



**TCNJ**

THE COLLEGE OF NEW JERSEY

# **BUDGET PLANNING ASSUMPTIONS FISCAL YEARS 2019 - 2025**

**Business & Infrastructure  
Committee of the Board of Trustees**

July 10, 2018

# CSPP Budget Decision-Making Principles & Process

The budget planning and development will be guided by the following Board of Trustees approved resource allocation principles in order of importance:

1. Preserve the health, safety and security of our students, faculty, staff and visitors.
2. Preserve the integrity and excellence of the educational programs and services through which the College realizes its mission.
3. Preserve the institutional integrity of the College, including our obligations to staff, faculty, and students (e.g., scholarships).

In implementing these principles, decisions will also be guided by the institutional strategic priorities, in particular, the need to preserve and enhance the College's long-term financial well-being.

# Linkage to TCNJ's Strategic Plan – Priority V

## Creating A Sustainable Financial Future

Mission, Vision, Values and Strategic Priorities

Financial Sustainability

TOP DOWN

BOTTOM UP

1

### Grow Revenues

- Campus units will become more engaged in the process of identifying sustainable revenue generating initiatives
- TCNJ will move towards a campus defined by dynamic revenue enhancement (versus modest incremental strategies)

2

### Control Expenses

- We will review academic and administrative processes to identify organizational efficiencies
- Engage key constituents campus-wide to identify sustainable cost containment/avoidance strategies

3

### Resource Allocation

- Ensure that we are undertaking “**Growth by Substitution**” by allocating our limited resources towards TCNJ’s highest institutional priorities
- Continue to build multi-year financial plans that integrate capital and operating budgets priorities

# Why Growth by Substitution?

## 1. To Preserve Mission-Critical Activities

Protect mission-critical but financially dependent programs from harm in the resource allocation model and build institutional reserves to support strategic investments.

## 2. To Create Unit-Level Financial Accountability and Incentives

Allocate some revenues and costs to align unit-level operational responsibility with institution-wide financial imperatives. Provide incentives to departments for sustainable revenue diversification.

## 3. To Align Resource Allocation with TCNJ's Strategic Plan

Align resource allocation with institutional strategic priorities through performance metrics, seed funding, affordability and long-term financial sustainability.

## 4. To Achieve Operational Excellence

Effective management of resources and the relentless pursuit of efficient academic and administrative operations so additional investments can be made in the most important programs and services offered by TCNJ.

# Key Budget Challenges

Below are some of TCNJ's key budget challenges over the next three fiscal years:

- ❖ Enrollment growth to reverse the negative trend in fall to spring undergraduate enrollment (150-200 students) and the recent decline in graduate enrollment.
- ❖ Price sensitivity will continue to limit tuition & fees increase and thus pose a greater challenge to TCNJ's strategic priority of achieving a sustainable financial model while maintaining quality and affordability for its students.
- ❖ The State's operating support has been flat or declined over the past few years and with its continuing fiscal challenges, this trend is likely to persist.
- ❖ Compensation cost increase primarily due to the union contracts negotiated by the State.
- ❖ Limited funding (excluding approximately \$1.7 million in Academic Enterprise Reserves) available for the multi-year academic equipment requests.
- ❖ Potential issuance of new debt (\$66M in FY2021) to fund Travers & Wolfe renovation project.
- ❖ **Growth by Substitution:** Develop a plan that reallocates resources to areas of institutional strategic priorities that will strengthen TCNJ's overall long-term financial health.

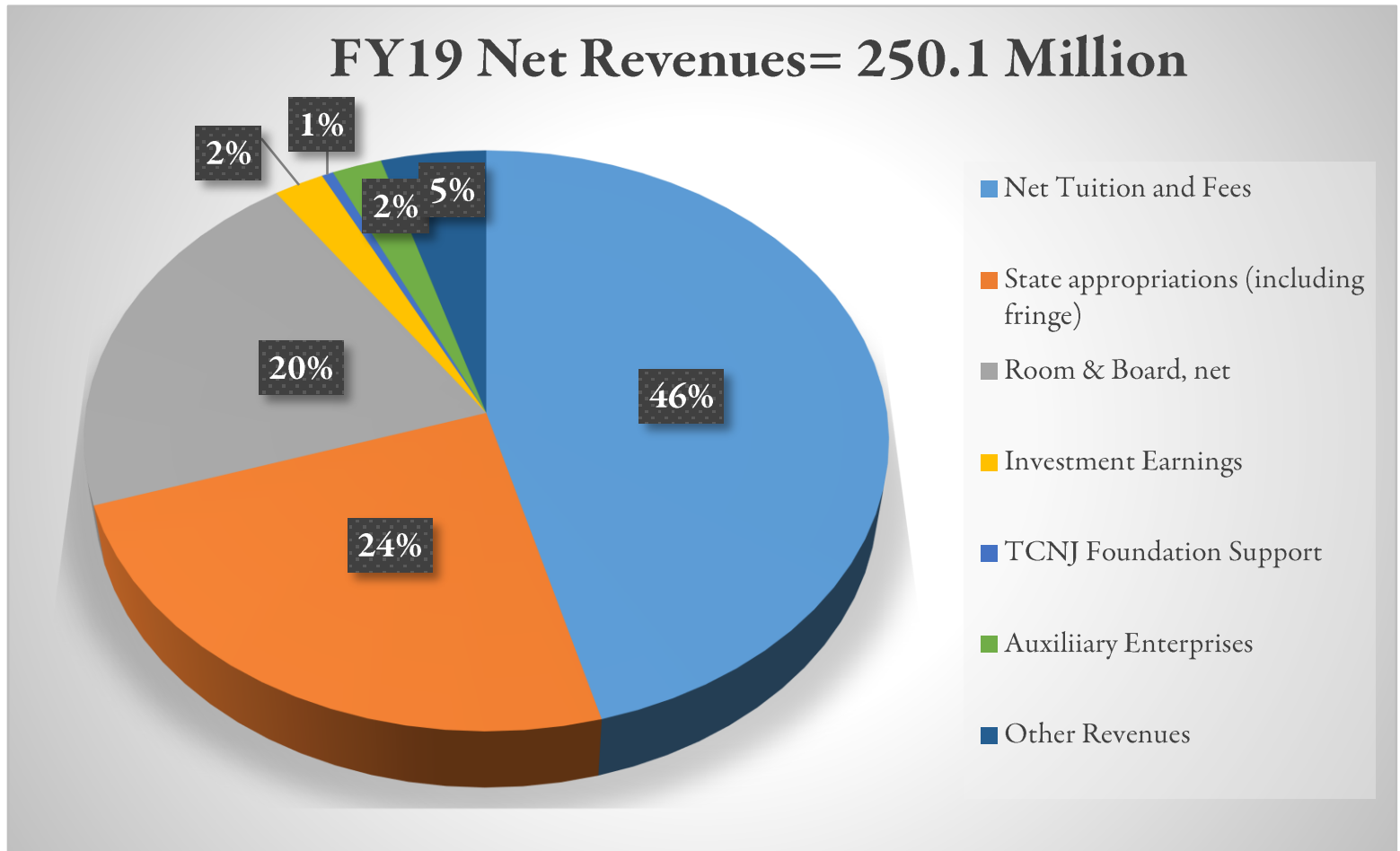
# Budget Plan Executive Summary

This budget plan outlines important aspects of TCNJ's financial strategy in the year ahead. It is made in the interest of promoting transparency regarding our budget resources, strategies and future directions with the goal of engaging the campus community in collectively building a sustainable financial model as articulated in the College's Strategic Plan – TCNJ 2021.

The FY2019 net revenue budget totals **\$250.1 million** and consists of two components, which are generally administered as separate budgets because of the way the funds are generated and used.

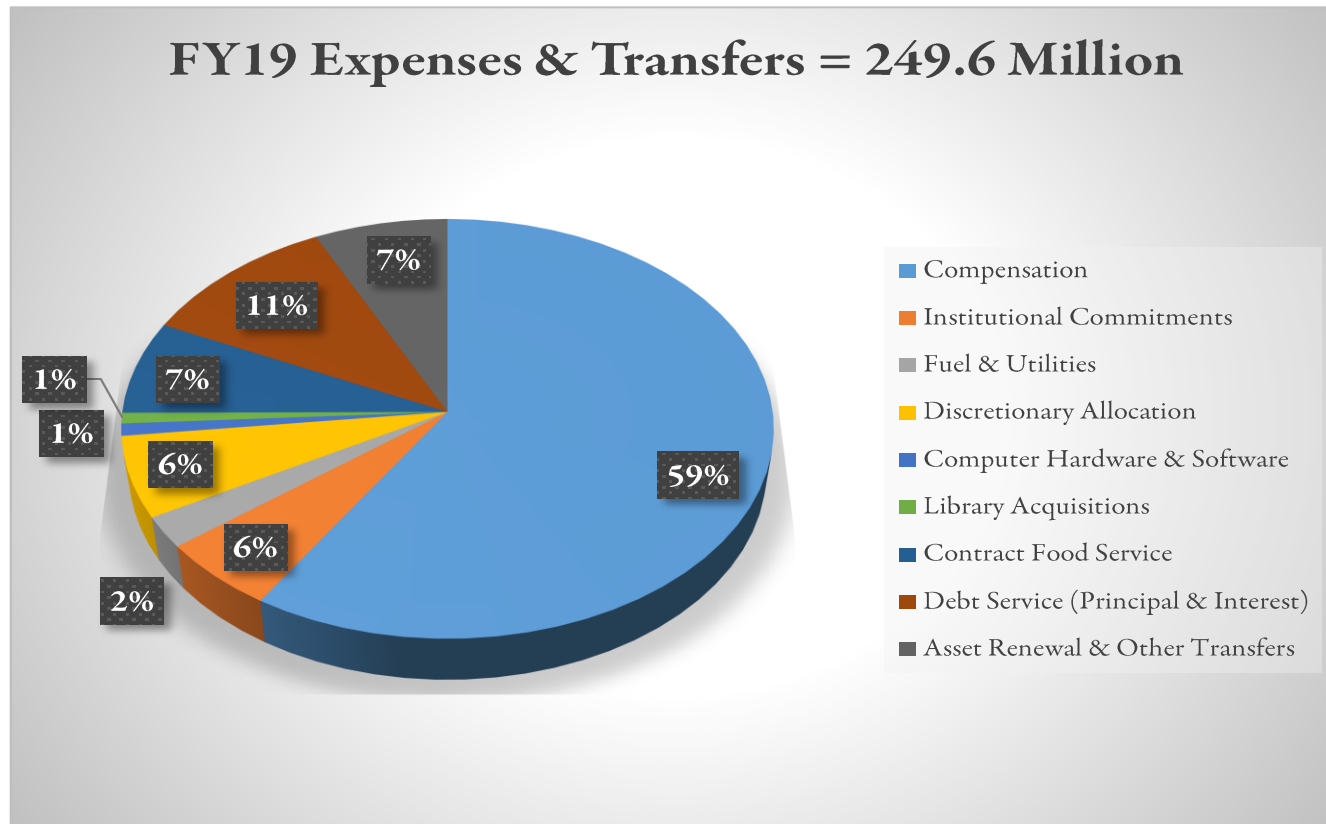
- ❖ Approximately 70% of the budget is for the College's core education and general operations and is supported primarily from New Jersey State appropriations and net tuition and fees revenue.
- ❖ The remaining components of the College's budget are primarily for self-supporting activities such as room and board and other auxiliary services, plus investment earnings. These funds, by their nature, generate revenues to support specific activities.

# Sources of Revenues



# Expenditure Allocations

The primary expense driver in the budget plan is employee compensation. The \$147.3M budgeted allocation for compensation is based on the current collective bargaining agreements negotiated by the State as well as compensation for non-unit employees. The budget also includes \$17.9M for board plans, \$27 million for debt service and \$10.3M for asset renewal projects.





