FY 2019 Budget

Faculty Senate Briefing

October 18, 2018
Agenda

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

• 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).

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<th>Med</th>
<th>Total</th>
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<tr>
<td>($1,852)</td>
<td>$8,519</td>
<td>$6,667</td>
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*In Thousands of Dollars*
FY 2018 Year End Review - CCNY

• 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

• 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

• 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 \(\text{(includes permanent budget reduction from the prior year)}\)
  – 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

- 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

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*In Thousands of Dollars*
FY 2019 Budget Negotiations

• 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

• 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.