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“NJIT Global:” A Tactic of the 2025 Strategic Plan, Building on a Strong Foundation

Q&A for the Establishment of an NJIT Branch Campus in Egypt

During this past decade, NJIT has achieved continuous improvement, significant growth and increasing prominence as a public polytechnic university. We have done so by recruiting over 150 new faculty, doubling our research expenditures, expanding our curriculum for the current and anticipated professions, increasing enrollment by nearly 50%, adding 1,000,000 sq. ft. to the campus facilities at a cost of over \$500,000,000 and increasing the expenditures for capital repair and replacement by more than 5000%. This growth trajectory has been achieved by successful academic and financial leadership and the on-going support of the broader campus community, including the senior staff and academic leadership, faculty, staff, students, alumni and friends of the university. We have used two strategic plans for 2020 and 2025 that have been developed with the input of hundreds of community members in order to identify priorities, strategies, tactics and key performance indicators (KPIs) to guide the implementation of those plans. In the 2025 strategic plan, there is a tactic of “NJIT Global” which includes in-person, converged and remote learning. The Egypt initiative with Tatweer Misr is a significant component of the NJIT global focus, carries a relatively low level of risk, and has been in the planning stages for three years. During that time the partnership has seen multi-layered revisions, as is expected when engaging international partners.

Given NJIT’s commitment to Shared Governance, the Egypt initiative has been discussed at multiple forums over the past three years and has involved the Faculty, University and Student Senates; the Board of Trustees and Overseers; as well as Senior Staff. The initiative evolved from an invitation by Ocean County College (OCC) to partner with them in response to the Egyptian International Branch Campus (IBC) Law of 2018. OCC would offer the lower division courses and NJIT the upper division on a branch campus in Egypt. Each institution would offer its respective degree, an associate’s degree from OCC and baccalaureate degree from NJIT. The IBC law provided for partnering with an Egyptian company to incent the development of the branch campus. After multiple visits to Egypt, Tatweer Misr was selected as a development partner. At a subsequent meeting with the Minister of Higher Education, it was stated that the Egyptian Presidential Decree would be proffered only to an internationally ranked senior higher education institution. Therefore, OCC could not be included in the decree. Over the past year, a final draft of the agreement involving multiple individuals from NJIT, Tatweer Misr and Colliers has been developed. On April 1, 2021 the final draft was approved by the NJIT Board of Trustees.

In a similar NJIT Global initiative, an agreement was signed with Ben Gurion University (BGU), an Israeli institution. This agreement developed as a result of a visit to BGU by this President in 2018. It provides for NJIT to host, at its Jersey City site, the establishment of the Future Technologies Institute and jointly conducted graduate education and research. Like the successes achieved in the 2020 Strategic Plan, “NJIT Global” is an important tactic for the next decade in order to generate additional revenue, international recognition, and prominence.

The following is a brief Q & A and the opportunity to view a video about Tatweer Misr as well as a “final draft Agreement” between NJIT and Tatweer Misr.

1. What is the risk of an NJIT branch campus being established in Mostakbal City, Egypt?

Two independent reports by internationally renowned strategic financial consultants, the first completed by Ernst & Young, have considered this issue. The E&Y report includes an in-depth analysis of the existing international campuses in Egypt, the economic climate, the demand for higher education, IBC expansion, risks and mitigations. It found:

- The macroeconomics environment in Egypt is favorable, with a growing middle-class, for higher education. Egyptian students currently are paying the NJIT tuition and fees as well as those of the American University Cairo.
- The IBC law has created a favorable climate for international universities to establish branch campuses in Egypt.
- Egypt Strategy Vision 2030 aims to improve the standard of higher education via internationalization.
- Egyptian students have a preference for an international education, specifically American, with currently very few pathways to the U.S.
- The proposed curriculum of business, engineering, and IT is in great demand, and is expecting double digit growth of ~10%.
- The proposed university campus is in Mostakbal City, within the greater New Cairo Administrative Capital and will be well connected with new bus and electric trains.
- The development being built by Tatweer Misr will include an educational zone with K-12 international feeder schools, universities, and premium residential units for ~ 10,000 people.

The summary dashboard provided by Ernst & Young was highly favorable for a branch campus in Egypt, given the economic climate, the demand and competition, and the local partnership with Tatweer.

The second report was completed by Colliers International, a strategic development and financial management company. It conservatively projected the growth of enrollment to over 3,300 students for eight undergraduate majors to be phased in over three years. The terms of the NJIT-Tatweer agreement are 10 years with a simple financial arrangement for offering the undergraduate degree programs; NJIT receiving 5% of the gross revenue from tuition and fees for years 1-5, projected to yield an average of \$1.5M (U.S.)/year; and for years 6-10 , 6% of the gross tuition and fees for an average of \$4.3M (U.S.)/year. There is a 10-year contract renewal in the agreement. These conservative projections of revenue do not include other educational offerings and revenues, e.g., graduate education or training. At the start of the branch campus, NJIT will be offering high demand non-credit training and economic development services through NJIT to accommodate Egypt's rapidly growing population and developing economy.

NJIT has no financial obligation for the establishment or operation of the campus, including for the instructional, student support services, or any other personnel. In fact, all personnel will be employees of the Tatweer Misr Education Institute (TMEI), except for the campus leader; an NJIT Vice Provost/Campus President will be an NJIT employee. NJIT will be reimbursed by TMEI for that cost.

