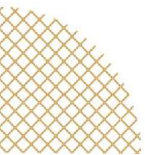


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FY24 Budget Open Forum

May 2, 2023



Presenters



Colleen O'Keefe, Interim 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

Christopher Tredici '21, Financial Systems Analyst, Office of Budget
and Fiscal Planning

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

Agenda

- Higher Education & Today's Environment
- State of New Jersey Budget
- Ramapo College
 - Historical Perspective
 - Budget FY24
 - Our Way Forward
- Questions?

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Higher Education & Today's Environment



Standard & Poor's Outlook for Higher Education

- Prediction of a shallow recession
- The US higher education sector faces enrollment pressure, labor challenges & inability to raise tuition enough to cover rising costs
- Operating margins will fall as costs increase, pay increases and schools offer more tuition assistance
- As pandemic federal relief comes to an end, weaker institutions will face revenue instability and operating risk

Top 3 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



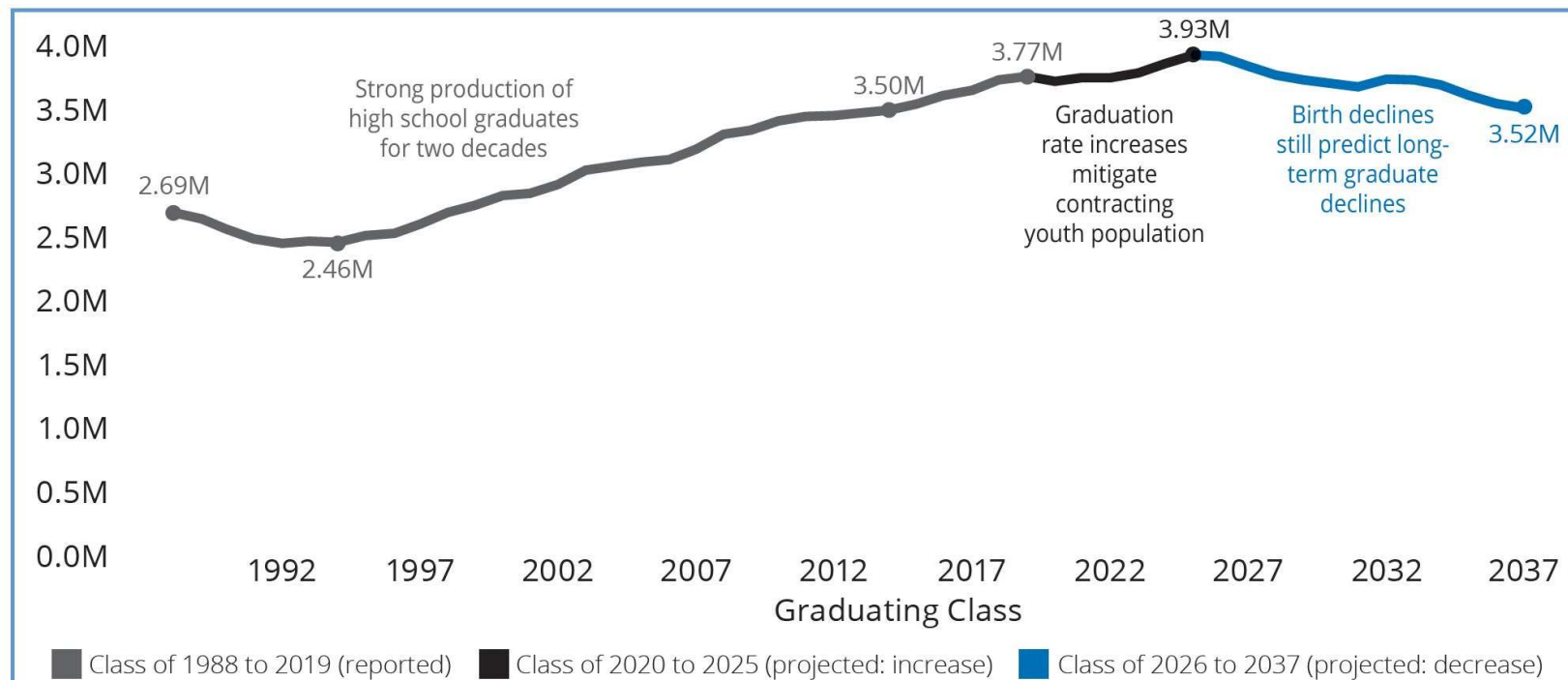
20%

Increasing demands for return on investment from education

- Value and cost of education
- Student debt levels
- Graduation rates and retention challenges
 - Mental Health issues
 - Skills Gap for some students
- Increased alternative post high school graduation alternatives
 - Gap Years
 - Straight to Jobs
 - Apprenticeships
- Employment environment post graduation
- Shortages – Teachers, Nurses and Counselors (graduate programs)

Future High School Graduates

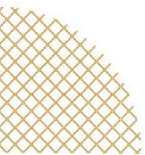
Figure 1. Slowing Growth in Number of U.S. High School Graduates, then Decline (U.S. Total High School Graduates)



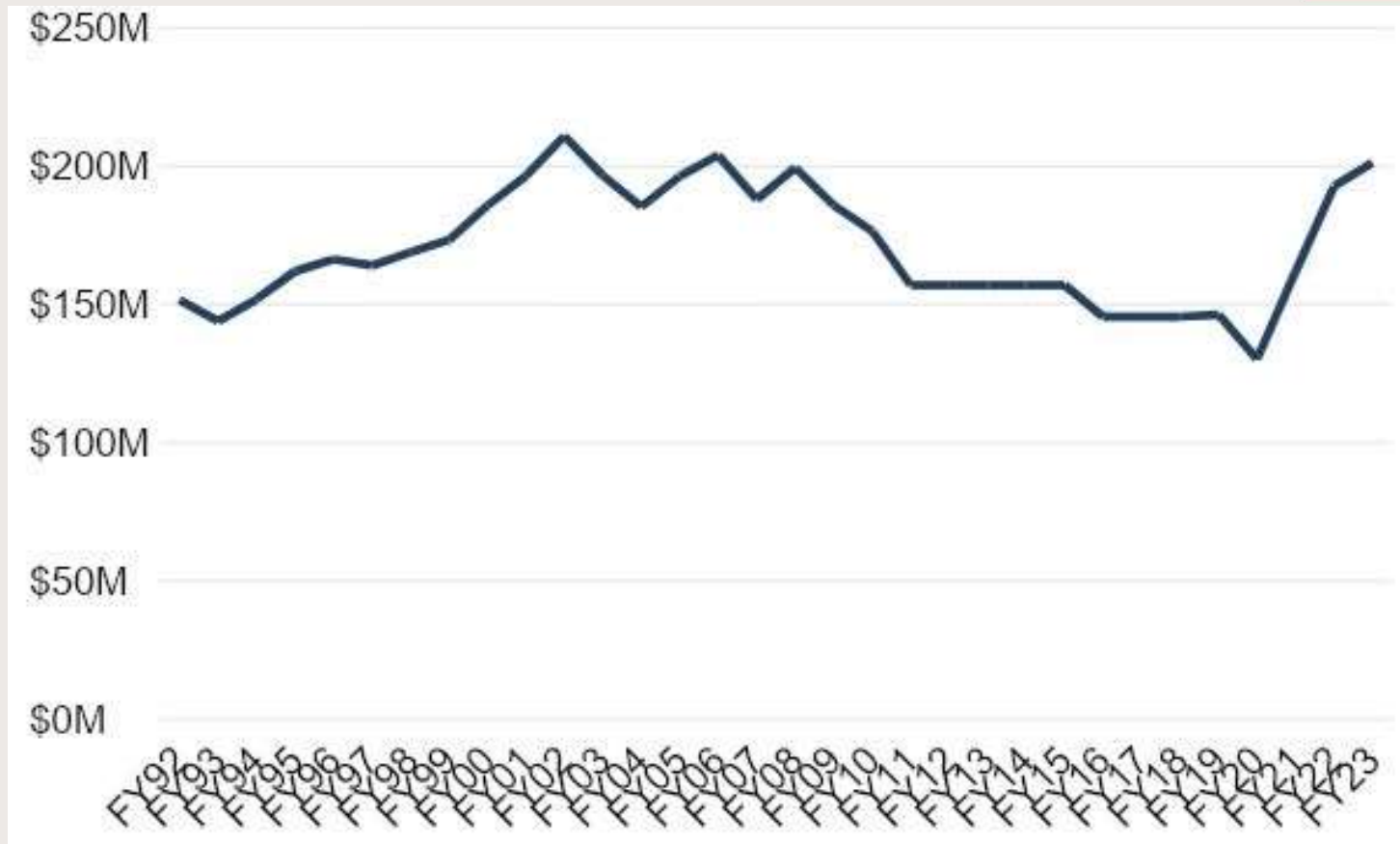
Source: Western Interstate Commission for Higher Education, *Knocking at the College Door*, 10th edition, 2020. See [Technical Appendix](#) for detailed sources of data through the Class of 2019; WICHE projections, Class of 2020 through 2037.

