.8M (10.7%) in Student Awards due to an anticipated enrollment increase of 3.7% and a projected freshmen class SAT average of approximately 1300
- (\$0.2M) 1.0% net savings to Debt Service
- \$24.4M in capital projects budgets (+21.2%) facilities and IT infrastructure projects (slide 11)
- \$8.2M (5.0%) anticipated increase in NJIT Restricted Program Expenses
- \$13.7M (46.8%) anticipated increase in NJIT Direct Operations (Unrestricted + Restricted)
- Establishes a \$3.5M University Reserve and continues \$2M contribution to endowment
- Anticipates step coupon payment of \$15.08M on 6/30/20 related to 2015A Bond

FY2020 Proposed Operating Budget '2020 Vision'

Cumulative Investments (\$000's)

FY2020 '2020 Vision' includes new funds totaling \$3.7M. Below displays the breakdown by strategic priority:

\$1.4M for up to 23 faculty hires (salary and start-up) including 3 opportunity hires
 \$2.3M increase to Capital Renewal and Replacement (CRR) and technology infrastructure

'2020 Vision' Investments							
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY15 - FY20
Strategic Priority	<i>Annual Budget</i>	<i>Annual Budget</i>	<i>Annual Budget</i>	<i>Annual Budget</i>	<i>Annual Budget</i>	<i>Annual Budget</i>	<i>Cumulative Budget</i>
1 - Students	4,353	6,030	6,030	7,704	8,181	8,181	40,479
2 - Learning	138	1,140	1,140	1,140	1,140	1,140	5,838
3 - Scholarly Research	670	714	714	714	714	714	4,240
4 - Community	545	794	794	794	794	794	4,515
5 - Investments	3,494	7,894	12,730	16,690	18,308	21,981	81,097
Total 2020 Vision Investments	<u>9,200</u>	<u>16,572</u>	<u>21,408</u>	<u>27,042</u>	<u>29,137</u>	<u>32,810</u>	<u>136,169</u>

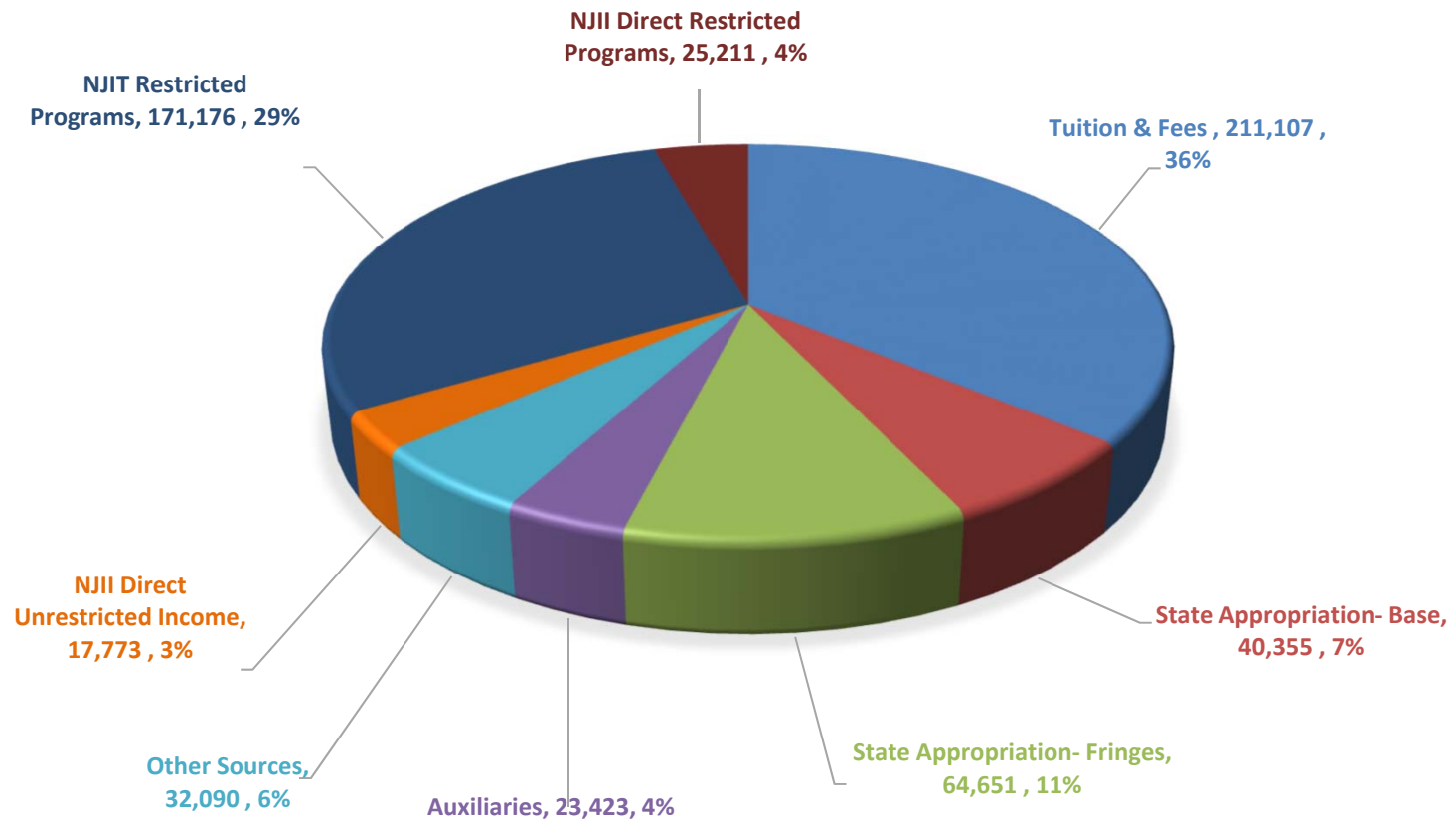
Fall Enrollment History and FY20 Projection

