

CSPP Meeting Minutes  
May 13, 2020

In attendance: Lisa Angeloni, Joanne Bateup, Matt Bender, Suchir Govindarajan, Connie Hall, Dave Hunt, Bill Keep, Patty Kou, Kiara Mayhand, Rob McGreevey, Amanda Norvell, Joe O'Brien, Dave Prensky, Lloyd Ricketts, Nino Scarpati, Sean Stallings.

President Foster joined for the budget review

1. May 5, 2020 meeting minutes were accepted.
2. CSPP will continue to meet through June at least.
  - a. Propose that current roles/members remain until the end of June and transition for July 1. Some new members will join for June to aid continuity.
  - b. All agreed to this timing for the transition.
3. Feedback from the survey for the Preliminary Recommendation on CoSA Scheduling was reviewed.
  - a. Results of survey were very supportive (104 responses);
  - b. The open forum had few attendees (~6).
  - c. Suggestions for the 2<sup>nd</sup> day we gain were also included (see survey results that were shared)
  - d. The Recommendation stands as it was presented.
4. Environmental Sustainability Council (ESC) Strategic Plan
  - a. Brian Potter – co-chair of Environment Sustainability Council visited CSPP last fall and presented timeline for strategic plan
  - b. That Council was added to the governance structure last year and reports to CSPP
  - c. This plan will inform the College's strategic planning.
  - d. Send any comments/feedback
    - i. The plan should address reducing emissions from commuting by car.
    - ii. Could explore a shuttle from the train station to campus
  - e. CSPP supports the plan, but it is difficult to endorse it fully at this time due to uncertain budgets. The main budgetary item in the plan is hiring a Director.
  - f. CSPP cannot allocate funds, only make recommendations. We can acknowledge it is a priority and possibly recommend actions that require little or no funds for the near future.
  - g. CSPP would like to endorse the concept of sustainability and its' importance to our strategic goals, however, uncertain regarding funding components.
  - h. No action today, but a determination is needed by the end of June
  - i. It is too late for adding anything to the FY21 budget which starts in 6 weeks. Possible to act on it in FY22

5. Budget Presentation, President Foster and Treasurer Ricketts (some highlights will be noted below)
  - a. This is an expedited budget presentation; the presentation is still evolving so once all reviews are done, President Foster will share it widely.
  - b. Most on CSPP have seen the presentation in some form through other channels/presentations
  - c. There are still 3 plans with a set of assumptions, drivers and levers.
  - d. TCNJ will use some portion of the reserves; must keep 6 months of operating budget in reserve
  - e. Housing income is based on single room occupancy only for all scenarios
  - f. The best case scenario still leaves a 4 million dollar gap
    - i. All vacant positions are on hold
    - ii. Scholarship support increases
    - iii. There will still be some strategic investment
    - iv. No salary increase for non-unit employees
    - v. State contract controls salary and raises for union employees
  - g. Second level scenario leaves 8 million dollar gap
    - i. Add lower enrollment
    - ii. Expense management – must save 12.5 million
  - h. Worst case scenario has gap of 32.6 million.
    - i. 100% remote; no on campus housing will mean a loss of 36 million in revenue.
    - ii. Asset renewal also gone as this is funded by housing revenue
    - iii. Expense management of 15 million
  - i. The extent of contracting the budgets for each case are 6.2, 7.8 and 18.3%. In higher ed, anything over 5% means restructuring is recommended.
  - j. Additional levers:
  - k. Re-structure some debt and we may get some savings in the early years. Annual debt service is 26 million a year. Heavy in early years so one suggestion is to push some principle to later years. Could generate up to 14 mil in savings for next 5 years. These savings would go to strategic initiatives
  - l. Reserve - a minimum of 6 mos of reserve (~100 million). So limits how much can be applied.
  - m. Expense management (does not require Board approval):
    - i. Assess what fundamentals we need to support our mission
    - ii. A rapid response is needed followed by a period of stabilization – shift resources.
    - iii. Don't make decisions now that jeopardize the future. Transform now so that you remain viable.
  - n. Final budget plan due on June 5<sup>th</sup> and it must be balanced; Treasurer is presenting all 3 budgets. NJ fiscal year have been moved back, the goal is to come in with balanced budget on time (June 5<sup>th</sup>).
  - o. Q&A
    - i. What are the long term implications of debt restructuring?

1. Debt is pushed off which is not good for appearances, but our current structure is very front-loaded and interest rates are good.
- ii. Has there been a calculation to determine savings from furloughs?
  1. 110 million dollars for compensation. HR is doing an analysis of savings in each area. For example, 10% furlough overall will save 11 million.
- iii. What about a state imposed furlough (Sweeny bill). The bill includes each state institution paying 40% of salary (not 100%) and benefits; employees apply to unemployment for the rest. Employees with salary up to 76,000 would be even or slightly better off.
  1. The savings for TCNJ based on this has not been calculated.
  2. This is only to July so far. It may be extended if the Fed govt extends unemployment compensation.
- p. The biggest unknown is state appropriations (a 40% cut is a generous assumption) it could be worse at 50-60%. A very big unknown compared to other items.
- q. Once before, TCNJ refinanced to save 4 mil a year and the budget just grew so no real savings.
- r. The savings must be applied to longer term strategy and some savings. It should not be used to just plug a hole in the budget.
- s. Cost associated with testing, cleaning, etc. need to be included. Different units (CERT) will be doing that analysis. Where do funds have to go for safety considerations, for example.
- t. Numbers are based on social distancing for the entire year. Then the debt increased for each case.