



TCNJ

THE COLLEGE OF NEW JERSEY

STRATEGIC PLAN IMPLEMENTATION

PRIORITY V – SUSTAINABLE FINANCIAL MODEL

Presented to Business and Infrastructure
Committee of the Board of Trustees

October 24, 2017

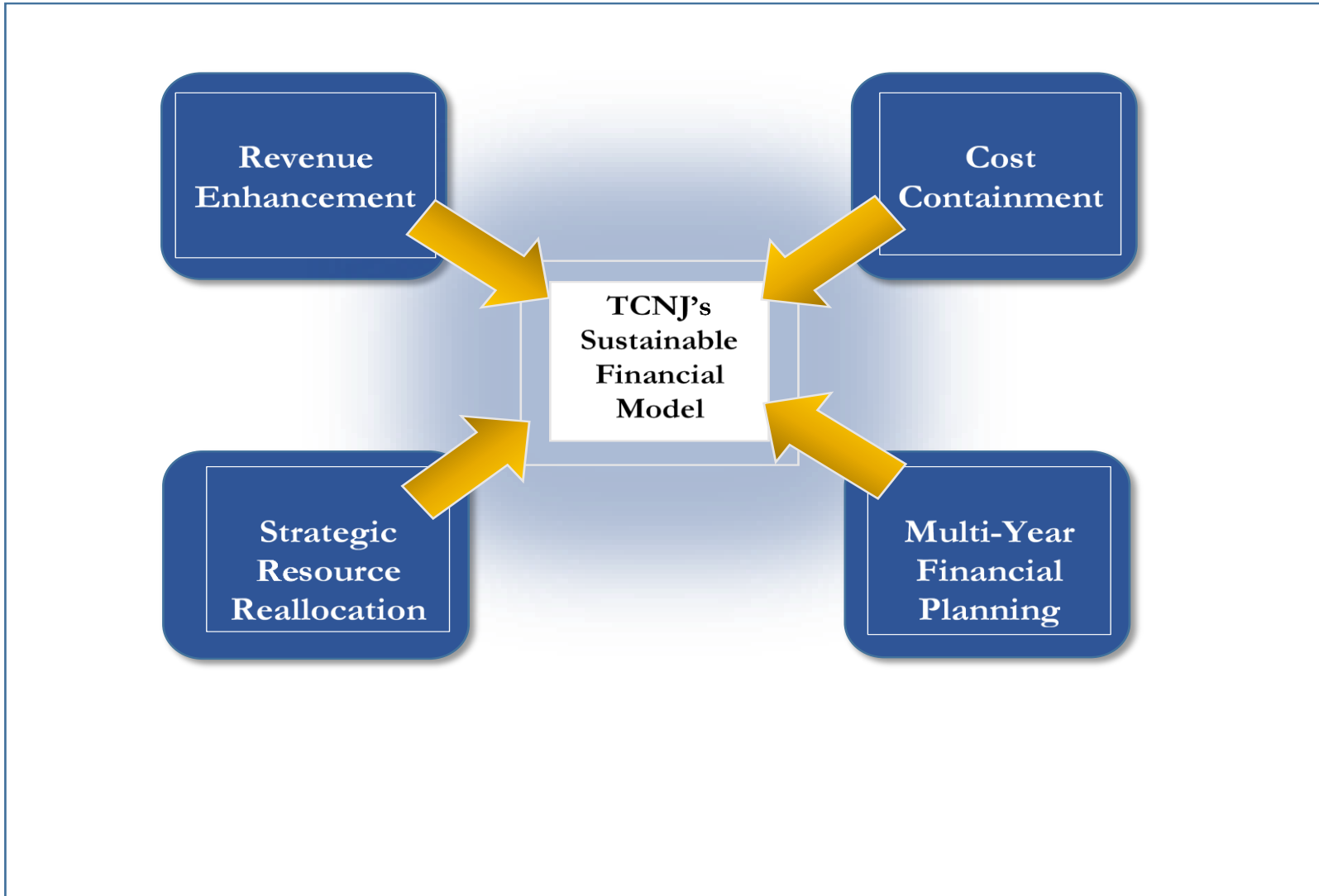
TCNJ's Strategic Planning

Strategic planning at TCNJ involves a need to make disciplined, informed decisions about the goals that we will and will not pursue.