	<u>FY2018 Actual</u>	<u>FY2019 Actual</u>	<u>FY2020 Proposed</u>	<u>Variance</u>	<u>% Change</u>
	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Budget (1)</u>	<u>FY20 to FY19</u>	
	<u>10th Day</u>	<u>10th Day</u>	<u>Fall 2019</u>	<u>Budget to Actual</u>	
			<u>10th Day</u>		
Undergraduate	8,550	8,627	9,114	487	5.6%
Graduate	2,548	2,452	2,363	(89)	-3.6%
PHD	453	481	508	27	5.6%
Total Enrollment	11,551	11,560	11,985	425	3.7%

(1) Provided by Enrollment Management & Academic Services

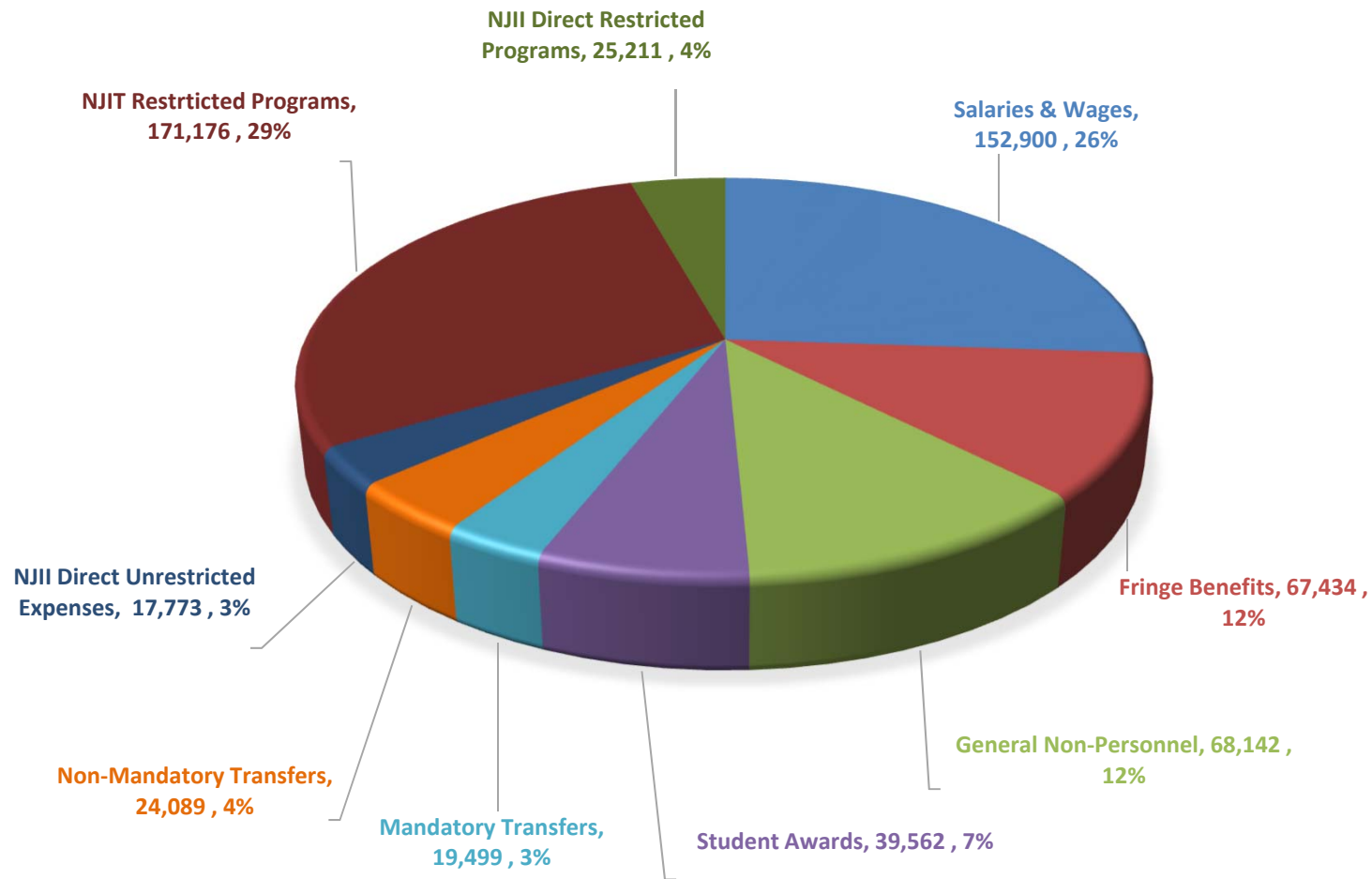
FY2020 Proposed Operating Budget

Total Revenues (\$000's) = \$585,786



FY2020 Proposed Operating Budget

Total Expenses (\$000's) = \$585,786



FY2020 Proposed Operating Revenues

	FY2018 Year- End Committed	FY2019 Year-End Projection	FY2020 Proposed Budget	\$ Variance FY20 Proposed Budget / FY19 Year-End Proj.	% Variance FY20 Proposed Budget / FY19 Year-End Proj.
Revenue:					
Tuition & Fees	192,058	200,567	211,107	10,540	5.3%
State Appropriation- Base	45,440	39,140	40,355	1,215	3.1%
State Appropriation- Fringes ⁽¹⁾	61,153	62,485	64,651	2,166	3.5%
Auxiliaries	22,252	22,994	23,423	429	1.9%
Other Sources ⁽²⁾	28,734	30,950	32,090	1,140	3.7%
NJII Direct Unrestricted Income ⁽³⁾	8,811	9,559	17,773	8,214	85.9%
Subtotal Unrestricted Revenues	358,448	365,695	389,399	23,704	6.5%
NJIT Restricted Programs	155,467	163,025	171,176	8,151	5.0%
NJII Direct Restricted Programs ⁽³⁾	20,356	19,731	25,211	5,480	27.8%
Subtotal Restricted Programs	175,823	182,756	196,387	13,631	7.5%
Grand Total Revenues	534,271	548,451	585,786	37,335	6.8%

(1) Excludes GASB 75 impact

(2) Other sources includes allocated balances for FY18 and FY19 totaling \$8.6M and FY20 totaling \$11M

(3) FY20 NJII Budget was approved by their Board of Directors on 5/15/19

FY2020 Proposed Operating Expenses

<u>Expense:</u>	FY2018 Year- End Committed	FY2019 Year-End Projection	FY2020 Proposed Budget	\$ Variance FY20 Proposed Budget / FY19 Year-End Proj.	% Variance FY20 Proposed Budget / FY19 Year-End Proj.
Salaries & Wages	139,849	145,131	152,900	7,769	5.4%