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State of New Jersey



NJ Operational State Appropriations



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

Ramapo's State Appropriations



| | Expected FY23 | Budgeted FY24 |
|----------------------------|------------------|------------------|
| \$ in thousands | | |
| Operations* | \$ 15,574 | \$ 18,781 |
| Legislative Addition* | 3,207 | |
| Subtotal | <u>18,781</u> | <u>18,781</u> |
| Outcome Based Allocations* | 1,494 | 2,080 |
| * Operational Total | <u>\$ 20,275</u> | <u>\$ 20,861</u> |
| Garden State Guarantee | \$ 1,859 | |

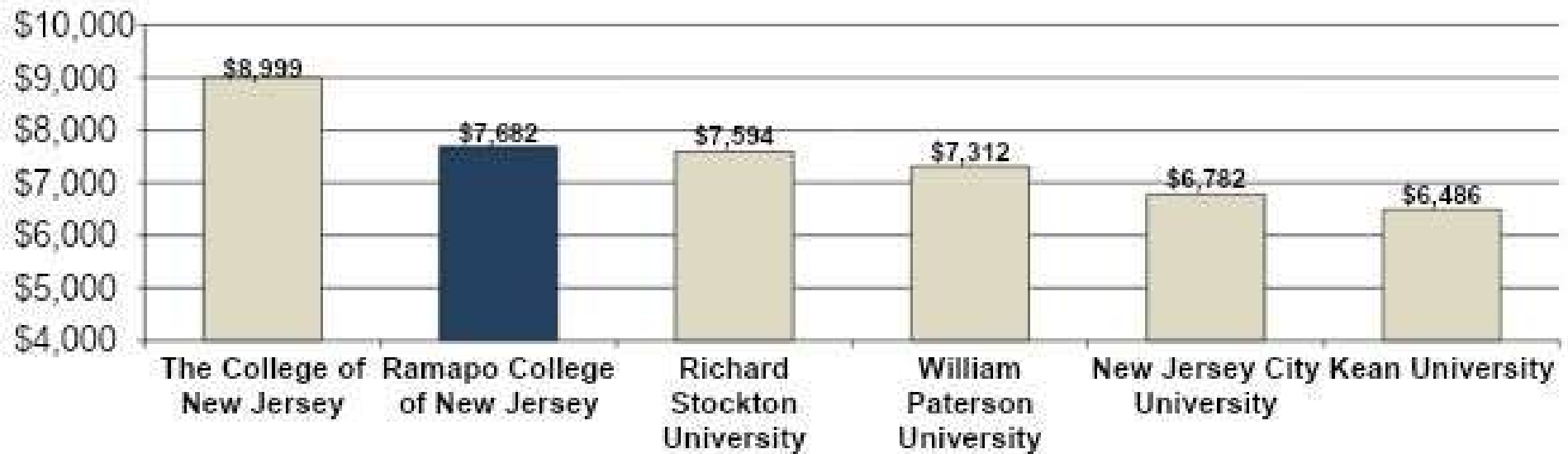
State Appropriations per Student FTE

4-year change



| Institution | FY19 | FY23 | % Chg |
|--------------|----------------|----------------|--------------|
| WPU | \$3,862 | \$7,114 | 84.2% |
| NJCU | \$4,493 | \$6,742 | 50.0% |
| Stockton | \$2,209 | \$4,545 | 105.7% |
| Kean | \$2,901 | \$4,532 | 56.2% |
| Ramapo | \$2,910 | \$4,442 | 52.7% |
| TCNJ | \$3,931 | \$4,337 | 10.3% |
| Total | \$3,384 | \$5,285 | 56.2% |

Fall 2022 (FY23) In-State Tuition & Fees per Semester



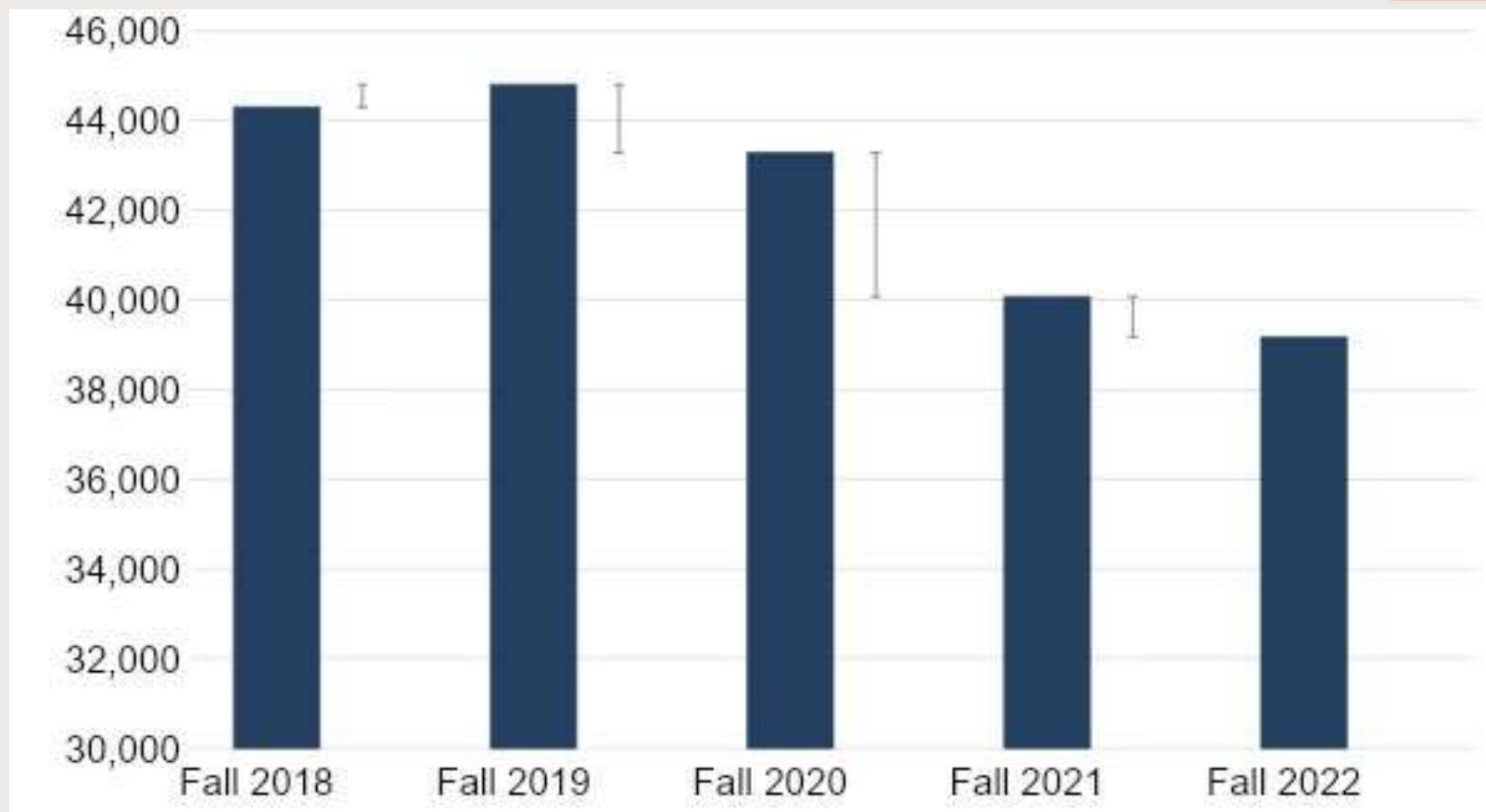
Source: Institution websites

Net Migration of Students

| New Jersey Migration | | |
|----------------------|------------|---------|
| Out of State | Into State | Net |
| 30,050 | 4,263 | -25,787 |

