

New Jersey Institute of Technology

University Senate Committee on Finances

November 1, 2017

FY2018 Approved Operating Budget

Executive Summary

The approved FY2018 Operating Budget:

- Totals \$518.8M, a 6.8% overall increase above FY2017 year-end projected commitments
- This budget is comprised of \$357.0M of unrestricted funds (6.6% increase) and \$161.8M of restricted funds (7.2% increase) and also includes NJII
- Includes \$10M for Makerspace
- Anticipates a Fall 2017 enrollment of 11,486, an overall increase of 40 students (0.3%)
- Includes an in-state undergraduate 2.85% tuition and fee rate increase (\$234/semester) comprised of a 2.23% tuition and 5.80% fee rate increases
- Includes an in-state graduate 4.0% tuition and fee rate increase (\$438/semester) comprised of a 3.7% tuition and 5.8% fee rate increases
- Establishes a \$6.0M working capital reserve
- FY2018 '**2020 Vision**' funds total \$5.7M. The cumulative investment totals \$74.2M

‘2020 Vision’ - Cumulative Investments

- FY2018 ‘2020 Vision’ new funds total \$5.7M, which include increases for the below priorities:
 - \$1.7M – Students (merit & need based student awards and increase graduate stipend to \$22K)
 - \$4.0M – Investments (new faculty & lecturers, WEC and Makerspace operations, adjunct rate increase, and expand online graduate programming)
- The four year cumulative investment totals \$74.2M.

2020 Vision Investments					
	FY 2015	FY 2016	FY 2017	FY 2018	FY15 - FY18
Strategic Priority	<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	24,117
2 - Learning	138	1,140	1,140	1,140	3,558
3 - Scholarly Research	670	714	714	714	2,812
4 - Community	545	794	794	794	2,927
5 - Investments	3,494	7,894	12,730	16,690	40,808
<u>Total 2020 Vision Investments</u>	<u>9,200</u>	<u>16,572</u>	<u>21,408</u>	<u>27,042</u>	<u>74,222</u>

- As of June 30, 2017, the first 24 months of the strategic plan, 36 metrics (80%) have been assessed as green or yellow status which means those KPIs will be approaching or exceeding their goals by FY20 assuming funding levels are maintained.

'2020 Vision' Investments – Planning and Assessment

- Summary of NJIT investments and improved outcomes for KPI metrics
 - Faculty Renewal:
 - The Faculty Separation Incentive Program III resulted in the retirement of 21 faculty. These savings on average yield a 2 to 1 increase to faculty (2 new faculty for each retiree)
 - The current faculty count has reached 306 a 14% growth from our baseline of 269 in Fall 2014
 - Along with this growth, the % of women faculty has increased from 16% to 19% of total tenure/tenure-track faculty
 - Growth of Research:
 - Return of ICR program to provide additional funding sources to our researchers
 - Seed grant program to support new research development
 - Academic Research has grown over 42% since our baseline in FY15
 - Student Awards - Student Enrollment:
 - Enrollment/awards development occurs in October of previous year to determine approximate class size and quality of next year's incoming freshmen class
 - Average SAT increased from 1192 in Fall 2014 to 1221 in Fall 2017 (1285 SAT – new format)
 - Commitment to Capital Renewal and Replacement (CRR) Funding:
 - Annual funding has increased from \$10M in FY15 to \$16M annually in FY17 and is projected to reach \$20M by Fall 2020
 - Improved facilities satisfaction from our students

FY2018 Approved Revenue Budget

Summary (\$000's)

	<u>FY2016</u> Year-End <u>Committed</u>	<u>FY2017</u> Year-End <u>Projections</u>	<u>FY2018</u> Approved <u>Budget</u>	\$ Variance <u>FY2018 /</u> <u>FY2017</u>	% Variance <u>FY2018 /</u> <u>FY2017</u>
<u>Revenues:</u>					
Tuition and Fees	186,303	187,206	191,786	4,580	2.4%
State Appropriation - Base ⁽¹⁾	35,440	35,440	45,440	10,000	28.2%
State Appropriation - Fringes ⁽²⁾	52,092	61,536	63,514	1,978	3.2%
Auxiliaries	20,708	20,649	21,431	782	3.8%
Other Sources ⁽³⁾	21,229	24,306	27,555	3,249	13.4%
NJII Direct Unrestricted Income ⁽⁴⁾	3,796	5,677	7,264	1,587	28.0%
Subtotal Unrestricted Revenues	319,568	334,814	356,990	22,176	6.6%
NJIT Restricted Programs	125,336	134,000	141,000	7,000	5.2%
NJII Direct Restricted Programs ⁽⁴⁾	7,936	17,018	20,834	3,816	22.4%
Subtotal Restricted Programs	133,272	151,018	161,834	10,816	7.2%
Grand Total Revenues	452,840	485,832	518,824	32,992	6.8%