# Fiscal Year 2019 Key Budget Decisions

Some key budget decisions reflected in the Fiscal Year 2019 budget plan:

- ❖ Targeted enrollment growth of **70** undergraduate and **20** graduate students plus a **2.5%** tuition and fees increase. Coupled with the room and board increase, the overall sticker price increase for an undergraduate in-state student will average **\$820 or 2.8%** for fiscal year 2019.
- ❖ Consistent funding for institutional scholarships and waivers (**\$15.6 million or a 12% discount**).
- ❖ Flat funding in state operating support (**\$27.2 million**), however, an increase in fringe appropriation of **\$1.4 million** to offset the projected increase in the fringe benefits cost for TCNJ's **859** state authorized positions.
- ❖ The operating budget includes **\$4.2 million** in estimated employees salary adjustments based on the union contracts terms negotiated with the State plus a **3% non-unit merit pool**.
- ❖ Funding for **4.5 new positions** to address institutional priorities in the divisions of academic affairs and student affairs.
- ❖ Increased software maintenance costs of **\$543,000** and graduate programs marketing investments totaling **\$400,000**.
- ❖ Allocation of **\$5.9 million** from strategic reserves to fund one-time projects including institutional strategic priorities.

# TCNJ Enrollment Trend

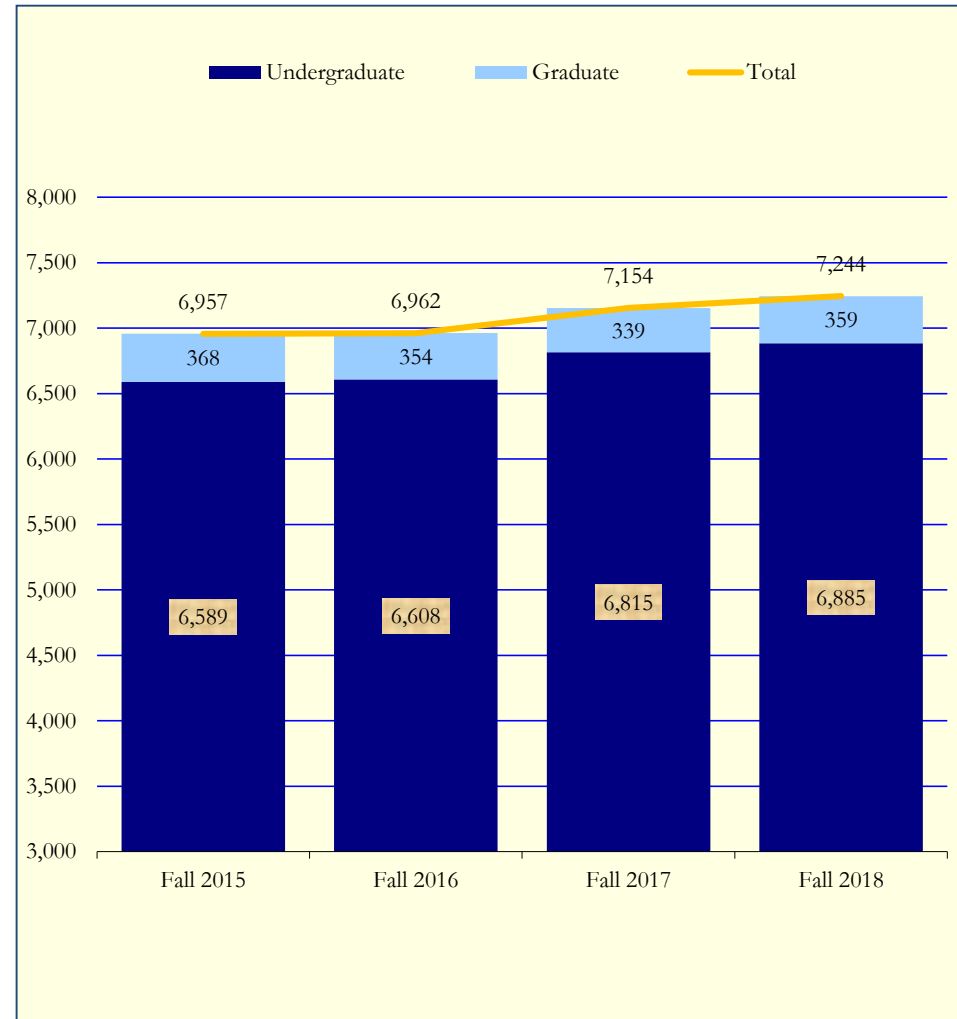
## Undergraduate Enrollment

- Over the past 4 years, undergraduate fall FTE enrollment grew steadily due to the College's targeted efforts to recruit in certain programs that have available capacity.
- Meanwhile, graduate FTE enrollment has declined slightly during that same time period.
- Undergraduate enrollment is projected to increase by 70 for fall 2018, which includes the following goals:
  - Incoming freshmen class = 1,560
  - Provisional students = 50
  - Transfer students = 240
  - Other (non-matriculated) = 25

## Graduate Enrollment

- In an effort to reverse the graduate enrollment negative trend, the College has adopted a regional graduate tuition rate (in-state tuition rate) effective FY2018, for Pennsylvania counties within a 40 mile radius of TCNJ's campus.
- Fall 2018 graduate enrollment is projected to increase by 20.

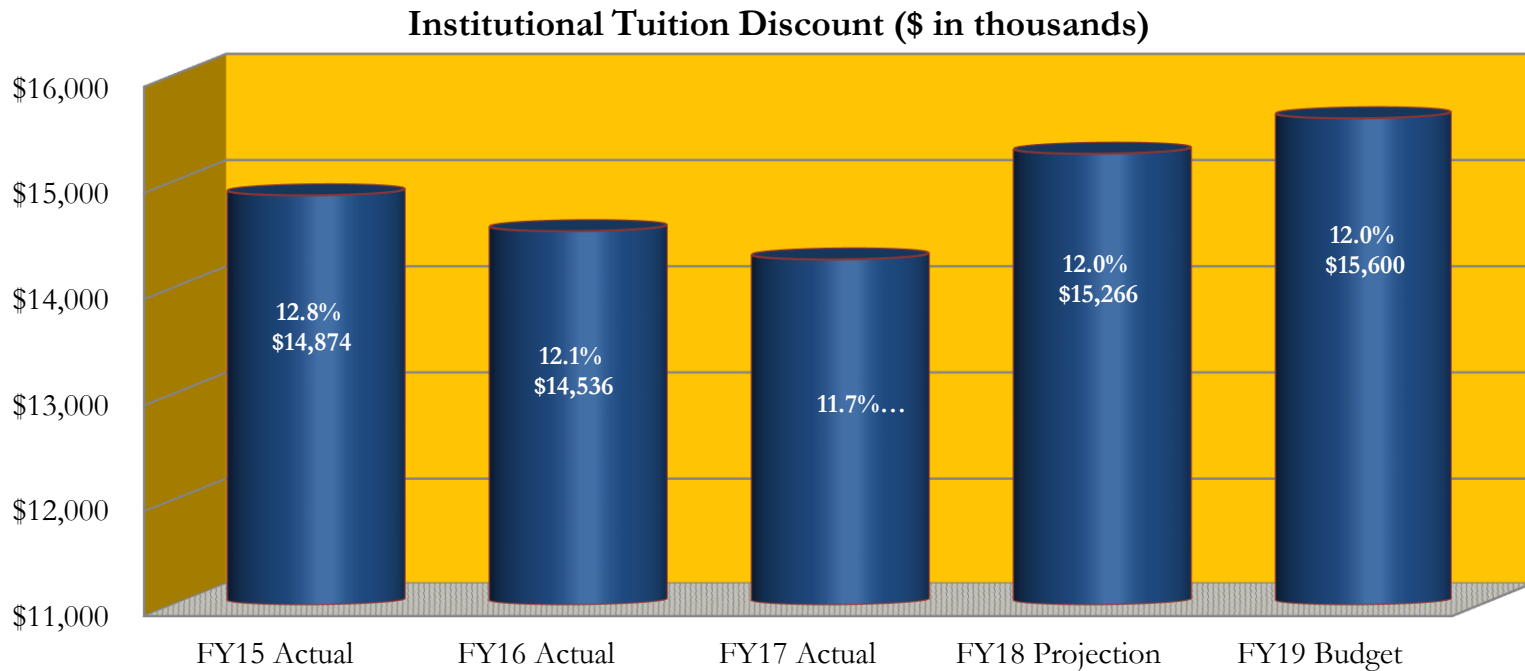
## Full-Time Equivalent (FTE) Enrollment



# Affordability & Access – 10% to 16% Target Range

- TCNJ continues to invest in institutionally funded scholarships and tuition waivers as part of its overall pricing strategy
- FY2019 allocation increased to \$15.6 million compared to FY2018 projection of \$15.3 million, a 12% institutional tuition discount rate.

## Institutional Scholarships and Waivers since FY2015



# Strategic Plan Allocation – 2% Minimum Allocation

Recurring Strategic Investment Allocations	Amount	Strategic Plan
Diversity and Inclusion Initiatives	\$ 100,000	Priority I
Professional Development - Staff	100,000	Priority I
Professional Development - Faculty	200,000	Priority I
Comprehensive Fundraising Campaign	250,000	Priority V
Student Leadership Initiatives	180,000	Priority II
Academic Equipment	150,000	Priority IV
Signature Experiences	75,000	Priority II
Instructional Design Technology	580,000	Priority IV
Marketing Initiatives	114,000	Priority III
International Recruitment	144,875	Priority II
Global Initiatives & Recruitment	321,370	Priority II
Community Engaged Learning	300,000	Priority II
Mentored Undergraduate Research	309,745	Priority II
<b>FY2019 Base Budget Allocation</b>	<b>2,824,989</b>	
Needs to be at least 2.0% of operating expenses (BOT approved target) =	4,635,341	
Additional amount needed for the 2.0% Minimum Threshold	1,810,351	
<b>FY2019 One-Time Strategic Allocation</b>	<b>5,805,261</b>	

FY2019 Strategic Funding Allocation	Amount		
	Recurring	One-Time	Total
Priority I: Attract and retain talented students, faculty, and staff	\$ 400,000	\$ 236,260	\$ 636,260
Priority II: Enhance Signature Experiences	1,330,989	500,000	1,830,989
Priority III: Promote the College's distinctive identity	114,000	85,000	199,000
Priority IV: Physical and technological infrastructure	730,000	4,456,601	5,186,601
Priority V: Achieve a sustainable financial model	250,000	527,400	777,400
<b>Total Strategic Allocation</b>	<b>\$ 2,824,989</b>	<b>\$ 5,805,261</b>	<b>\$ 8,630,250</b>

Percentage of Operating Expenses	1.3%	2.6%	3.9%
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# Key Budget Planning Assumptions

## FINANCIAL MODELING ASSUMPTIONS

	FY2018 Budget	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection
<b>Growth Assumptions</b>								
<b>Operating Budget</b>								
Operating Revenues	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tuition and fees rate increase	2.25%	2.50%	2.50%	2.75%	2.75%	3.00%	3.50%	3.50%
Net tuition revenue from enrollment growth (\$ in 000's)	\$ 719	\$ 923	\$ 722	\$ 662	\$ 1,101	\$ -	\$ -	\$ -
Tuition discount - institutional scholarships & waivers	12.2%	12.0%	11.9%	11.8%	11.7%	11.5%	11.5%	12.5%
Total Bed Count	3,927	3,927	3,927	3,366	3,366	3,906	3,906	3,906
Occupancy Rate	98.3%	98.5%	98.5%	100.0%	100.0%	99.0%	99.0%	99.0%
Occupied Beds	3,860	3,868	3,868	3,366	3,366	3,867	3,867	3,867
Average Rental (Room & Board)	12,983	13,372	13,773	14,187	14,612	15,051	15,502	15,967
Housing Rental Rate Increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Operating Expenses	2.50%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
Salaries & Fringe Benefits	2.60%	4.20%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Debt Service Savings - bond refinancing (\$ in 000's)	\$ (5,345)	\$ (4,070)	\$ (4,067)	\$ (4,045)	\$ -	\$ -	\$ -	\$ -
Maintenance cost increase -STEM & BSC (\$ in 000's)	\$ 1,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonoperating Revenues	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
State of New Jersey appropriations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of New Jersey fringe appropriation	0.02%	4.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Income	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Contract Food Service	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
<b>Fall Enrollment Projections</b>								
In-State Undergraduate FTE	6,406	6,476	6,506	6,536	6,571	6,571	6,571	6,571
Out-of-State Undergraduate FTE	409	409	409	409	409	409	409	409
<b>Total Undergraduate FTE</b>	<b>6,815</b>	<b>6,885</b>	<b>6,915</b>	<b>6,945</b>	<b>6,980</b>	<b>6,980</b>	<b>6,980</b>	<b>6,980</b>
In-State Graduate FTE	299	319	369	409	494	494	494	494
Out-of-State Graduate FTE	40	40	40	40	40	40	40	40
<b>Total Graduate FTE</b>	<b>339</b>	<b>359</b>	<b>409</b>	<b>449</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>
<b>Total FTE</b>	<b>7,154</b>	<b>7,244</b>	<b>7,324</b>	<b>7,394</b>	<b>7,514</b>	<b>7,514</b>	<b>7,514</b>	<b>7,514</b>
Undergraduate Enrollment Growth	65	70	30	30	35	-	-	-
Graduate Enrollment Growth	-	20	50	40	85	-	-	-
<b>FTE Enrollment Growth</b>	<b>65</b>	<b>90</b>	<b>80</b>	<b>70</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>-</b>

