

## **President's Report to the Board of Trustees**

R. Barbara Gitenstein  
June 20, 2002

Thank you, Mr. Chairman. It is a pleasure to provide this update for the Board. Well, most of my report is a pleasure.

The academic year ended with some exceptional celebrations of our community enterprise and success. Many reported to me that this spring's commencement was the best in a very long time. The weather was glorious, the students were in good high spirits; Dr. Bertice Berry delivered a beautiful and heartfelt address. All were deeply moved by her musical conclusion and it seemed more than coincidence that the speech by senior class president, Brian O'Neal, also concluded with a song – one that he had written.

We also welcomed to our campus during the spring and early summer hundreds of educators from across the state for Governor McGreevey's Summit on Education, hundreds of educators from across the country to read for the Educational Testing Service's advanced placement examinations, and thousands of New Jersey Special Olympians, volunteers, parents, and supporters of Special Olympics New Jersey. Unfortunately, just like clockwork, threatening weather systems timed their movement into central New Jersey for the opening ceremonies of Special Olympics on Friday night. But we rescheduled the ceremonies for the next night – and while the crowd may have been smaller on Saturday, the spirit was not.

During the last several weeks, most of us have turned our attentions to two major matters: first, bringing in the budget and developing the final proposal for board action on fees and second, working more closely (and I hope better) with the local community on construction matters on Pennington Road. The budget plan, which was shared with the public at the April tuition hearing, has been shared with the governor's office and the Commission on Higher Education. I am confident that these officials appreciate and support the logic of our plan as surely we know that our on-campus constituency and the parents on our email list have as well.

With regard to the current plans for the construction of the garage and the new student apartments near Pennington Road, I think we are working well with the leadership of Ewing Township. The Ewing Planning Board has provided recommendations for modifications of our original plans and we have compromised to meet many of these recommendations. While these changes will surely cost us additional money (at least in the short term) and we are still in negotiations with individual homeowners to buy their homes, I am pleased to say that the changes have not caused us to erode our primary responsibility: meeting our students' needs. I hope that we will be able to proceed on these matters in an expeditious manner. I know that we will be more attentive to local neighbor's concerns as we do so.

I plan to provide a full report of the academic year 2001-2002 year goals at the fall welcome week speech, but I believe it would be appropriate to provide you some of the highlights today.

The academic year began with the events of September 11, 2001, followed almost immediately by the anthrax scares in our backyard. The calendar year began with the meeting of the presidents of the senior public institutions with Governor McGreevey announcing the mid-year cuts of 7% to our base appropriation. By the time of the April tuition hearing, we were presented with the difficulty of addressing nearly a \$6 million problem for the FY'03 budget.

The community suffered personal losses from the terrorist attacks (2 parents of current students died and approximately 15 other family members of current students died) and from an unusual series of student deaths through the academic year (5 students in 2001-2002). Nevertheless, student, faculty, and staff response and my sense of their emotional wellbeing suggest that our institution weathered the emotional shocks of the year quite well. We were responsive to the emotional needs of the community when appropriate and we were attentive to consistent, honest, and optimistic communication with faculty, students, staff, and parents.

We have made significant progress this year in academic affairs, enhancing the academic environment for our students and faculty. We have improved our focus on intensified academic engagement, enhanced interdisciplinary programs and centers, hired a wonderful new group of tenure-track faculty, at least 25% of whom are from underrepresented groups, and two new deans to help lead the new academic structure of The College.

Because of budgetary considerations, we determined to bring in a class of 1200 freshman (rather than try to balance last year's class of 1260 with a smaller freshman class); nevertheless, the profile of the fall 2002 class continues to be exceptional.

- applications increased by 5.4%;
- acceptance rate declined from 51% to 48%;
- SAT average for general deposits rose from 1261 to 1276;
- minority applications increased 7% (13% increase in African-American, Hispanic, Latino and Puerto Rican applicants);
- 24% of incoming class are self-reported "non-white" vs. 21% last year (15% are African-American, Hispanic, Latino and Puerto Rican vs. 13% last year);
- 106 EOF students have deposited (up 9%); and
- 422 OSRP students have deposited vs. 374 last year (33% of deposited students are OSRP vs. 29%).

Over the last year, we have laid some important foundations for enhancing the regional and national positioning of The College of New Jersey. Our marketing firm, Lipman Hearne, has submitted its final report this month, a report which delineates a series of strategies for positioning the institution, including plans to host a national conference on

the concept "public honors college," placement of institutional experts in national media, and changes in how we present ourselves in our publications. Their report will provide an outline for important initiatives for 2002-2003 in public relations, fundraising, alumni relations, and admissions.

While our recent focus in construction was on the difficulties associated with the Pennington Road parking lot and student apartments, in point of fact, last year was highly successful in meeting construction goals. It was only last summer that we presented for board action the "Conceptual Framework for the Master Plan." Since that time, we have moved into the Social Science building, made significant progress on the Forcina and Travers parking decks and the Science building, made presentations to both Moody's and Standard and Poor's, and received wonderful news on the rates for the bonds to be sold. Last week we heard that the bonds on the new money will be 4.095% and on the refinanced money, 4.665%.

Our outreach into the local and higher education communities of New Jersey and the nation have continued to increase, with involvement in major national organizations and local social service and non-profit boards. Alumni attendance at Homecoming last fall was the largest ever (over 4,300), meeting all goals we set to increase attendance and to bring back the alumni of the 1990s (over 1500 from that era attended). The second annual fall golf and tennis outing attracted 81 golfers, 18 tennis players and realized just over \$16,000; the second spring gala attracted over 215 attendees and realized over \$25,000; however, because of the changes in the office and the lingering impact of 9/11 on many non-profits and the softening economy, we missed our fundraising goals (we expect to bring in about what we did in 2001).