(1) The FY18 increase is due to the \$10M state appropriation for Makerspace

(2) The FY17 increase is due to the OMB fringe benefit rate increase of 18% from FY16

(3) Includes allocated balances for FY16, FY17, and FY18

(4) NJII direct and seconded operations total \$66.8M in FY18

FY2018 Approved Expense Budget

Summary (\$000's)

	FY2016 Year-End <u>Committed</u>	FY2017 Year-End <u>Projections</u>	FY2018 Approved <u>Budget</u>	\$ Variance FY2018 / <u>FY2017</u>	% Variance FY2018 / <u>FY2017</u>
Expenses:					
Salaries & Wages	135,796	138,138	142,681	4,543	3.3%
Fringe Benefits ⁽¹⁾	53,547	63,881	65,897	2,016	3.2%
Subtotal - Personnel	189,343	202,019	208,578	6,559	3.2%
General Non-Personnel ⁽²⁾	57,112	57,927	58,117	190	0.3%
Student Awards	28,392	30,613	33,362	2,749	9.0%
Mandatory Transfers ⁽³⁾	18,799	14,632	18,424	3,792	25.9%
Non-Mandatory Transfers ⁽⁴⁾	22,126	23,946	25,245	1,299	5.4%
NJII Direct Unrestricted Expenses ⁽⁵⁾	3,796	5,677	7,264	1,587	28.0%
Subtotal - Non-Personnel	130,225	132,795	142,412	9,617	7.2%
Working Capital Reserve			6,000	6,000	
Total Unrestricted Expenses	319,568	334,814	356,990	22,176	6.6%
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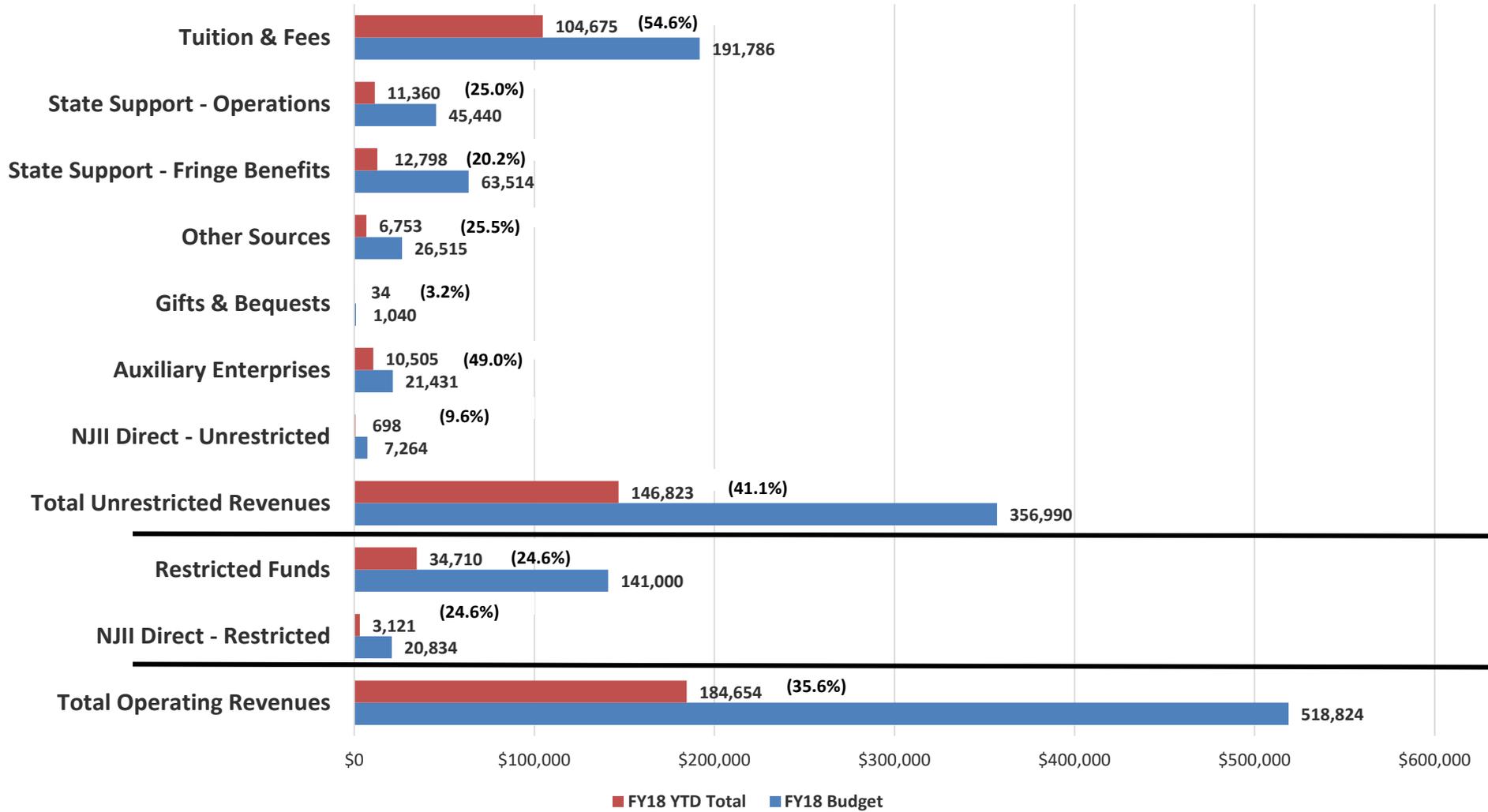
(2) Includes allocated balances for FY16, FY17, and FY18

