



To: Members of the Campus Community

From: Lloyd Ricketts, Vice President and Treasurer

Date: March 24, 2015

Fiscal Year 2015-16 Budget Planning

The purpose of this memo is to provide you with information about the budget development process for the 2015-16 fiscal year. Over the past three years, the College has implemented modifications to its annual budget cycle ([see attached](#)) to better integrate budget planning and assessment so that funding allocations can be explicitly linked to priorities that will lead to the achievement of the College's strategic goals. With the endorsement of President Gitenstein, the Committee on Strategic Planning and Priorities (CSPP) has decided that the following areas should be the focus of strategic investment during the 2015-16 fiscal year budget development:

1. Revenue Enhancement Initiatives
2. Signature Experience (including Integrated Curricular and Co-Curricular Experiences)
3. Technology - Academic Infrastructure and Operations
4. Diversity and Inclusion
5. Facilities

Committee on Strategic Planning and Priorities Budget Decision-Making Principles & Process Approved by the Board of Trustees

The following principles, in order of importance will guide budget decision making:

- **Preserve the health, safety and security** of our students, faculty, staff and visitors.
- **Preserve the integrity and excellence** of the educational programs and services through which the College realizes its mission.
- **Preserve the institutional integrity** of the College, including our obligations to staff, faculty, and students (e.g., scholarships).

In implementing these principles, decisions will also be guided by the institutional strategic initiatives, in particular, the need to preserve and enhance the College's long-term financial well-being.

Fiscal Year 2015-16 Budget Challenges

The following is a summary of some of the key budget challenges that will need to be addressed in developing the 2015-16 fiscal year budget:

1. Based on the Governor's proposed budget, TCNJ's base state appropriations will be reduced by approximately **\$2.4 million or 8.3%** to offset the projected increased cost of the state-funded fringe benefits.
2. The State negotiated salary program (step increases and/or cost of living adjustments) will more than likely be another unfunded mandate from the State. Because the union contracts will be under negotiations with the State, TCNJ will not know the cost of the salary program until the contracts are finalized.
3. There will continue to be constraints on tuition and fees increases, as well as an increasing demand for institutional scholarships.
4. Enrollment capacity will remain limited.
5. There is increasing demand for student services (e.g. Counseling and Psychological Services).
6. Identifying sustainable revenue enhancements and cost containment initiatives.

Fiscal Year 2015-16 Operating Budget Goals

With the above noted challenges and constraints in mind, we are fully committed as a public institution to prudent management of the College's finances. As such, TCNJ will continue to adhere to the following operating budget goals:

1. Produce an operating budget that is aligned with the College's strategic initiatives and priorities.
2. Require departments to carefully examine their non-salary budgets and vacant positions, and demonstrate that resources are effectively allocated to support division/school strategic initiatives.
3. Identify revenue streams to support institutional strategic priorities.
4. Utilize the new web-based budget development software (**BudgetPak by Xlerant**) to link any new funding requests to the College's strategic priorities.

Fiscal Year 2015-16 Budget Planning Assumptions

Annually, the College develops a set of high level assumptions to forecast budget results for the next fiscal year. These assumptions are based on the best economic and financial information available at the time. Below is a summary of the assumptions and processes we will work with for this coming fiscal year:

1. Assume that your department non-salary budgets will be funded at the current levels (FY15 base budget) except for mandatory increases within the institutional commitment category.
2. Review your department's current and previous expenditure patterns to identify areas where reallocation of funds might be necessary for FY2015-16 to better support your operations.
3. Any new funding request for strategic projects **MUST** be entered as an ActionPak in the BudgetPak software. Such requests must be consistent with the strategic initiatives for your areas of responsibility and should be aligned with the areas of focus for strategic investment identified above by CSPP. Again, because the funding constraints remain a reality, it is essential that you look to reallocating funds where possible, to support strategic priorities.

New Budget Development Software

TCNJ has acquired **BudgetPak by Xlerant** as its new online budget development software. BudgetPak's unique and decentralized approach to budgeting provides end-user flexibility without sacrificing financial controls in the application. Some key functionality of this software include:

1. **Detailed Salary Planning** - provides a secure, step-by-step personnel-level salary planning tool maintained by the finance office, but with flexibility for departments to plan for new hires, changes to headcount, and other personnel data.
2. **Interactive Budget Map** - provides each department budget user with a dashboard which helps them through the budget process, orienting them to where they are in the process, which accounts still need to be addressed, and how they are doing against the baseline assumptions established by the President and Cabinet.
3. **ActionPaks** - allow each department to plan for their unique initiatives that apply only to them but touch multiple accounts. New funding requests for strategic priorities will be done using the **ActionPaks menu**.
4. **Documentation & Justification** - allows the end-user to provide detailed documentation of assumptions, notes, and justification for any account within the application and therefore expediting the budget approval process.

A separate announcement regarding budget development training sessions will be issued shortly to the authorized budget users. All planned budget reallocations and/or requests for additional funds (where essential) should be completed and approved (**in BudgetPak**) by your respective Cabinet Officer ***no later than Friday May 8th, 2015.*** The budget software can be accessed via: <http://treasurer.pages.tcnj.edu/>.

The Board of Trustees is scheduled to meet on July 7, 2015, and traditionally the fiscal year budget is presented for approval at this meeting. You will be notified on the status of your budget request once the board approves the 2015-16 fiscal year budget.

Thank you in advance for your cooperation.