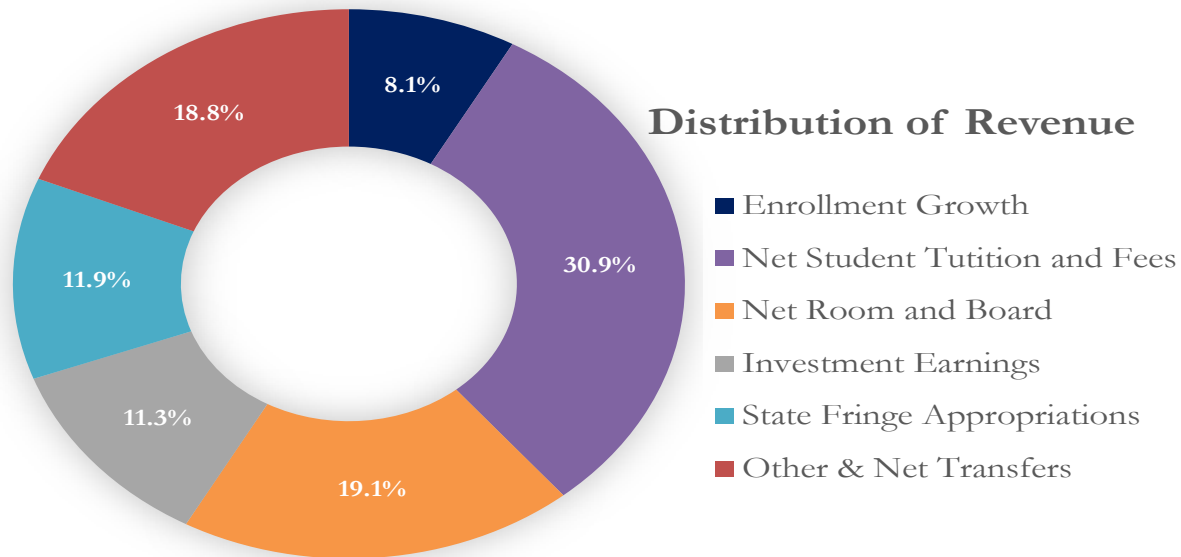


**Note:** Higher Education Price Index (HEPI) data show that inflation for colleges and universities was 3.7% for FY2017, more than doubling the 1.8% rate reported for FY2016.

*Source: Commonfund Institute 2017 Update.*

# Sources of Revenue Increases (\$ in 000's)

<b>FY 2018 Base Revenue Budget</b>		<b>\$ 238,674</b>
Enrollment Growth	923	
Net Student Tuition & Fees	3,521	
Net Room & Board	2,175	
Investment Earnings	1,292	
State Fringe Appropriations	1,353	
Other & Net Transfers	2,138	
<b>FY2019 Revenue Increase</b>		<b>11,402</b>
<b>TOTAL SOURCES</b>		<b>\$ 250,075</b>



# Sources of Expense Increases (\$ in 000's)

## FY 2018 Expenditure Plan

\$ 238,392

Meal Plan Increases	604
Salary Program Funding	4,166
Fringe Benefits	1,823
Discretionary Allocation	1,364
Debt Service	1,869
<b>Institutional Commitments:</b>	<b>1,396</b>
Fuel & Utilities	106
Computer & Library	221
Software Maintenance	543
Other	526

## FY2019 Expenditure Increase

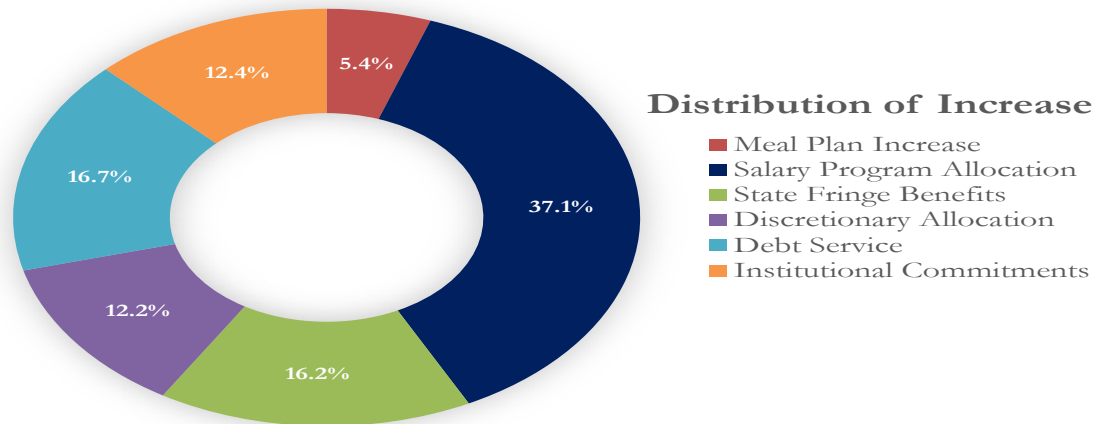
11,222

## TOTAL USES

\$ 249,614

## Projected Budget Surplus

\$462



# Multi-Year Budget Planning Assumptions

## OPERATING FINANCIAL PLAN SUMMARY (\$ in 000's)

	FY2017 Final @ 6/30/17	FY2018 Operating Budget	Actuals & Encumb. @ 06/22/18	FY2018 Available Balance	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection
<b>Operating Financial Plan</b>											
Operating Revenues											
Student tuition and fees	121,659	125,465	126,809	(1,344)	130,105	134,435	139,119	144,588	148,926	154,138	159,533
Less tuition scholarship allowances	(14,270)	(15,392)	(15,362)	(30)	(15,587)	(15,998)	(16,346)	(16,917)	(17,126)	(17,726)	(19,942)
Net Student Tuition and Fees	107,389	110,073	111,447	(1,374)	114,517	118,437	122,772	127,671	131,799	136,412	139,591
State of New Jersey appropriations	27,177	27,177	24,912	2,265	27,177	27,177	27,177	27,177	27,177	27,177	27,177
State of New Jersey fringe benefits	24,650	31,874	25,069	6,805	33,227	33,227	33,227	33,227	33,227	33,227	33,227
Net student housing and board	47,029	49,038	49,376	(338)	51,213	52,158	46,749	48,152	56,977	58,687	60,447
Auxiliary activities	4,535	4,987	4,649	338	5,491	5,601	5,713	5,827	5,943	6,062	6,183
TCNJ Foundation Support	1,207	1,256	1,139	117	1,281	1,307	1,333	1,360	1,387	1,414	1,443
Other Revenues	12,531	10,611	11,205	(594)	11,599	11,827	12,071	12,320	12,574	12,833	13,093
<b>Total Base Financial Plan</b>	<b>224,518</b>	<b>235,016</b>	<b>227,797</b>	<b>7,219</b>	<b>244,505</b>	<b>249,733</b>	<b>249,042</b>	<b>255,732</b>	<b>269,084</b>	<b>275,812</b>	<b>281,162</b>
Investment Income & Appreciation	5,553	4,279	5,750	(1,471)	5,571	6,100	6,679	7,314	8,008	8,769	9,602
<b>TOTAL FUNDING AVAILABLE</b>	<b>230,071</b>	<b>239,295</b>	<b>233,547</b>	<b>5,748</b>	<b>250,075</b>	<b>255,833</b>	<b>255,721</b>	<b>263,046</b>	<b>277,092</b>	<b>284,581</b>	<b>290,764</b>
Compensation	127,463	141,298	132,177	9,121	147,287	151,337	154,749	158,255	162,607	167,078	171,673
Institutional Commitments	12,178	12,609	12,442	167	13,677	13,882	14,125	14,408	14,732	15,100	15,515
Fuel & Utilities	5,030	5,934	5,101	833	6,040	6,131	6,238	6,363	6,506	6,668	6,852
Discretionary Allocation	13,529	14,298	13,671	627	15,662	15,897	15,676	15,789	16,144	16,548	17,003
Computer Hardware & Software	1,712	2,195	2,122	73	2,336	2,371	2,412	2,461	2,516	2,579	2,650
Library Acquisitions	1,914	1,963	1,795	168	2,043	2,074	2,110	2,153	2,201	2,256	2,318
Contract Food Service	16,483	17,247	17,038	209	17,851	18,475	19,122	19,791	20,484	21,201	21,943
Debt Service (Principal & Interest)	24,869	25,001	25,001	0	26,870	26,034	26,096	30,382	34,369	34,544	31,160
<b>Total Base Expenditure Plan</b>	<b>203,178</b>	<b>220,545</b>	<b>209,347</b>	<b>11,198</b>	<b>231,767</b>	<b>236,202</b>	<b>240,529</b>	<b>249,601</b>	<b>259,559</b>	<b>265,975</b>	<b>269,115</b>
<b>Operating Surplus before Transfers</b>	<b>26,893</b>	<b>18,750</b>	<b>24,200</b>		<b>18,308</b>	<b>19,631</b>	<b>15,192</b>	<b>13,445</b>	<b>17,533</b>	<b>18,606</b>	<b>21,649</b>



# Multi-Year Budget Planning Assumptions

## OPERATING FINANCIAL PLAN SUMMARY (\$ in 000's)

	FY2017 Final @ 6/30/17	FY2018 Operating Budget	Actuals & Encumb. @ 06/22/18	FY2018 Available Balance	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection
<b>Operating Financial Plan</b>											
BOT Quasi-Endowment Funding	500	500	-	500	-	-	-	-	-	-	-
Strategic Plan One-Time Projects	1,500	3,808	-	3,808	3,988	3,000	2,000	2,000	2,000	2,000	2,000
Maintenance Projects Allocation	1,700	1,700	1,700	-	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Asset Renewal Funding	9,520	9,663	9,663	-	10,295	10,449	5,574	5,333	6,927	7,000	9,000
Net Transfers to (from) Reserves	12,081	2,797	2,060	737	1,864	3,100	4,679	3,314	5,008	5,769	6,602
<b>Total Transfers</b>	<b>25,301</b>	<b>18,468</b>	<b>13,423</b>	<b>5,045</b>	<b>17,847</b>	<b>18,249</b>	<b>13,953</b>	<b>12,347</b>	<b>15,635</b>	<b>16,469</b>	<b>19,302</b>
<b>Net Operating Surplus (Deficit)</b>	<b>1,592</b>	<b>282</b>	<b>10,777</b>		<b>462</b>	<b>1,382</b>	<b>1,239</b>	<b>1,098</b>	<b>1,898</b>	<b>2,137</b>	<b>2,347</b>
Reserves Beginning Balance	115,453	117,045	117,045		119,054	113,233	113,405	119,870	123,190	126,431	132,122
<b>Reserves Ending Balance</b>	<b>117,045</b>	<b>119,054</b>	<b>121,523</b>		<b>113,233</b>	<b>113,405</b>	<b>119,870</b>	<b>123,190</b>	<b>126,431</b>	<b>132,122</b>	<b>143,968</b>
<b>Outstanding Principal @ 6/30:</b>	<b>355,126</b>	<b>345,732</b>	<b>345,732</b>		<b>333,998</b>	<b>321,240</b>	<b>373,827</b>	<b>355,648</b>	<b>335,473</b>	<b>314,331</b>	<b>295,683</b>

