



To: Members of the Campus Community

From: Lloyd Ricketts, Vice President and Treasurer

Date: February 1, 2019

Fiscal Year 2020 Budget Planning

The purpose of this memo is to provide you with information about the budget development process for fiscal year 2020. Over the past few years, the College has implemented modifications to its [Annual Budget Timeline](#) to allow for more deliberation and to ensure that resources are effectively allocated towards institutional priorities. At the request of President Foster, there will be some modifications to the fiscal year 2020 budget development process and submission deadline.

As part of these procedural changes, departments will be required to carefully examine their operating budgets including all vacant positions and to demonstrate that requested resources are explicitly linked to divisional strategic goals in support of the **three** overarching [institutional priorities](#) articulated by President Foster in her address to Campus Leaders on January 30, 2019.

Prioritization will also be given to the following initiatives that were included in TCNJ's FY2020 State Budget Funding Request:

1. The creation of **a new merit-based scholarship for academically talented underrepresented students**. This would be done in partnership with the state and further the administration's commitment to this student population. We requested an **adjustment to our base appropriation of an additional \$1.5 million** representing a state share of 75 percent, with a commitment by TCNJ to cover the remaining **25 percent (\$0.5 million)**.
2. **The addition of 80 positions to our authorized state position count**. (We are currently 43 positions below the FY11 level.) This would give the college budget flexibility, which it would **invest in high priority STEM initiatives**.
3. **Funding for an urban schools initiative** that would leverage the college's expertise in this area to enrich the learning experience for K-12 Trenton Public Schools students, their teachers and guidance counselors, and urban education students at TCNJ. This program will require an ongoing commitment from the state to fund it at **\$1.5M per year**



Fiscal Year 2020 Budget Challenges

As we plan for the fiscal year ahead, the overall financial context in which the College operates remains challenging for fiscal year 2020 and beyond. In the last three fiscal years, TCNJ's base state appropriation has declined or remained flat. Because the State continues to face fiscal pressures, it is likely that this pattern of reduced or flat funding will continue. Other fiscal realities include projected increase in salary and fringe benefits, declining graduate enrollment, the increasing demand for need-based institutional scholarships and student support services, coupled with constraints on the level of tuition and fees increase in order to maintain affordability for our students.

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 adhere to the following operating budget goals:

1. Produce an operating budget that reflects an alignment with the College's strategic priorities.
2. Develop a plan that reallocates resources to institutional strategic priorities to strengthen TCNJ's overall long-term financial health (Growth by Substitution).
3. Identify enhanced or new revenue streams to support institutional strategic priorities.
4. Identify efficiencies and cost savings to offset or partially offset proposed investments.

Fiscal Year 2020 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 (**FY2019 base budget**) except for mandatory increases within certain budget categories.
2. Review your department's budget vs. actual expenditure trends over the past few years to identify areas where reallocation of funds might be necessary to better support your operations. Incorporate these reallocations in your budget request in **BudgetPak** to minimize the need for reallocations during the fiscal year. **The P&L Annual Report in BudgetPak** is a useful report to analyze the expenditure trends and variances by department.
3. Analyze budget categories to recommend useful elimination or collapsing of one or more categories to achieve more cogent and workable budget categories.

Linkage of Budget Requests to TCNJ's Strategic Priorities

The following chartfields were created specifically to track strategic budget requests by schools and division. All requests must be consistent with the strategic initiatives for your areas of responsibility and should be explicitly linked to the **three** Institutional Priorities referenced above. Again, because the funding constraints remain a reality, it is essential that you look to reallocating funds or to other funding sources (i.e. F&A funds, Enterprise Funds, Unrestricted Foundation funds) where possible to support strategic priorities. For a step-by-step guide, please see the [Funding Request for Strategic Priorities](#) training video.

Chartfields	Description
10_07_SF01	President's Office Strategic Request
10_01_SF02	Academic Affairs Strategic Request
10_01_SF03	School of Science Strategic Request
10_01_SF04	Humanities & Social Sciences Strategic Request
10_01_SF05	Arts & Communication Strategic Request
10_01_SF06	School of Education Strategic Request
10_01_SF07	School of Business Strategic Request
10_01_SF08	School of Engineering Strategic Request
10_01_SF09	Nursing & HES Strategic Request
10_05_SF10	Library Strategic Request
10_09_SF11	Facilities Strategic Request
10_07_SF12	College Advancement Strategic Request
10_06_SF13	Enrollment Management Strategic Request
10_07_SF14	Office of General Counsel Strategic Request
10_07_SF15	Human Resources Strategic Request
10_05_SF16	Information Technology and Campus Security Strategic Request
10_06_SF17	Student Affairs Strategic Request
10_07_SF18	Office of the Treasurer Strategic Request
10_07_SF19	Diversity, Equity and Inclusion Strategic Request

Fiscal Year 2020 Budget Submission Deadline

BudgetPak will be available on Monday, **February 4, 2019**. All budget requests should be completed and approved in the system by your respective Cabinet Officer ***no later than Friday, March 29, 2019***. **Please note:** the system will be unavailable for further updates after this date. BudgetPak, a user guide and other budget information, can be accessed from: <http://treasurer.tcnj.edu/budget-reports/>. Please contact Tomas Hammar, Director of General Accounting at **x2850** or the Office of the Treasurer at **x2186** if you have any questions regarding the development of your FY2020 budget.

During the months of March through June, budget requests will be prioritized to form the basis for next fiscal year's strategic investments. The budget planning assumptions will be presented to various shared governance groups (CSPP, Faculty Senate, Staff Senate, SGA) and union leadership. In



addition, the Board of Trustees will conduct the Annual Tuition Hearing at its **April 23, 2019** public meeting. The fiscal year 2020 budget plan will be recommended by the President to the Trustees for approval at their **July 9, 2019** public meeting. You will be notified on the status of your budget request once the board approves the budget plan. Thank you in advance for your cooperation.