

New Jersey Institute of Technology

FY22 Operating & Capital Budget Status And FY23 Budget Development Overview

Presented to the Faculty Senate

September 14, 2021



New Jersey Institute of Technology

BUDGET NOTES:

1. FY22 Tuition and Fees: +\$3.3M above FY21 projected (+1.6%)
 - a) Fall 21: +80 students from Fall 20 reflecting enrollment change of (0.7%) and a proposed Tuition & Fee rate change of 1.94% UG and 3.0% GR
2. FY22 State Appropriation: +\$2.488M (+6.2%) above FY21 actual reflecting the Garden State Guarantee down payment
3. FY22 Federal Programs: -\$2.4M change from FY21 usage includes HEERF II = \$4.87M & HEERF III = \$12.18M
4. Auxiliaries: +\$4.7M above FY21 projected (+33.7%)
 - a) Residence Hall Occupancy – 80% up from 65% in FY21
 - b) Parking & GDS commissions FY21 (+\$1.6M) +103%
5. FY22 ICR, Investments & Other Misc.: - \$3.1M below FY21 projected (-15.6%)
 - a) FY22 Investments = \$2.5M (FY21 = \$6.2M) -\$3.7M
 - b) ICR = +\$0.2M & Events = +\$0.4M
6. Allocated Balances: +\$7.98M above FY21 budget (+80.0%)
 - a) \$5.18M FY21 fund balance
 - b) \$4.87M HEERF II fund balance due to FY21 usage
 - c) \$7.91M – Prior Year POs

FY22 Annual Budget – Revenues (\$000's)

	FY2020 Year-End Actual	FY2021 Annual Budget	FY21 Year-End Projection	FY2022 Proposed Budget
Revenues				
(1) Tuition & Fees	208,848	202,005	207,095	210,399
(2) State Appropriation	34,384	40,376	40,376	42,864
State Appropriation - Fringe Benefits	57,176	60,451	58,743	61,987
(3) Federal Programs	2,047	19,670	19,473	17,049
(4) Auxiliaries	18,672	13,849	13,850	18,518
(5) ICR, Investments, & Other Misc.	22,204	16,879	19,850	16,754
(6) Allocated Balances	7,210	9,971	-	17,957
NJII Operations	12,481	13,349	13,349	16,000 ^(a)
Total Unrestricted Revenues	363,022	376,550	372,736	401,528
Total Restricted Programs	170,473	170,121	174,011	184,925 ^(a)
Grand Total Revenues	533,496	546,671	546,747	586,453

(a) FY21 Year-End Projections for NJII remain equal to the budget at this time. NJII status as of 4/30/21 was \$13.0M unrestricted and \$14.2M restricted (95.4% of approved budget).

Note: In March 2021, Moody's Investor Service recognized NJIT's Revenue Diversity (Maximum Single Contribution) as a continued strength of our financial credit rating. NJIT's largest revenue category (FY20) was student revenues at 47.8%. As a point of comparison, the average across all other NJ senior public institutions is 61% reliance on student revenues.

BUDGET NOTES:

Note: FY21 values are depressed due to COVID-19

1. Salaries & Wages +\$12.5M (+8.6%) from FY21 Year-End Projected
 - a) \$6.4M restoration of 1-time personnel savings actions in FY21
 - b) \$3.5M estimated FY22 salary program
 - c) \$1.4M faculty recruitment
 - d) \$1.2M staff recruitment (net change) due to deferred / eliminated positions
2. CRR Facilities / IST +1.5M (8.2%) from FY21 Year-End
 - a) \$13.4M NJIT CRR funding - includes \$3.7M Supplemental State project funding
 - b) \$3.5M IST Capital Needs
 - c) \$2.3M will be reserved for fall 21 for pandemic testing & supplies as needed balance to applied to 1/1/22 projects
3. Student Awards +\$2.96M (+7.5%) from FY21 Year-End Projected due to additional need-based awards
4. General Operating +\$5.1M (+7.1%) from FY21 Year-End Projected
 - a) \$2.7M – 2025 Strategic Plan non-personnel
 - b) \$2.4M in prior year POs above FY21 value
5. Establishes a \$2.6M University Reserve

FY22 Annual Budget – Expenses (\$000's)