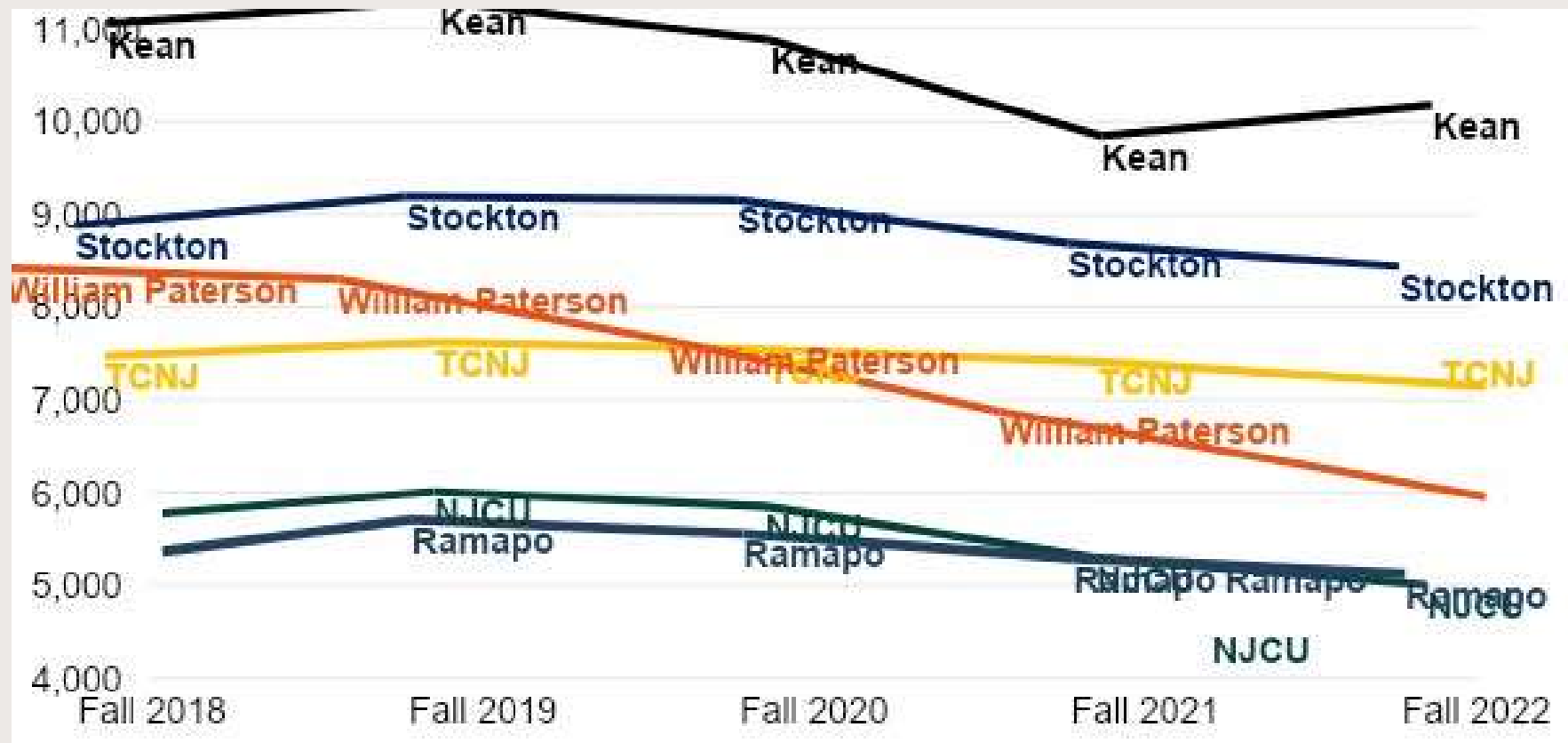
**New Jersey is 2nd behind California (35,114) in total migration
but is the national leader in the net migration.**

