NOTICE OF REGULAR MEETINGS

Please take notice of the 2023-2024 Regular Schedule of Meetings for the Board of Trustees of Ramapo College of New Jersey:

- Monday, October 2, 2023
- Tuesday, January 30, 2024
- Tuesday, April 16, 2024
- Wednesday, May 8, 2024 at 10:00 a.m. (Budget Hearing; No Official Action)
- Tuesday, June 25, 2024

Unless otherwise noticed, all meetings will be at **3:30pm** (Work Session) and at **6:00pm** (Regular Session) in the Trustees Pavilion at 505 Ramapo Valley Road in Mahwah, New Jersey 07430. Unless otherwise noted, it is anticipated that official action will be taken at these meetings. Virtual meeting details, if available, will be made available at www.ramapo.edu/board.

The public may attend these meetings in person on the College campus or, if available, virtually via WebEx.

9/6/23 BWG
FY25 Budget
Open Forum

May 8, 2024
Presenters

Colleen O’Keefe, CFO, Vice President for Fiscal Health

Dr. Cindy R. Jebb, President

Dr. Christopher Romano, Vice President for Strategic Enrollment, Outreach & Engagement, Executive Director of the RCNJ Foundation

Chris Tredici ‘21, Financial Systems Analyst, Office of Budget and Fiscal Planning

Dr. Michael Middleton, Provost & Vice President for Teaching, Learning & Growth

Dr. Mike Yankovich, Vice President for Operational & Administrative Integration
Agenda

• Higher Education & Today’s Environment

• State of New Jersey Budget

• Ramapo College
  ➢ Historical Perspective
  ➢ Budget FY25
  ➢ Our Way Forward

• Questions?
Higher Education & Today’s Environment
The US higher education sector faces

- Labor and wage pressure
- Elevated interest rates
- Mild and uneven recovery in enrollment
- Inability to raise tuition enough to cover rising costs

Source: https://www.fitchratings.com/research/us-public-finance/us-higher-education-outlook-2024-04-12-2023
Top Three Challenges Over the Next 5-10 Years

Ranking by financial leaders based on greatest financial impact:

1. Enrollment
   - 31%
2. Labor Costs
   - 24%
3. Inflation
   - 20%

Source: Syntellis’ 2023 CFO Outlook for Higher Education
Pressures on Higher Ed

- Value and cost of education
- Student debt levels
- Graduation rates and retention challenges
  - Mental health issues
  - Skills gap for some students
- Increased post high school graduation alternatives
  - Gap years
  - Straight to jobs
  - Apprenticeships, certificate programs and vocational training
- Post graduation employment environment
- Shortages – teachers, nurses, trades, and counselors (graduate programs)
Future High School Graduates

Figure 1. Slowing Growth in Number of U.S. High School Graduates, then Decline (U.S. Total High School Graduates)


Higher Ed in New Jersey
NJ State Appropriations

Ramapo, TCNJ, Kean, NJCU, Stockton & William Paterson

Does not include fringe
### Ramapo’s State Appropriations

<table>
<thead>
<tr>
<th></th>
<th>Expected FY24</th>
<th>Budgeted FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td>$ 18,781</td>
<td>$ 18,781</td>
</tr>
<tr>
<td><strong>Nursing Expansion</strong></td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>19,781</strong></td>
<td><strong>18,781</strong></td>
</tr>
<tr>
<td><strong>Outcome Based Allocations</strong></td>
<td>3,913</td>
<td>3,763</td>
</tr>
<tr>
<td><strong>Operational Total</strong></td>
<td><strong>$ 23,694</strong></td>
<td><strong>$ 22,544</strong></td>
</tr>
</tbody>
</table>

*Source: April 2024 internal financial statements, does not include fringe*
Ramapo’s State Appropriation vs Operating Costs

Fringe excluded (from revenue and expense)
FY24 Annual In-State Tuition & Fees

Source: Institution websites
Annual In-State Tuition & Fees
### Net Migration of Students

#### New Jersey Migration

<table>
<thead>
<tr>
<th>Into State</th>
<th>Out of State</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,408</td>
<td>35,060</td>
<td>-27,652</td>
</tr>
</tbody>
</table>

New Jersey is the national leader in net out-of-state migration

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NJ Undergraduate Enrollment: Fall FTE

