

January 2002 Institutional Update

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January 31, 2002

Good morning. Thank you for joining me this morning for an institutional update for the campus leaders of The College. When we first scheduled this breakfast, we planned an opportunity for me to update you on our success in meeting the institutional goals that we had announced in September 2001. Because I think it is important that we honor that promise to be publicly accountable to one another about our success, I will give you that report. But I will also make important comments on our response to two other very important events of the last 6 months. First, the terrorist attacks of the fall. Second, the budget status of the State of New Jersey.

First, the status of our accomplishments in reaching our institutional goals:

Academic Affairs:

- A recommendation regarding faculty and student work was forwarded to me in mid-December. Conversation during the spring semester will focus on student learning outcomes, general education, and the faculty load weighting system.
- Planning documents for a strategic planning process in the areas of enrollment management and information technology were prepared and presented to the planning & priorities council last semester.
- The deans' council is working in the areas of enrollment management at the departmental/school level, the adjunct faculty budget and hiring process, student advising and the work of the assistant deans, the development of school planning documents, and the development of individual faculty development plans.
- The Library project is scheduled for bidding in May. Additional planning has focused on intermediate space needs in Green, Forcina and Holman Halls.
- Continue to make progress on the implementation of the new school structure: dean hired for Culture and Society; interviews scheduled for Art, Media and Music (mid-February) and for Education (end of January-February). New schools are operating successfully: separate budgets have been established and will be integrated into FY'03 budget process, and the reallocation of governance seats according to the new schools has been sent to the steering committee for deliberation.
- With regard to new programs, proposals have been developed and submitted for: comparative literature (minor), public policy analysis and management (minor), and applied Spanish (MA). Proposals approved for development include: film and video studies (major), interactive multimedia (major), and forensic science (concentration).
- School of Education hosted an affirmative NCATE accreditation visit.

Office of the Treasurer:

- A cabinet operations team has been established and is now developing a strategy to respond to the current state budget cuts. The group will then address a plan for

budget development to support mission priorities into the rebuilding of the institutional budget base.

Capital Planning and Construction:

- Completed the move into Social Science.
- Completed the work on the chilled water mains between Kendall and Social Science and in the area around Ely Allen Brewster and between Green and West Library.
- Continue to work to complete construction phases 3 and 4 for the Science Complex with chemistry and physics scheduled to move into the building in early summer 2002, and the demolition of Crowell scheduled in August 2002.

Student Life:

- The sexual assault task force has made significant progress toward its objectives, with particular focus on training for staff, community awareness and education, and assessment of current climate.
- A successful Welcome Back for Seniors program was held in September.
- Continue to address the needs and issues of off-campus students and the community in partnership with the community task force, community liaison and off-campus student organization.
- Student Life staff has done a commendable job this past semester in dealing with critical incidents - on both the national scale and those that were more localized to our campus; CNN may not know where The College of New Jersey is, but they do know that we have townhouses that have screens that can be removed for hanging flags.
- Athletics received a \$10,000 NCAA diversity grant: 'Feeling Safe To Be Who You Are.'

Government and Community Relations:

- The College's community task force continues to work with the Ewing township council to improve our relations with the Ewing community. The task force met with students early last semester and discussed community rights and responsibilities. To date there have been no complaints this academic year about students living in the community. We continue to work with Hopewell township to address neighborhood concerns.
- Community Fest was very successful and plans are underway to make it even better next year.
- I was selected to serve on the governor's task force on higher education. Other TCNJ staff, board of trustee members and foundation members serve on the other transition teams appointed by the new governor. The governor seems to enjoy using The College's facilities having already hosted three events on the campus, including the children's inauguration.

- Vice President Bridges has spent considerable time in Trenton and has personally spoken to the majority of legislators, helping to position us for protecting the OSRP funding in next year's budget cycle (the goal to increase by 5% was clearly a goal developed in late August rather than late January).

Development and Alumni Affairs:

- I am pleased that our search for a vice president for development has added Dr. David Tiffany to our leadership team. Dave has spent much of his initial time on the campus creating an effective team in alumni affairs and development and is currently developing a detailed plan to increase individual contributions to The College and our endowment. He is meeting with the members of the foundation board and the alumni association and through their leadership developing action plans for their individual and group responsibilities for the enhancement of TCNJ.

College Relations:

- Continue to work with Lipman Hearne, a national marketing firm with extensive experience in higher education, to develop an integrated marketing plan to position The College as a national exemplar.
- The College was successful in its bid to host one of the televised gubernatorial debates on campus.
- Continue to plan for The College's sesquicentennial. A website with information about the planning for the sesquicentennial will be added to The College's homepage within the next few weeks.
- A new online viewbook was developed and posted on the website this fall. The most current TCNJ magazine is online and plans are underway to ensure a more interactive magazine site for the May issue. Development of a new admissions website is also underway.
- The College received a gold award from the Council for the Advancement and Support of Education for its interactive Spring Day website.

