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

TCNJ’s Sustainable Financial Model

- Revenue Enhancement
- Cost Containment
- Strategic Resource Reallocation
- Multi-Year Financial Planning
## Strategic Plan Priority V - Sustainable Financial Model

<table>
<thead>
<tr>
<th>Goals</th>
<th>Action Steps</th>
<th>Budget Allocation</th>
<th>Benchmarks</th>
</tr>
</thead>
</table>
| Build a multi-year financial plan that integrates capital and operating budgets to support institutional priorities | • 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 | • 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 | • 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 | • 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**

### GOALS

1. **Strategic Financial Planning**
   - Build a multi-year financial plan that integrates capital and operating budgets to support institutional priorities.

2. **Comprehensive Enrollment Plan**
   - A comprehensive enrollment plan that addresses undergraduate, graduate and continuing education, grow net tuition revenue by growing targeted enrollments.

3. **Diversify Revenue Streams**
   - Diversify revenue streams including external funding through development, grant acquisition, and other forms of external support.

4. **Strategic Reallocation of Resources**
   - Reallocate resources to address strategic priorities.

### ACCOUNTABILITY

- Angeloni/Taylor
- Ricketts/Van Nostrand
- Donohue
- President/Cabinet
- Committee on Strategic Planning and Priorities
- Finance and Budget Planning Council and
- UCP

### BENCHMARKS/METRICS ($ in 000's):

<table>
<thead>
<tr>
<th>BENCHMARKS/METRICS</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Financial Planning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a. Multi-year financial plans and KPIs</td>
<td>$5,303</td>
<td>$5,345</td>
<td>$4,070</td>
<td>$4,067</td>
<td>$4,045</td>
<td>$22,830</td>
</tr>
<tr>
<td>1b. Debt capacity assessment and refinancing</td>
<td>($950)</td>
<td>($1,355)</td>
<td>($1,700)</td>
<td>($1,700)</td>
<td>($1,700)</td>
<td>($7,405)</td>
</tr>
<tr>
<td>1c. Investment in Information Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Comprehensive Enrollment Plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a. Create comprehensive enrollment plan</td>
<td>$ -</td>
<td>$875</td>
<td>$1,096</td>
<td>$1,317</td>
<td>$1,594</td>
<td>$4,882</td>
</tr>
<tr>
<td>2b. The comprehensive enrollment plan will</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>increase net tuition revenue by $4.9M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2c. New graduate programs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>2d. New international initiatives</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Diversify Revenue Streams</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3a. Private gift fundraising plan</td>
<td>$10,771</td>
<td>$7,000</td>
<td>$8,000</td>
<td>$9,000</td>
<td>$10,000</td>
<td>$44,771</td>
</tr>
<tr>
<td>3b. Increase grant funding</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>3c. Gross increase Conference &amp; Event Services</td>
<td>$365</td>
<td>$481</td>
<td>$529</td>
<td>$582</td>
<td>$640</td>
<td>$2,597</td>
</tr>
<tr>
<td><strong>Strategic Reallocation of Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a. Clarify strategic budget priorities</td>
<td>$125</td>
<td>$150</td>
<td>$200</td>
<td>$250</td>
<td>$300</td>
<td>$2,000</td>
</tr>
<tr>
<td>4b. Cost containment/savings - Procurement</td>
<td>($1,500)</td>
<td>($500)</td>
<td>($ -</td>
<td>($ -</td>
<td>($ -</td>
<td>($ -</td>
</tr>
<tr>
<td>4c. Modification of Budget Planning Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4d/e. Develop incentive-based budget model and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>incentivize cross-directional collaboration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCREASE IN RESOURCES</strong></td>
<td>$15,614</td>
<td>$10,996</td>
<td>$11,695</td>
<td>$13,516</td>
<td>$14,879</td>
<td>$66,700</td>
</tr>
</tbody>
</table>

$ - Revenue increase/cost savings (budget allocation/expense)

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.