

# New Jersey Institute of Technology

FY2020 Budget Development Status as of March 31, 2019

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

April 25, 2019



New Jersey Institute of Technology

# FY2020 Budget Development Status as of 3/31

## Revenue Budget Highlights (\$11.1M):

- \$6.2M increase to Tuition and Fees anticipating an enrollment increase of 3.5%, (Fall 2019 enrollment 11,970) as of 3/1/19 (see page 6 for enrollment)
- \$1.2M (3.1%) increase to State Appropriation which includes a net increase for outcomes based allocation. \$3.7M for Medical Devices Innovation Cluster year 2 appropriation (same appropriation included in FY19 base). Total FY20 State Appropriation = \$40.355M. (See slide 4 for outcome-based allocation funding logic)
- \$1.5M increase to State Supported Fringe Benefits including an anticipated State FTE cap overage
- \$1.5M in other increases including indirect cost recovery, VentureLink (EDC), NJIT shared services, and conferencing
- \$0.7M anticipated increase to Residence Hall and Greek Village- includes a projected occupancy of 99.9% (2,046 beds filled including 165 triples) with an average rate increase of 2.9%

# FY2020 Budget Development Status as of 3/31

## Budget Expense Highlights (\$14.2M)

- \$3.7M supporting 2020 Vision Strategic Initiatives, including:
  - \$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
- \$3.2M of additional expenses associated with YWCC @ Jersey City, NJIT/OCC/Tatweer (Egypt), Executive Education (CPE), indirect cost recovery, VentureLink (EDC), conferencing services, and restoration of university reserve to \$3.5M
- \$2.8M anticipated personnel increases resulting from estimated salary program (bargaining unit negotiations underway), salary annualization of FY19 new hires, minimum wage increase for student workers, and increases for adjuncts due to enrollment growth
- \$2.6M in Student Awards and 3<sup>rd</sup> party recruiter expenses associated with an anticipated enrollment increase of 3.5%
- \$2.1M increase to State Supported Fringe Benefits
- (\$0.2M) net savings to Debt Service
- Continues \$2M contribution to endowment
- Anticipates step coupon payment of \$15.08M on 6/30/20 related to 2015A Bond

# FY2020 Governor's Recommended State Appropriation Outcomes-Based Allocation Funding

- Outcomes-based allocation is the sum of three metrics: completions, Pell recipients, and underrepresented minorities (URM) completers
- The total for each State college is then proportionately assigned a percentage of the total.  
**NJIT's percent allocation is 5.92%**
- A grand total of \$35M of funding was distributed based on the percent allocation calculated
- The \$35M of funding is comprised of \$15M of existing higher education operating funds that were reallocated/reduced and a \$20M increase in higher education direct operating aid. See NJIT's impact below:

FY2019 State Appropriation *	Reallocation/Reduction	FY20 Adjusted Base
\$39,140,000	-\$855,000	\$38,285,000
% Allocation NJIT 5.92% \$15M =	% Allocation NJIT 5.92%*\$20M =	Total Allocation
\$887,000	\$1,183,000	\$2,070,000

\* One-time funding includes year 2 of Medical Devices

## FY20 State Appropriation:

$$\text{\$39,140,000} - \text{\$855,000} + \text{\$887,000} + \text{\$1,183,000} = \text{\$40,355,000}$$

# FY2020 Budget Development Status as of 3/31

## Pending Items:

- State Appropriation:
  - Base vs Incentive Funds
  - 1-Time Capital
  - State FTE Cap
  - Fringe Benefits (Income/ Expense)
- Salary Program
- IT Transformation- final report/ recommendations/ implementation plan
- Summer and Fall applications/accepts/deposits/registrations
- Student Awards
- Updated 3 year business plans:
  - New Jersey Innovation Institute
  - Professional Development & Executive Education
  - VentureLink (EDC)
  - Makerspace

# FY2020 Budget Development Status as of 3/31

## Some external factors which impact FY20 Budget:

- + R1 Carnegie Classification (Very High Research Activity)
- + Increased 34 spots in 2019 US News & World Report Best Colleges Ranking (106<sup>th</sup> in the National Universities category)
- + Ranked #1 nationally for colleges with the highest upward mobility rates (Forbes)
- + Expanding partnerships/articulation agreements with other institutions beyond our traditional partners (nationally & internationally)
- + Increased State Aid (student assistance programs – TAG, EOF, Urban Scholars)
- International Student Enrollment peaked in FY16 and has declined by 368 (19.5%) as of FY19
- Outmigration of students from State of NJ (average of 31,788 annually since 2006 or approximately 42% of college aged students)
- 2020 Federal Budget

