

# FY 2019 Budget

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## Faculty Senate Briefing

October 18, 2018

# Agenda

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- FY 2018 Year End Review
- FY 2019 Budget
- Budget Outlook

# FY 2018 Year End Review

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- College estimated a budget shortfall of \$8.7 million for FY 18
- College is expected to close the year with a deficit of \$1.8 million (*estimate*).

|                                     | City      | Med     | Total   |
|-------------------------------------|-----------|---------|---------|
| Estimated Year End Budget Condition | (\$1,852) | \$8,519 | \$6,667 |

*In Thousands of Dollars*

# FY 2018 Year End Review- CCNY

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- The lower deficit is the result of the following actions:
  - CUNY Support- \$2M (*One-Time*)
  - OTPS Underspending- \$1.7M (*One-Time*)
  - Hiring Freeze- \$1.6M (*One-Time*)
  - Budget Reductions- \$1.6M (*Permanent*)
- Structural Deficit of \$7.1 million continues for FY 19

# FY 2019 Budget Allocation- CCNY

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- College budget allocation includes additional funding of \$3.6M, but offset by reductions of **\$4.9M**:
  - Labor Reserve (self funding for future collective bargaining contracts)- **\$3.3M**
  - Tuition Revenue of \$3M offset by **\$872K** to fully fund prior collective bargaining agreement
  - Reduction of **\$720K** for Efficiency Initiatives
  - Strategic Investment Funding of \$615K
- Budget Allocation does not include:
  - Funding for step increases
  - Funding for OTPS inflators
  - State funding for collective bargaining costs

# FY 2019 Budget Deficit- CCNY

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- College is estimating a budget shortfall of \$19.5 million in FY 19
- The deficit is largely the result of:
  - Continued Structural Deficit- **\$7.1M** (*includes permanent budget reduction from the prior year*)
  - Mandatory Adjustments- **\$7M**
    - Reductions included in the budget allocation- \$4.9M
    - Self-funded costs (step increases, University Wide Initiatives)- \$1.2M
    - Other mandatory costs (prior year rollovers, E-permit loss)- \$927K
  - Projected Hires- **\$5.9M**
  - New Needs- **\$1.8M**
  - Loss of Revenue Sources- **\$1.7M**
- Additional tuition revenue of \$3M generated in FY 19 is not sufficient to cover budget gap
- Medical School will contribute \$400K to cover mandatory adjustments associated with the creation of a labor reserve and strategic investments
- Continued energy savings- \$500K

# FY 2019 Budget Overview- CCNY and Medical School

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- College has submitted its Financial Plan to the University Budget Office for approval.
- The Financial Plan is a consolidated submission.
- The Medical School surplus masks City College's budget deficit

|                                     | City       | Med     | Total      |
|-------------------------------------|------------|---------|------------|
| Projected Year End Budget Condition | (\$19,518) | \$8,190 | (\$11,328) |

*In Thousands of Dollars*

# FY 2019 Budget Negotiations

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- The University Budget Office has rejected the College's first submission
- College is reviewing cost of hires to reduce expense projections.
- Based on delayed start dates cost of new hires can be reduced from \$5.9M to \$2.1M.
- This change results in a revised budget deficit of \$15.7M for the College
- The College has informed the University Budget Office of this change, but they continue to request additional savings from the College



# Budget Outlook

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- The College will continue to work with the University Budget Office on budget balancing solutions.
- A more long-term look is needed regarding revenue generation and operating efficiencies.
- Solutions are being reviewed and can be included in new OKR Strategic Plan.