Ramapo, TCNJ, Kean, NJCU, Stockton & William Paterson

- Fall 2019: 45,000 (3.40% decrease)
- Fall 2020: 42,000 (7.41% decrease)
- Fall 2021: 40,000 (2.25% decrease)
- Fall 2022: 39,000 (0.73% decrease)
- Fall 2023: 38,000

https://nces.ed.gov/ipeds/datacenter/
NJ Undergraduate Enrollment: Fall FTE

https://nces.ed.gov/ipeds/datacenter/
Acceptance Rate Among NJ 4-Year Public Colleges

https://www.nj.gov/highereducation/dashboard-admissions.shtml
Yield Among NJ 4-Year Public Colleges

https://www.nj.gov/highereducation/dashboard-admissions.shtml
Ramapo College
Annualized Enrollment: FTE

Undergraduate is Fall and Spring enrollment, Graduate is full year enrollment.
Notable Trend:
National Average Discount Rate Rising Significantly
Increasing Discount Rate (Private Institutions)

Average Tuition Discount Rate – Private Institutions

- **First-Time Undergrads**
  - FY20: 51.2%
  - FY21: 52.0%
  - FY22: 53.8%
  - FY23: 56.2%

- **All Undergrads**
  - FY20: 45.9%
  - FY21: 47.6%
  - FY22: 49.0%
  - FY23: 50.9%
Housing Occupancy vs Revenue

- Fall % Occupancy
- Fall Capacity
- Res Life Revenue (includes waivers)
FY25 Budget
Budget & Planning Cycle

- **Start**
- Units assess and adjust current budget/strategies throughout the year

**Board of Trustees**
Approve budget, tuition, room & board rates

**New Fiscal Year**
Units receive new budget

**President’s State of The College Address**

- **Budget training for unit directors**

- **Budget request submission to NJ OMB**

- **Budget Change requests submitted in Adaptive**

- **Mission Element Team reviews budget**

- **Assumptions tested, pro forma drafted**

**Open Forum**
Present budget to community

- **Final budget for BOT review**

**Units assess and adjust current budget/strategies throughout the year**

**End**

**Repeat**
Principles of Budget Development

- Resources focused on the mission of the College and strategic priorities

- Planned use of resources will not exceed estimated resources available

- College is committed to maintaining resources in order to sustain overall financial health

- Focus is a Balanced Budget
Currently evaluating a 3-5% increase for both tuition and housing rates. In-state tuition moves to $8,228-$8,398 semester/$16,456-$16,777 annually.

**Major factors impacting this rate:**

- State appropriations slightly lower than prior year.
- Inflation rates and CPI continue to increase through March 2024.
- Union contracts finalized with 3.5% COLA and approximately 3.5% step increases annually.
- Estimated FY25 tuition rate increases:
  - Rowan 5% (Actual)
  - NJCU 3-5%
  - WPU 3-4%
  - Stockton 3-4%
- Full Pell and full Tag increasing to $16,891; Ramapo’s most disadvantaged population will be fully covered.
- Full-time fringe rate budgeted at 85%, currently up from 77%.
FY25 Budget Considerations

- Tuition waivers up approximately 17% from FY24

- Undergraduate enrollment (FTE) for Fall 2024 is budgeted 3.1% higher than Fall 2023. **Ability to estimate significantly impacted by FAFSA delays**

- Graduate enrollment is budgeted to decrease 5% for FY25 compared to FY24

- Average occupancy is budgeted at 72.7% as compared to 69.3% in FY24

- Deliberate position review and controls, significant number of positions frozen

- Increasing need for infrastructure and other deferred maintenance
Sources of Revenues
FY25 Budget Estimate

- Net Tuition and fees: 41%
- State Support - Operating: 11%
- State Support - Fringe: 33%
- Auxiliary: 14%
- Other: 1%
Expenditures by Category
FY25 Budget Estimate
# Financial Summary

