

New Jersey Institute of Technology

Proposed FY17 Mid-Year Operating Budget

Presented to the Board of Trustees

February 9, 2017



FY2017 Mid-Year Budget Overview

- In July, the Board of Trustees approved the FY17 operating budget, totaling \$451.7M, which was made up of an unrestricted operating budget of \$327.7M and a \$124.0M restricted budget
- Fall and Spring semester graduate enrollments have not met budget expectations
- Thus, the unrestricted operating budget has been reduced by (\$4.4 million) (1.3%) from the original approved unrestricted operating budget
- No mid-year budget changes are proposed for restricted program budgets
- The proposed FY17 Mid-Year Operating Budget totals \$447.3M, a reduction of (1.0%), which is made up of the unrestricted operating budget totaling \$323.4M and a restricted budget totaling \$124.0M
- Revenue and expense budget changes have already been implemented

FY2017 Mid-Year Budget

Fall and Spring Enrollment Budget vs Actual

	<u>FY16 Actual</u>		<u>FY17 Original Budget</u>		<u>FY17 Actual (Mid-Year)</u>		<u>Variance Mid-Year Actual to Original Budget</u>	
	Fall 2015	Spring 2016	Fall 2016	Spring 2017	Fall 2016	Spring 2017	Fall 2016	Spring 2017
	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>	<u>10th Day</u>
Undergraduate	8,009	7,545	8,149	7,689	8,293	7,734	144	45
Graduate	2,903	2,678	2,966	2,818	2,726	2,447	(240)	(371)
PHD	413	402	470	444	427	416	(43)	(28)
Total	11,325	10,625	11,585	10,951	11,446	10,597	(139)	(354)

FY2017 Mid-Year Budget Revenue Changes

- Unrestricted Revenue: (\$4.4M) from Original Budget
 - (\$8.8M) (4.5%) decline in tuition and fee revenues, due to a fall enrollment shortfall of 139 students (1.2%) and a spring enrollment shortfall of 354 students (3.2%)
 - \$4.5M increase in State Supported Fringe Benefits - based on NJ OMB rates
 - (\$0.1M) decrease to auxiliaries and other miscellaneous programs

- No change to restricted program budgets

FY2017 Mid-Year Budget

Expense Changes

- Unrestricted Expenses: (\$4.4M) from Original Budget
 - (\$8.9M) operating expense reductions; specifically:
 - (\$5.0M) - VP base operating budgets
 - (\$1.2M) – Elimination of State Health Benefits Program Reserve
 - (\$1.0M) - Student awards (due to decline in enrollment)
 - (\$1.0M) – Other Programmatic expense reductions
 - (\$0.7M) – Pearson programs (due to decline in enrollment)
 - \$4.5M increase to employee benefits, consistent with current NJ OMB approved rates
- No change to restricted program budgets

FY2017 Original Budget to Mid-Year Proposed Budget Executive Summary (\$000's)

	FY2017 Original Budget ⁽²⁾	FY2017 Mid-Year Budget	\$ Variance Mid-Year / Original	% Variance Mid-Year / Original
Revenue:				
Tuition and Fees	195,076	186,296	(8,780)	-4.5%
State Appropriation - Base	35,440	35,440	-	0.0%
State Appropriation - Fringes ⁽¹⁾	53,014	57,514	4,500	8.5%
Auxiliaries	20,538	20,474	(64)	-0.3%
Other Sources	23,645	23,600	(45)	-0.2%
Total Unrestricted Revenues	327,713	323,324	(4,389)	-1.3%
Restricted Programs	124,000	124,000	-	0.0%
Grand Total Revenues	451,713	447,324	(4,389)	-1.0%
Expense:				
Salaries & Wages	142,810	141,259	(1,551)	-1.1%
Fringe Benefits ⁽¹⁾	55,105	59,605	4,500	8.2%
Subtotal - Personnel	197,915	200,864	2,949	1.5%
General Non-Personnel	57,933	53,978	(3,955)	-6.8%
Student Awards	31,693	30,723	(970)	-3.1%
Mandatory Transfers	18,795	18,632	(163)	-0.9%
Non-Mandatory Transfers	17,627	16,627	(1,000)	-5.7%
Subtotal - Non Personnel	126,048	119,960	(6,088)	-4.8%
State Health Benefits Reserve	1,250	-	(1,250)	-100.0%
University Reserve	2,500	2,500	-	0.0%
Total Unrestricted Expenses	327,713	323,324	(4,389)	-1.3%
Restricted Programs	124,000	124,000	-	0.0%
Grand Total Expenses	451,713	447,324	(4,389)	-1.0%

