

Fiscal Years 2022 & 2023 Budget Briefing

Faculty Senate

October 20, 2022

Agenda

- FY 22 Year-End Budget Update
- FY 23 Forecast and Out Year Projections
- Constraints and Opportunities
- Stimulus Funds Update

FY 2022 Year-End Estimates

	City	Med	Total
<i>Revenue</i>			
Allocation	\$ 145,532	\$ 26,685	\$ 172,217
Tuition Above/(Below) Target	\$ (4,903)	\$ 724	\$ (4,179)
Total	\$ 140,629	\$ 27,409	\$ 168,038
<i>Expenses</i>			
PS Regular	\$ 120,624	\$ 17,070	\$ 137,694
Adjuncts	\$ 19,329	\$ 1,414	\$ 20,743
Temp Services	\$ 6,222	\$ 473	\$ 6,695
OTPS	\$ 12,991	\$ 4,174	\$ 17,165
Total	\$ 159,166	\$ 23,132	\$ 182,297
Surplus/(Deficit)	\$ (18,537)	\$ 4,277	\$ (14,260)
			\$ -
Stimulus	\$ 18,536	\$ -	\$ 18,536
Prior Year CUTRA	\$ -	\$ 9,892	\$ 9,892
Projected YE	\$ (0)	\$ 14,170	\$ 14,169

- CUNY has yet to finalize the fiscal year 2022.
- The Main Campus (CTY) is expected to end the fiscal year with a balanced budget with reliance on stimulus funds.
- The Main Campus (CTY) does not have a budget reserve going into the next fiscal year.
- The Medical School is anticipated to end the fiscal year with a budget surplus, which is anticipated to increase their budget reserves to more than \$14 million going into next fiscal year.

Dollars in Thousands

FY 2023 Update

	CTY	MED	Total
<i>Revenue</i>			
Allocation	\$ 158,861	\$ 27,726	\$ 186,587
Tuition Above/(Below) Target	\$ (7,505)	\$ (373)	\$ (7,878)
Total	\$ 151,356	\$ 27,353	\$ 178,709
<i>Expenses</i>			
PS Regular	\$ 124,286	\$ 21,062	\$ 145,348
Adjuncts	\$ 19,893	\$ 1,418	\$ 21,311
Temp Services	\$ 9,165	\$ 741	\$ 9,906
OTPS	\$ 20,102	\$ 7,742	\$ 27,844
Total	\$ 173,447	\$ 30,962	\$ 204,409
Surplus/(Deficit)	\$ (22,091)	\$ (3,609)	\$ (25,700)
Stimulus	\$ 22,091	\$ -	\$ 22,091
Prior Year CUTRA	\$ -	\$ 14,170	\$ 14,170
Projected Year End	\$ 0	\$ 10,561	\$ 10,561

Dollars in Thousands

- Enrollment declines at Main Campus continue to challenge ability to meet tuition targets.
- Main Campus is expected to end the fiscal year with a balanced budget with continued reliance on stimulus funds.
- Main Campus is expected to end fiscal year without any budget reserves.
- Enrollment continues to be strong at Medical School.
- Medical School is expected to spend some of their budget reserves as it closes in on full accreditation.

FY 2023- FY 2025 Forecast

Main Campus (CTY)

	FY 23	FY 24	FY 25
<i>Revenue</i>			
Allocation	\$ 158,861	\$ 152,168	\$ 152,168
Tuition Above/(Below) Target	\$ (7,505)	\$ (7,505)	\$ (7,505)
Total	\$ 151,356	\$ 144,663	\$ 144,663
<i>Expenses</i>			
PS Regular	\$ 124,286	\$ 125,327	\$ 126,581
Adjuncts	\$ 19,893	\$ 19,893	\$ 19,893
Temp Services	\$ 9,165	\$ 8,791	\$ 8,791
OTPS	\$ 20,102	\$ 13,983	\$ 13,983
Total	\$ 173,447	\$ 167,995	\$ 169,248
Surplus/(Deficit)	\$ (22,091)	\$ (23,332)	\$ (24,585)

Dollars in Thousands

- Allocation includes increased State funding for TAP and fringe benefits.
- Allocation decreases in out-years with cessation of stimulus driven OTPS spending.
- Maintaining a structurally balanced budget continues to be a challenge for the Main Campus.
- College should continue to make efforts to recover enrollment losses and return to pre-pandemic levels.