Fringe Benefits ⁽¹⁾	63,470	64,546	67,434	2,888	4.5%
Subtotal- Personnel	203,319	209,677	220,334	10,657	5.1%
General Non-Personnel ⁽²⁾	63,087	63,789	68,142	4,353	6.8%
Student Awards	33,470	35,751	39,562	3,811	10.7%
Mandatory Transfers	18,425	19,705	19,499	(206)	-1.0%
Non-Mandatory Transfers	31,336	27,214	24,089	(3,125)	-11.5%
Subtotal- Non-Personnel	146,317	146,459	151,292	4,833	3.3%
NJII Direct Unrestricted Expenses ⁽³⁾	8,811	9,559	17,773	8,214	85.9%
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FY2020 Controllable Revenue



Controllable revenues include: Tuition and Fees, Base State Appropriation, Auxiliaries and Other Sources which total \$307M. Tuition and Fees make up 69% of controllable revenues.

FY2020 Capital Renewal and Replacement (\$000's)

Project Type	Budget	
Ongoing Misc Maintenance Projects	4,930	
Weston Lecture Hall 1 Renovation (scope to budget)	1,700	
IST Annual Maintenance Funding	750	
Makerspace Phase 2 Supplemental Funding - Mezzanine	550	
YWCC Jersey City Space Fit Out and Furniture (scope to budget)	750	
Tiernan Hall Forensic Analysis Lab - Equipment	900	
Faculty Memorial Hall Classroom Upgrades Phase 2	900	
GITC Phase 3 - Unification of Informatics Department, 3rd Floor (scope to budget)	1,500	
FY20 Research Laboratory Upgrades (New Hires and Existing Lab Upgrades)	1,890	
Weston Hall Roof Replacement and Façade Repairs	1,800	
Tiernan Hall HVAC System Upgrades - Phase 1 (HV-6)	830	
Emergency repairs to Summit Street Parking Garage concrete stairs	500	
Medical Devices Fabrication Center - Phase 2 from State of NJ	3,700	
IST Infrastructure Fund	1,662	
Total FY20 CRR Budget including State of NJ One Time Funds	22,362	
(1) FY19 year-end operating balances	2,000	
FY20 Capital Renewal and Replacement Funding	24,362	
FY19 Capital Renewal and Replacement Funding	20,100	+ 21.2%

- 1) FY19 estimated year-end balances will be applied to academic projects identified by the Provost. The administration has agreed to make additional CRR funds available based on identified needs, available access, and staging capacity.