## Key Financial Performance Statistics

Reserves Minimum Ratio (50%)	58%	54%	58%		49%	48%	50%	49%	49%	50%	53%
Tuition Discount (10% -16%)	12%	12%	12%		12%	12%	12%	12%	12%	12%	13%
Change in Operating Revenues (%)	2.8%	2.0%	1.5%		4.5%	2.3%	0.0%	2.9%	5.3%	2.7%	2.2%
Change in Operating Expenses (%)	-0.8%	2.8%	3.0%		5.1%	1.9%	1.8%	3.8%	4.0%	2.5%	1.2%
Operating Margin (2 - 4%)	12%	8%	10%		7%	8%	6%	5%	6%	7%	7%
Net Tuition Dependence (%)	47%	46%	48%		46%	46%	48%	49%	48%	48%	48%
NJ State Approp. Dependence (%)	23%	25%	21%		24%	24%	24%	23%	22%	21%	21%
Auxiliary Activities Dependence (%)	22%	23%	23%		23%	23%	21%	21%	23%	23%	23%
Debt Service to Operations (10%)	12%	11%	12%		12%	11%	11%	12%	13%	13%	12%
Debt to Operating Revenue (x)	1.54	1.44	1.48		1.34	1.26	1.46	1.35	1.21	1.10	1.02

# Tuition, Room & Board Pricing

Mandatory Charges (Academic Year)	FY 2015	FY 2016*	FY 2017	FY 2018	FY 2019
Undergraduate Tuition & Fees (In State)	\$ 15,004	\$ 15,446	\$ 15,814	\$ 16,169	\$ 16,571
Undergraduate Tuition & Fees (Out of State)	\$ 25,617	\$ 26,378	\$ 26,991	\$ 27,598	\$ 28,287
Room & Board	\$ 12,226	\$ 12,570	\$ 12,881	\$ 13,200	\$ 13,617
<b>Annual Tuition Increase</b>	<b>2.00%</b>	<b>3.00%</b>	<b>2.25%</b>	<b>2.25%</b>	<b>2.50%</b>
<b>Annual Fees, Room &amp; Board Increase</b>	<b>2.30%</b>	<b>2.80%</b>	<b>2.41%</b>	<b>2.42%</b>	<b>3.00%</b>
<b>Overall Annual Increase</b>	<b>2.11%</b>	<b>2.93%</b>	<b>2.35%</b>	<b>2.35%</b>	<b>2.79%</b>

For every 1% increase in Student Charges	Amount per student
Undergraduate Tuition & Fees (In State)	\$ 162
Undergraduate Tuition & Fees (Out of State)	\$ 276
Room & Board	\$ 132

\* In FY2016, the net state appropriation was reduced by \$2.1 million, or 7.3%, to offset state-funded fringe benefits.

# Tuition, Room & Board Pricing

<u>FULL TIME STUDENTS (Flat Rate Over 12 Credits) / 3 Units</u>	<b>CHANGE</b>			
	<b>FY 2018</b>	<b>FY 2019</b>	<b>AMOUNT</b>	<b>PERCENT</b>
<b>UNDERGRADUATE - NEW JERSEY RESIDENT</b>				
TUITION	12,631.70	12,947.49	315.79	2.50%
GSF/CAPITAL	2,968.99	3,043.22	74.22	2.50%
STUDENT CENTER FEE	260.31	266.82	6.51	2.50%
STUDENT ACTIVITY FEE	287.93	293.69	5.76	2.00%
<b>TOTAL</b>	<b>\$ 16,148.93</b>	<b>\$ 16,551.22</b>	<b>\$ 402.28</b>	<b>2.49%</b>
ROOM AND BOARD (BASE PLAN: ALA CARTE 1)	13,200.06	13,617.21	417.15	3.16%
<b>TOTAL COST</b>	<b>\$29,348.99</b>	<b>30,168.43</b>	<b>\$ 819.43</b>	<b>2.79%</b>
<b>UNDERGRADUATE - OUT OF STATE RESIDENT</b>				
TUITION	24,060.63	24,662.15	601.52	2.50%
GSF/CAPITAL	2,968.99	3,043.22	74.22	2.50%
STUDENT CENTER FEE	260.31	266.82	6.51	2.50%
STUDENT ACTIVITY FEE	287.93	293.69	5.76	2.00%
<b>TOTAL</b>	<b>27,577.86</b>	<b>28,265.87</b>	<b>688.01</b>	<b>2.49%</b>
ROOM AND BOARD (BASE PLAN: ALA CARTE 1)	13,200.06	13,617.21	417.15	3.16%
<b>TOTAL COST</b>	<b>40,777.92</b>	<b>41,883.08</b>	<b>1,105.16</b>	<b>2.71%</b>
CARD SERVICE FEE (FALL AND SPRING)	\$ 20.00	\$ 20.00	-	0.00%
<b>Pass through annual charge for all students without personal insurance</b>				
UNDERGRADUATE STUDENT HEALTH INSURANCE	\$ 1,756.00	\$ 1,652.00	(104.00)	-5.92%
GRADUATE STUDENT HEALTH INSURANCE	\$ 3,465.00	\$ 4,468.00	1,003.00	28.95%

# Appendix B: FY2019 One-Time Project Requests

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# Fiscal Year 2019 One-Time Project Requests

Project Description	FY2019 Revised Funding Requests	Linkage to TCNJ's Strategic Plan	FY2019 Approved Funding Requests
<b>Academic Affairs:</b>	<b>\$ 1,010,916</b>		<b>\$ 1,010,916</b>
Adopting Inclusive Pedagogy <i>(CSPP Endorsed)</i>	\$ 42,500	P1	42,500
Civility Initiatives Program <i>(CSPP Endorsed)</i>	63,260	P1	63,260
Digital Marketing Services for Graduate Programs <i>(CSPP Endorsed)</i>	90,000	P5	90,000
Trenton at TCNJ (Community Engagement) <i>(CSPP Endorsed)</i>	15,000	P1	15,000
Trenton Hall Gallery <i>(CSPP Endorsed)</i>	40,500	P1	40,500
School of Arts & Communication (Equipment)	250,000	P4	250,000
School of Business (MBA Marketing)	310,000	P5	310,000
School of Nursing & HES (Lab Equipment)	174,000		174,000
Library Furniture	25,656	P4	25,656
<b>VP for Administration:</b>	<b>\$ 1,536,021</b>	<b>P4</b>	<b>\$ 1,536,021</b>
Bowmac Critical Incident System Replacement	15,000		15,000
Campus Police Accreditation	46,021		46,021
Classroom Security Locks	100,000		100,000
Fall 2019 Academic Offices (Trenton Hall - Nursing)	212,000		212,000
Furniture Replacement	100,000		100,000
NICE Upgrade - Campus Police Recorded Lines	8,000		8,000
<b>PSEG Cogen Penalty Gas (5 YR repayment proposed by PSE&amp;G)</b>	<b>500,000</b>		<b>500,000</b>
Replace Elevator Carpet throughout Campus	15,000		15,000
Retro-Commissioning	100,000		100,000
Sightlines Bench-Marking Study	35,000		35,000
Signature Space	100,000		100,000
TCNJ Clinic - 2 Lake Boulevard Renovation	300,000		300,000
Training - Incident Command	5,000		5,000

# Fiscal Year 2019 One-Time Project Requests

Project Description	FY2019 Revised Funding Requests	Linkage to TCNJ's Strategic Plan	FY2019 Approved Funding Requests
<b>VP for Advancement:</b>	\$ 197,400		\$ 197,400
Branding Initiatives - Year 2	\$ 85,000	P3	\$ 85,000
New Gift Officer Position - Salary & Fringe	112,400	P5	112,400
<b>VP for Enrollment Management:</b>	\$ 15,000	P5	\$ 15,000
Enrollment Management Travel	15,000		15,000
<b>Office of the President:</b>	\$ -	P2	\$ 500,000
Strategic Initiatives Contingency	-		500,000
<b>Office of Human Resources:</b>	\$ 20,000	P1	\$ 20,000
Employee Celebration - Great Colleges to Work for award	20,000		20,000
<b>Information Technology:</b>	\$ 2,470,924	P4	\$ 2,470,924
Academic Space Improvement for BYOD	12,000		12,000
Classroom BYOD	100,000		100,000
CRM	100,000		100,000
Information Security Enhancements	100,000		100,000
Mobile App Improvements	20,000		20,000
Oracle Cloud - FY2019 Projected Funding	1,923,924		1,923,924
Technology Equipped Space Improvement	40,000		40,000
Video solutions for Media	25,000		25,000
Virtual Desktops	150,000		150,000
<b>Student Affairs:</b>	\$ 55,000	P1	\$ 55,000
Data Summit	30,000		30,000
Student Affairs Professional Development	25,000		25,000
<b>Total ActionPak Requests</b>	<b>\$ 5,305,261</b>		<b>\$ 5,805,261</b>
<b>FY2019 Strategic Reserves Allocation</b>	<b>\$ 3,988,000</b>		<b>\$ 3,988,000</b>
<b>Additional Reserves Funding - Oracle Cloud Project</b>	<b>\$ 1,923,924</b>		<b>\$ 1,923,924</b>
<b>Funding Surplus</b>	<b>\$ 606,663</b>		<b>\$ 106,663</b>

# Appendix A: Strategic Reserves Projection

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# Board of Trustees Approved Reserves Policy

- The College's Board of Trustees approved a reserves policy, the purpose of which is to ensure the financial sustainability of the mission, programs and ongoing operations of the College
- Unrestricted Reserves are intended to provide sources of funding for situations such as significant non-recurring expenses, the asset renewal and replacement program, funding for organizational capacity buildings such as academic lab equipment or investment start-up for strategic initiatives and debt service cushion
- Reserves policy designations are:
  - **Un-expendable Reserves:** The minimum target for the designated Un-expendable Reserves will be equal to six months of the current fiscal year average operating expenses
  - **Expendable Reserves:** Amounts in excess of the minimum target will be designated as Expendable Reserves
  - *The designated Un-expendable and Expendable Reserves are calculated each fiscal year after the approval of the annual operating budget and the issuance of the audited financial statements*

FY2017 Reserves Summary (\$000)

Operating Budgets	Reserve Target Minimum Ratio	FY2017 Operating Budget *	FY2017 Reserves Ending Balance	Designated Un-expendable Reserves	Designated Expendable Reserves
Educational and General Operating	0.50	156,604	57,766	78,302	(20,536)
Housing Operations	0.50	39,393	49,915	19,697	30,219
Student Center Operations	0.50	1,334	9,364	667	8,697
<b>Total</b>	<b>0.59</b>	<b>199,331</b>	<b>117,045</b>	<b>98,666</b>	<b>18,380</b>