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>FY23 Actual</th>
<th>FY24 Projection</th>
<th>Preliminary FY25 Budget Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Tuition &amp; Fees</td>
<td>$ 73,243</td>
<td>$ 79,775</td>
<td>$ 79,145</td>
</tr>
<tr>
<td>Government Appropriations &amp; Grants</td>
<td>62,762</td>
<td>71,420</td>
<td>87,236</td>
</tr>
<tr>
<td>Auxiliary Enterprise Revenue</td>
<td>26,065</td>
<td>28,186</td>
<td>28,540</td>
</tr>
<tr>
<td>Interest &amp; Other</td>
<td>2,746</td>
<td>4,767</td>
<td>2,179</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>164,816</td>
<td>184,149</td>
<td>197,100</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>109,604</td>
<td>127,210</td>
<td>151,797</td>
</tr>
<tr>
<td>Non-Salary Expenditures</td>
<td>30,497</td>
<td>35,396</td>
<td>37,049</td>
</tr>
<tr>
<td>Debt Service</td>
<td>10,656</td>
<td>12,368</td>
<td>17,522</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 150,758</td>
<td>$ 174,974</td>
<td>$ 206,367</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>$ 14,058</td>
<td>$ 9,175</td>
<td>$ (9,267)</td>
</tr>
<tr>
<td><strong>Change in Net Position %</strong></td>
<td>8.5%</td>
<td>5.0%</td>
<td>-4.7%</td>
</tr>
<tr>
<td><strong>Other Transfers (Capital)</strong></td>
<td></td>
<td></td>
<td>(4,777)</td>
</tr>
<tr>
<td><strong>Projected change to Net Assets</strong></td>
<td>$ 14,058</td>
<td>$ 4,399</td>
<td>$ (9,267)</td>
</tr>
<tr>
<td><strong>Revised Net</strong> with tuition &amp; housing increase, additional interest, change requests, salary savings</td>
<td>$ (3,883)</td>
<td>8,032</td>
<td>6,449</td>
</tr>
<tr>
<td><strong>Debt Savings (Principal)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Change without Debt Savings</strong></td>
<td>$ 6,026</td>
<td>$ 2,727</td>
<td>$ (10,065)</td>
</tr>
</tbody>
</table>
Our Way Forward
All Hands On Deck

• Boldly Ascending Strategic Plan
• Comprehensive Facilities Plan
• Comprehensive Academic Plan
• Enrollment Strategies
  ➢ Maintain strong enrollment management efforts/evaluate student discount model
  ➢ Assess market, needs of students (financial, academic, & support)
  ➢ Continue efforts to maintain strong retention
  ➢ Partnerships with two year institutions
• Diversified Revenue Streams
  ➢ PNP
  ➢ Grants
  ➢ Rental Income and Summer Revenue
Enrollment Context - This Year and Uncertainty

FAFSA Completions for high school seniors down 40% nationally.
Impact on Student Decision

What percentage of schools in each cohort are down/up in net deposits?

- **HSI**
  - Down: 100%
  - Up: 0%

- **Middle States**
  - Down: 96%
  - Up: 4%

- **National**
  - Down: 80%
  - Up: 20%

- **Private**
  - Down: 83%
  - Up: 17%
Second Semester Retention

Fall 2022 – Spring 2023, semester to semester retention returned to pre-pandemic levels

From Cohort Report 030424
Major Gifts and Scholarship this fiscal year

- Foundation will award $860K in scholarships in 23/24 academic year - a 22% increase over 5 years
- $250,000 scholarship for Nursing Students
- $10,000 for ENHANCE program to establish ENHANCE endowment
- $10,000 to support Office of Specialized Services
- $20,000 to establish endowment for Entrepreneurship
- $145,000 bequest for First-Generation student scholarships
- $20,000 Study Abroad Scholarships
- Over $70,000 for We Care Student Relief Fund this year.
- $100,000 multicultural student scholarship
# Priority Needs Proposals

*only private funding*

<table>
<thead>
<tr>
<th>Priority Need</th>
<th>Raised Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidential Scholarships</td>
<td>$486,056</td>
</tr>
<tr>
<td>EOF Student Scholarships</td>
<td>$33,000</td>
</tr>
<tr>
<td>Digital Humanities Projects</td>
<td>$83,418</td>
</tr>
<tr>
<td>ENHANCE Therapeutic Support Program</td>
<td>$33,470</td>
</tr>
<tr>
<td>First-Generation Student Center</td>
<td>$26,212</td>
</tr>
<tr>
<td>Gross Center for Holocaust and Genocide Studies</td>
<td>$190,186</td>
</tr>
<tr>
<td>Berrie Center for Performing and Visual Arts</td>
<td>$10,000</td>
</tr>
<tr>
<td>Investigative Genetic Genealogy Center</td>
<td>$340K ($100k pledge for following year still coming)</td>
</tr>
<tr>
<td>Center for Data, Mathematical &amp; Computational Sciences</td>
<td>$17,000</td>
</tr>
</tbody>
</table>