# Enrollment History and FY2020 Projection as of 3/1

	<u>FY2018 Actual</u>	<u>FY2019 Actual</u>	<u>FY2020 Proposed</u>	<u>Variance</u> <u>FY20 to FY19</u>	<u>% Change</u>
	<u>Fall 2017</u> <u>10th Day</u>	<u>Fall 2018</u> <u>10th Day</u>	<u>Budget (1)</u> <u>Fall 2019</u> <u>10th Day</u>	<u>Budget to Actual</u> <u>Fall 2018</u> <u>10th Day</u>	<u>Fall 2018</u> <u>10th Day</u>
Undergraduate	8,550	8,627	9,114	487	5.6%
Graduate	2,548	2,452	2,348	(104)	-4.2%
PHD	453	481	508	27	5.6%
<b>Total Enrollment</b>	<b>11,551</b>	<b>11,560</b>	<b>11,970</b>	<b>410</b>	<b>3.5%</b>

(1) Provided by Enrollment Management & Academic Services as of 3/1/19

# FY2019 Year-End Projection to FY2020 Developing Budget as of 3/31

## Executive Summary (\$000's)

	FY2018 Year- End Actuals	FY2019 Year-End Projection	FY2020 Developing Budget	\$ Variance FY20 Developing Budget / FY19 Mid- Year	% Variance FY20 Developing Budget / FY19 Mid-Year
<b>Revenue:</b>					
Tuition & Fees	192,058	199,579	205,737	6,158	3.1%
State Appropriation- Base	45,440	39,140	40,355	1,215	3.1%
State Appropriation- Fringes	61,153	63,759	65,319	1,560	2.4%
Auxiliaries	21,853	22,719	23,401	682	3.0%
Other Sources	25,787	28,292	29,814	1,522	5.4%
<b>Total NJIT Unrestricted Revenues</b>	<b>346,291</b>	<b>353,489</b>	<b>364,626</b>	<b>11,137</b>	<b>3.2%</b>
<b>Expense:</b>					
Salaries & Wages	139,849	148,696	154,122	5,426	3.6%
Fringe Benefits <sup>(1)</sup>	63,470	65,987	68,102	2,115	3.2%
<b>Subtotal- Personnel</b>	<b>203,319</b>	<b>214,683</b>	<b>222,224</b>	<b>7,541</b>	<b>3.5%</b>
General Non-Personnel	59,741	63,786	66,114	2,329	3.7%
Student Awards	33,470	35,215	37,497	2,282	6.5%
Mandatory Transfers	18,425	19,705	19,499	(206)	-1.0%
Non-Mandatory Transfers	31,336	20,100	22,363	2,263	11.3%
<b>Subtotal- Non-Personnel</b>	<b>142,972</b>	<b>138,806</b>	<b>145,473</b>	<b>6,668</b>	<b>4.8%</b>
<b>Total NJIT Unrestricted Expenses</b>	<b>346,291</b>	<b>353,489</b>	<b>367,697</b>	<b>14,208</b>	<b>0</b>
<b>Total Budget Surplus/ (Shortfall)</b>	<b>0</b>	<b>0</b>	<b>(3,071)</b>	<b>(3,071)</b>	
(1) Fringe Benefits excludes GASB 68					

# FY2020 Tuition & Fee Rate Scenarios

	1.75% T&F Increase UG & G	1.94% UG T&F UG & G	2.5% T&F Increase UG & G
<b>Current FY20 Budget Shortfall</b>	<b>(3,071)</b>	<b>(3,071)</b>	<b>(3,071)</b>
<b>Total Net Tuition &amp; Fee Rate Increase</b>	<b>2,611</b>	<b>2,896</b>	<b>3,731</b>
<b>Remaining Budget Variance</b>	<b>(460)</b>	<b>(175)</b>	<b>660</b>

## Annual Tuition & Fee Rate \$ Impact

	\$ Δ 1.75% T&F Increase	\$ Δ 1.94% T&F Increase	\$ Δ 2.5% T&F Increase
FT in-state Undergraduate Tuition \$ Δ	248	275	354
FT in-state Undergraduate Fee \$ Δ	55	61	79
<b>Total FT in-state Undergraduate T&amp;F \$ Δ</b>	<b>303</b>	<b>336</b>	<b>433</b>
FT in-state Graduate Tuition \$ Δ	354	393	506
FT in-state Graduate Fee \$ Δ	55	61	79
<b>Total FT in-state Graduate T&amp;F \$ Δ</b>	<b>409</b>	<b>453</b>	<b>584</b>