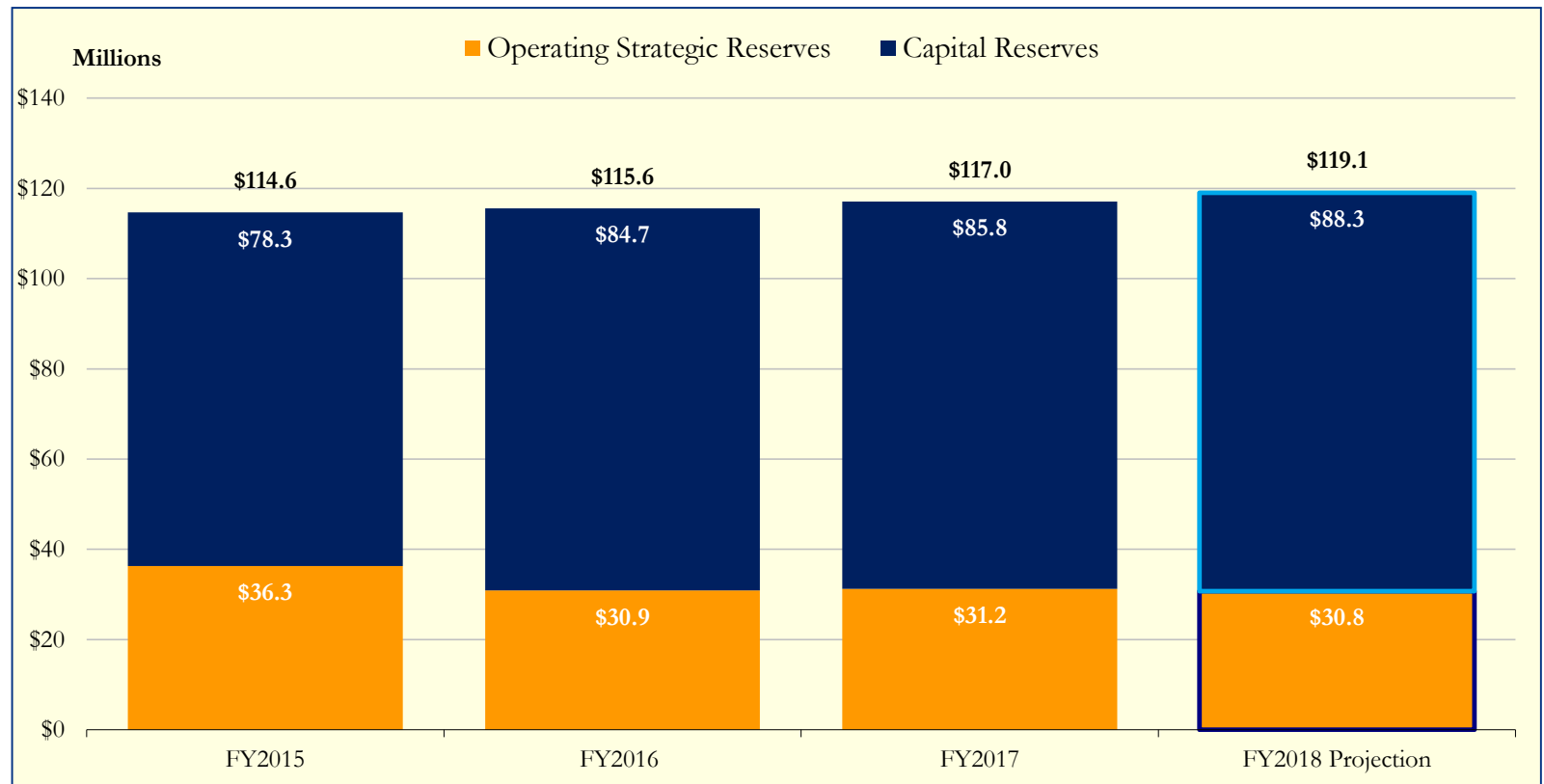


\* Excludes NJ State funded fringe benefits (non-cash) and transfers to capital and operating reserves



# Strategic Reserves since FY2015 (\$ in millions)

Reserves growth have been relatively modest primarily due to the use of **\$9.8M** to supplement the **\$31M** Sodexo contribution for the Brower Student Center and dining facilities renovation. At the end of FY2017, the total reserves were **\$117 million**, representing **59% or 7 months** of the operating budget. Reserves are projected to grow to **\$119 million** at the end of FY2018.



# Strategic Reserves Projections (\$ in millions)

- Reserves are projected to decrease over the next two fiscal years primarily due to the funding of **\$10M** for Travers & Wolf renovation plus the annual allocation earmarked for strategic initiatives.

	Projection FY 2018	Actual as of 6/22/18	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024	Projection FY2025
<b>Reserves Beginning Balances</b>	<b>117,045</b>	<b>119,054</b>	<b>121,523</b>	<b>113,233</b>	<b>113,405</b>	<b>119,870</b>	<b>123,190</b>	<b>126,431</b>	<b>132,122</b>
<b>Sources of Revenues</b>									
Capital Facilities Fees	21,152	21,173	21,889	22,525	23,233	23,976	24,696	25,560	26,455
Investment Income	4,279	5,750	5,571	6,100	6,679	7,314	8,008	8,769	9,602
Capital Transfers from Operations (Net)	12,460	11,723	12,159	13,549	10,253	8,647	11,935	12,769	15,602
<b>Total Sources of Revenues</b>	<b>37,891</b>	<b>38,646</b>	<b>39,618</b>	<b>42,173</b>	<b>40,166</b>	<b>39,937</b>	<b>44,640</b>	<b>47,099</b>	<b>51,659</b>
<b>Expenditures &amp; Transfers</b>									
Debt Service Requirement	25,001	25,001	26,870	26,034	26,096	30,382	34,369	34,544	31,160
Information Technology & Strategic Projects	—	—	5,912	3,987	3,270	2,000	2,000	2,000	2,000
TW Renovation & Other Projects Funding	1,500	1,794	5,293	2,913					
Essential Capital & Asset Renewal Projects	9,663	9,663	10,295	10,449	5,574	5,333	6,927	7,000	9,000
Operating Budgets Surplus	(282)	(282)	(462)	(1,382)	(1,239)	(1,098)	(1,898)	(2,137)	(2,347)
<b>Total Expenditures &amp; Transfers</b>	<b>35,882</b>	<b>36,176</b>	<b>47,909</b>	<b>42,001</b>	<b>33,701</b>	<b>36,617</b>	<b>41,398</b>	<b>41,408</b>	<b>39,813</b>
<b>Projected Reserve Balances</b>	<b>119,054</b>	<b>121,523</b>	<b>113,233</b>	<b>113,405</b>	<b>119,870</b>	<b>123,190</b>	<b>126,431</b>	<b>132,122</b>	<b>143,968</b>
<b>Debt Service Coverage by Reserves</b>	<b>4.8</b>	<b>4.9</b>	<b>4.2</b>	<b>4.4</b>	<b>4.6</b>	<b>4.1</b>	<b>3.7</b>	<b>3.8</b>	<b>4.6</b>
<b>Reserves Minimum Target Ratio = 50%</b>	<b>0.54</b>	<b>0.58</b>	<b>0.49</b>	<b>0.48</b>	<b>0.50</b>	<b>0.49</b>	<b>0.49</b>	<b>0.50</b>	<b>0.53</b>

# Appendix C: Capital Budgets & Assessment

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University of Tennessee Health  
Science Center  
University of Tennessee, Knoxville  
University of Texas at Dallas  
University of the Sciences in  
Philadelphia  
University of Toledo  
University of Vermont  
University of Washington  
University of West Florida  
University of Wisconsin - Madison  
Vanderbilt University  
Virginia Commonwealth University  
Virginia Department of General  
Services  
Wake Forest University  
Washburn University  
Washington University in St. Louis  
Wellesley College  
Wesleyan University  
West Chester University  
West Liberty University  
West Virginia Health Science Center  
West Virginia Institute of Technology  
West Virginia School of Osteopathic  
Medicine  
West Virginia State University  
West Virginia University  
Western Connecticut State University  
Western Oregon University  
Westfield State University  
Widener University  
Williams College  
Worcester Polytechnic Institute  
Worcester State University  
Xavier University  
Yale University



