

Budget and Finance Planning Council

Wednesday, December 12, 2018

Time: 3:00pm- 3:50pm

Green Hall 207

Present: President Foster, Ms. Gallus, Dr. Hooven, Provost Keep, Dean Level, Dr. Marcus, Treasurer Ricketts, and Dr. Sorokina.

The minutes of the 10/24/2018 meeting were approved by the members of BFPC. President Foster had begun the meeting. She mentioned that BFPC is a valuable governance body and shared her conceptual vision on budget principles. According to the exhibit shared by the President, recent TCNJ's annual tuition and fees increased quite slowly at the rates close to inflation. President Foster explained that this recent trend is in line with her budgeting goals. She would like to balance the budget using revenue diversification rather than tuition increases as a source of income. President Foster cited NYU as a great example of such a strategy. Treasurer Ricketts said that he liked NYU's model because it helped relieving students from covering the costs increases. According to President Foster, aligning spending with strategic priorities shall be a key for the TCNJ budgeting.

Dr. Marcus talked briefly on the history of the BFPC and explained that in the Council's first year (2017-2018) they've met a few times. There also was a presentation of Huron Consulting Group on the new budget model. The focus of TCNJ will be on Incentive-based budget model that is based on an entirely new way of interacting of administration with faculty. This academic year, due to arrival of the new leadership, the Council stepped back and started seeking direction from the Cabinet, Dr. Marcus explained.

President Foster mentioned a budget model where administrative services were considered to be an overhead for Schools. Treasurer Ricketts and Dr. Marcus told that Huron presented multiple budget models. Provost Keep said that it is important to quantify and allocate all costs. Schools at TCNJ will adopt the new budget model at different times. Nursing and Education will be the first two schools to define cost-benefit framework and to show what they spend and what they produce. Dr. Marcus added that without a qualitative component the analysis of the value may be misleading (signature experiences are an example of high-cost high-value segment that is not directly reflected in the revenue generation). Provost Keep said that the data was still necessary, and he would put it together for President Foster.

President Foster said that she saw Council's role as advisory, but she would like to know what the Council members think they could do and how well they could focus on doable initiatives. The discussion of the continuity of Council's actions followed.

President Foster offered to set the following priorities:

- 1) Educate the campus
- 2) Gather input on ideas, particularly related to strategic priorities
- 3) Idea generation
- 4) Develop a process for short-term assignments (6-months projects)

Dean Levin mentioned that labor costs and personnel issues were outside of the scope of Council's responsibilities. Dr. Marcus clarified that those issues were not excluded permanently. He also offered to collect input from the stakeholders regarding budget and budget-related initiatives and to help the campus understanding the transition to the new budget model.

Provost Keep explained that Huron presentation was not shared with the campus because of a concern among administration that publishing budgetary information without an appropriate context might trigger defensiveness to the change in the budget model. President Foster said that it was not even clear that we needed to change the budget model, because the question of what was wrong with the existing model was not answered. President Foster had an experience with a transition to the centralized budget model and it was painful. President Foster supported a concern that if detailed data was released, various parties would only focus on the immediate impact on their own interests.

President Foster asked whether members of the Council were aware of the budget structure. Dean Leven asked to see the budget. Treasurer Ricketts said that a very high-level version was available on-line. There was a budget allocation on divisional level from Moody's that could be shared with the Council members, according to President Foster, Provost Keep and Treasurer Ricketts.

President Foster said that the Council had to be ongoing, beyond just budgetary model transition and its role should be important. She asked what that important role might be. Dr. Sorokina offered establishing a process and creating tools for an ongoing detailed budget analysis and monitoring. Dr. Marcus saw the role of the council rather as a general advisory to the leadership, he did not see the Council involved in a detailed budget analysis. That role could be delegated to separate groups, Dr. Marcus said.

President Foster said that CSPP together with BFPC and other groups could study the budget and educate leadership. She mentioned that creating a universe of visualized, descriptive and easily understandable reports, such as a bar chart of TCNJ's annual tuition and fee increases vs inflation that she had shared at the beginning of the meeting, would be essential for proper decision making. Treasurer Ricketts said that the Council will figure out how to fulfill the outlined needs and goals and invited President Foster to join future meetings.