No faculty or staff will be required to travel to Egypt or to provide instructional or other services for the branch campus. Should a staff or faculty member choose and be approved to provide instruction or services to the branch campus, the department will be reimbursed for their time by

the TMEI. The selection, approval and supervision of all personnel at NJIT's Egypt branch campus will be the responsibility of NJIT.

Clearly, there is risk in any new endeavor, but based on the two independent reviews, it appears to be low. There is likely a greater risk to NJIT if there is not a timely completion and implementation of the agreement.

2. Why is NJIT pursuing this Branch Campus?

The NJIT administration, with Board of Trustees approval, is pursuing the strategy of a branch campus in Egypt for some of the same reasons that universities like American University, Carnegie Mellon, Cornell, Duke, Georgia Tech, Georgetown, Northwestern, Rochester Institute of Technology, Texas A&M and about 70 additional U.S. universities have established branch campuses. Several of these branch campuses are in the Middle East. The rationale for a branch campus typically includes:

- A. Altruism and belief in a global community
- B. National and international visibility and reputation
- C. Collaborative research for the solutions to global problems
- D. Workforce education and training
- E. Student exchanges and recruiting
- F. Faculty exchanges and recruiting
- G. Revenue generation

Based on a number of factors, NJIT needs to continue to generate additional revenue beyond tuition and fees, state and federal funds, and auxiliary services. NJIT is an 80+% STEM university, the only one in the state of New Jersey. **NJIT offers the costliest of STEM disciplines.** Depending on the STEM major, NJIT's cost is 60-100% more than liberal arts and social science majors. Unlike other of the polytechnic universities, e.g., MIT, VPI, which offer large programs for education majors in science, mathematics as well as sociology and other disciplines, NJIT has minimal low-cost majors. Over the past decade, we have significantly grown our revenue through aggressive financial leadership. For example, **NJIT, which at one time was thought of as a risky initiative,** has added to our revenue, reputation and significantly contributed to NJIT becoming an R1 research university. **Over the longer term, to sustain the continuous improvement of NJIT, we need additional sources of revenue, including a branch campus, like the other highly ranked universities listed above. The offer in Egypt is absolutely the right source of revenue, at the right time, and should be implemented.**

3. Why is NJIT pursuing this branch campus in Egypt in partnership with Tatweer Misr?

When the government of Egypt established the IBC law, it invited international universities to partner with identified developers to develop and operate higher education branch campuses in Egypt, particularly in or near the new Capital City that is under construction. The City of Mostakbal is within the footprint of the Greater New Capital City and in the midst of a population forecasted to be over 10 million people and growing, with a significant population under 20 years of age, as compared to America's declining population of under 20 year-olds, particularly in the Northeast.

Tatweer Misr is a real estate development company valued at over a billion dollars and is currently developing four large high-end residential communities, including one in Mostakbal (**see video here <https://drive.google.com/drive/folders/1M58dyNxb48bRtj01uZm2uhUU9WEhPjfb>**). The CEO of Tatweer is a Cornell University educated Ph.D. HAUD (History of Architecture and Urban Development) and had been a faculty member in the department before returning to Egypt to start Tatweer Misr. It is his vision to build a 400-acre mixed use development of residences as well as educational, cultural and recreational facilities in Mostakbal City. There will be a 90 acre educational zone (dba Tatweer Misr Education Institute), home to the NJIT branch campus. The plan for NJIT includes a 400,000 sq. ft. facility on 13 acres. Also in the education zone will be two K-12 schools, including Kings College, a British private school which will offer a STEM Academy. Other universities are planned to be added, but not in NJIT disciplines. The funding for the development, Bloomfields (named prior to NJIT's involvement), has been secured from shareholders by Tatweer Misr. I met with investors and the bank when I was in Egypt earlier in April 2021. NJIT has zero commitment toward the payment for the funding.

4. When is the NJIT branch campus scheduled to begin operations?

As per the “draft final” agreement between NJIT and Tatweer Misr, the NJIT branch campus in Egypt for undergraduate degree programs could begin as early as Academic Year 2022-2023. It is more likely to begin in September 2023, due to necessary accreditations and approvals in Egypt and New Jersey as well as the development of the course schedule, hiring of personnel, and the completion of the start-up campus facilities. The initial schedule will include three degree programs (Construction Management, Information Technology, Medical Informatics) with additional ones to be phased-in during the subsequent two years (year 2: Business, Civil Engineering, Concrete Technology; year 3: Architecture, Manufacturing Engineering Technology).

Multiple accreditation/approval processes will be completed prior to the final receipt of the Egyptian Presidential Decree. The initial review for the decree has begun with the signing of the final draft of the NJIT-Tatweer Misr agreement. A decree will be issued following the approval by the New Jersey Secretary of Higher Education and a preliminary one by the Middle States Commission of Higher Education.

There is much support for the NJIT branch campus in Egypt. The U.S. Government via the Ambassador to Egypt, the United Nations Secretariat, the NJIT Board of Trustees, the Board of Overseers, faculty, students, staff and alumni, particularly those of Egyptian descent, have lauded this initiative. Any questions, concerns or comments, can be sent to me via email. Should you want to review the current “final draft” of the NJIT-Tatweer Misr Agreement, it is posted on the Presidential website. I look forward to your support and hearing from you.

Thank you,

Joel S. Bloom