As I have done every June board meeting, I wish to underline the principles on which the budget proposal for FY'03 is based. This year, we must begin with the actions that preceded the plans for the upcoming budget year and repeat the decisions made to meet the FY'02 rescission (the \$2.7 million cut from our FY'02 state appropriation). For that mid-year rescission, we realized:

- \$650,000 in fuel savings;
- \$350,000 cuts in personnel costs (by consolidation of positions, cuts in vacant positions, and delays in filling openings);
- \$1,000,000 cuts in non-personnel expenditures (limitation of travel, supplies, equipment, maintenance and renovation projects, computer hardware and software);
- \$300,000 additional revenue (primarily from an overenrolled freshman class in fall 2001); and
- \$400,000 from savings from our refinancing of the bond issue for the co-generation plant.

At The College's April 18, 2002 tuition hearing I presented a FY'03 budget plan that presumed funding based on the governor's March budget message and the additional obligations for the gap in state TAG funding for the neediest students. In that hearing, I

defined the problem for TCNJ as the \$2.7 million (6.7%) cut in the base appropriation added to the state's inability to fund the FY'03 salary increases (\$3 million) that the previous governor negotiated with the unions. As I indicated in the hearing, if we had made no cuts, we would have needed to increase tuition by about 20%. Clearly, such an increase was unacceptable.

TCNJ's FY'03 budget combines decreases in allocations that do not damage the academic integrity or threaten the health and safety of our community with increases in revenue from as many sources and based on as many strategies as possible. We made the necessary reductions based on the mission of the institution and projected attainable revenue increases that supported institutional integrity. Neither for FY'02 nor for FY'03 did I allow absolute freezes or across-the-board cuts; rather, we made individual decisions to assure the forward momentum of the institution based on a responsible expenditure plan. While we did not lay off any employees, we were required to cut some programs (these included the dropping of a series of masters programs, the closing of the Office of Government Relations, and the consolidation of a series of administrative positions). Specifically, TCNJ's FY'03 budget includes the following decreases:

- \$760,000 decrease in personnel costs (realized by consolidation of positions, cuts in vacant positions, delays in filling openings as well as no pay raises for cabinet-level administrative positions);
- \$500,000 decrease from last year's original fuel budget (through the use of more efficient boilers and advance fuel contracts for the winter months);
- \$400,000 decrease in non-salary operating budgets;
- \$500,000 decrease in allocation for computing equipment and software; and
- \$400,000 decrease in renovation expenditure.

Our one area for major expense increase is in college-supported scholarship aid, largely driven by our participation in the state Outstanding Scholar Recruitment Program. TCNJ's reputation for quality combined with the current economic situation has resulted in a 14% increase in OSRP students enrolling for fall 2002. (The scholarship obligation has actually grown some \$400,000 since our April projection of cost.)

The budget also includes the following revenue enhancements:

- a first-year class of 1200 (we had originally planned to bring in 1150 freshmen to balance our over-enrollment of freshmen in fall 2001);
- a modest increase in transfer student enrollment;
- a 28% increase in private giving; and
- a 7.5% increase in combined costs (tuition, fees, room, and board). (that includes a 12% tuition increase)

While we cannot at this time be absolutely sure of the savings at this point, we believe that we will realize some \$400,000 from participation in the early retirement program. These savings will be attributed to our increase in scholarship obligation and an almost

\$300,000 increase in institutional obligations (legal services, worker compensation, insurance and publication costs).

This is a prudent and conservative budget, making wise reductions to preserve the academic core and the safety of our community, challenging ourselves to diversify the revenue streams. I appreciate the fiscal challenge that New Jersey's leadership is confronting at this time and continue to believe that as a state agency, TCNJ had to participate in helping to right the ship. I also believe in what Governor McGreevey has said on any number of occasions – that quality higher education must be a partner in reestablishing the economic health of New Jersey. The College's budget for 2003 should preserve the momentum and direction of the institution so that we can participate fully in this shared government, business, higher education partnership for the future of the state of New Jersey.

In the last several years, we set out to convince others that we were exemplary in public undergraduate experience, that choosing The College of New Jersey was not a second choice, but was choosing quality and value. We've succeeded beyond what we had thought possible, beyond what we could rationally have hoped. The student profile, the faculty profile, the public perception of who and what we are continues to improve at an exponential level. Our future prospects will surely only continue to improve. And there's the rub. As has been said of messages from the future:

The Future never spoke,  
Nor will he, like the Dumb,  
Reveal by sign or syllable  
Of his profound To-come.  
But when the news be ripe,  
Presents it in the Act—  
. . . . [both]  
The Dower [and] the Doom,

And as with Emily Dickinson's version of fate's telegram, our news is both good and bad. The good news, the dower, is we really are what we say we are and students, faculty, staff, and the public believe us. The bad news, the doom, is that now we have to pay for this success; we must find a way to pay for the quality that has attracted these students and faculty to join us. Unfortunately, at this particular moment in history the state of New Jersey is simply not in the position to provide additional resources for that edge of excellence. We must do that for ourselves – raising the awareness of our publics, our

alumni, our friends, and do so in a larger national venue – seeking their financial resources and good will as we continue in our aspirations.

Thank you, Mr. Chambers.