NJ Undergraduate Enrollment: Fall FTE

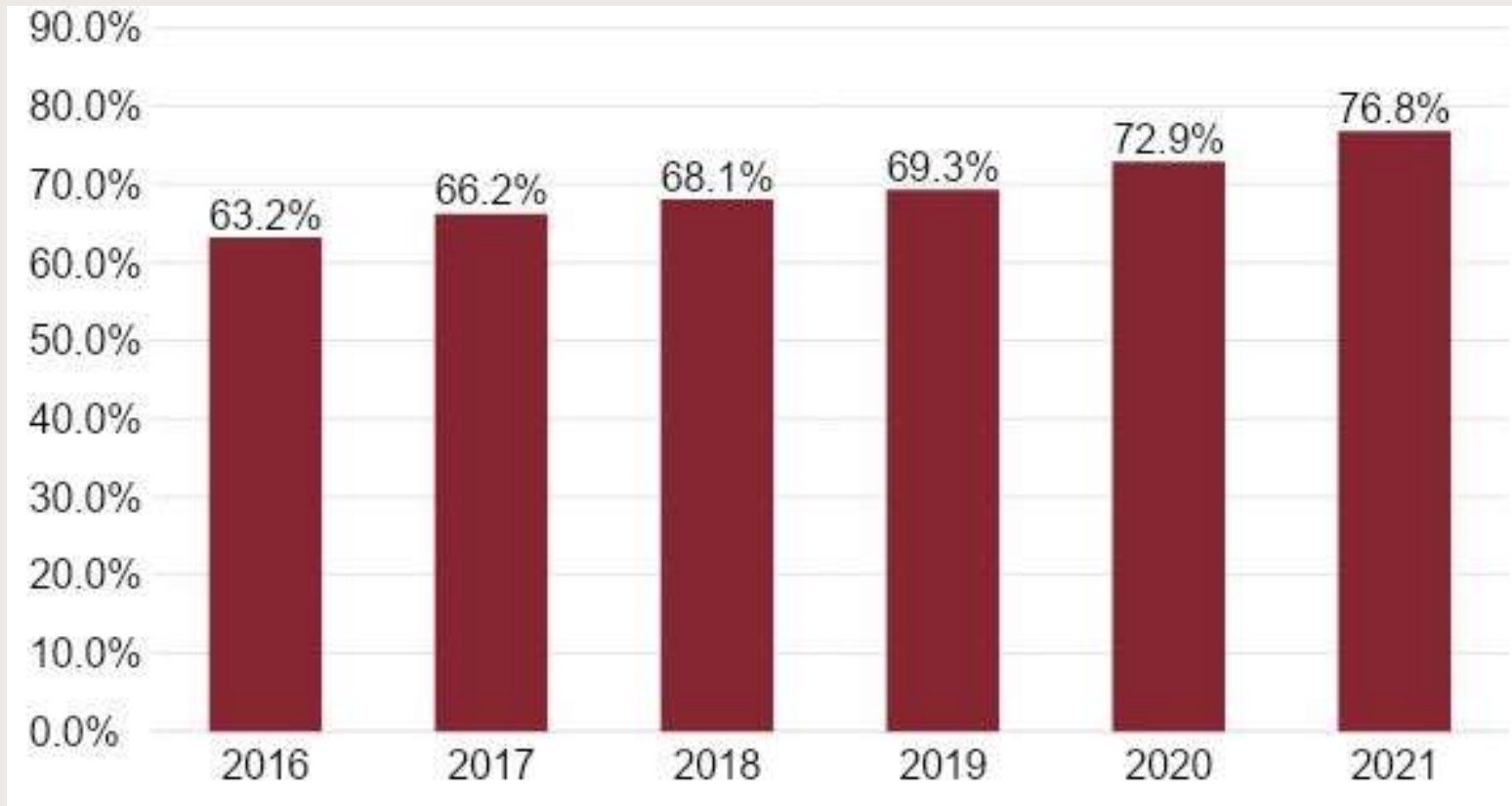


Ramapo, TCNJ, Kean, NJCU, Stockton & William Paterson

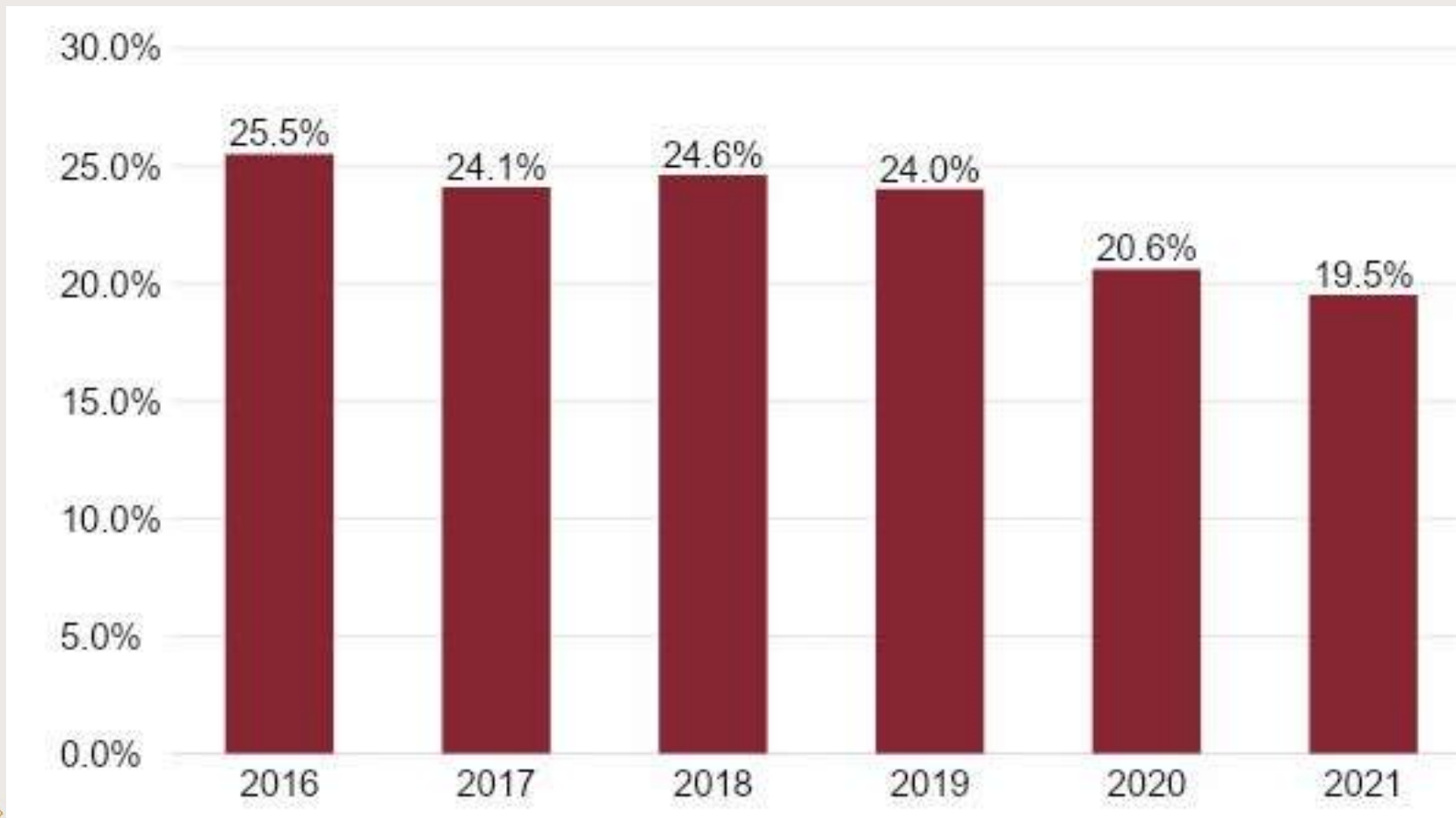
NJ Undergraduate Enrollment: Fall FTE



Acceptance Rate among NJ 4-Year Public Colleges



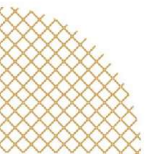
Yield Among NJ 4-Year Public Colleges



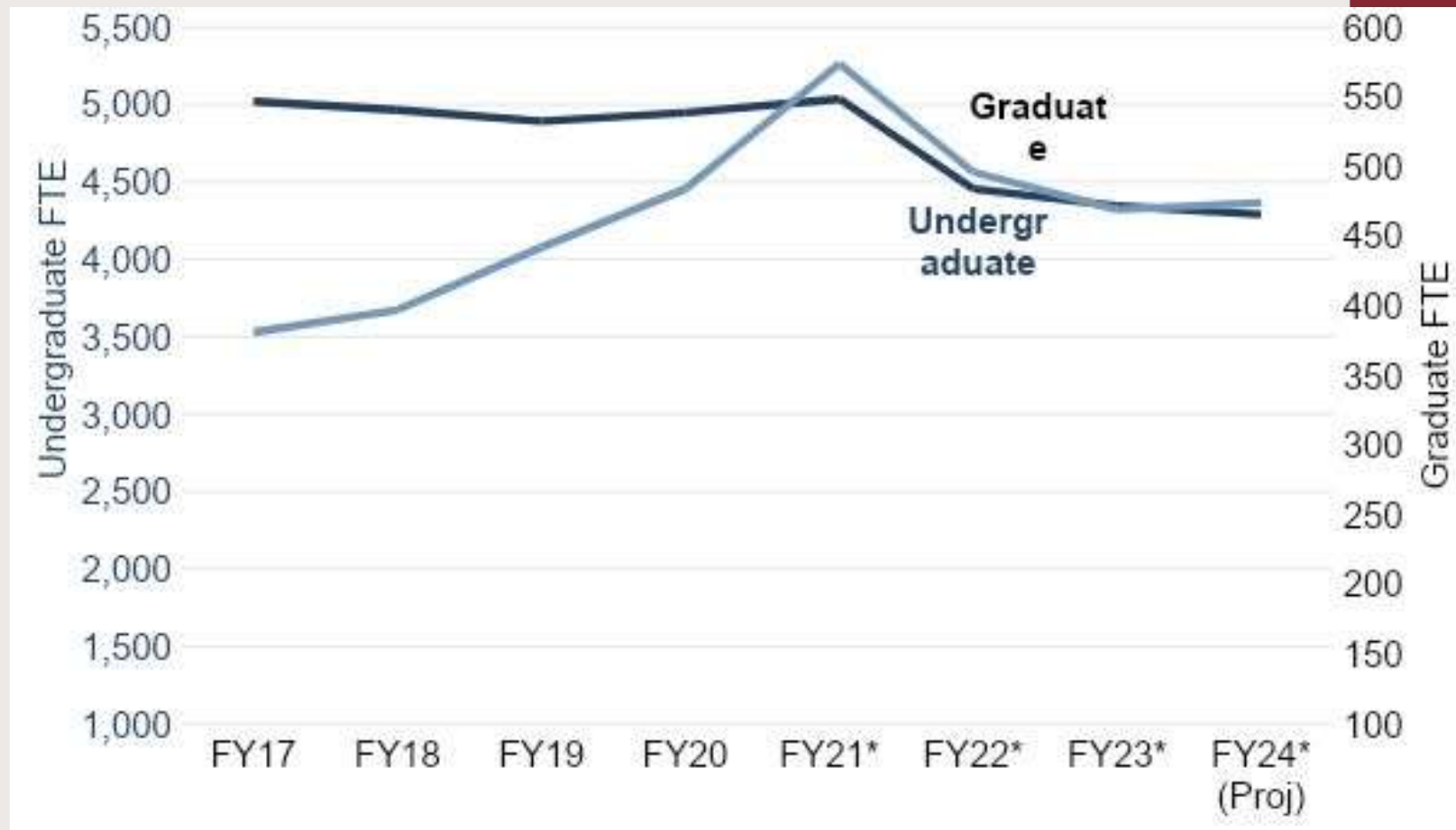
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Ramapo College