Total Raised since 7/1/22: $1.3 M
New Academic Programs

• Updated curriculum review process
• Focus on grants ($4.6 million in submissions pending)
• Upcoming new programs
  ➢ Cybersecurity
  ➢ Filmmaking
  ➢ Theater and Film
  ➢ Healthcare Administration
  ➢ Master’s in Public Policy
  ➢ Master’s in Creative Writing

• Review and realignment of course fees and lab fees
## Select FY24 Grants

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald E. McNair Postbaccalaureate Achievement Program</td>
<td>$272,364</td>
</tr>
<tr>
<td>Some College No Degree</td>
<td>$150,000</td>
</tr>
<tr>
<td>NJ Climate Change Professional Development</td>
<td>$650,000</td>
</tr>
<tr>
<td>Hunger Free</td>
<td>$ 67,730</td>
</tr>
<tr>
<td>Jane Addams NHPRC</td>
<td>$160,000</td>
</tr>
<tr>
<td>Firehouse Subs Foundation</td>
<td>$ 28,244</td>
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<tr>
<td>Specialized Services TRIO Grant</td>
<td>$327,923</td>
</tr>
<tr>
<td>Upward Bound Math and Science</td>
<td>$313,538</td>
</tr>
<tr>
<td>NJ State Council on the Arts</td>
<td>$ 66,004</td>
</tr>
<tr>
<td>EV Vehicle Grant Program</td>
<td>$ 18,000</td>
</tr>
<tr>
<td>Englewood Makes History</td>
<td>$ 15,000</td>
</tr>
</tbody>
</table>
# Alternative Net Revenue

<table>
<thead>
<tr>
<th>Events &amp; Conferences (annual)</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 Proj</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$37,250</td>
<td>$136,025</td>
<td>$297,181</td>
<td>$185,440</td>
</tr>
<tr>
<td>Investment Income (annual)</td>
<td>$189,253</td>
<td>$98,255</td>
<td>$2,738,890</td>
<td>$4,300,000</td>
</tr>
<tr>
<td>Summer Courses</td>
<td>$4,279,630</td>
<td>$3,715,852</td>
<td>$3,934,657</td>
<td>$4,327,583</td>
</tr>
<tr>
<td>MLA Summer Program</td>
<td>-</td>
<td>$75,000</td>
<td>$114,040</td>
<td>$507,634</td>
</tr>
<tr>
<td>Residence Life Summer Rentals</td>
<td>-</td>
<td>$14,933</td>
<td>$22,400</td>
<td>$96,740</td>
</tr>
<tr>
<td>IGG</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$28,630</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,506,132</td>
<td>$4,040,065</td>
<td>$7,107,168</td>
<td>$9,446,027</td>
</tr>
</tbody>
</table>
Campus Infrastructure Needs and Other Expenditures

- Published *Revitalize, Renew & Retool* in February 2024

- Completed ~$1.84M in projects
  - Berrie Center Curtain Call Café
  - IGG Classroom
  - Nursing Program Expansion
  - CCTV system enhancements
  - RL Drainage and Grading
  - Electrical System repairs
  - Fire, Safety, and Regulatory Compliance Projects

- Near Term
  - $4.3M Village Stairs replacement
  - $31.7M Linden renovation (state grant)
  - ~$1.8M ERP transition to Banner SaaS
  - ~$1M NCAA Compliance, Locker Room, PC Replacements

- DM, LCR, & Capital Project needs require ~$11.8M per year
Uncertainties

- Enrollment, enrollment, enrollment
- Additional unfunded mandates/changes in regulations (i.e. legislative oversight, state programs)
- Significant increases to the fringe rate
- Possible recession/soft landing
- Candidate pool challenges/salary constraints
- Geopolitical landscape
- Another pandemic/disruption
- Unknowns?
What Can We Do for Our College?

• Participate (unit effectiveness and assessment, Commencement, support student events)
• Innovate (opportunities for new revenue streams, new programs, better ways to do things)
• Manage prudently (opportunities for cost savings)
• Act with purpose towards *Boldly Ascending*
• Be Bold, Be Kind, Be a Good Teammate

“As an institution, we can position ourselves on the leading edge of change if we are brave enough to ask: What’s next? We are not to be complacent, but always stretching, being bold, prudently accepting risk, while always grounded in our values in our students' best interest. This mindset must permeate at all levels. Ramapo College’s mission, vision and values are powerful and they give us the space to be bold.”

*Cindy R. Jebb, Ph.D*
Questions?
Thank you!