



To: Members of the Campus Community

From: Lloyd Ricketts, Vice President and Treasurer

Date: February 28, 2020

Fiscal Year 2021 Budget Planning

The purpose of this memo is to provide you with information about the budget development process for fiscal year 2021. Over the past few years, the College has implemented modifications to its [Annual Budget Timeline](#) to allow for more deliberation and to ensure that resources are effectively allocated towards institutional priorities.

As we plan for the fiscal year ahead, the overall financial context in which the College operates remains challenging for fiscal year 2021 and beyond. The Governor's budget proposal has an increase of \$1.7 million for TCNJ's outcomes-based funding allocation, however, this will be offset by a proposed reduction of \$1 million to the College's base state appropriation. Other fiscal realities include projected increase in salary and fringe benefits, the increasing demand for need-based institutional scholarships and student support services, coupled with constraints on the level of tuition and fees increase in order to maintain affordability for our students.

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. Your departments non-salary budget allocation will be funded at a level equal to the average spending for the past 3 years (**FY2017-FY2019**) except for mandatory increases within certain budget categories.
2. Review your department's FY2020 budget vs. actuals to identify areas where reallocation of funds might be necessary to better support your operations. Incorporate these reallocations in your FY2021 budget request in **PBCS** to eliminate the need for any reallocations during the fiscal year. **The Budget Trending Report in PBCS** is a useful report to analyze the variances by department.
3. Analyze budget categories to recommend useful elimination or collapsing of one or more categories to achieve more cogent and workable budget categories.



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 priorities.
2. Develop a plan that reallocates resources to institutional strategic priorities to strengthen TCNJ's overall long-term financial health.
3. Identify enhanced or new revenue streams to support institutional strategic priorities.
4. Identify efficiencies and cost savings to offset or partially offset proposed investments.

Fiscal Year 2021 Budget Submission Deadline

All budget requests should be completed and approved in the Oracle Planning and Budgeting (PBCS) system by your respective Cabinet Officer ***no later than Tuesday, March 31, 2020.***

Please note: PBCS will be unavailable for further updates after this date. In-addition to the series of budget workshops, PBCS user guides are also available at: <https://treasurer.tcnj.edu/pbcs/>.

The budget planning assumptions will be presented to various shared governance groups (CSPP, Faculty Senate, Staff Senate, SGA) and union leadership. In addition, the Board of Trustees will conduct the Annual Tuition Hearing at its **April 21, 2020** public meeting.

If you have any questions regarding the budget development process, please contact Tomas Hammar, Executive Director of Budget and Fiscal Planning at **x2850** or the Office of the Treasurer at **x2186**.

Thank you in advance for your cooperation.