



# The College of New Jersey

## Sustainable Financial Model

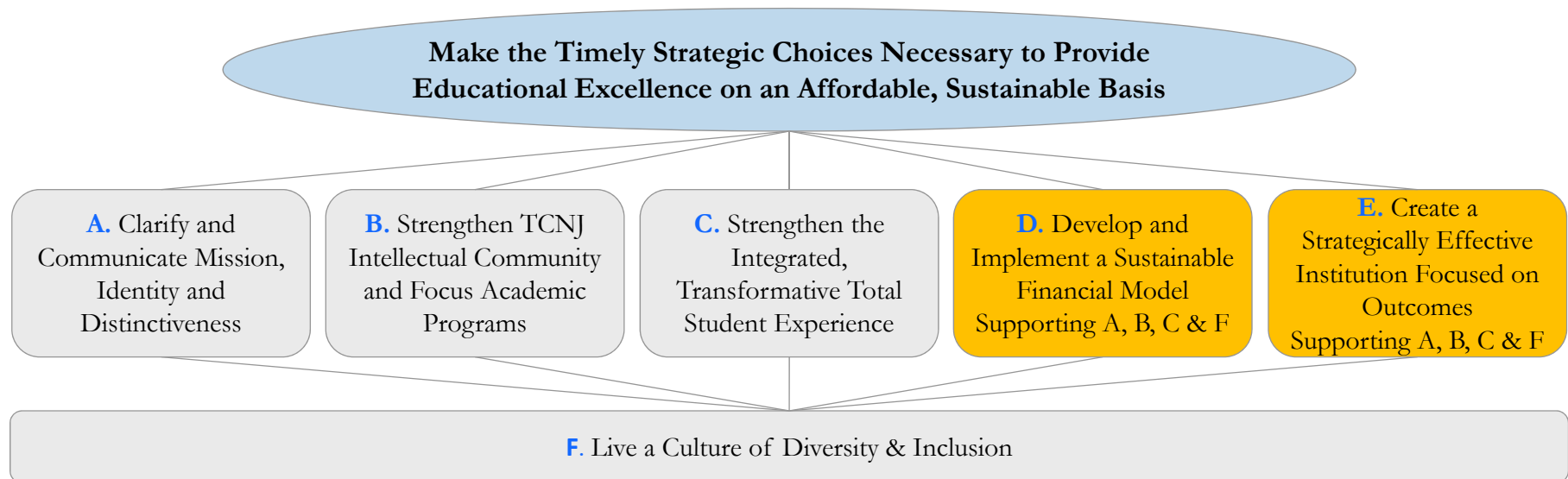
Office of the Treasurer  
Fiscal Years 2013 - 2015

# The College of New Jersey Strategic Plan

- TCNJ's Strategic Plan reflects the need to make difficult strategic choices in order to:
  - Sustain educational excellence
  - Keep the College affordable for students, and
  - Achieve long-term sustainability in a difficult and changing economic climate



## TCNJ Strategic Priorities (2012 – 2015)



# Strategic Objective - Sustainable Financial Model

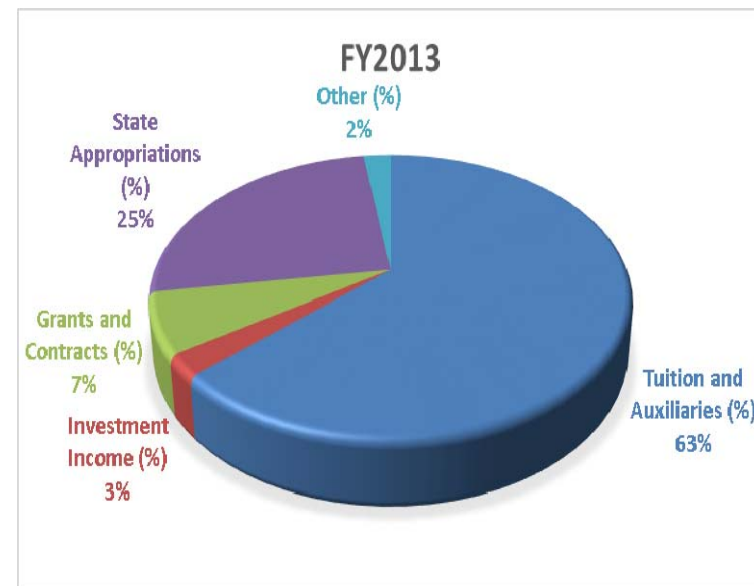
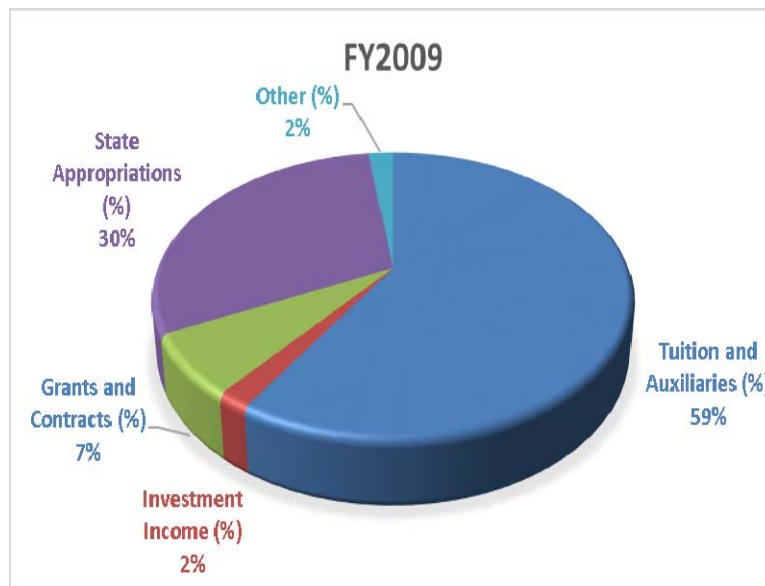
1. Create a multi-year, sustainable and strategic financial model that aligns financial resources with mission and strategic priorities.
2. Integrate planning and budgeting, and 'budget for value and for *values*' to drive a culture of transparency, continuous improvement, and adaptability.
3. Achieve efficiencies and effectiveness in all college operations by optimizing resources, collaborating across units/divisions, and utilizing technology to its fullest potential.