(1) Fringe Benefits (Income and Expense) does not include impact of GASB 68, which will be included in year-end financial reporting only and has no cash impact

(2) Reflects Original Approved Budget distribution as of 12/31/2016

FY17 Mid-Year Proposed Budget Expense Detail Executive Summary (\$000's)

				\$ Balance
	FY2017	FY2017	FY2017	Remaining
	Mid-Year	YTD	YTD	YTD Comm /
<u>Expense:</u>	<u>Budget</u>	<u>Actual ⁽²⁾</u>	<u>Committed ⁽²⁾</u>	<u>Mid-Year</u>
Salaries & Wages	141,259	84,855	132,654	8,605
Fringe Benefits ⁽¹⁾	59,605	37,353	59,441	164
Subtotal - Personnel	200,864	122,208	192,095	8,769
General Non-Personnel	53,978	27,937	46,300	7,678
Student Awards	30,723	16,311	16,311	14,412
Mandatory Transfers	18,632	10,869	18,632	-
Non-Mandatory Transfers	16,627	10,713	16,627	-
Subtotal - Non Personnel	119,960	65,830	97,870	22,090
University Reserve	2,500			2,500
Total Unrestricted Expenses	323,324	188,038	289,965	33,359
Restricted Programs	124,000	63,358	89,883	34,117
Grand Total Expenses	447,324	251,396	379,848	67,476

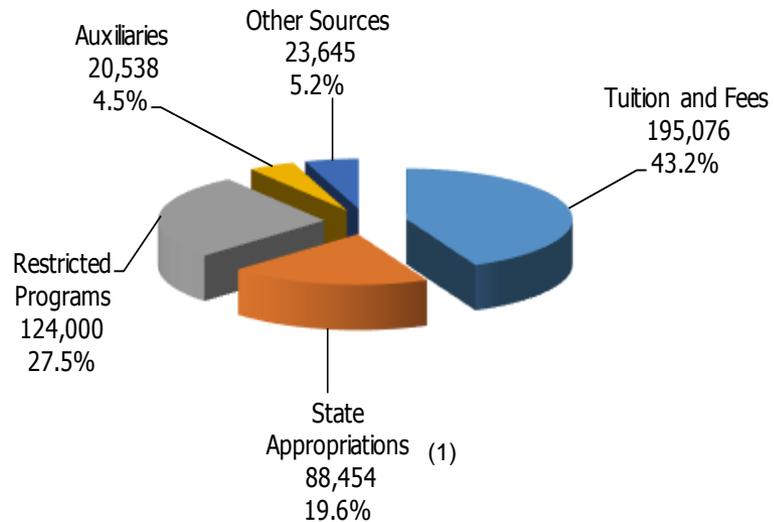
(1) Fringe Benefits (Income and Expense) does not include impact of GASB 68, which will be included in year-end financial reporting only and has no cash impact.