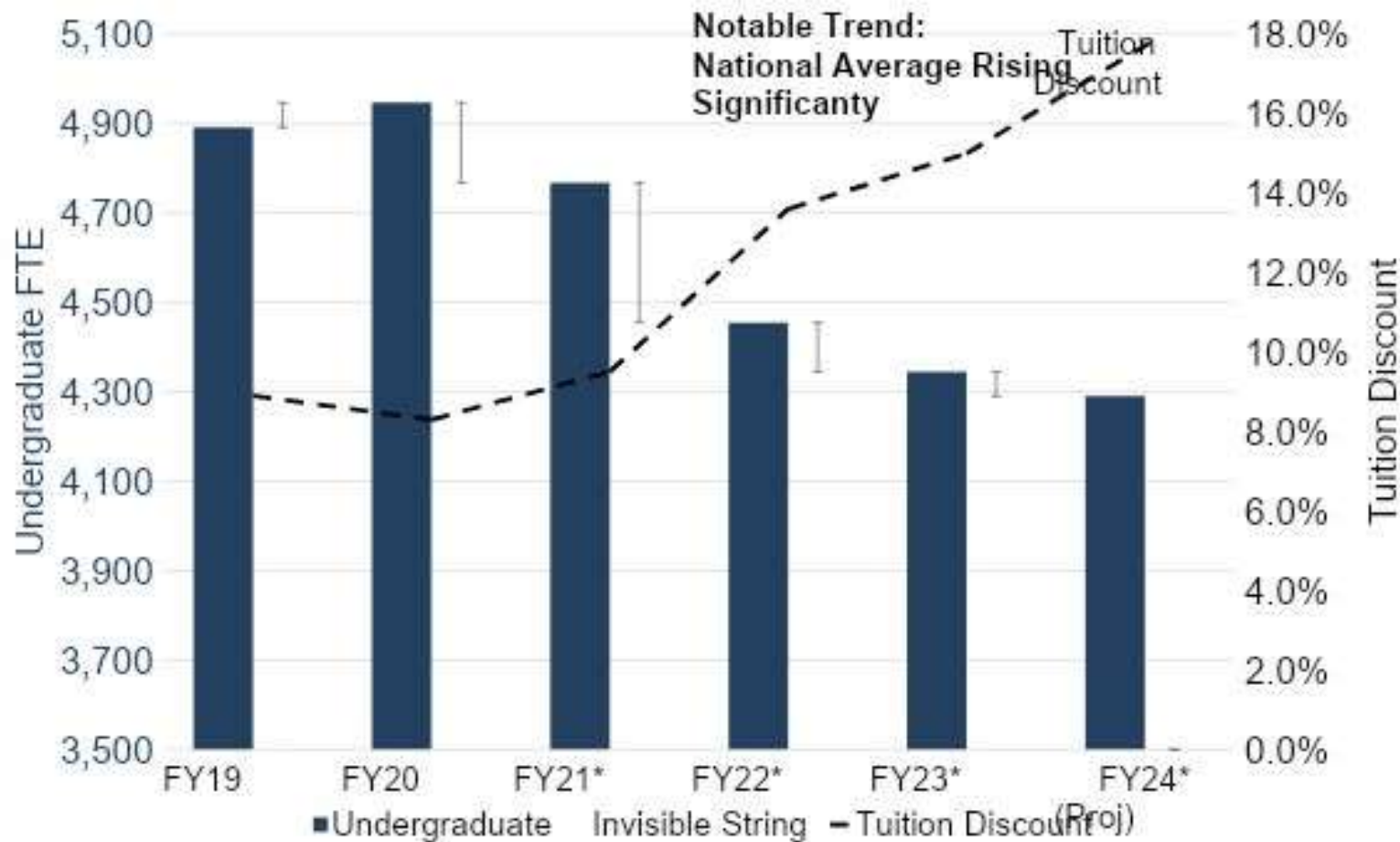


Annualized Enrollment: FTE



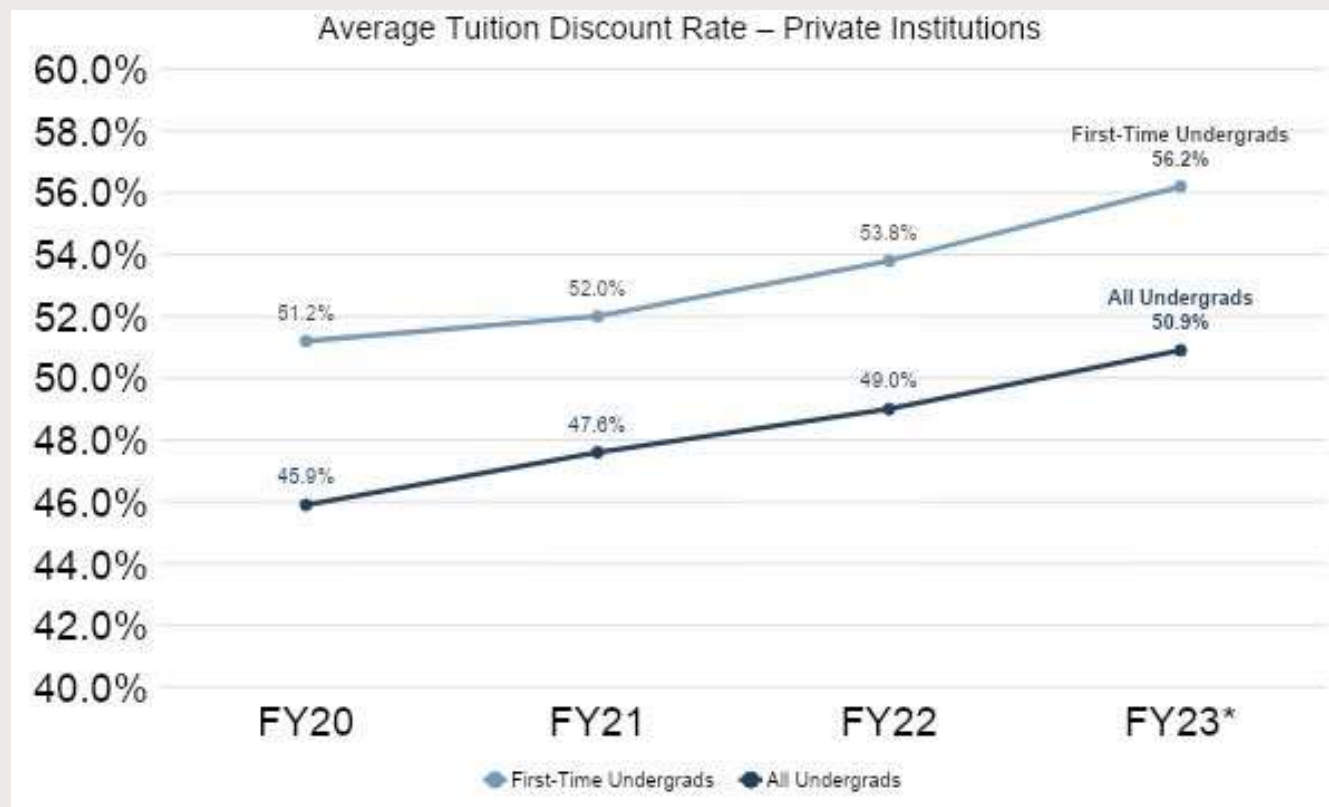
Undergraduate is Fall and Spring enrollment, Graduate is full year enrollment. *Includes Ramapo @ PCCC

Annualized Undergraduate FTE v. Tuition Discount Rate



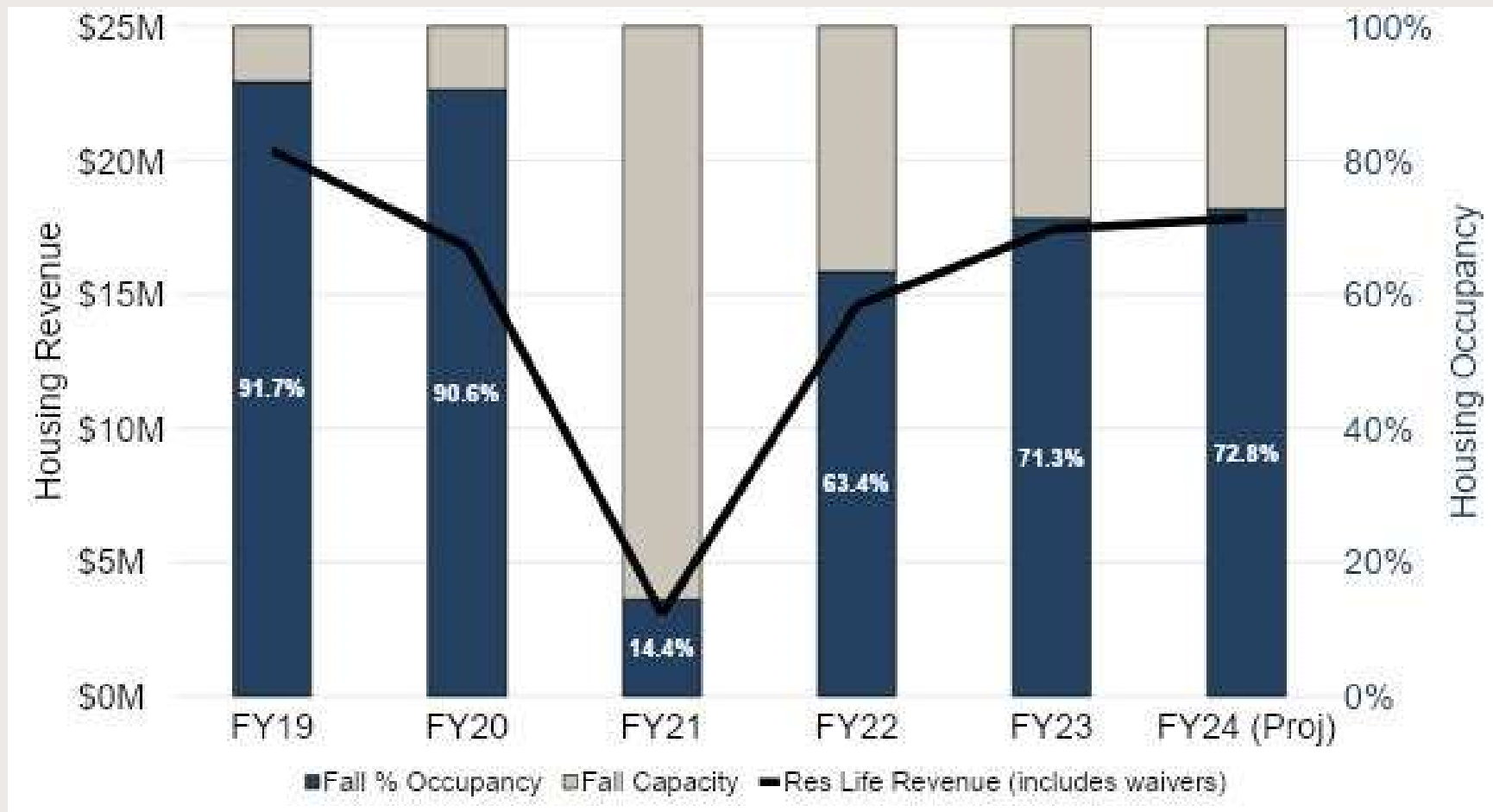
*Includes Ramapo @ PCCC

Increasing Discount Rate (Private Institutions)