		FY2020 Year-End Actual	FY2021 Annual Budget	FY21 Year-End Projection	FY2022 Proposed Budget
Expenses					
Personnel					
(1)	Salaries & Wages	147,959	148,857	145,962	158,463
	Fringe Benefits	65,388	67,118	65,564	67,829
	Subtotal Personnel	213,347	215,975	211,526	226,292
Non-Personnel					
(2)	CRR (Facilities / IST)	20,371	17,777	17,777	19,240
	Debt Service	19,532	18,839	18,839	18,078
(3)	Student Awards	36,535	39,801	39,335	42,299
(4)	General Operating	60,757	67,320	71,910	77,019
(5)	University/Pandemic Reserve		3,489		2,600
	Subtotal Non-Personnel	137,195	147,226	147,861	159,236
	Subtotal NJIT Unrestricted Expenses	350,542	363,201	359,387	385,528
	NJII Unrestricted Expenses	12,481	13,349	13,349	16,000 ^(a)
	Total Unrestricted Expenses	363,023	376,550	372,736	401,528
	Total Restricted Programs	170,473	170,121	174,011	184,925 ^(a)
	Grand Total Expenses	533,496	546,671	546,747	586,453
	Budget Surplus / (Shortfall)	-	-	-	-

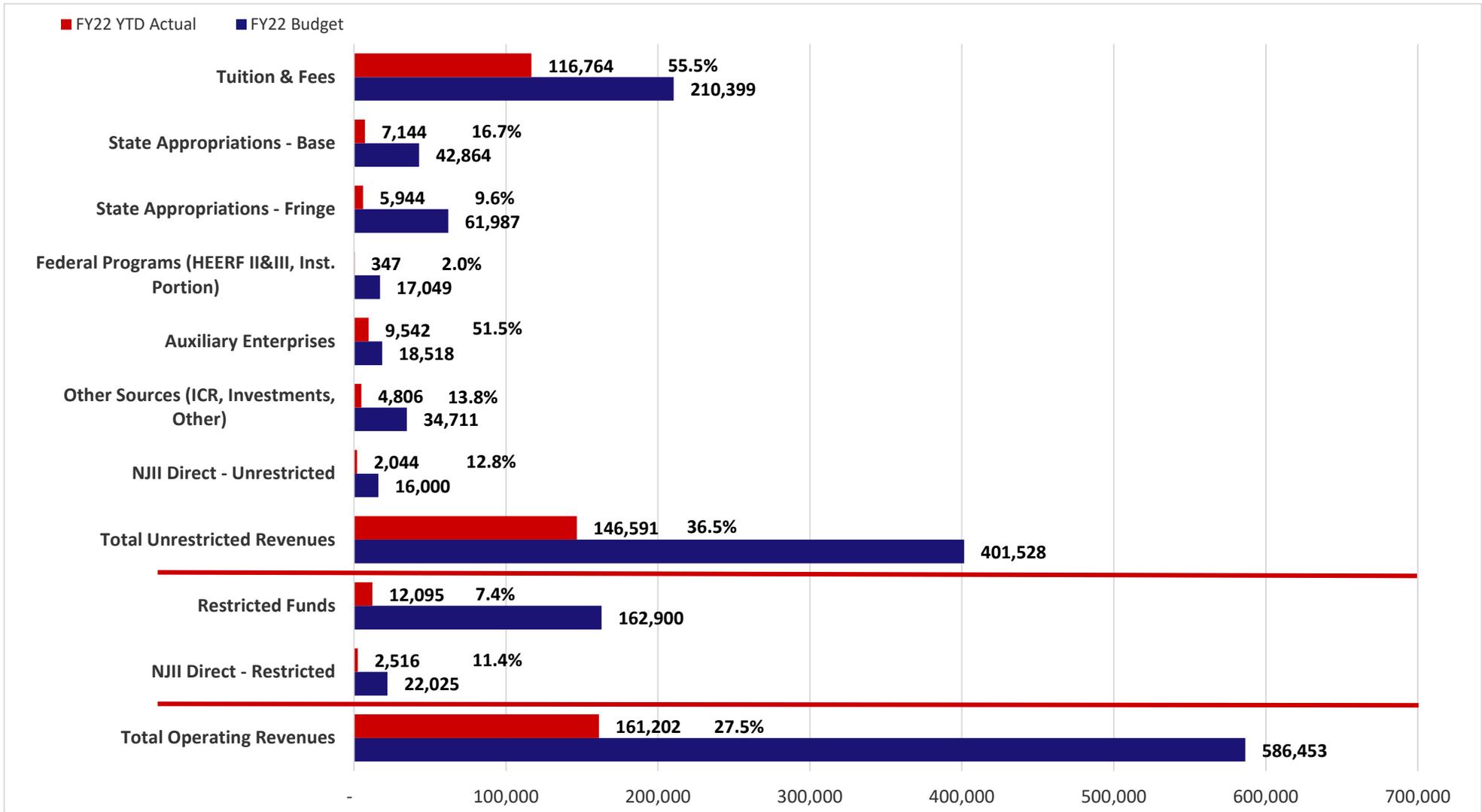
(a) FY21 Year-End Projections for NJII remain equal to the budget at this time. NJII status as of 4/30/21 was \$13.4M unrestricted and \$14.2M restricted (96.9% of approved budget). NJII's FY22 Unrestricted Operating Expenses include a \$1.0M projected surplus to be transferred to Fund Balance.