(2) Reflects YTD actual and committed expenses as of 1/30/2017

FY2017 Original and FY17 Mid-Year Budget All Funds - Revenue Charts

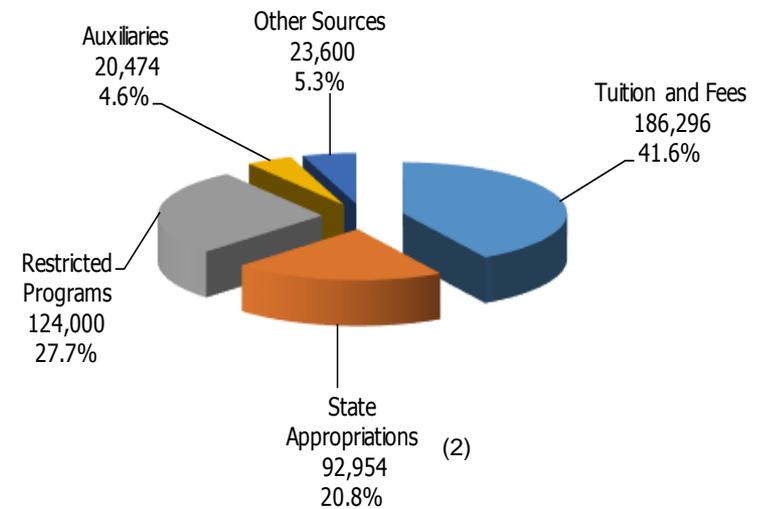
Total FY17 Original Budget Revenue = \$451,713

(\$000's)



Total FY17 Mid-Year Budget Revenue = \$447,324

(\$000's)



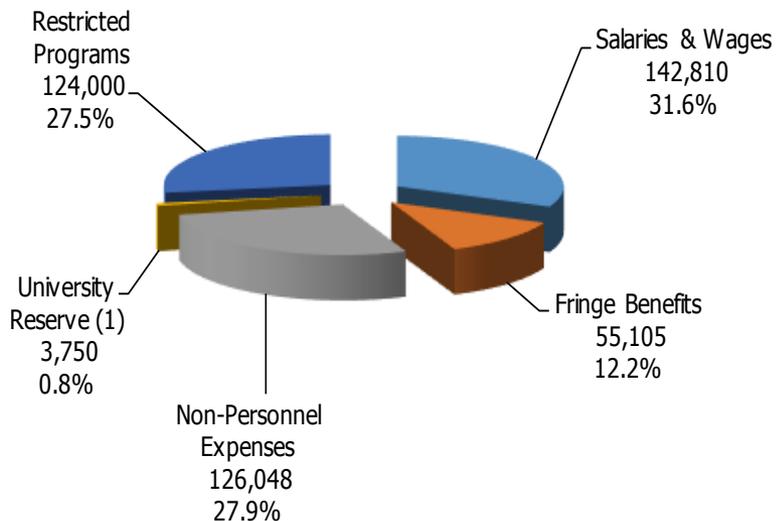
(1) FY17 State Appropriation includes: \$35.440M Base Appropriation, \$53.014M Fringe Benefits

(2) FY17 State Appropriation includes: \$35.440M Base Appropriation, \$57.514M Fringe Benefits

FY2017 Original and FY17 Mid-Year Budget All Funds - Expense Charts

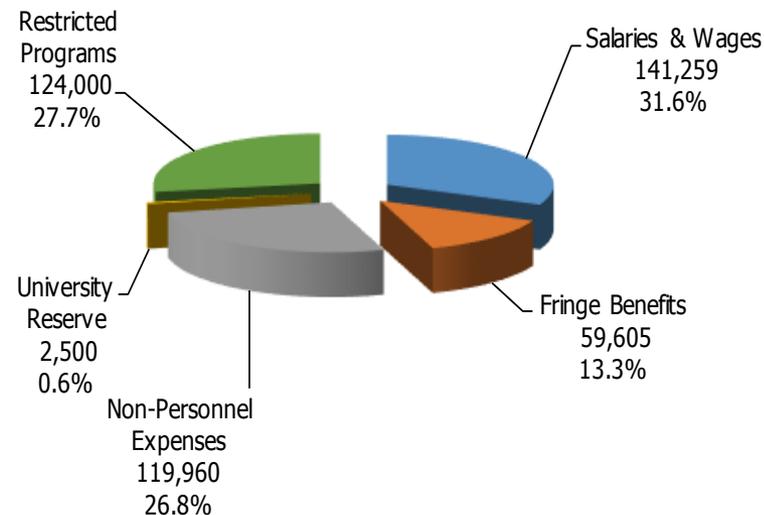
Total FY17 Original Budget Expenses = \$451,713

(\$000's)



Total FY17 Mid-Year Budget Expenses = \$447,324

(\$000's)



(1) FY17 University Reserve includes \$2.5M General University Reserve and \$1.25M State Health Benefit Program Reserve.