



To: Members of the Campus Community

From: Lloyd Ricketts, Vice President and Treasurer

Date: April 28, 2017

Fiscal Year 2018 Budget Planning

The purpose of this memo is to provide you with information about the budget development process for fiscal year 2018. Over the past few years, the College has implemented modifications to its [Annual Budget Cycle](#) to better integrate budget planning and assessment so that funding allocations can be explicitly linked to institutional priorities.

As we plan for the fiscal year ahead, the overall financial context in which the College operates remains challenging for fiscal years 2018 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 maintenance costs increase for new and renovated facilities, an increasing demand for need-based institutional scholarships and information technology, coupled with constraints on the level of tuition and fees increase in order to maintain affordability for our students.

Fiscal Year 2018 Budget Challenges

The following is a summary of some of the key budget challenges that will need to be addressed in developing the 2018 fiscal year budget plan:

1. Implement a comprehensive plan to address the negative enrollment trend in the graduate programs.
2. Price sensitivity and the potential cap on tuition increase by New Jersey will pose an even greater challenge to TCNJ's Strategic Plan priority of achieving a Sustainable Financial Model.
3. The State's operating support to TCNJ has been flat or declined over the past few years and with its continuing fiscal challenges as evidenced by its bond ratings downgrades, this trend is likely to persist in the coming years.
4. Significant increase in maintenance operating costs of \$1.5M due to the new STEM building and Brower Student Center renovation.
5. The need to allocate additional resources of \$1M to implement the College's Strategic Plan.
6. Additional project requests of approximately \$3.0M for IT and Facilities remain unfunded.



7. Limited funding available (\$0.47M) to support requests totaling \$0.76M for academic equipment.
8. Growth by Substitution: The need to develop a comprehensive plan to reallocate budgets to institutional priorities that will strengthen the College's overall revenue base over time.

Fiscal Year 2018 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 initiatives and priorities.
2. Require departments to carefully examine their non-salary budget plus vacant positions and demonstrate that resources are effectively allocated towards the divisions'/schools' strategic priorities.
3. Identify revenue streams to support institutional strategic initiatives.
4. Utilize the web-based budget development software (**BudgetPak**) to develop budget funding requests that are explicitly linked to the College's strategic priorities.

Fiscal Year 2018 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 (FY2017 revised budget) except for mandatory increases within the institutional commitment category (i.e. fuel and utilities)
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 4 Year Comparison by School/Division** web report under the Departments Operating Budgets menu is a useful report to see expenditure trends (enter % in the Account box).



Linkage to TCNJ Strategic Plan

In the table below, the following cost centers were created specifically to track strategic funding requests by schools and divisions. Such requests must be consistent with the strategic initiatives for your areas of responsibility and should be explicitly linked to the priorities in [TCNJ's Strategic Plan](#). 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 training video, please visit : <http://treasurer.tcnj.edu/budget-reports/>

Chartfields	Description
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 and Health & Exercise Science Strategic Request
10_05_SF10	Library Strategic Request
10_05_SF16	IT Operations Strategic Request
10_06_SF13	Enrollment Management Strategic Request
10_06_SF17	Student Affairs Strategic Request
10_07_SF01	Office of the President Strategic Request
10_07_SF12	College Advancement Strategic Request
10_07_SF14	Office of General Counsel Strategic Request
10_07_SF15	Human Resources Strategic Request
10_07_SF17	Office of the Treasurer Strategic Request
10_09_SF11	Administration Strategic Request

Fiscal Year 2018 Budget Submission Deadline

[BudgetPak](#) will be available on Friday, April 28, 2017. All budget requests should be completed and approved in the system by your respective Cabinet Officer *no later than Thursday, June 1, 2017*. 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 the Director of Budgeting, Tom Hammar at x2850 or the Office of the Treasurer at x2186 if you have any questions regarding the development of your FY2018 budget.

The Board of Trustees is scheduled to meet on **July 11, 2017**, 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 fiscal year 2018 budget.

Thank you in advance for your cooperation.