



**TCNJ**

THE COLLEGE OF NEW JERSEY

# STRATEGIC BUDGET PLANNING

FISCAL YEAR 2018

# COMMITTEE ON STRATEGIC PLANNING AND PRIORITIES (CSPP) BUDGET DECISION-MAKING PRINCIPLES AND PROCESS APPROVED BY THE BOARD OF TRUSTEES

- The following Principles, in order of importance, will serve to guide 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 were also be guided by the institutional strategic priorities, in particular, the need to preserve and enhance the College's long-term financial well-being.

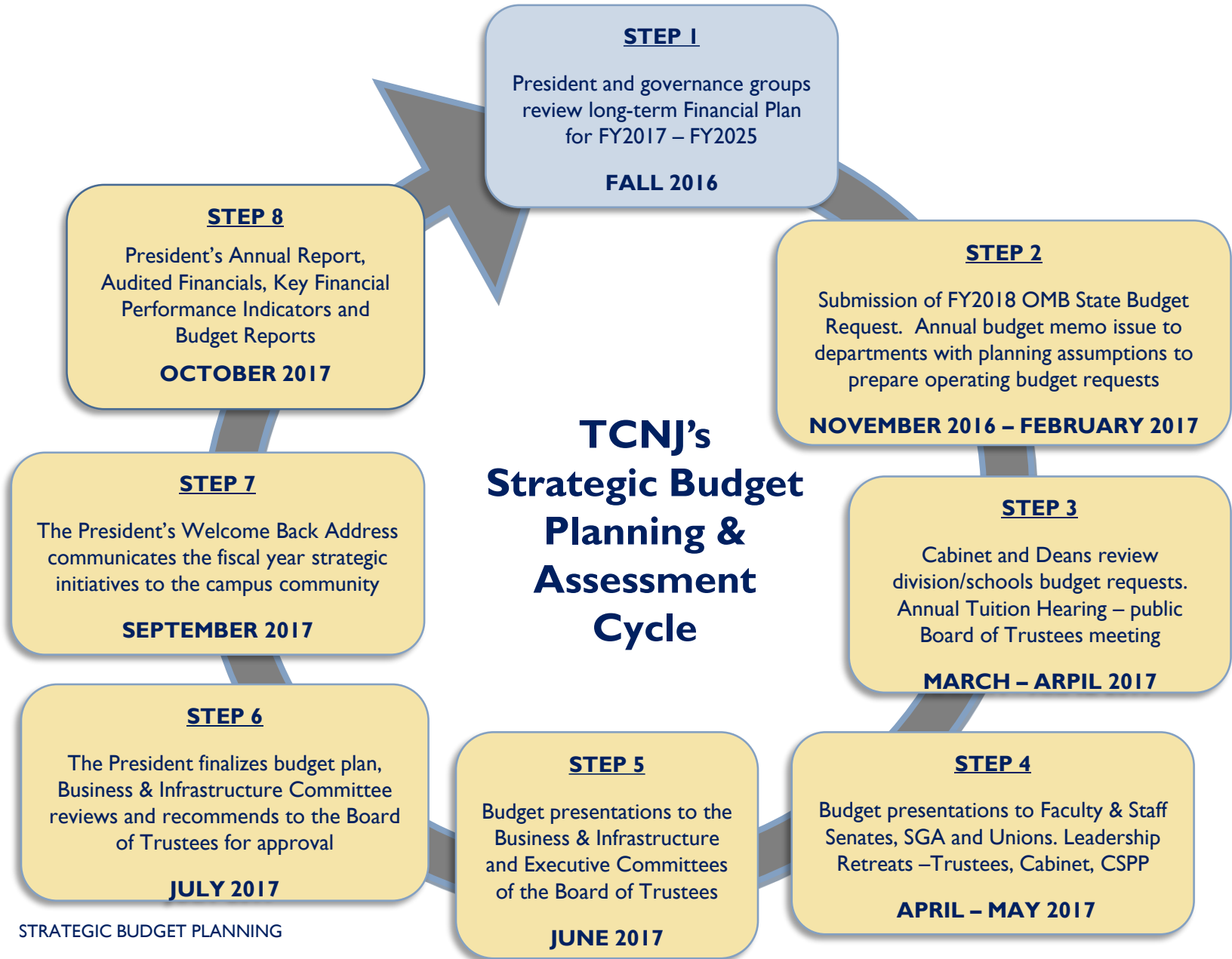
***Updated April 9, 2008***

# KEY BUDGET PERFORMANCE INDICATORS APPROVED BY THE BOARD OF TRUSTEES

1. Percentage of the operating budget allocated to direct student support (instruction & research, academic support, student services and institutional scholarships & waivers) – should be no less than 67% of the total educational & general operating expenses.
2. Affordability/Access – level of funding allocated for institutional scholarships & waivers ( Tuition Discount Rate) – Maximum = 16% and minimum = 10%.
3. Level of funding allocated for strategic investments – minimum target = 2% of operating expenses.