sightlines

ROPA+

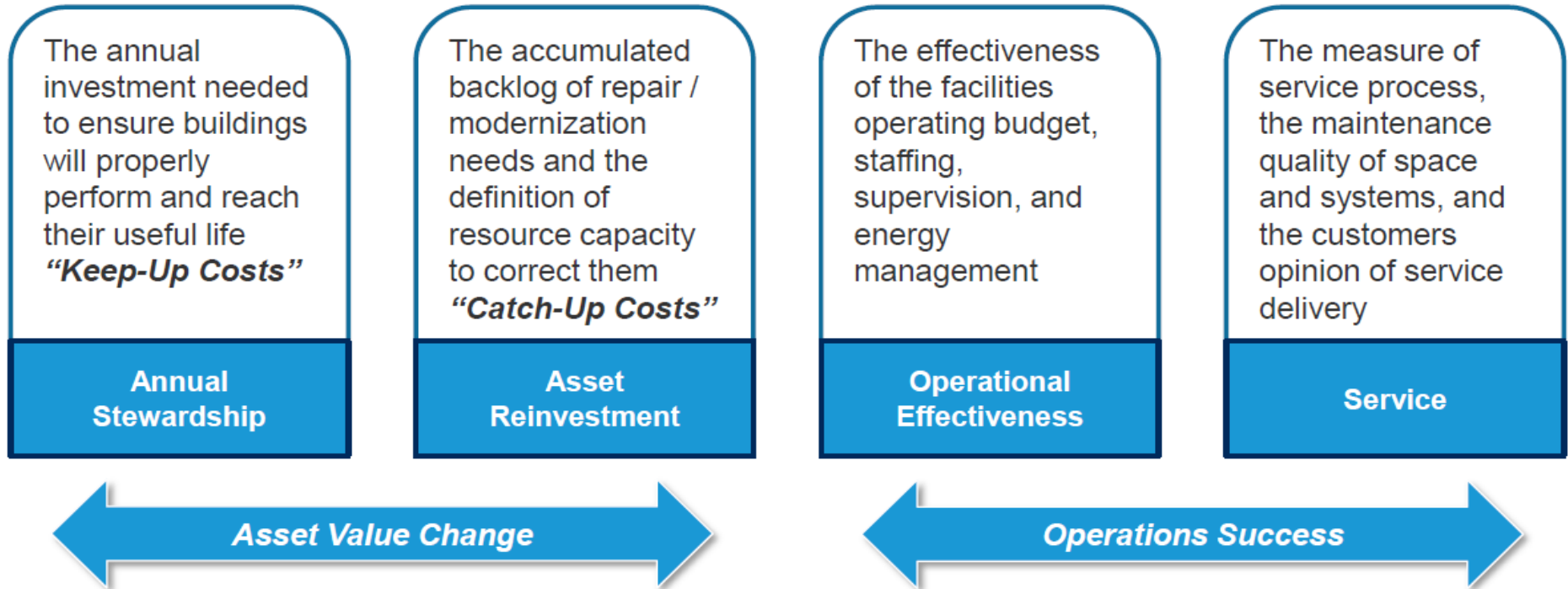
## The College of New Jersey

Presenters: Michael Bomhoff, Rebecca Cavalier, and Emily Medina

May 2017

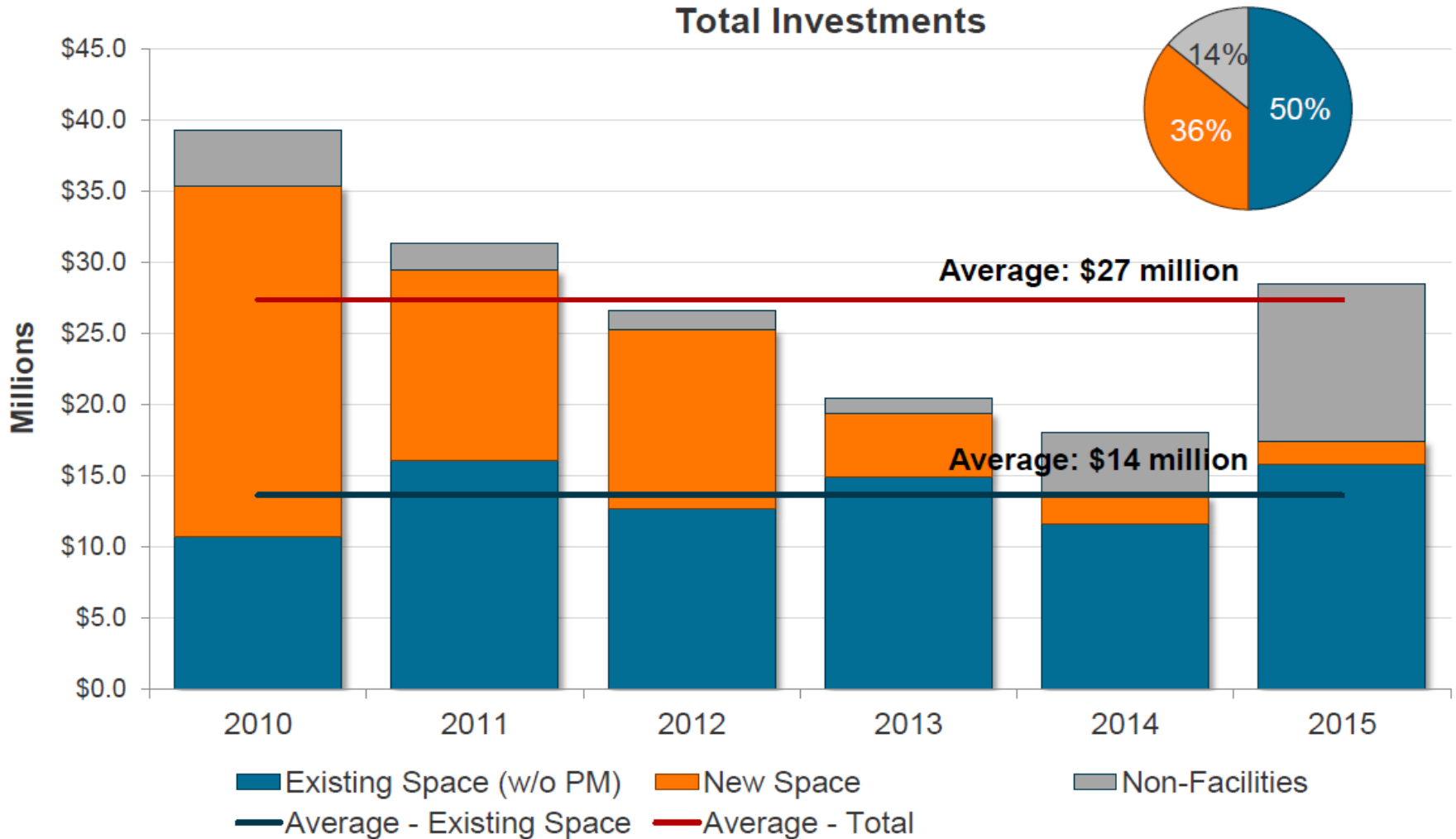
# A vocabulary for measurement

## *The Return on Physical Assets – ROPA<sup>SM</sup>*



# Historic Capital Investment

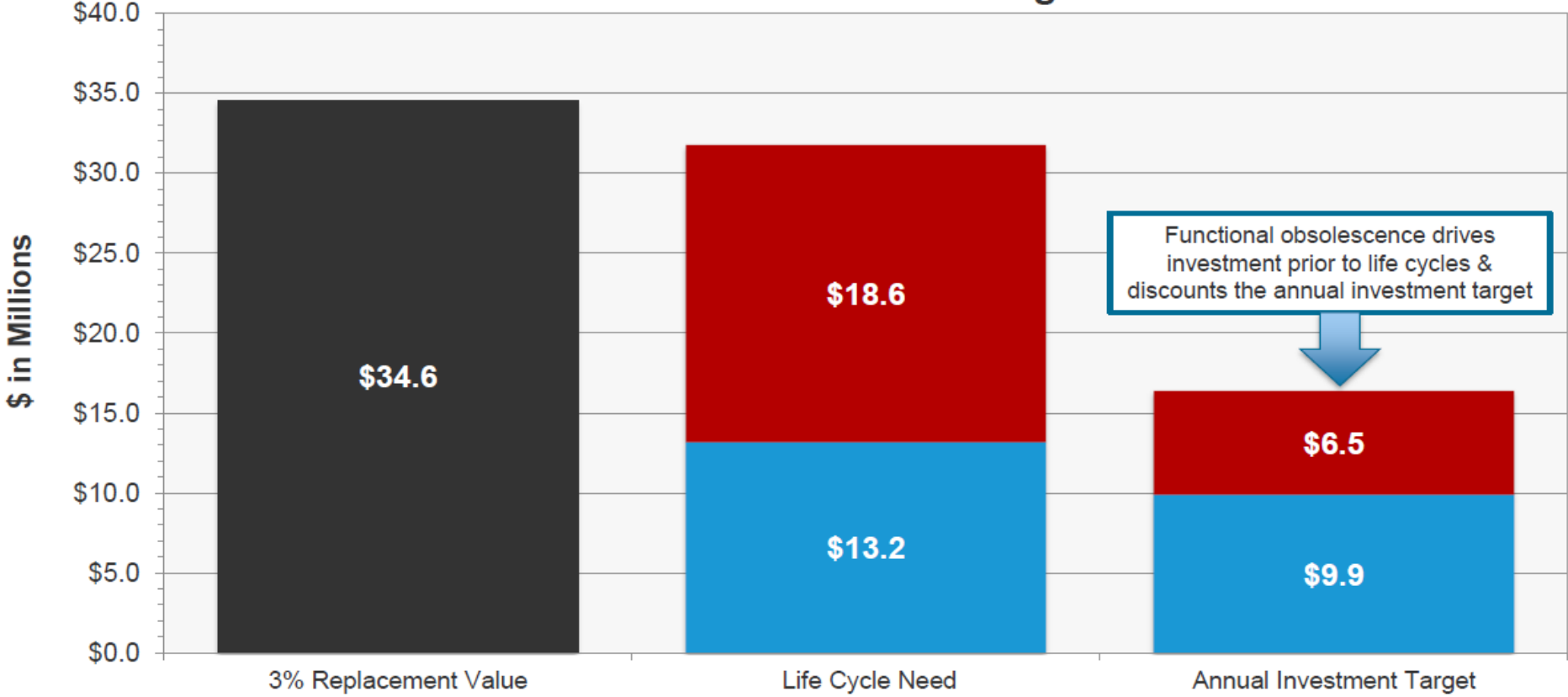
51% of spending in the last six years has gone towards existing space



Data shown does not include Infrastructure spending

# Defining Stewardship Investment Targets

## FY15 Annual Investment Target



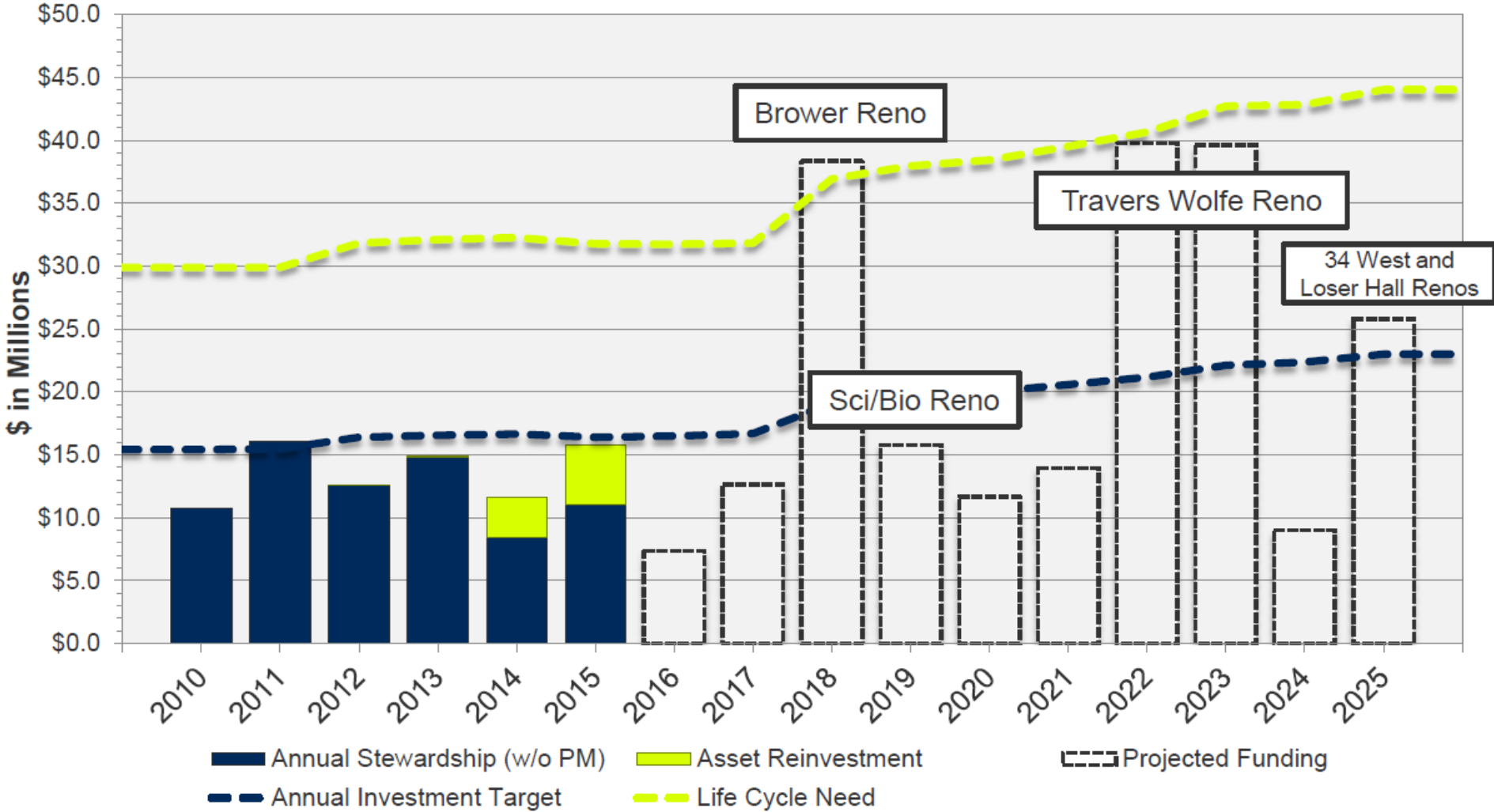
■ Envelope/Mechanical      ■ Space/Program

← Depreciation Model →

← Sightlines Recommendation →

# Upcoming Renovations Will Exceed Target

## Total Capital Investment vs. Funding Target



Brower Reno

Travers Wolfe Reno

34 West and Loser Hall Renos

Sci/Bio Reno

Projected funding includes upcoming renovations and projected asset renewal  
 Target projections account for upcoming new construction



# Capital & Information Technology Plan Projects

TCNJ's capital and information technology plans contemplate various campus-wide improvements which are funded through 2019 and funding requests that need to be prioritized thereafter through 2025 as reflected below:

Capital and Information Technology Plans Projects		
Timeline	Projects	Project Budgets
Fiscal Years: 2016 – 2019 <b>Already Funded</b>	Brower Student Center Renovation	\$ 38 million
	Dining Facilities Renovations	\$3 million
	STEM Complex Phase 1 and related projects	76 million
	Information Technology Infrastructure & Academic Equipment Upgrades	14 million
	Science Biology Renovation (construction started in 2017)	7 million
Fiscal Years: 2018 – 2024 <b>Funded*</b>	Armstrong Hall Renovation (under construction)*	8 million
	Roscoe West '34 Renovation - \$20 million (project on hold)	
	Travers & Wolfe Renovation – (programming underway)**	<u>76 million</u>
	<b>Subtotal: \$ 222 million</b>	
Asset Renewal Allocation 2016 – 2025	Education & General Capital Projects	\$30.7 million
	Housing Capital Projects	<u>\$50.1 million</u>
	<b>Subtotal: \$ 80.8 million</b>	
FY2018 – 2025	Information Technology (Multi-year Strategic Plan)	<b>Subtotal: \$ 13.3 million</b>
<b>Total Capital Funding Requests</b>		<b>Total: \$ 316.1 million</b>



\* \*Final approval of the project is contingent on the identification of specific funding sources and any proposed new debt will be in compliance with the approved debt policy and through the requisite debt capacity analysis.