FY 2023 – 2025 Forecast

Main Campus (CTY)

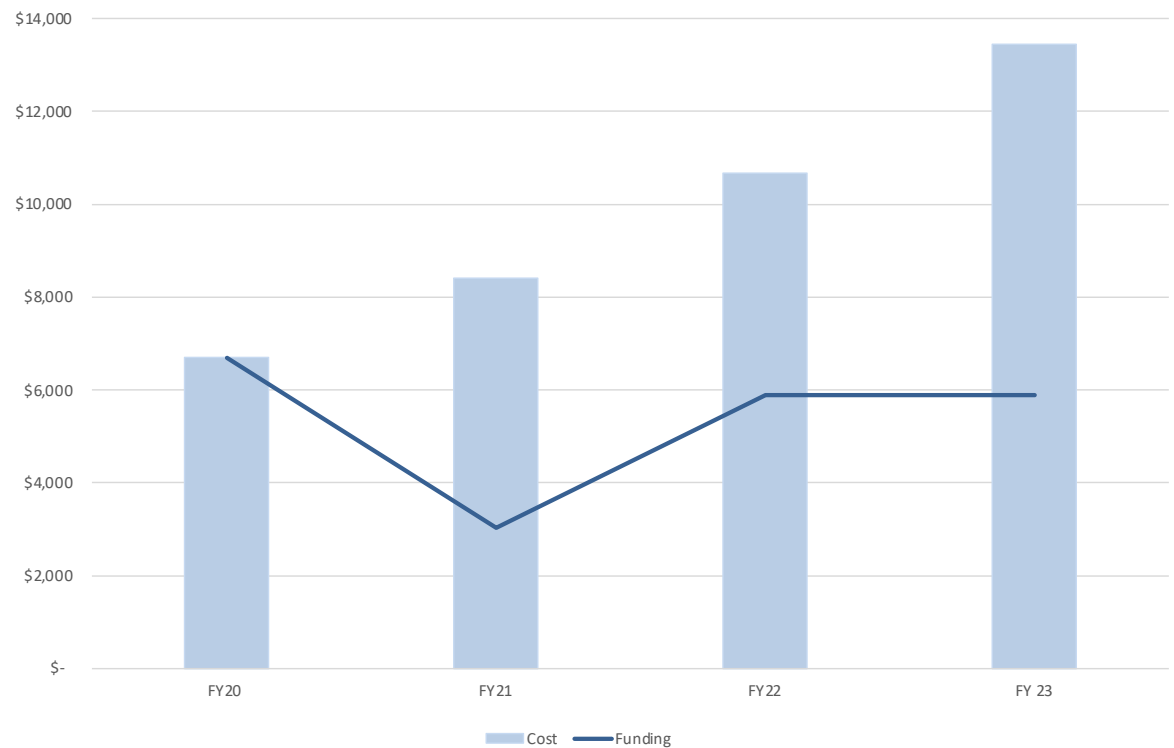
	FY 23	FY 24	FY 25
Surplus/(Deficit)	\$ (22,091)	\$ (23,332)	\$ (24,585)
Budget Balancing Measures			
Stimulus	\$ 22,091	\$ -	\$ -
Prior Year CUTRA	\$ -	\$ -	\$ -
IDC	\$ -	\$ 1,300	\$ 1,300
Recover Enrollment	\$ -	\$ 3,752	\$ 7,505
Increase Tuition Collection Rates	\$ -	\$ 2,000	\$ 2,000
Total	\$ 22,091	\$ 7,052	\$ 10,805
Revised Surplus/(Deficit)	\$ 0	\$ (16,280)	\$ (13,780)

- All stimulus funds are required to be expended by end of FY 2023.
- Stimulus funds used to balance the budget in FY2023.
- Structural deficit emerges in the out-years.

