

Committee on Strategic Planning and Priorities

April 25, 2022: Special session Budget Meeting

Minutes

In attendance: Matt Bender, David Blake, Dylan Chidick, James A. Felton III, Jana Gevertz, David Hunt, Debra Klokis, Joe O'Brien, Jeff Osborn, David Prensky, Jennifer Prince, Roshni Raji, Lee Ann Riccardi, Lloyd Ricketts, Nino Scarpati, Sean Stallings

Special Guest: Kathryn Foster

Presentation by Kathryn Foster, President, & Lloyd Ricketts, Vice President, Treasurer

This presentation has been given several times and it is a work in progress as the budget is still evolving. Next up: Board of Trustees Meeting on May 3. Throughout May and beginning of June, the budget will continue to be revised until it is approved at the final BOT meeting of FY22 on June 28.

Main Points:

- In this budget, Budget and Strategy are considered together
- There is not much flexibility in TCNJ's budget for FY23.
 - FY 22 Revenue: about 50% comes from tuition & fees; 24% from state appropriations, 15% from room & board. Little room for growth
 - FY 22 Expenditures: about 59% compensation, and the rest mostly fixed expenses
 - FY22 Projected Year end surplus: original budget projected \$560,000, but final projection is \$185,000. This margin is too thin. Ideally should be about 5% of the total or \$14,000,000. We are far from there
 - NOTE:** Fuel and utilities exceed the projected costs, but we have tapped our fuel and utilities reserve this year. But now we have to factor in rebuilding reserves in next budget as well as plan for continued increase in costs
- Tuition and Fee increase will be 3-5%, but state negotiated compensation will be about 5%. State appropriations will not be raised to cover this.
- Current plan shows budget deficit of \$13,289,000. TCNJ is required to have balanced budget. Where will this come from?
 - Current ideas:
 - There will be some FEMA COVID related funding \$1,620,000
 - Foundation support \$3,000,000
 - Expense optimization (vacancy management, administration reorganization, procurement cost savings, administration efficiency (services, supplies), est \$8,300,000. This will be a heavy lift to achieve. If all this comes together, the revised budget deficit will be \$369,000.
 - If these savings can't all be realized, we will have to ask the BOT to release budget reserves to cover the deficit. If money is authorized to be taken out of reserves, TCNJ would try to realize savings as much as possible over the year to

minimize how much will be withdrawn, and future budgets will have to include plans to build the reserves back up

- FY23 Budget includes new investments based on some of the strategic considerations identified in the new 5-year Strategic Plan (it's a 5 year plan and this is a 1 year budget, so not everything is addressed here)
 - **Goal:** TCNJ will educate more students from diverse backgrounds: Budget includes scholarships, support for transfers, support for student success, dual enrollment programs
 - **Goal:** TCNJ will support-teacher/scholar model and deepen the efficiency and appeal of its curricular experiences: Budget includes money to enhance advising, expand 4+1 programs by bringing in external developers to achieve at least 6 new programs to start Fall 2023
 - **Goal:** learning beyond the Bachelor's degree: Budget includes money to grow graduate education and continuing education programs
 - **Goal:** support strategic progress: Budget includes money for a strategy execution team, investments in inclusive excellence, investments in marketing, investments to improve curb appear and digital infrastructure.

Q&A:

A Strategy Execution Team will be different than CSPP: Holding ourselves accountable to implementing the strategic plan requires more focus and accountability than can be done with governance committee. Many things still being worked out.

Not sure who will populate it: maybe people here now, maybe from outside.

Need to clarify the role of CSPP in relation to this team.

If this team is permanent, need to clarify how it will fit in TCNJ's shared governance

External developers will be hired to help develop 4+1 programs that research has indicated are most likely to succeed. Process for selecting which programs not yet established.

Professional advising will be done to alleviate pressure on high demand areas and alleviate inequities in advising loads

Need a Task Force for Graduate Programs rather than have new programs going through governance because it is too slow. But not sure yet how to structure the permanent oversight body for Graduate Programs.

Respectfully submitted,
Lee Ann Riccardi