TCNJ 2021: Bolder, Better, Brighter

- **Priority I:** Attract and retain talented students, faculty, and staff into a diverse, inclusive, and healthy campus.
- **Priority II:** Enhance Signature Experiences.
- **Priority III:** Promote the college's distinctive identity to enhance institutional and program recognition at the national level.
- **Priority IV:** Build, operate, and maintain a safe, sustainable, and accessible physical and technological infrastructure that supports high-caliber learning.
- **Priority V:** Achieve a sustainable financial model that allows the college to realize its vision while maintaining quality and affordability for the students it serves.

Strategic Plan Priority V - Sustainable Financial Model



Strategic Plan Priority V - Sustainable Financial Model

Goals	Action Steps	Budget Allocation	Benchmarks
Build a multi-year financial plan that integrates capital and operating budgets to support institutional priorities	<ul style="list-style-type: none"> • Develop a multi-year operating and capital budget plans, along with annual key financial performance indicators • Conduct debt capacity assessment and debt refinancing to guide future borrowing and revise the debt policy to ensure financial sustainability • Conduct Debt Enterprise Risk Management Deep Dive assessment • Investment in Oracle Financial Cloud Technology 	Debt Capacity Assessment - Approx. \$75K	Debt Capacity Assessment Level of debt service savings ERM Debt Deep Dive Multi-year Financial Plans Annual KPI to access TCNJ's Financial Health
Guided by a comprehensive enrollment plan that addresses undergraduate, graduate and continuing education, grow net tuition revenue by growing targeted enrollments	<ul style="list-style-type: none"> • Create a comprehensive enrollment plan that serves the wider strategic goals of the college • Grow total student enrollment by 500 students (or grow equivalency in net revenue from tuition) for the duration of the plan • Create at least two new graduate programs delivered in a blended/online learning format 	Internal Resources	Goal of \$4.9 million increase in net tuition revenue exclusively from enrollment growth by 2021
Diversify revenue streams including external funding through development, grant acquisition, and other forms of external support	<ul style="list-style-type: none"> • Develop and implement an aggressive comprehensive fundraising plan that fosters private gifts and grants in support of both annual programming and endowment growth • Increase revenue on camps, conferences and fee-for-service contracts 	\$1.98 million campaign operating budget over 5 years	Upon completion of the comprehensive campaign (\$45 million goal), develop multi-year fundraising plan Annual increase of \$365,000 in gross revenue from Conference and Event Services
Reallocate resources to address strategic priorities	<ul style="list-style-type: none"> • Clarify strategic budget priorities and exercise discipline in strategic allocation of resources • Engage in cost containment/cost avoidance • Recommend that the governance review consider modification of the membership of the current Finance and Budget Planning Council to increase transparency and broaden input to the budget process • Develop an incentive-based budget model that promotes student success and encourages innovation and entrepreneurship • Promote and incentivize cross-divisional/departmental collaboration for cost savings and revenue generation 	Internal Resources	Develop new Incentive-Based Budget Model Identify sustainable revenue enhancement and cost-savings initiatives through cross-divisional collaboration

Strategic Plan Priority V - Sustainable Financial Model



The College of New Jersey Priority V: Sustainable Financial Model Strategic Plan Summary