(3) Reflects the impact of the Strategic Debt Plan (2017 Series A Bonds)

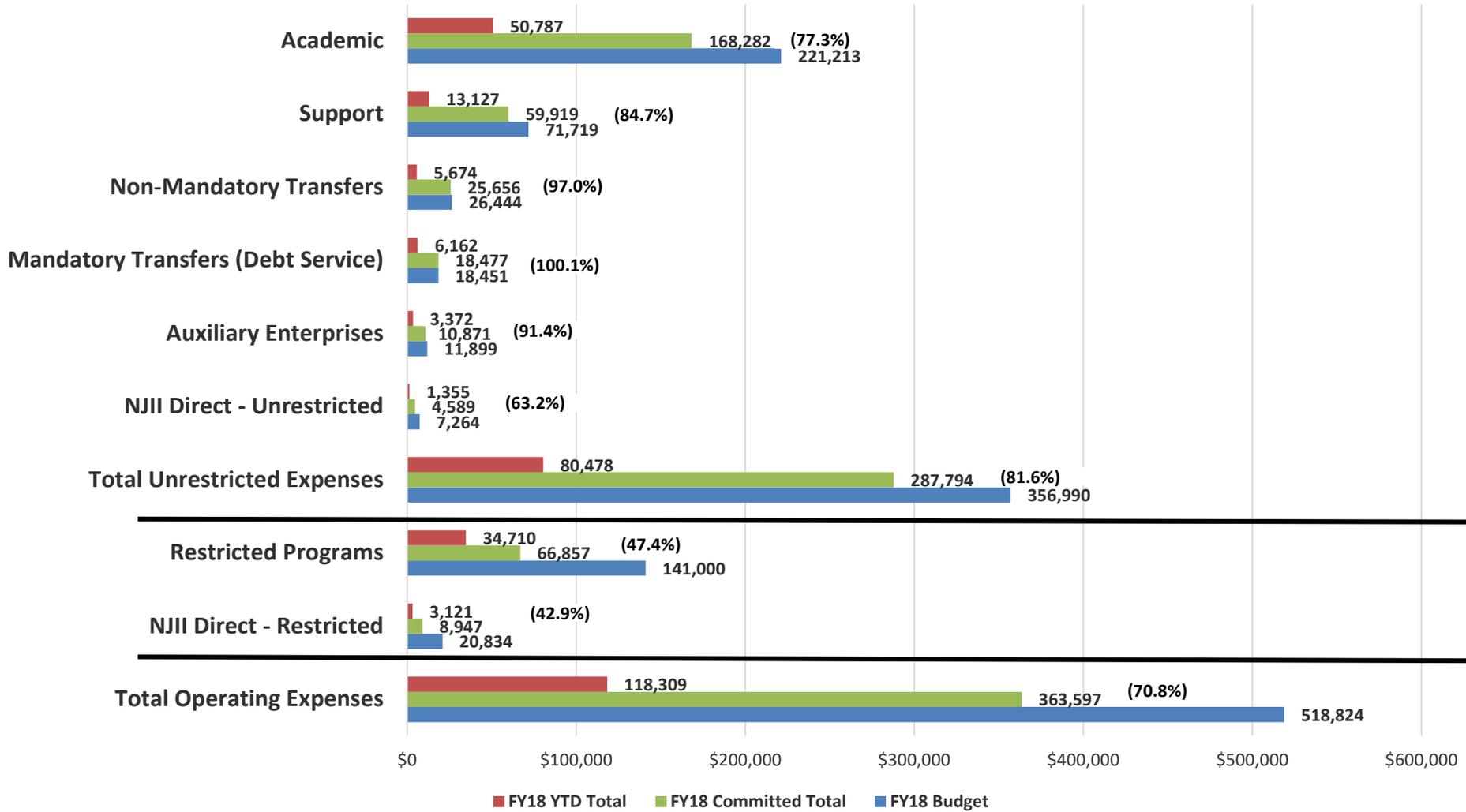
(4) FY17 includes year-end fund balance transfer supporting FSIP II program(\$1.6M), quasi endowment (\$2M), working capital reserve (\$3.2M).
FY18 includes the \$10M state appropriation for Makerspace