# TCNJ's Fiscal Reality: Traditional Revenues Sources

1. TCNJ's traditional financial base has undergone a dramatic and permanent paradigm shift. State appropriations (including state-funded fringe benefits), have declined over the past five years.
2. At the end of FY13, State appropriations represented only 25% of the College's total operating revenues.
  - a. State support will not keep pace with the College's needs as New Jersey continues to face fiscal pressures.
  - b. Need alternate, sustainable sources of revenue.
3. Tuition and fees: largest revenue sources now and likely for the foreseeable future.

# TCNJ's Fiscal Reality: Traditional Revenues Sources

1. Tuition and auxiliaries fees have risen increasing, nearly 21% from FY2009 to FY2013.
2. Fringe benefits appropriation has decreased in recent years due to the State's efforts to control the state-funded portion of these programs – however, the base state appropriations remained relatively stable over the past few years.



# Strategies to Achieve a Sustainable Financial Model

Implement  
Reallocation  
Strategies to  
Support  
Strategic Priorities

Align Budgeting  
Process with  
Institutional  
Planning &  
Assessment



Build Financial  
Models to  
Support Strategic  
Resource  
Deployment

Create Strategies  
for Sustainable  
Revenue  
Enhancement

# How will TCNJ Achieve Fiscal Sustainability?

## ❑ Implement Reallocation Strategies to Support Strategic Priorities

- ✓ Examine the entire portfolio of available campus resources and activities to appropriately consider trade-offs when determining strategic investments.

**Metric** = Implement an ALL FUNDS budgeting approach for the annual budget development cycle.

- ✓ Support comprehensive budget decisions, ensuring that up-front investments and ongoing costs are considered and addressed for all strategic initiatives.

**Metric** = Level of funding allocated for strategic initiatives (minimum = 2% of operating budget) and establish as a multi-year strategic investment budget.

**Status = All projects completed.**

# How can TCNJ Achieve Fiscal Sustainability?

## ❑ Align Budgeting Process with Institutional Planning & Assessment

- ✓ Maintain effective and transparent fiscal management and continue to adopt best practices improvements in the budgeting and financial processes.

Metrics = Key Budget Performance Indicators – approved by the Trustees

Metrics = Key Financial Performance Indicators versus Moody's benchmarks

Metrics = External and Internal Audits Results

- ✓ Develop a multi-year strategic investment plan for mission critical capital projects.

Metrics = Capital Reserves Strategies and Long-Term Bond Ratings

Status = All projected completed.



# How can TCNJ Achieve Fiscal Sustainability?

## ❑ Create Strategies for Sustainable Revenue Enhancement

- ✓ Identify new revenue opportunities, effective cost avoidance/containment strategies and develop a plan to increase enrollment in non-traditional academic programs in a manner that is consistent with the College's mission and capacity to serve our students effectively.

**Metrics** = The number of new programs identified and the amount of net new revenues generated – annual target = \$500,000.

**Metric** = Implement a campus-wide cost containment “Operational Excellence” project – annual cost savings target = \$250,000.

- ✓ Increase financial flexibility that promotes fungibility of funding sources.

**Metrics** = Develop new revenue sharing models with the schools and departments(i.e. indirect cost recovery, off-site partnerships, etc.)

**Status = All projected completed.**

# How can TCNJ Achieve Fiscal Sustainability?

## ❑ Build Financial Models to Support Strategic Resource Deployment

- ✓ Create a strategically balanced budget by integrating the operating and capital budgets. Provide more easily accessible and user friendly budget software to support the development of budgets and long-term financial planning.

**Metric** = New budget development software with enhanced funding requests explicitly linked to the College's strategic plan.

**Metrics** = Multi-year financial plans that can model what-if scenarios.

- ✓ Support strategic budgetary decision-making and accountability at ALL levels to promote effective stewardship of resources.

**Metric** = A new budget monitoring software with executive dashboard to enhance fiscal stewardship by the campus budget managers.

**Status = All projects in-progress with target completion date of Spring 2015.**