PRIORITY V							GOALS	STATUS OF ACTION STEPS	ACCOUNTABILITY						
<p>Achieve a sustainable financial model that allows the college to realize its vision while maintaining quality and affordability for the students it serves.</p> <p>In an increasingly competitive higher education environment, development of new sources of revenue and prudent management of existing financial resources are equally important to the long-term financial health of any institution. To ensure the financial sustainability of TCNJ's mission, programs, and operations, the College will grow targeted enrollments and diversify sustainable revenue streams, while implementing budget strategies to match resources with priorities.</p>							<p>1. Strategic Financial Planning - Build a multi-year financial plan that integrates capital and operating budgets to support institutional priorities.</p>	<p>1a. A multi-year financial plan model developed and KPIs will be reported annually. Status = Completed</p> <p>1b. Debt capacity assessments completed by Moody's and S&P and report given to Trustees. Bonds refinancing completed and resulted in \$22.9M debt service savings over 5 yrs.</p> <p>1c. In-Progress -TCNJ will implement Oracle Cloud Financials and HR by the end of FY2018.</p>	<p>Ricketts/Van Nostrand</p> <p>Ricketts/Van Nostrand</p> <p>Ricketts/Blanton</p>						
BENCHMARKS/METRICS (\$ in 000's):							FY2017	FY2018	FY2019	FY2020	FY2021	Total	<p>2. Comprehensive Enrollment Plan - Guided by a comprehensive enrollment plan that addresses undergraduate, graduate and continuing education, grow net tuition revenue by growing targeted enrollments.</p> <p>3. Diversify Revenue Streams Diversify revenue streams including external funding through development, grant acquisition, and other forms of external support.</p> <p>4. Strategic Reallocation of Resources - Reallocate resources to address strategic priorities.</p>	<p>2a. Multi-year Enrollment Plan developed. Status = Completed</p> <p>2b. Net tuition revenue targets on track. Status = In-Progress</p> <p>2c. Plans for a number new graduate programs currently under discussion.</p> <p>2d. TBD</p> <p>3a. Upon completion of the comprehensive campaign, developed a multiyear annual plan.</p> <p>3b. The projected increase in grant applications may not generate additional revenue</p> <p>3c. Revenue growth on track with targets</p> <p>4a. Increase the annual funding for strategic initiatives and one-time projects above FY2017 budget allocation of \$1.5 million.</p> <p>4b. Annual cost savings targets established</p> <p>4c. Recommended changes to the Governance document for the Budget Planning Council.</p> <p>4d/c. Education Advisory Board to facilitate discussions with campus leaders on leveraging incentive-based budget models to promote entrepreneurship, cost savings/new revenues</p>	<p>Angeloni/Taylor</p> <p>Angeloni/Taylor</p> <p>Taylor/Zake</p> <p>Taylor/Olson</p> <p>Donohue</p> <p>Taylor/Zake</p> <p>Heuring/Leddy</p> <p>President/Cabinet</p> <p>Ricketts/Kapur</p> <p>Committee on Strategic Planning and Priorities</p> <p>Finance and Budget Planning Council and Cabinet</p>
Strategic Financial Planning															
1a. Multi-year financial plans and KPIs															
1b. Debt capacity assessment and refunding							\$ 5,303	\$ 5,345	\$ 4,070	\$ 4,067	\$ 4,045	\$22,830			
1b. ERM debt deep dive and revised debt policy															
1c. Investment in Information Technology							\$ (950)	\$ (1,355)	\$ (1,700)	(1,700)	\$ (1,700)	\$ (7,405)			
Comprehensive Enrollment Plan															
2a. Create comprehensive enrollment plan															
2b. The comprehensive enrollment plan will increase net tuition revenue by \$4.9M							\$ -	\$ 875	\$ 1,096	\$ 1,317	\$ 1,594	\$ 4,882			
2c. New graduate programs															
2d. New international initiatives							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Diversify Revenue Streams															
3a. Private gift fundraising plan							\$10,771	\$ 7,000	\$ 8,000	\$ 9,000	\$10,000	\$ 44,771			
3b. Increase grant funding							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
3c. Gross increase Conference & Event Services							\$ 365	\$ 481	\$ 529	\$ 582	\$ 640	\$ 2,597			
Strategic Reallocation of Resources															
4a. Clarify strategic budget priorities							\$ -	\$ (1,500)	\$ (500)	\$ -	\$ -	\$ (2,000)			
4b. Cost containment/savings - Procurement							\$ 125	\$ 150	\$ 200	\$ 250	\$ 300	\$ 1,025			
4c. Modification of Budget Planning Council															
4d/c. Develop incentive-based budget model and incentivize cross-divisional collaboration															
NET INCREASE IN RESOURCES							\$15,614	\$10,996	\$11,695	\$13,516	\$14,879	\$66,700			
\$ - Revenue increase/cost savings (budget allocation/expense)															