Housing

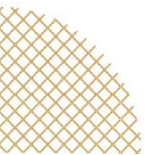
Occupancy vs Revenue



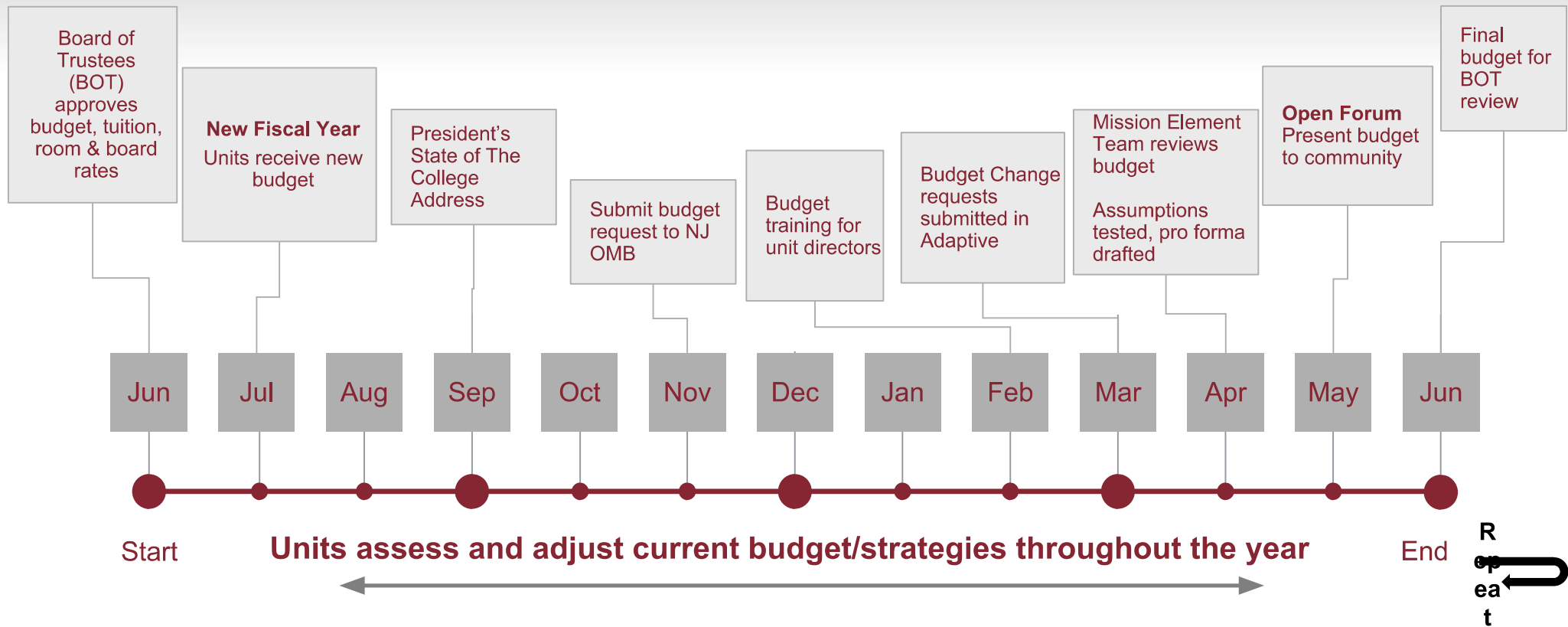
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FY24 Budget



Budget & Planning Cycle



Principles of Budget Development

- Resources focused on the Mission of the College – commitment to academic excellence
- 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**

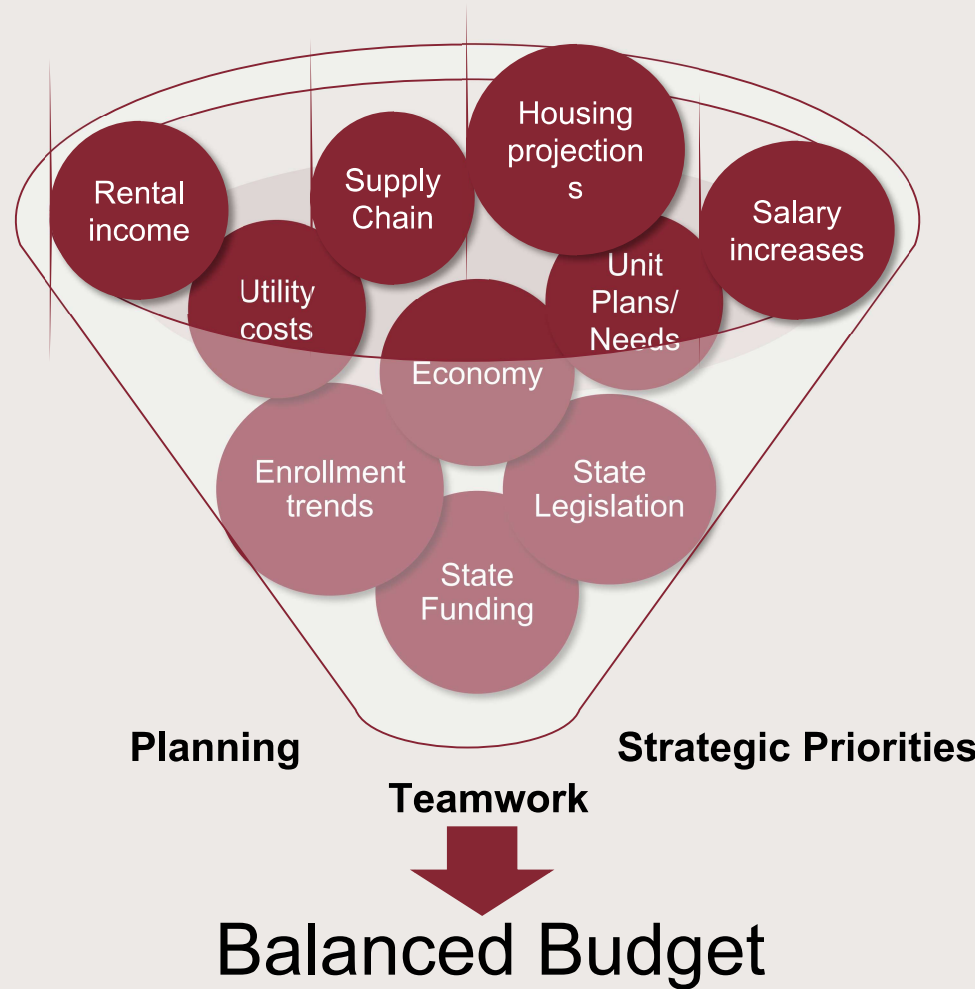
FY24 Budget Assumptions

- Expecting an increase for both tuition and housing rates, however still evaluating impact
- Tuition waivers up approximately 15% from FY23 actuals, excluding GSG
- Undergraduate enrollment for FY24 Fall & Spring is budgeted 1.3% lower than FY23 actuals
- Graduate enrollment for FY24 is budgeted 0.9% higher than FY23 actuals
- Housing for FY24 Fall and Spring is budgeted at 71.4% average occupancy as compared to FY23 which had an approximate occupancy of 69.6%

FY24 Budget Assumptions

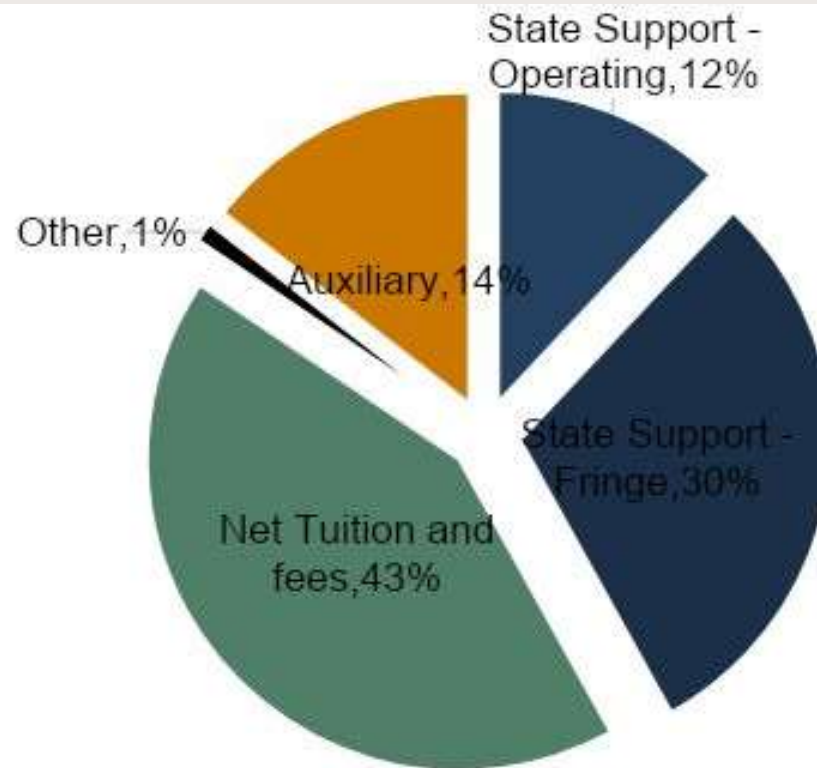
- No COVID-19 funds in the Budget at this time (expenses or grants)
- Full-time fringe rate budgeted at 72%, currently up from 68.5%
- Deliberate position review and controls
- Union contracts ending June 2023 and future increases yet to be determined
- Anticipated union and managerial increases included