(5) NJII direct and seconded operations total \$66.8M in FY18

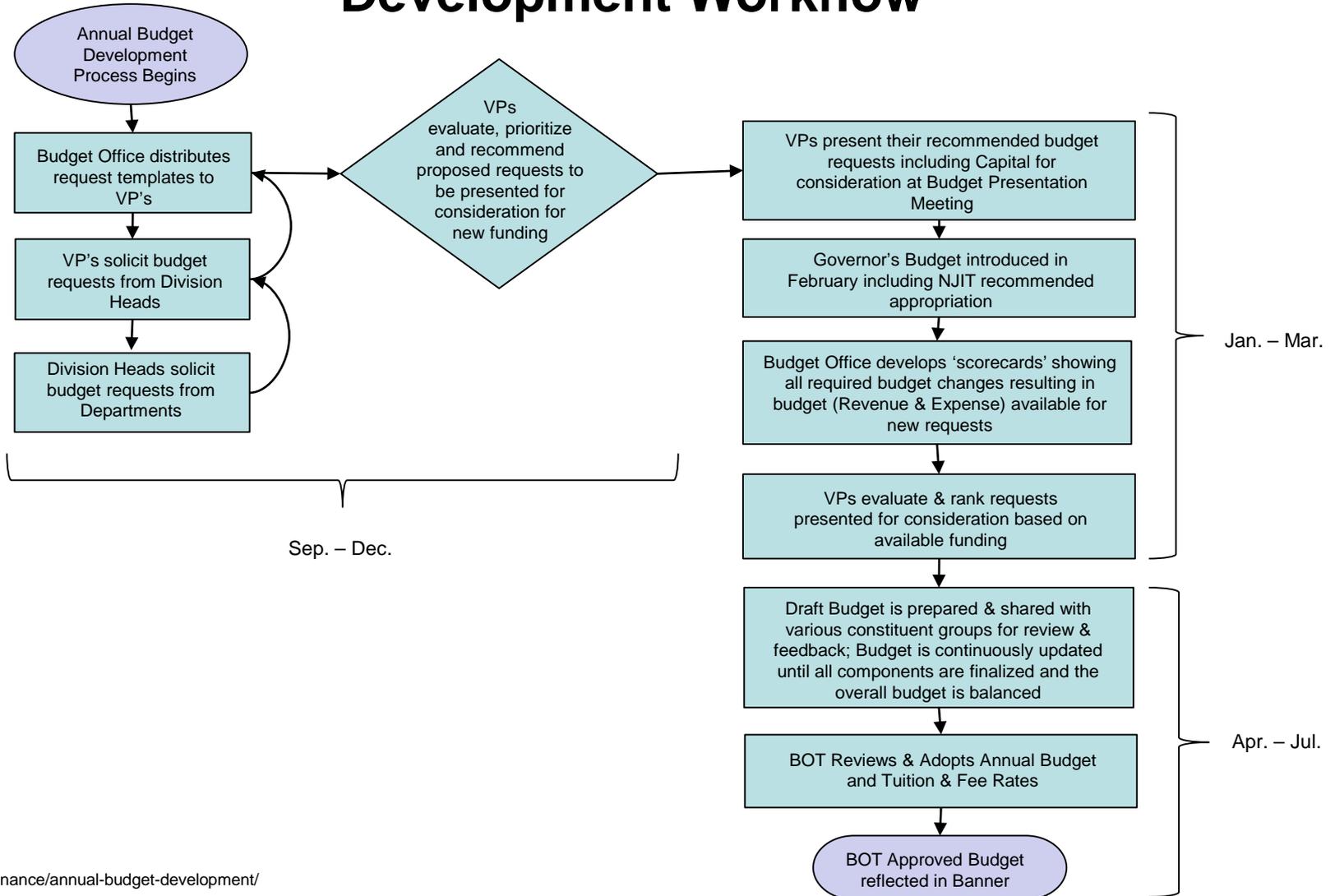
FY18 Operating Budget: \$518,824,000
Revenue Components: Budget vs. YTD Total (\$000's) and Percentages
For the three months ended September 30, 2017



FY18 Operating Budget: \$518,824,000
Expenses Components: Budget vs. YTD Total vs. Total Committed (\$000's) and Percentages
For the three months ended September 30, 2017



Operating & Capital Budget Development Workflow



www.njit.edu/finance/annual-budget-development/