Dollars in Thousands

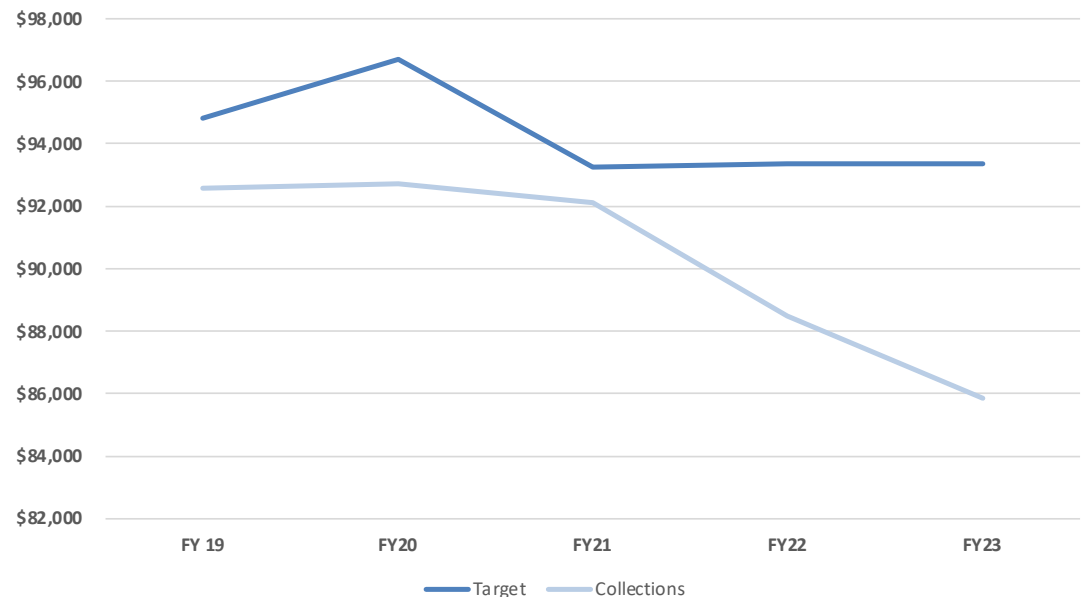
Collective Bargaining Costs Historically Underfunded

- The 2017-2023 PSC contract included yearly increases
 - 10/01/18 2%
 - 10/31/19 2%
 - 11/15/20 2%
 - 11/15/21 2%
 - 11/01/22 2%
- Funding sources include tuition increases, CUNY, and the State.
- Colleges often left to self-fund portions of the contract including yearly salary step increases, 3 credit hour workload reduction, and expanded adjunct office hours.
- The compounding effect of salary increases often hides the total cost.
- The most current PSC contract results in more than \$7.5 million in self-funded costs for the college by FY23. If we include the cost of step increases, this cost grows to more than \$9 million by FY25.
- Pattern bargaining results in similar increases for other non-PSC labor groups and are often left to the colleges to self-fund.



Meeting Tuition Targets Continues to be a Challenge

- CUNY sets the tuition target.
- Tuition is significant component of budget.
- Collections have lagged behind targets, making balancing the budget more challenging.
- Tuition rates increased in FY19 and FY20 with intent to cover increased costs such as collective bargaining.
- CUNY adjusted the tuition target in FY21 to take into consideration reduced enrollments but forced college to pay the difference.
- Tuition collection correlated to enrollment.
- Cumulative loss over past five years totals nearly \$20 million.



Observations

- Stimulus funding critically important to budget balancing efforts.
- Expiration of stimulus program exposes structural budget deficit.
 - Collective bargaining costs not associated with full, permanent funding
 - Tuition collections continue to lag against targets
- College should take steps to increase its budget reserves.
 - Between 1% and 2% of tax levy budget
- Initiatives to increase enrollment and retention should continue to be explored and developed.
 - Opportunities to expand on-line education
 - Improve student services and advising
- Budget outlook for State and City mixed with continued uncertainty in economy.
- Funding from Foundation secured to support targeted investments intended to yield an return on investment.