Budget Development



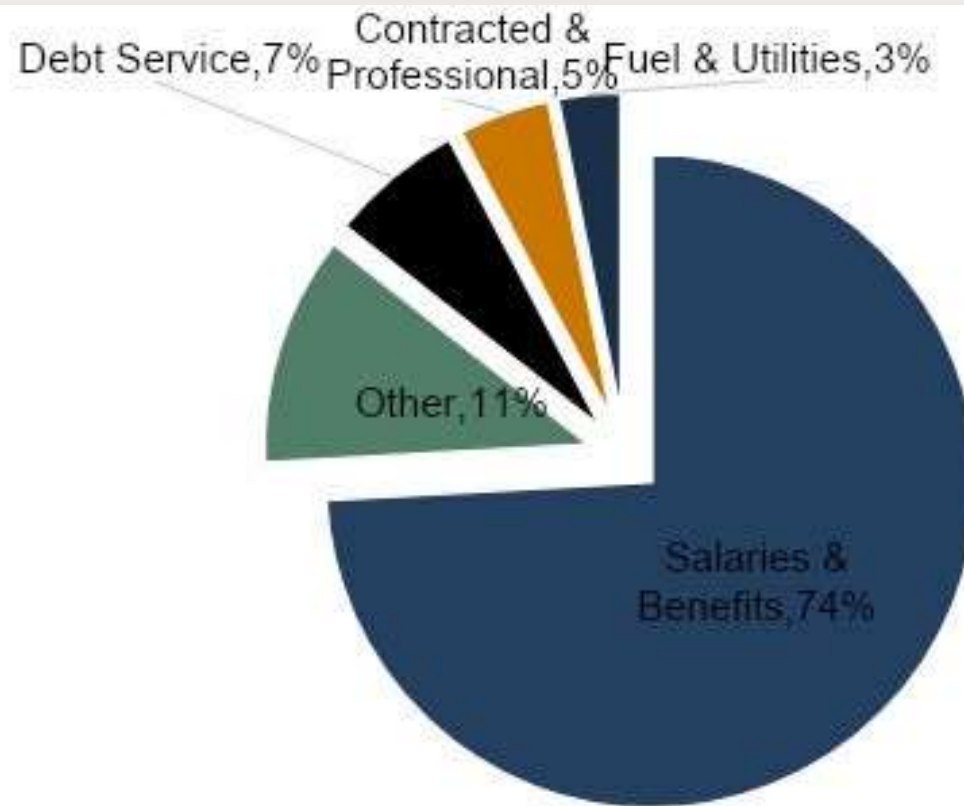
Sources of Revenues

FY24 Budget Estimate



Expenditures by Category

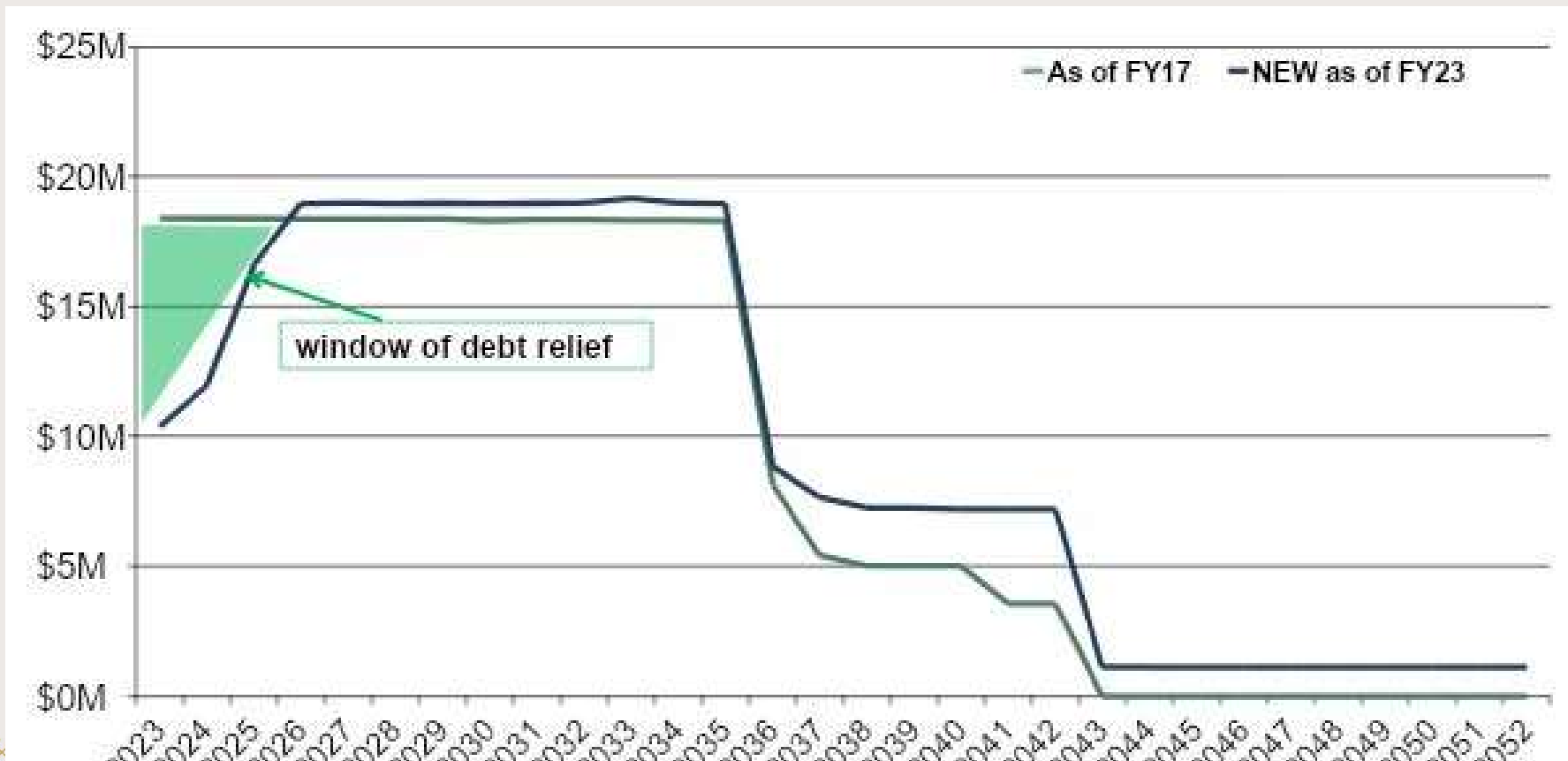
FY24 Budget Estimate



Financial Summary

| (dollars in thousands) | FY22 Actual | FY23 Projection | Preliminary FY24 Budget Estimate |
|---|-------------------|-------------------|-------------------------------------|
| Income: | | | |
| Net Tuition & Fees | \$ 76,677 | \$ 73,252 | \$ 74,098 |
| Government Appropriations & Grants | 61,997 | 62,700 | 71,125 |
| Auxiliary Enterprise Revenue | 21,473 | 25,600 | 25,667 |
| Interest & Other | 648 | 1,462 | 1,862 |
| Total Income | 160,796 | 163,014 | 172,752 |
| Expenditures: | | | |
| Salaries & Wages | 107,159 | 113,203 | 130,785 |
| Non-Salary Expenditures | 33,328 | 35,922 | 35,572 |
| Debt Service | 12,060 | 10,743 | 12,208 |
| Total Expenditures | \$ 152,546 | \$ 159,867 | \$ 178,565 |
| Change in Net Position | \$ 8,249 | \$ 3,147 | \$ (5,813) |
| Change in Net Position % | 5.1% | 1.9% | -3.4% |
| Revised Net with tuition & housing increase, additional interest, change requests | | | \$ (1,956) |
| COVID Relief | 6,240 | | |
| Debt Service Savings | 6,121 | 8,032 | 6,449 |
| Net without Debt Savings & COVID Relief | \$ (4,112) | \$ (4,885) | \$ (8,405) |

Ramapo's Debt Refinancing



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Our Way Forward



All Hands On Deck

- *Boldly Ascending: 2023-29 Strategic Plan*
- Campus Facilities Master Plan
- Academic Master Plan
- Enrollment Strategies
- Diversified Revenue Streams
 - PNP
 - Grants
 - Rental Income and Summer Revenue

Enrollment Strategies

A screenshot of the Ramapo College website. The main heading reads "LEARN IN SMALL CLASSES. SUCCEED IN BIG WAYS". Below it, a paragraph states: "Ramapo College offers you personal attention in a hands-on environment that prepares you for a career, graduate school or whatever the next phase in your life is...all for the value of a public college." A dropdown menu is open, titled "Show me information for:", with the following options: Freshmen, International, Transfer, EOF, Re-Admit, Non-Degree / Visiting Students, Graduate, and Adult Degree Completion. Below the dropdown, the text "Why Ramapo" is visible, followed by "At Ramapo College, the smallest public college allows us to commit to developing each student on a personal level, pushing student..."