FY22 Budget Priorities – Supporting *NJIT 2025* Building on a Strong Foundation (\$000's)

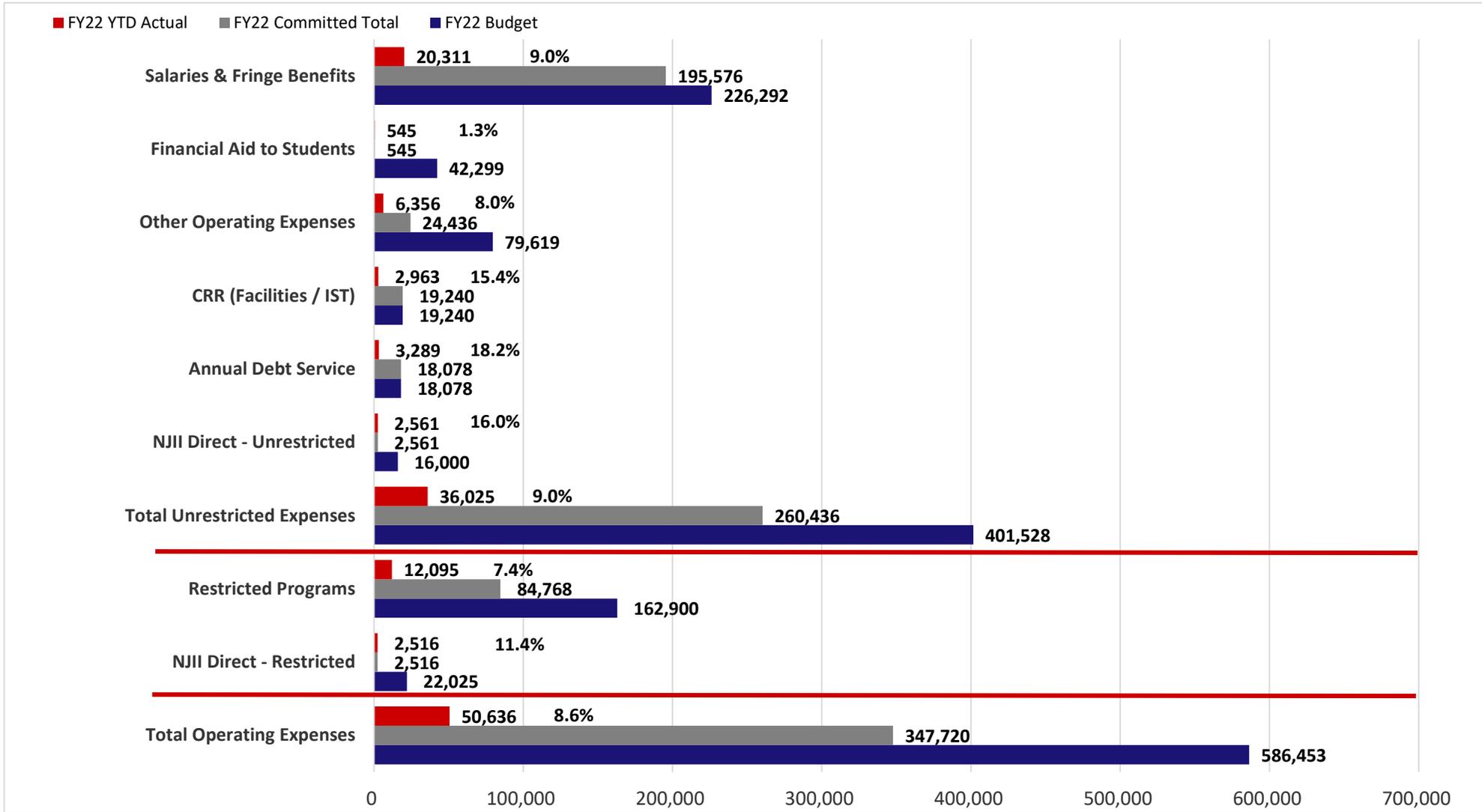
<u>Priority</u>	<u>FY22 Budget Increases</u>	<u>Budgeted</u>		
		<u>FY2022</u>		
		<u>Personnel</u>	<u>Non- Personnel</u>	<u>Total</u>
☐ Students	Student Support Services - Tutoring & Mental Health	161	19	180
☐ Faculty & Research	Faculty Recruitment (Net Cost)	1,380	90	1,470
☐ Resources / Digital	IT Transformation - Operating & Capital Expenses	1,109	1,774	2,883
☐ Resources / Human	HR Transformation	233	379	612
☐ Resources / Physical	Director of Sustainability	90	-	90
☐ Prominence	Strategic Marketing / Communications	230	487	717
NJIT 2025 - Funding Priority Increases		3,203	2,749	5,952