Foundation Approves \$4.7 M Investment

Strategic Initiatives to Support the College for FY23

	HC	Total
Public Relations and Marketing		
Marquees	\$	500,000
Marketing and Advertising	\$	300,000
Freelancer Writer	\$	70,000
City College Center for the Arts	\$	50,000
Subtotal - Public Relations and Marketing	\$	920,000
Student Success		
Academic Advisors	10 \$	800,000
Braven	\$	500,000
Fix Degree Works	\$	100,000
Student Outreach	\$	150,000
Support SysAid Scribing	\$	100,000
Subtotal - Student Success	\$	1,650,000
Research		
Grant Writers	2 \$	221,940
Post Award Support	2 \$	208,060
Subtotal - Research	\$	430,000
Academics and Athletics		
Supplemental Instruction	\$	1,000,000
New Academic Programs	\$	600,000
Aquatics Director	1 \$	100,000
Subtotal - Academics and Athletics	\$	1,700,000
Grand Total	\$	4,700,000

Public Relations & Marketing

- Install vibrant, color, moving image **marquees** on Amsterdam and Convent Avenues increasing visibility of college and promote events
- Build the CCNY brand through **marketing and advertising** attracting new students
- Hire **freelance writer** to create persuasive content for newsletters, website, and other copywriting
- Support arts programming and public performances at Aaron Davis Hall/CCNY **Center for Performing Arts**

Student Success

- Expand the number of professional **academic advisors**, improving customer experience and student retention
- Contract with **Braven** to empower promising underrepresented students to achieve higher paying employment post-graduation
- Continue to program **DegreeWorks** to improve student outreach and track their progress to graduation
- Expand student outreach to include more campus tour guides, student ambassadors, and peer advising
- Implement **SysAid**, which is the college's new 311 information system and improve customer service

Research

- Hire **grant writers** to increase funded research
- Hire research analysts to provide **post-award support** and ensure successful implementation of expanded funded research and improved grant compliance

Academics & Athletics

- Support **supplemental instructional** both on-line and in-person
- Introduce **new academic programs** and equipment to attract new students and expand enrollment: creative writing MFA, planetarium renovation, and others
- Hire **Aquatics Director** to manage new multi-million indoor pool facility; rental and program income will support cost of position in the out-years

Federal Stimulus Update

Stimulus Snapshot

	CARES	CRSSA	ARPA	Total
Award	\$ 8,868,837	\$ 21,204,192	\$ 23,795,543	\$ 53,868,572
Additional MSI for ARPA	\$ -	\$ -	\$ 3,065,316	\$ 3,065,316
Total Funding	\$ 8,868,837	\$ 21,204,192	\$ 26,860,859	\$ 56,933,888

Claims Submitted
to Federal
Government

<i>Claims</i>	<i>Total</i>
Revenue Loss	\$ 20,429,451
Revenue Loss Related Entities	\$ 2,277,659
Refunds	\$ 943,595
Campus Expenditures	\$ 4,224,188
Central Expenditures	\$ 1,454,294
Indirect Costs	\$ 322,344
Total	\$ 29,651,530
Available	\$ 27,282,358

Stimulus Projections

Available	\$ 27,282,358
<i>Commitments</i>	
Revenue Loss	\$ 20,198,010
Campus Expenditures	\$ 5,877,927
Central Expenditures	\$ 805,894
Summer Remedial Math	\$ 158,527
CUE	\$ 242,000
Total	\$ 27,282,358
Revised Balance	\$ 0

- All stimulus funds must be spent and drawn-down from USDOE before June 30, 2023.
- Enrollment declines in Fall 2022 semester forced a redirection of stimulus funds to balance the budget.
- College continues to work with CUNY to leverage stimulus for tuition recoveries.
- Commitments to fund health and wellness in the Medical School, expanded Coordinated Undergraduate Education in Provost Office were reduced to help balance the Stimulus budget.
- Projections of College expenditures dependent upon vendors delivering all goods and services by end of fiscal year and CUNY’s continued cooperation and support.