LEARN IN SMALL CLASSES. SUCCEED IN BIG WAYS

Ramapo College offers you personal attention in a hands-on environment that prepares you for a career, graduate school or whatever the next phase in your life is...all for the value of a public college.

Show me information for:

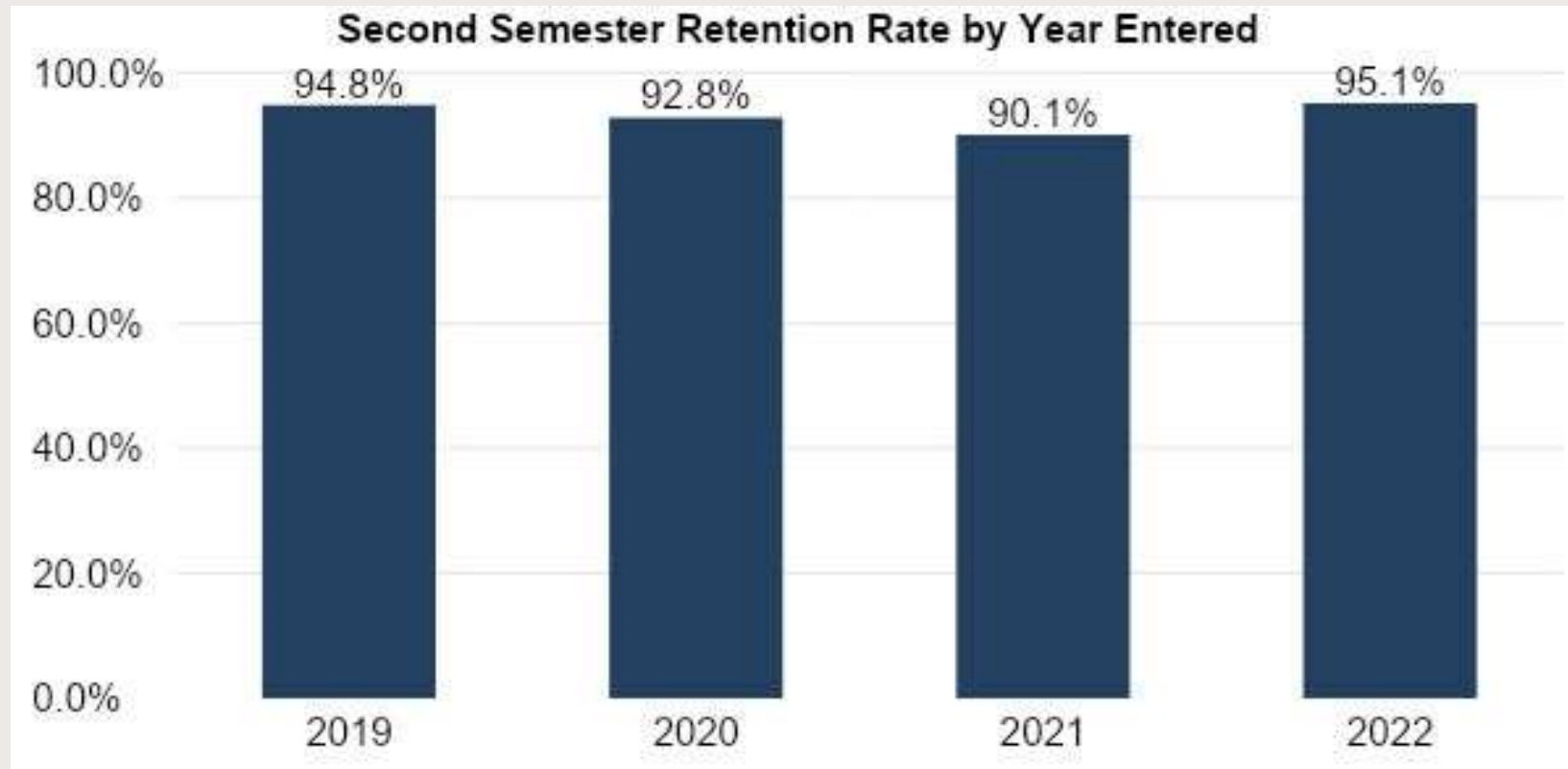
- Freshmen
- International
- Transfer
- EOF
- Re-Admit
- Non-Degree / Visiting Students
- Graduate
- Adult Degree Completion

Why Ramapo

At Ramapo College, the smallest public college allows us to commit to developing each student on a personal level, pushing student...

| | | |
|---|--|--|
| Undergraduate Open House <p>Our Spring Open House will occur on April 30. Campus Tours occur daily, see schedule on the Campus Tours section of this page.</p> Register Now | Campus Tours <p>Campus Tours are available on campus on Monday-Friday 10am and 1pm. Register for a campus tour, today!</p> Register Now | Virtual Undergraduate Appointments <p>Virtual Counselor Appointments are a great way to learn more about Ramapo College. We are hosting phone and video appointments with prospective students. Register now to meet your counselor, today!</p> Register Now |
| Virtual Adult Degree Completion Events <p>Learn more about earning your degree as an adult at Ramapo College and register for a virtual event.</p> Adult Information Session | Virtual Graduate Appointments <p>Virtual Graduate Appointments are a great way to learn more about Ramapo College. We are hosting phone and video appointments at this time. Register now to make your virtual appointment with a Graduate Advisor, today!</p> Register Now | Graduate Events <p>Learn more about our Graduate Programs and register for an upcoming virtual and/or in-person Information Sessions. We encourage you to connect personally with your respective Program Director and can request an appointment via graduate@ramapo.edu</p> Register Now |

Second Semester Retention



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

Priority Needs Proposals

| Presidential Scholarships | \$200,000 |
|--|---|
| EOF Student Scholarships | \$30,000 |
| Digital Humanities Projects | \$50,000 |
| ENHANCE Therapeutic Support Program | \$17,000 |
| First-Generation Student Center | \$12,412 |
| Gross Center for Holocaust and Genocide Studies | \$66,391 (\$50k pending) |
| Berrie Center for Performing and Visual Arts | \$100,000 (pending) |
| Investigative Genetic Genealogy Center | \$196,618 (\$225k pledge for following 2 years) |
| Center for Data, Mathematical & Computational Sciences | \$7,000 |

Select FY23 Grants



| Specialized Services Trio Grant | \$315,311 |
|---|-----------|
| Upward Bound Math and Science | \$313,568 |
| Vertical Farm Earmark | \$455,000 |
| Jane Addams NHPRC | \$150,000 |
| Jane Addams Papers NEH | \$300,000 |
| NIMH Hippocampal Signaling | \$328,000 |
| Hunger Free | \$51,528 |
| SBDC | \$253,641 |
| FEMA (COVID) | \$138,206 |
| NJ State Council on the Arts | \$68,570 |
| Community Provider Partnerships (Mental Health Grant) | \$338,000 |

FY23 Events & Conferences

Summer Revenue

| Summer Events and Conferences | \$124,000 |
|-------------------------------|------------------|
| MLA Summer Camp | \$400,000 |
| IGG Conference | \$4,900 |
| Corporate Interns | \$50,000 |
| Total | \$578,900 |
| Pending | \$41,600 |
| In the works | ... |

Uncertainties

- Additional unfunded mandates/changes in regulations (i.e. union contracts, state programs)
- Enrollment
- Significant increases to the fringe rate
- Another pandemic
- Possible recession
- Candidate pool challenges/salary constraints
- Unknowns?

What can We do for Our College?



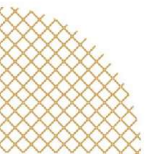
- Participate (unit effectiveness and assessment, Commencement, support student events)
 - Innovate (opportunities for new revenue streams, new programs, better ways to do things)
 - Manage Prudently (opportunities for cost savings)
 - Act with Purpose towards *Boldly Ascending*
 - Be Bold, Be Kind,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



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Questions?



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Thank you!