# Capital Budget Funding Plan: 10 Year Outlook

PROJECTS	TOTAL COST	2016	2017	2018	2019	2020
STEM Phase 1	\$ 76,211,274	35,312,751	31,072,526	9,825,997		
Sodexo Projects (T-Dubbs...)	2,972,484	2,966,814	5,670			
Brower Student Center Renovation	37,825,466	24,395,989	12,555,258	874,219		
Science/Biology Renovation (HEFT)	6,794,726	332,236	341,988	2,120,502	3,000,000	1,000,000
Armstrong/Forcina Renovation (CIF)	8,000,000	-	144,274	538,947	2,185,095	2,475,200
Travers & Wolfe Renovation	75,866,019	-	-	1,793,301	3,793,301	8,586,602
Asset Renewal - Other Projects	80,750,117	7,359,848	6,365,828	9,248,588	11,552,140	9,417,536
<b>TOTAL PROJECT COST (TPC)</b>	<b>\$ 288,420,086</b>	<b>70,367,638</b>	<b>50,485,544</b>	<b>24,401,554</b>	<b>20,530,536</b>	<b>21,479,338</b>
FUNDING	TOTAL FUNDING	2016	2017	2018	2019	2020
GO Bond (STEM)	\$ 40,000,000	26,486,741	13,513,260			
HETIf Bond (STEM)	1,000,000		5,031	994,969		
HETIF (STEM)	75,000		73,500	1,500		
TCNJ Bonds (STEM)	23,000,000	8,828,914	9,660,836	4,510,251		
Sodexo Contribution	31,000,000	20,738,470	10,261,530			
BSC Capital Reserves	9,797,950	3,949,797	4,348,153	1,500,000		
Strategic Funding Allocation - (STEM I)	808,000			808,000		
Asset Renewal - E&G Allocation	30,705,424	2,589,375	2,361,436	2,396,774	2,883,449	2,889,218
Asset Renewal - Housing Allocation	52,600,792	6,955,841	7,158,564	7,266,226	7,411,551	7,559,782
Asset Renewal - Carryforward Balance	9,748,878	-	-	4,000,000	5,748,878	-
Overhead Recovery Funding - STEM	662,429			662,429		
Other (STEM)	457,295		171,500	285,795		
HEFT Bond (Science)	6,000,000	332,236	341,988	2,120,502	3,000,000	205,274
CIF Bond (Armstrong)	8,000,000		144,274	538,947	2,185,095	2,475,200
<b>TOTAL FUNDING IN PLACE (FIP)</b>	<b>\$ 213,855,768</b>	<b>69,881,373</b>	<b>48,040,071</b>	<b>25,085,393</b>	<b>21,228,973</b>	<b>13,129,474</b>
<b>FUNDING REQUIRED (TPC-FIP)</b>	<b>\$ (74,564,318)</b>	<b>(486,265)</b>	<b>(2,445,473)</b>	<b>683,839</b>	<b>698,437</b>	<b>(8,349,864)</b>
New Debt Issue - TW	65,866,019			-	-	4,173,204
Housing Capital Reserves - TW	10,000,000			1,793,301	5,293,301	2,913,398
<b>FUNDING SURPLUS (DEFICIT)</b>	<b>\$ 1,301,701</b>	<b>(486,265)</b>	<b>(2,445,473)</b>	<b>2,477,140</b>	<b>5,991,738</b>	<b>(1,263,262)</b>

# Capital Budget Funding Plan: 10 Year Outlook

PROJECTS	TOTAL COST	2021	2022	2023	2024	2025
STEM Phase 1	\$ 76,211,274					
Sodexo Projects (T-Dubbs...)	2,972,484					
Brower Student Center Renovation	37,825,466					
Science/Biology Renovation (HEFT)	6,794,726					
Armstrong/Forcina Renovation (CIF)	8,000,000	2,656,484				
Travers & Wolfe Renovation	75,866,019	26,553,107	26,553,107	8,586,602	-	-
Asset Renewal - Other Projects	80,750,117	4,593,176	7,262,000	11,225,000	5,381,000	8,345,000
<b>TOTAL PROJECT COST (TPC)</b>	<b>\$ 288,420,086</b>	<b>33,802,767</b>	<b>33,815,107</b>	<b>19,811,602</b>	<b>5,381,001</b>	<b>8,345,000</b>
FUNDING	TOTAL FUNDING	2021	2022	2023	2024	2025
GO Bond (STEM)	\$ 40,000,000					
HETIf Bond (STEM)	1,000,000					
HETIF (STEM)	75,000					
TCNJ Bonds (STEM)	23,000,000					
Sodexo Contribution	31,000,000					
BSC Capital Reserves	9,797,950					
Strategic Funding Allocation - (STEM I)	808,000					
Asset Renewal - E&G Allocation	30,705,424	2,363,023	2,122,023	3,716,023	3,724,803	5,659,299
Asset Renewal - Housing Allocation	52,600,792	3,210,977	3,210,977	3,210,977	3,275,197	3,340,701
Asset Renewal - Carryforward Balance	9,748,878	-	-	-	-	-
Overhead Recovery Funding - STEM	662,429					
Other (STEM)	457,295					
HEFT Bond (Science)	6,000,000					
CIF Bond (Armstrong)	8,000,000	2,656,484				
<b>TOTAL FUNDING IN PLACE (FIP)</b>	<b>\$ 213,855,768</b>	<b>8,230,484</b>	<b>5,333,000</b>	<b>6,927,000</b>	<b>7,000,000</b>	<b>9,000,000</b>
<b>FUNDING REQUIRED (TPC-FIP)</b>	<b>\$ (74,564,318)</b>	<b>(25,572,283)</b>	<b>(28,482,107)</b>	<b>(12,884,602)</b>	<b>1,618,999</b>	<b>655,000</b>
New Debt Issue - TW	65,866,019	26,553,107	26,553,107	8,586,602		
Housing Capital Reserves - TW	10,000,000					
<b>FUNDING SURPLUS (DEFICIT)</b>	<b>\$ 1,301,701</b>	<b>980,823</b>	<b>(1,929,000)</b>	<b>(4,298,000)</b>	<b>1,618,999</b>	<b>655,000</b>
10 YEAR FUNDING BY CATEGORY						
New Construction - STEM*	\$ 75,751,602					
Asset Renewal & Related Projects	\$ 210,997,701					
Dining Facilities Projects	\$ 2,972,484					
<b>TOTAL FUNDING</b>	<b>\$ 289,721,787</b>					
<i>* Includes \$10.6M funding from Asset Renewal &amp; Strategic Funding Allocation</i>						

# Information Technology Plan: 5 Year Outlook

Project Description	Strategic Plan Link	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Integrate systems to increase security and efficiency	Priority IV	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Provide a robust identity management system to increase security and efficiency	Priority IV	-	-	500,000	-	-	500,000
Provide students with mobile access to lab software	Priority I, IV	-	150,000	-	-	-	150,000
Build Cyber Infrastructure capacity for Research Support	Priority I, III, IV	-	-	100,000	100,000	200,000	400,000
Cloud Services/Telephony Migration	Priority IV	-	12,000	300,000	100,000	100,000	512,000
Increase BYOD capabilities in instructional spaces	Priority I, IV	50,000	100,000	100,000	-	-	250,000
Provide a video content management and distribution system	Priority I, IV	-	25,000	25,000	25,000	-	75,000
Technology Equipped Space Improvement	Priority I, II, IV, V	40,000	40,000	40,000	40,000	40,000	200,000
Cloud CRM to provide critical work flow and message management tools for Recruitment and Enrollment Management.	Priority I, III, IV, V	-	100,000	-	-	-	100,000
Cloud SIS to increase security, user experience, and efficiency	Priority I, III, IV, V	-	-	-	1,000,000	700,000	1,700,000
Document Management System to support enrollment management and records and registration	Priority I, IV, V	-	-	500,000	-	-	500,000
Contract Management Solution to increase efficiency	Priority V	-	-	100,000	-	-	100,000
Modernize HR system to add efficiency, security, and self service	Priority I, IV, V	646,000	400,000	585,000	1,270,000	-	2,901,000
Upgrade the PAWS (student information system) to increase security, user experience, and efficiency	Priority I, IV, V	150,000	-	-	-	-	150,000
Modernize Budget and Finance System to increase security, user experience, and efficiency	Priority I, IV, V	757,007	2,330,000	1,324,000	-	-	4,411,007
Provide appropriate technology to meet needs of events and conference services	Priority I, II, III, IV, V	-	-	-	100,000	-	100,000
Centralize mobile delivery of services to students	Priority I, II, IV	-	20,000	20,000	20,000	20,000	80,000
Information Security Enhancements to protect college assets	Priority IV	150,000	100,000	50,000	75,000	100,000	475,000
Modernize Business Analytics and Reporting Solution	Priority I, II, IV, V	-	-	-	-	500,000	500,000
<b>Total Requests</b>		<b>\$ 1,793,007</b>	<b>\$ 3,277,000</b>	<b>\$ 3,644,000</b>	<b>\$ 2,930,000</b>	<b>\$ 1,660,000</b>	<b>\$ 13,304,007</b>
Funding Sources		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Operating Budget Allocation		137,516	581,655	921,209	-	-	1,640,380
Institutional Reserves		-	1,923,924	987,791	1,270,000	-	4,181,715
Unexpended Balance (Kbase Contract)		525,000	-	-	-	-	525,000
Strategic Plan Allocation		1,354,912	547,000	-	-	-	1,901,912
<b>Totals</b>		<b>\$ 2,017,428</b>	<b>\$ 3,052,579</b>	<b>\$ 1,909,000</b>	<b>\$ 1,270,000</b>	<b>\$ -</b>	<b>\$ 8,249,007</b>
<b>Funding Surplus (Deficit)</b>		<b>\$ 224,421</b>	<b>\$ (224,421)</b>	<b>\$ (1,735,000)</b>	<b>\$ (1,660,000)</b>	<b>\$ (1,660,000)</b>	<b>\$ (5,055,000)</b>

# Multi-Year Equipment Plan

FY2011- 2018 Total Funding Available	\$	10,905,077
FY2011- 2018 Reserves Expenditures		(3,177,061)
ELF Expenditures		(6,877,872)
Equipment Reserves Balance	\$	850,144

Schools & Division	FY2011-2018 Budget Allocation	Available Balance @ 06/2018	FY 2019 Requests	FY 2020 Requests	FY 2021 Requests	FY 2022 Requests	Total
Arts & Communication Equipment	\$ 1,260,159	\$ 165,241	\$ 188,500	\$ 213,500	\$ 201,500	\$ 228,500	\$ 2,092,159
Engineering Lab Equipment	3,461,680	369,874	294,100	294,100	294,100	294,100	4,638,080
Nursing & Public Health Equipment	540,485	17,867	100,897	100,897	100,897	100,897	944,072
Health & Exercise Science Equipment	30,795	30,795	110,242	110,242	110,242	110,242	471,762
Science Lab Equipment	4,915,825	154,312	345,000	345,000	380,000	630,000	6,615,825
Fitness Center & Athletics Equipment	529,175	55,909	60,200	61,200	56,000	54,050	760,625
Library & Humanities and Social Sciences	166,958	56,146	6,220	1,500	1,500	1,500	177,678
<b>Totals</b>	<b>\$ 10,905,077</b>	<b>\$ 850,144</b>	<b>\$ 1,105,159</b>	<b>\$ 1,126,439</b>	<b>\$ 1,144,239</b>	<b>\$ 1,419,289</b>	<b>\$ 15,700,201</b>

## Funding Sources

Equipment Reserves	\$	3,855,042	\$	677,981	\$	-	\$	-	\$	-	\$	3,855,042	
Operating Budget Allocation		150,000		150,000		200,000		200,000		200,000		200,000	950,000
Equipment Leasing Fund - State Funding		6,900,035		22,163		-		-		-		-	6,900,035
<b>Totals</b>	<b>\$</b>	<b>10,905,077</b>	<b>\$</b>	<b>850,144</b>	<b>\$</b>	<b>200,000</b>	<b>\$</b>	<b>200,000</b>	<b>\$</b>	<b>200,000</b>	<b>\$</b>	<b>200,000</b>	<b>\$ 11,705,077</b>

