BOARD REPORT

Thank you, Mr. Chairman.

Because this is a very full agenda, I will limit my remarks this afternoon to one very important announcement and two major topics.

The major announcement is that a week ago Monday, the AFT reached a tentative agreement with the state on their contract. We await ratification by the members.

The two major topics are: strategic planning and the proposed budget plan for FY13.

I want to congratulate Interim Provost Bakewell-Sachs and Professor Mort Winston for their masterful leadership in the campus-wide discussion on strategic planning. Their ability to engage representatives from all stakeholder groups has been exceptional and I have been impressed with their abilities to weave together the thoughtful input from faculty, students, staff, alumni, and members of the Board of Trustees to develop the Strategic Profile which will be considered this afternoon. The Committee on Planning and Priorities has taken up the challenge of its charge as the central institutional planning body. I also want to thank Tim Fallon and Stacy Zawell for their deft advisement throughout this process. We will hear more from Tim when the resolution to approve the plan is introduced later in the session. I would like to emphasize a couple of points: First, the strategic profile builds thoughtfully on the previously Board approved “Exceptional Path” and its strategic initiatives while at the same time challenging us to think more holistically about the institution’s future. In the 4 tracks of work for next year (models of reallocation and revenue enhancement, strategic decisions and processes, defining distinctive identity and excellence/signature programs) and the cross-cutting strategic priority ( creating a culture of accountability focused on outcomes and metrics) we have established the foundation for our future direction. From these tracks of work will come very specific plans for action which must be assessable and must drive the institution forward. Priorities will be chosen on the basis of these plans and these priorities will drive future investment and reallocation of funds. Choices will have to be made—and some of those choices will be hard ones.

 While there remains much work to do, we are better positioned than ever before to assure our continuing success. In my review of the summary of Board feedback on the draft strategic plan, I was reassured to see that the concerns of board members were incorporated into our work plan for next year. The board’s advice to choose a couple of priorities and expend our intellectual and financial resources on those few priorities is precisely what the four tracks affirm.

For the last two years we have been more intentional in engaging the full community in thinking about aligning departmental and programmatic priorities with College priorities and this reallocation process has resulted in some significant changes in institutional culture. As part of this planning, we have recognized that not only must money follow priorities, but also assessment must assure that the resources are appropriately used. The recognition of outcomes over inputs as a more appropriate testament to institutional success has been in our rhetoric for at least 10 years, but the cultural change to embrace assessment and accountability has been much more difficult. I do believe, however, that the wide institutional engagement in the planning process has been successful in helping us redirect the full institutional perspective.

On February 13 of this year, at the strategic planning, I ended my introductory remarks by saying:

 while we [must be] clear on the principles and parameters of our institutional mission, we [must assure ourselves that we have not] constrained our thinking by confusing strategies and implementation with principles and values. . . .

 . . . Since the plan is not a static document but rather a framework for implementation, the plan has as a foundational principle constant self reflection, review and revision.

. . . This institution has thrived when we have taken chances with creativity and intelligence allowing for mid course correction when necessary, but always always committed to excellence in all that we do.

I am convinced that what we have before us today incorporates all those expectations: a framework for revising strategies while preserving mission, a framework that is based on constant revision and review, a framework that embraces thoughtful risk and a framework based on excellence.

The second topic I would like to discuss is the budget for FY13 and I would like to focus my remarks on two aspects of the budget. First, we have established a number of budget performance indicators that define our budget development. The first performance indicator has been in place for a number of years: that is, assurance that no less than 2/3 of our Educational and General Fund (E&G) expenditures are for primary purpose (that is to support the academic and student affairs enterprises). Actually we have been closer to 70% every year. This year we developed two other budget performance indicators : an affordability/access measure (a tuition discount rate of no more than 16% and no less than 10%) and a minimum investment of 1% of budget in strategic priorities. We began FY13 budget planning with these indicators in mind. The second point I want to make on budget is that we have been able through our moderate tuition and fee increase and cost containment to invest in important priorities for next year:

* + 1. Increase in library acquisitions
		2. Increase in scholarships/financial aid and waivers
		3. Continuing funding of academic lab equipment and musical instruments
		4. Enhancement of student leadership programs
		5. Enhancement of employee professional development
		6. President’s Initiative on Academic Excellent (about half of the financial support for this initiative is coming from the TCNJ Foundation —from the quasi endowment): to support faculty scholarship, faculty-student research, leadership development for student affairs professionals, and research by student affairs professionals
		7. Compensation plan:
			1. Negotiated step increases for union members who have ratified settlements with the state and negotiated step increases as well as other costs included in the tentative agreement with AFT (not ratified yet)
			2. First phase of 2-year program to address salary discrepancies for mid level non-union empoyees based on a market study

I want to thank the Board as always for your commitment and wise counsel in these challenging conversations – the development of the strategic plan and the budget for next year. In addition, we are all indebted to the passion and dedication of the exceptional members of the Cabinet.

Thank you, Mr. Chairman.