# FY2020 Budget Development Status as of 3/31

These requests will have to be funded by reallocating existing budgets, or \$1.6M will be deferred

## **FY2020 VP Requested Priorities Currently Not Funded (\$1.6M)**

- \$0.4M for environmental remediation and hazardous waste management
- \$0.3M to provide operating support for the School of Applied and Engineering Technology
- \$0.2M of personnel to support the Medical Devices Innovation Cluster
- \$0.2M to implement/replace current e-learning system
- \$0.2M to increase student support personnel
- \$0.3M for other increases associated with ABET and Middle States accreditation and other contractual increases

# History of NJIT Tuition & Fee Rates

This chart shows a 25 year history (1995-2019) of our tuition and required fee rates compared to the annual CPI change. Over the past 25 years, the past five year average is the lowest percent increase (2.6%), with the lowest rate increase of 2.0% in FY17

Fiscal Year	Tuition & Mandatory Fee History				
	5 Year Average Tuition \$	5 Year Average Tuition %	Total- Full Time In State		
	Δ	Δ	Annual	\$ Δ	% Δ
1995	285	5.3%	4,980	190	4.0%
1996			5,220	240	4.8%
1997			5,486	266	5.1%
1998			5,822	336	6.1%
1999			6,214	392	6.7%
2000	457	6.5%	6,480	266	4.3%
2001			6,730	250	3.9%
2002			7,200	470	7.0%
2003			7,906	706	9.8%
2004			8,500	594	7.5%
2005	796	8.0%	9,180	680	8.0%
2006			9,822	642	7.0%
2007			10,506	684	7.0%
2008			11,350	844	8.0%
2009			12,482	1,132	10.0%
2010	547	4.0%	12,856	374	3.0%
2011			13,370	514	4.0%
2012			13,974	604	4.5%
2013			14,740	766	5.5%
2014			15,218	478	3.2%
2015	424	2.6%	15,648	430	2.8%
2016			16,108	460	2.9%
2017			16,430	322	2.0%
2018			16,898	468	2.85%
2019			17,338	440	2.60%

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

Project Type	FY20	FY19	% $\Delta$
<b>Annual Maintenance Projects</b>	<b>5,044</b>	<b>4,621</b>	<b>9%</b>
<b>FY20 Priority Capital/IST</b>	<b>11,956</b>	<b>10,195</b>	<b>17%</b>
IST Annual Maintenance Funding	750		
Weston Lecture Hall 1 Renovation (scope to budget)	1,500		
Makerspace Phase 2 Supplemental Funding - Mezzanine	750		
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 1 (6 of 27 classrooms)	676		
GITC Phase 3 - Unification of Informatics Department, 3rd Floor (scope to budget)	1,500		
FY20 Research Laboratory Upgrades (New Hires and Existing Lab Upgrades)	1,750		
Weston Hall Roof Replacement and Façade Repairs	1,800		
Kupfrian Hall Chiller Replacement	830		
Emergency repairs to Summit Street Parking Garage concrete stairs	750		
<b>FY2020 CRR Budget Allocation</b>	<b>17,000</b>	<b>14,816</b>	<b>15%</b>
<b>Supplemental allocation for Medical Devices Innovation Cluster - Phase 2 from State of NJ</b>	<b>3,700</b>	<b>3,700</b>	<b>0%</b>
<b>IST Infrastructure Fund</b>	<b>1,662</b>	<b>1,584</b>	<b>5%</b>
<b>Total FY20 CRR/IST Budget including State of NJ One Time Funds</b>	<b>22,363</b>	<b>20,100</b>	<b>11%</b>

# FY2020 Budget Development Timeline

- **April**

- Operating and capital requests are finalized to fit within resources
- Budget development status is reviewed with Board of Trustee Executive, Audit and Finance, and Joint Session of the Strategic Planning Steering Committees
- Revised fall enrollment and other pending revenue / expense factors are incorporated into Budget Scorecard

- **May – June**

- Draft schedules are prepared for the Board of Trustee Executive, Audit and Finance, and the Building and Grounds Committees for consideration, including:
  - FY20 Budget Scorecard and Tuition and Fee rate scenarios
  - Operating and Capital Budget presentations

- **July**

- FY20 State Appropriation is finalized
- FY20 Budget Schedules are prepared for:
  - Public Hearing scheduled for Monday, July 8<sup>th</sup> at 10am
  - Board of Trustee action on Thursday, July 18<sup>th</sup>