Admissions (as of January 28, 2002):

- We are on target to: increase our scholar admits, maintain our diversity profile and enhance our academic profile.
- While we might not see an increase in out-of-state enrollees, we do see an increase in applications from New York.

Information Technology and Student Services:

- Significant progress is being made on the implementation of the PeopleSoft human resources system.
- 55% of fall 2001 grades were submitted via ARTIE.
- We can now report a 96% freshman retention rate and an 80% 5-year graduation rate.

- This summer NTS upgraded a large portion of the residential network with new, high-speed network switch equipment thus keeping our residential network current with industry trends.
- We implemented the web payment gateway enabling payment via credit card via TESS. To date, over 1,400 transactions valued at over \$3.7 million have been processed.
- In early December, 2001, student financial services implemented the online card office enabling online deposits via credit card to the gold club.
- Successfully completed the RFP process to replace copy machines campus wide with digital multi-function copy equipment.
- Our Perkins loan default rate is at an all time low of 2.2%.
- There is a new web review process which includes reviewing sites that have not been updated in 18 months, and review of sites for compliance with the web posting policy.
- Information technology implemented a system of required logins to all public access computers, an important mechanism for increased computer network security.

Office of Administration and Organizational Development:

- Completed the revision of the executive summary of The College's critical incident plan and, in response to a request from the New Jersey president's council, The College submitted its domestic security/critical incident plan in December.
- Progress continues to be made on the critical incident plan; expected completion date is June 2002.
- Training on the domestic security/critical incident plan has been provided to employees attending the advanced managerial development program. Upon completion of the plan, training will be extended to all campus leadership.

I think you can see that we have made great progress with regard to our plan. And that is particularly impressive in the face of the two crises with which we have had to deal in the last six months. I know that there is no one in this room that can't tell me exactly where he or she was on September 11, 2001 about 9 a.m. Our community and campus response was extraordinary - and not just in all that we did during that week with the student-led gathering on the steps of Paul Loser Hall, the memorial event in Kendall Hall on September 14, the blood drives, the fund and material drives, but also in the personal outreach to those most personally affected by the terrorist attacks of September 11.

In addition, I am very pleased with the response so far to the request for contributions to support our very own September 11 fund, initiated to provide financial support for room and board for needy students who are dependents of those who died on September 11. We have so far received \$10,000 from the executive staff; \$1,000 from an individual. I know that we are continuing to seek support from staff, faculty and students, through the staff senate, the faculty senate, and the student government association. I hope that we

will be able to at least double that amount before I reach out to other friends of The College, including trustees, foundation members and alumni.

Another example of institutional integrity and strength was exhibited during the period of time when Trenton, Ewing, and Hamilton became the nexus of international attention during the anthrax investigations. While we had a number of tense moments, I am very proud of the way our security and environmental services staff helped lead us through this very frightening time. Very early on, we established procedures to assure the health and wellbeing of our on-campus mail handlers and other office employees who open mail. We owe them much.

And then there's the current budget situation in the state. Let's begin with the budget numbers for FY'02 as we know them now. Met with the largest state financial deficit in the nation, Governor McGreevey's administration announced to the presidents of the public four-year institutions on January 22 that the state would be reducing state support of our institutions of higher education by 5 percent. In the calculation, the state included 5 percent of the fringe benefits that the state pays for our faculty, staff, and administration. This particular addition to the reduction came as a surprise to many of us. TCNJ's total goal is \$2.7 million.

While we were surprised by the size of the cut (because of the addition of the fringe benefits), the senior administration had been preparing for budget cuts as early as October. These plans were quite preliminary, because we could not get a good sense of the scope of the reduction. For instance in the fall, we were looking at somewhere between \$630,000-\$900,000 (either two or three payments of what the state promised to pay of the negotiated salary increases). In early January, we were expecting \$2 million (5 percent of our base appropriation). Then of course, we found out last week it was \$2.7 million.

While I am confident that we will be able to accomplish this cut, it will not be easy or painless. Also, we will not do it in the most simplistic fashion. At TCNJ, we will not do across-the-board cuts; we will not freeze everything. Rather, we will make decisions through the lens of the mission of The College. By making decisions through the lens of the mission, we will preserve the academic core and do our best to preserve the momentum of transformation that has been occurring at The College in last several years.

Let me first describe the process, then give some more details on the plans for FY'02 and FY'03. As I have said already, the cabinet, particularly the operations team, has been working hard on a budget reduction plan since October and even more intensively once we had a better sense of the scope last week. They have accomplished a tremendous amount but they would be the first to say that they did so through the input and support of many people across the campus, indeed many of you in this room. They are currently developing range projections to meet the FY'02 cut and planning for the FY'03 budget.

On Tuesday, I met with the faculty senate executive committee and on Wednesday I met with the staff senate executive committee, the student government association executive

committee, and the committee on planning and priorities to provide the very same briefing I am giving you today. I hope to be able to distribute this report electronically either late this week or early next week.