- 1) Due to pandemic FY22 represents the first year of investments in NJIT 2025 Strategic Priorities
- 2) FY22 Faculty Recruitment included 19 hires (2 new & 17 replacement)

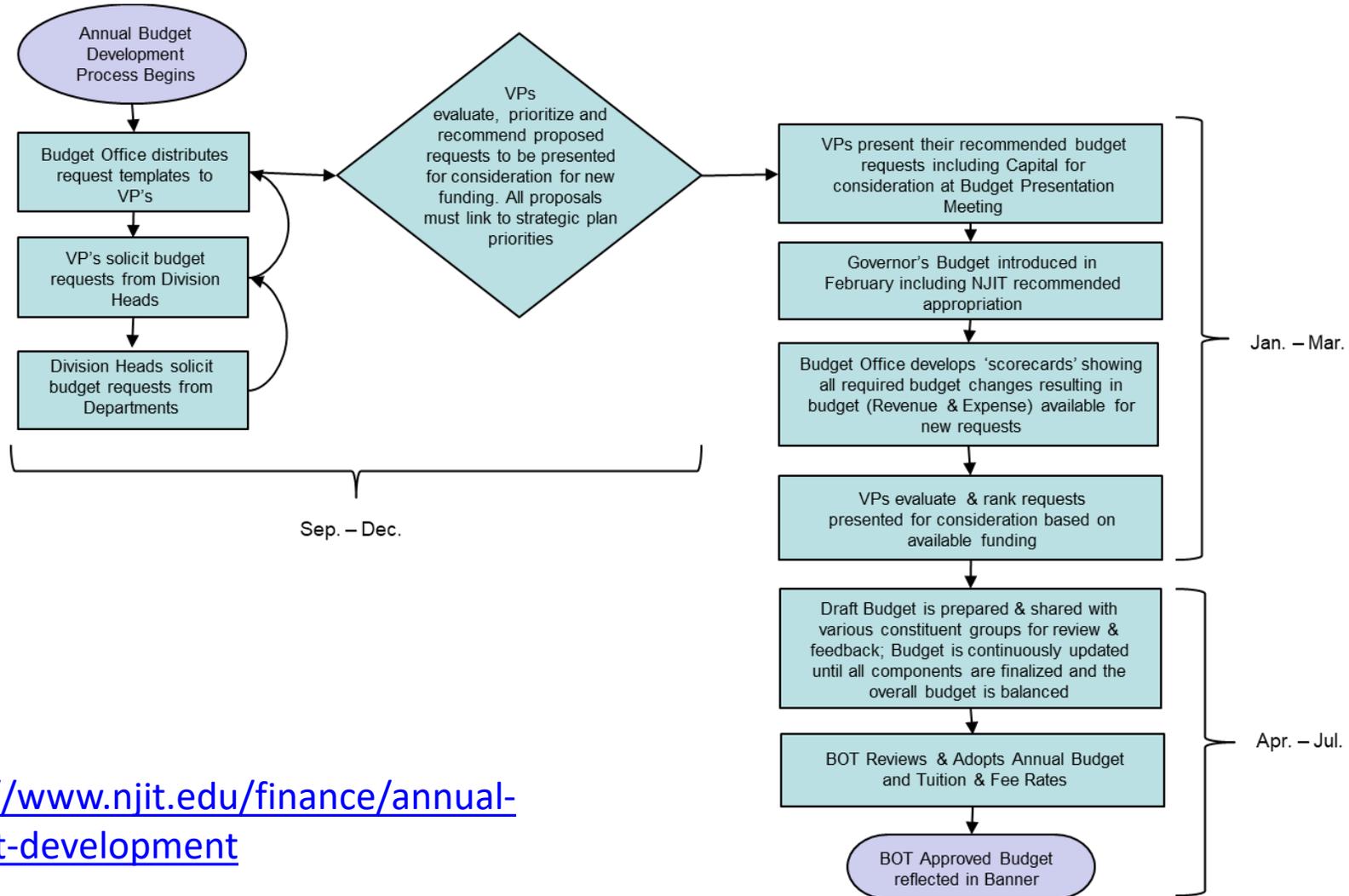
FY22 Budget Status as of August 31, 2021 - Revenues (\$'000's)



FY22 Budget Status as of August 31, 2021 - Expenses (\$000's)



Operating & Capital Budget Development Workflow



<https://www.njit.edu/finance/annual-budget-development>