*Approved July, 2012*

# FY2018 ANNUAL BUDGET CYCLE



# STEP I – STRATEGIC PRIORITIES ARE REVIEWED BASED ON THE COMMITMENT TO PRODUCE AN OPERATING BUDGET THAT REFLECTS AN ALIGNMENT WITH THE COLLEGE’S STRATEGIC PLAN.

## TCNJ’s Strategic Priorities

- 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.

## 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.

### **STEP I**

President and governance groups review long-term Financial Plan for FY2017 – FY2025

**FALL 2016**

## STEPS 2 & 3 – PRESIDENT’S UPDATES TO CAMPUS LEADERSHIP. SCHOOLS/DIVISIONS BEGIN THE BUDGET DEVELOPMENT FOR THE NEXT FISCAL YEAR.

### **STEP 2**

Submission of FY2018 OMB State Budget Request. Annual budget memo issue to departments with planning assumptions to prepare operating budget requests

**NOVEMBER 2016 – FEBRUARY 2017**

- Impact of the Governor’s budget recommendations.
- Update of the budget planning assumptions and challenges.
- Analysis of the prior year expenditure patterns and identify budget allocations to fund strategic initiatives.

### **STEP 3**

Cabinet and Deans review division/schools budget requests. Annual Tuition Hearing – public Board of Trustees meeting

**MARCH – APRIL 2017**

- Initiatives that require “new money” will be funded based on alignment with the College’s strategic priorities.
- New budget requests must be submitted as “ActionPaks” in the budget development software (BudgetPak).
- Initiatives using existing resources (budget reallocations) will become part of the department’s base budget.

## STEPS 4 & 5 – STRATEGIC PLANNING RETREATS BY CAMPUS LEADERSHIP. FUNDING NEEDS FOR STRATEGIC INITIATIVES AND BUDGET ALLOCATIONS ARE PRIORITIZED.

### **STEP 4**

Budget presentations to Faculty & Staff Senates, SGA and Unions. Leadership Retreats – Cabinet and CSPP

**APRIL – MAY 2017**

- Strategic priorities are refined at retreats and form the basis for next the fiscal year areas of focus.
- Budget presentations to CSPP, Faculty Senate, Staff Senate, Student Government Association and Union leadership.

### **STEP 5**

Budget presentations to the Business & Infrastructure and Executive Committees of the Board of Trustees

**JUNE 2017**

- Multi-year budget plan assumptions, key budget performance indicators and funding earmarked to implement action items within the College's strategic plan.
- Cabinet finalizes funding allocation to implement the approved strategic projects for FY2018.
- Budget presentations to the Business & Infrastructure and Executive Committees of the Board of Trustees.

## STEPS 6 & 7 – APPROVAL OF STRATEGIC BUDGET PLAN AND COMMUNICATION TO THE CAMPUS COMMUNITY OF FISCAL YEAR 2018 STRATEGIC OBJECTIVES.

### **STEP 6**

The President finalizes budget plan, Business & Infrastructure Committee reviews and recommends to the Board of Trustees for approval

**JULY 2017**

### **STEP 7**

The President's Welcome Back Address communicates the fiscal year strategic initiatives to the campus community

**SEPTEMBER 2017**

- President reviews and approves the budget plan with final funding allocation decisions.
- Budget Plan (including funding for strategic priorities) reviewed by the Business & Infrastructure Committee.
- Business & Infrastructure Committee recommends fiscal year budget plan to the Board of Trustees for approval.
- Communication to the campus community – FY2018 strategic projects, accountability and funding allocated to support these initiatives.



## STEP 8 – TRANSLATE STRATEGIC PRIORITIES INTO MEASURABLE TERMS AND DOCUMENT THE COLLEGE’S OVERALL PERFORMANCE (QUALITATIVE AND FINANCIAL).

### **STEP 8**

President’s Annual Report, Audited Financials, Key Financial Performance Indicators and Budget Reports

**OCTOBER 2017**

### Annual Performance Assessment

- President’s annual report – synthesize the results of TCNJ’s qualitative and quantitative performance indicators.
- Audited Financials – Annual financial report including management’s discussion and analysis of the College’s overall financial performance for the fiscal year.
- Key Financial Performance Indicators and Budget Reports include – Level of funding allocated to primary purpose (direct student support), level of investments for strategic projects, TCNJ’s overall level of fiscal health - Composite Financial Index (Operating Margin Ratio, Return on Net Asset Ratio, Primary Reserve Ratio and Viability Ratio).