As we move forward in this difficult task, I will be turning to the committee on planning and priorities to serve as an advisory council and sounding board for the recommendations that the cabinet is discussing prior to my taking recommendations to the board of trustees for action. The committee has the broad kind of representation that we would want included in such a discussion and it is part of this standing committee's charge to deal with such matters.

I have already briefed the chair of the board of trustees and the chair of the finance and construction committee of the board, and Barbara Wineberg and I will meet with both of them to give them a detailed briefing before we take the plans to the board executive committee for their meeting on February 15, 2002. This meeting is well timed for it will be 4 days after Governor McGreevey will have given his first budget message on how to meet FY'02 challenge.

While our focus at first will be on meeting the reduction for FY'02, we must begin working on budget planning for FY'03 as well because the fiscal state of New Jersey is not very promising for at least another year. Let me make clear why the challenge for FY'03 is so daunting and why we need to move with all due speed while also taking great care. Next year is the last year of the contract negotiated by the state with our unions. It represents the largest negotiated salary increases for this particular contract (for TCNJ that is over \$3 million for FY'03). Because of these negotiated increases, we knew that FY'03 would be a challenge even before the current fiscal crisis of the state became so painfully clear. Now both of these financial burdens must be accommodated in our budget planning for FY'03.

What we have developed so far is a detailing of the categories of consideration for budget reduction for FY'02:

- Reductions in salary dollars can be accomplished by holding positions open that do not have immediate negative impact on the academic core of the institution, the ability of the institution to attract revenue, or the health and safety of our students and employees (including those required by code). We can realize some reduction by cutting expenditure in temporary dollars. For FY'02 the focus is on administrative, staff, and support positions. The underlying principle of such salary dollar reductions will be to preserve our responsibilities to our current employees.
- Reductions in operating costs can be realized by delay in the expenditure on some computing hardware and software, other equipment, maintenance and facilities projects.
- Reductions in operating costs can also be realized by the canceling of certain operational expenses, such as travel and some other facilities projects, or by one-time savings as in fuel and utilities. With regard to the last, we must remember

how fortunate we have been in both the drop in prices and the rise in winter temperatures this year and that last year we actually suffered a \$1million overexpenditure in fuel and utilities.

- Some reductions in the operating budget can be realized through reallocation of funds from projects of lesser importance to those of absolute necessity.
- We have experienced some additional revenues over the projected budget as a result of the larger than expected freshman class in the fall.

The operations team of the cabinet will be working with the committee on planning and priorities to develop a specific plan based on projections and ranges of possible reductions; however, whatever plan we implement, we must understand that we will only be successful under three conditions:

1. we must be very careful about filling any open positions, that we consider delay, reconfiguration and/or consolidation of responsibilities for every single position that comes open (a principle that will be even more important for FY'03);
2. we must approve almost no supplemental budget requests;
3. we need to have lots of good luck and no costly emergencies.

As we move into FY'03, we will clearly need to do all these things and more. For instance, I continue to believe strongly that the framework for the capital construction plan approved by the board is excellent - both in its process and its specifics. I remain strongly committed to it; however, as you are all aware, each project must go to the board for action anyway and it is possible that we might implement these projects in ways different than what we had originally planned. Let me reiterate - the plan and the projects remain major priorities of The College; implementation plans originally conceived might be reconfigured in our recommendations for board action. Let me be specific as well on projects already approved by board action. We will continue to move forward on the Library and on those projects which were approved for funding by board action last December (parking and student residential projects).

In addition, as we move forward into next year we might want to reconsider our enrollment plans. As you probably remember, we had originally planned to bring in a freshmen class of 1150 rather than 1200 in order to balance the larger 1260 class of this past fall. But tinkering with this number has huge ramifications, all of which have to be considered (housing being only one of them). We also could reconsider increasing the size of our transfer class. But there are ramifications of this change as well in the impact on instructional cost. We will have to weigh pros and cons for any such action.

We also will have to look at an increase in tuition. Our recent history of tuition increases has been a very moderate one: last spring, we increased tuition by 7.9%, the spring before that by 4.7%. While I regret increasing tuition and fees at all, we simply must develop the revenues to maintain the academic integrity of The College and continue to deliver the best education possible.

Now here's the place where the Emily Dickinson poem usually fits. But I could not find it in my heart to quote ED on the heels of this budget picture. So last night, watching "West Wing," my primer on being a president, I thought of Dr. Seuss. I leave you with:

"TCNJ Does Its Part":

Clips and clocks
Sticks and bricks
Bucks from clips
And clocks
And bricks

Clips, clocks, bricks, sticks,
All to meet the drop in our state's stocks and bucks.
With hope the state's new stock will grow
And grow
And grow
And grow
And we'll receive the bucks we need.

For it should be, it should be, it should be that way.

'Cause The College is public 100%. . .
(o.k., 50%)

Thank you.