<b>Funding Surplus (Deficit)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(905,159)</b>	<b>\$</b>	<b>(926,439)</b>	<b>\$</b>	<b>(944,239)</b>	<b>\$</b>	<b>(1,219,289)</b>	<b>\$</b>	<b>(3,995,124)</b>
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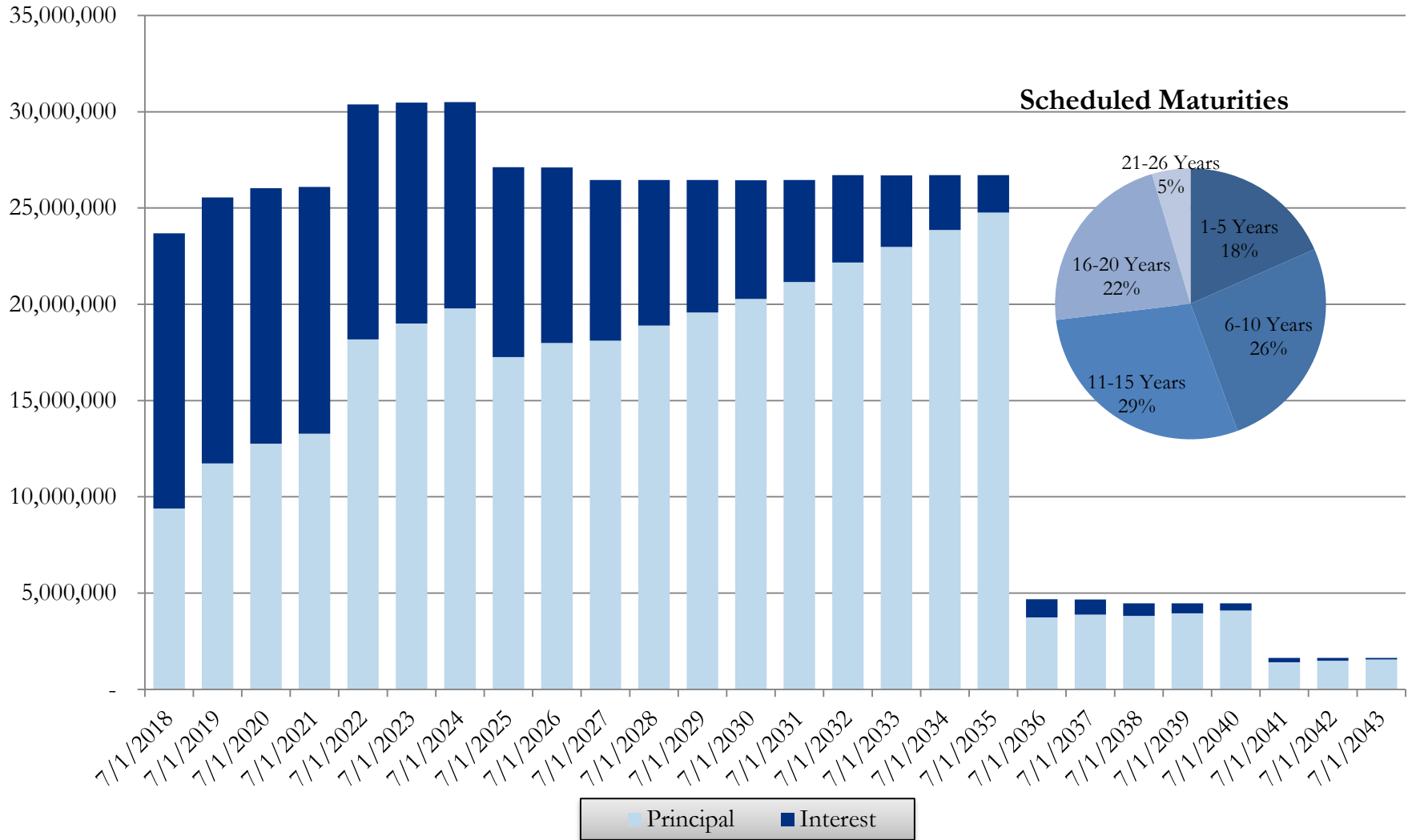
# Appendix D: TCNJ Debt Portfolio

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# Outstanding Debt as of July 1, 2017

Issue	Type	Purpose	Amount Issued	Amount Outstanding	Coupon	Maturity	Call Date	Credit Ratings (Underlying)	Credit Support
Higher Education and Dormitory Fund Debt	Fixed	Various Capital Improvements	N/A	9,015,684	various	various	N/A	N/R	None
Series 2008D	Fixed	Current Refunding of 2002D & 1999A	287,790,000	2,465,000	4.00% - 4.75%	7/1/2018	Non-Callable	Aaa/AAA/NR (A2/A/NR)	AGM
Series 2010B	BABs	School of Education Bldg.	41,090,000	2,055,000	5.821% - 5.921%	7/1/2019	Non-Callable	A2/A/AA-	None
Series 2012A	Fixed	Current Refunding of 2002C	26,255,000	9,855,000	5.00%	7/1/2019	Non-Callable	A2/A/AA-	None
Series 2013A	Fixed	STEM Facilities	24,950,000	24,030,000	4.00% - 5.00%	7/1/2043	7/1/2023	A2/A/AA-	None
Series 2015G	Fixed	Advance Refunding of 2008D	114,525,000	114,525,000	3.25% - 5.00%	7/1/2031	7/1/2025	A2/A/NR	None
Series 2016F	Fixed	Advance Refunding of 2008D & 2010B	87,925,000	87,925,000	3.00% - 5.00%	7/1/2040	7/1/2026	A2/A/AA-	None
Series 2016G (taxable)	Fixed	Advance Refunding of 2008D	105,255,000	105,255,000	1.866% - 3.640%	7/1/2034	Non-Callable	A2/A/AA-	None
<b>Total</b>				<b>355,125,684</b>					

# Net Debt Service: Principal and Interest





# Future Debt Service Projections (with new debt)

As of June 30	Existing Principal	Existing Interest	Existing Total DS	Interest on			Combined Principal	Combined Interest	Combined Total DS	Cumulative Amortization
				Proposed New Debt	Proposed Debt	Total				
2018	9,393,335	15,607,857	25,001,192				9,393,335	15,607,857	25,001,192	9,393,335
2019	11,734,543	15,135,864	26,870,406				11,734,543	15,135,864	26,870,406	21,127,878
2020	12,757,523	13,276,122	26,033,645				12,757,523	13,276,122	26,033,645	33,885,401
2021	13,277,954	12,818,128	26,096,082				13,277,954	12,818,128	26,096,082	47,163,354
2022	18,178,850	12,203,274	30,382,124	-	-	-	18,178,850	12,203,274	30,382,124	65,342,204
2023	19,005,387	11,465,676	30,471,064	1,170,000	2,727,874	3,897,874	20,175,387	14,193,550	34,368,937	85,517,592
2024	19,792,428	10,706,726	30,499,154	1,350,000	2,694,997	4,044,997	21,142,428	13,401,722	34,544,150	106,660,020
2025	17,257,390	9,857,960	27,115,350	1,390,000	2,654,947	4,044,947	18,647,390	12,512,907	31,160,296	125,307,409
2026	17,992,005	9,120,370	27,112,375	1,430,000	2,615,841	4,045,841	19,422,005	11,736,211	31,158,216	144,729,414
2027	18,106,736	8,345,026	26,451,762	1,470,000	2,574,228	4,044,228	19,576,736	10,919,254	30,495,991	164,306,150
2028	18,896,813	7,556,754	26,453,567	1,515,000	2,529,952	4,044,952	20,411,813	10,086,705	30,498,519	184,717,964
2029	19,578,044	6,879,157	26,457,201	1,560,000	2,482,472	4,042,472	21,138,044	9,361,629	30,499,673	205,856,008
2030	20,275,545	6,170,006	26,445,551	1,615,000	2,431,678	4,046,678	21,890,545	8,601,684	30,492,229	227,746,553
2031	21,163,507	5,295,280	26,458,786	1,670,000	2,377,123	4,047,123	22,833,507	7,672,403	30,505,910	250,580,059
2032	22,166,930	4,535,574	26,702,504	1,725,000	2,318,673	4,043,673	23,891,930	6,854,247	30,746,177	274,471,989
2033	22,975,815	3,721,889	26,697,704	1,790,000	2,255,711	4,045,711	24,765,815	5,977,600	30,743,415	299,237,804
2034	23,860,162	2,849,283	26,709,444	1,860,000	2,187,512	4,047,512	25,720,162	5,036,795	30,756,956	324,957,966
2035	24,769,624	1,936,220	26,705,844	1,930,000	2,113,670	4,043,670	26,699,624	4,049,890	30,749,514	351,657,589
2036	3,744,085	932,803	4,676,888	2,010,000	2,034,926	4,044,926	5,754,085	2,967,728	8,721,814	357,411,675
2037	3,879,009	794,250	4,673,259	2,095,000	1,948,697	4,043,697	5,974,009	2,742,947	8,716,956	363,385,684
2038	3,815,000	655,700	4,470,700	2,185,000	1,858,109	4,043,109	6,000,000	2,513,809	8,513,809	369,385,684
2039	3,950,000	516,850	4,466,850	2,280,000	1,762,887	4,042,887	6,230,000	2,279,737	8,509,737	375,615,684
2040	4,095,000	372,750	4,467,750	2,380,000	1,662,749	4,042,749	6,475,000	2,035,499	8,510,499	382,090,684
2041	1,415,000	223,000	1,638,000	2,490,000	1,557,410	4,047,410	3,905,000	1,780,410	5,685,410	385,995,684
2042	1,485,000	152,250	1,637,250	2,600,000	1,446,356	4,046,356	4,085,000	1,598,606	5,683,606	390,080,684
2043	1,560,000	78,000	1,638,000	2,715,000	1,330,084	4,045,084	4,275,000	1,408,084	5,683,084	394,355,684
2044				2,835,000	1,208,344	4,043,344	2,835,000	1,208,344	4,043,344	397,190,684
2045				2,965,000	1,080,882	4,045,882	2,965,000	1,080,882	4,045,882	400,155,684
2046				3,100,000	947,220	4,047,220	3,100,000	947,220	4,047,220	403,255,684
2047				3,240,000	807,100	4,047,100	3,240,000	807,100	4,047,100	406,495,684
2048				3,385,000	660,328	4,045,328	3,385,000	660,328	4,045,328	409,880,684
2049				3,540,000	506,649	4,046,649	3,540,000	506,649	4,046,649	413,420,684
2050				3,700,000	345,579	4,045,579	3,700,000	345,579	4,045,579	417,120,684
2051				3,870,000	176,859	4,046,859	3,870,000	176,859	4,046,859	420,990,684
<b>Total</b>	<b>355,125,684</b>	<b>161,206,769</b>	<b>516,332,453</b>	<b>65,865,000</b>	<b>51,298,857</b>	<b>117,163,857</b>	<b>420,990,684</b>	<b>212,505,626</b>	<b>633,496,310</b>	

# TCNJ's Fiscal Reality

## Financial Strengths

- + Strong academic profile resulted in strategic enrollment growth and consistent increase in net student revenues
- + Healthy levels of financial reserves providing flexibility to deal with potential revenue or expense pressures, cushion for debt service and asset renewal funding
- + Limited dependency on New Jersey State funding and a proven track record to execute in challenging economic conditions
- + Comprehensive multi-year (through 2025) operating budget and capital financial plans
- + Conservative debt structure with no variable rate or derivative exposure and rapid repayment of the current debt over the next 5 years (\$65.3M)

## Financial Challenges

- State operating support as a percentage of the budget has declined over the past 5 years but offset by net tuition and fees revenue growth and cost containment initiatives
- Ambitious capital plan and limited debt capacity that is partially mitigated by fairly rapid repayment of debt
- Price sensitivity and affordability concerns continue to limit tuition & fees increase coupled with the constraints on enrollment growth of the traditional student cohort

# Questions?

