FY15 Mid-Year Budget Briefing

March 10, 2015
Agenda

• FY 15 Budget Recap
  – Developing the Budget
  – Budget Reserve (CUTRA)
  – Budget Balancing Plan
• FY 15 Mid-Year Financial Plan
  – YTD Expenses
  – Projections
• State Executive Budget
• Challenges For Next Fiscal Year
  – Enrollment
  – Tuition Target
  – Planning for FY2016
Budget Recap
Developing the Budget

• Revenue
  – University allocates funding for each College
  – Tuition collection is included in funding
  – Tuition target increased by CUNY
  – Tuition is 63% of budget. Shortfalls result in reduction of expenses, i.e., budget cut
  – College determines how to distribute across expense types, schools/divisions, and programs
Developing the Budget

• Expense
  – PS Regular
    • Filled/Active Positions
    • Expected Attrition
    • Vacancies
  – Adjuncts
    • FY 11 actual expenditures used as base
    • Adjusted for changes in enrollment
Developing the Budget (Cont.)

• **Expense (cont.)**
  - Temporary Services
    • Prior year budget used as base
    • Technical Re-alignments
  - OTPS
    • Prior year budget used as base
    • Technical Re-alignments
Budget Balancing Plan

- Savings of 1.1% across all divisions and departments
  - Re-build budget reserves (CUNY mandated)
  - One-time action

- Other cost saving initiatives
  - Postpone hiring for administrative vacancies
  - Attrition savings for both faculty and administrative staff
  - Enrollment savings of .8% for Academic Divisions
    - Savings target varies based on enrollment change
    - Differential for undergraduate and graduate enrollment changes
## FY 15 Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>FY15 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$139.7</td>
</tr>
<tr>
<td>less Expenses</td>
<td>-$138.2</td>
</tr>
<tr>
<td>Budget Reserve</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

*Note: Dollars in millions, tax levy only, excludes compact philanthropy and tech fee.*
Mid-Year Budget Condition
## FY15 Mid-Year Tax Levy Condition

<table>
<thead>
<tr>
<th>Resources &amp; Expenditures</th>
<th>FY2015 Budget</th>
<th>Year-to-Date</th>
<th>FY2015 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid and Other Resources</td>
<td>$51.8</td>
<td>$54.9</td>
<td>$56.3</td>
</tr>
<tr>
<td>Tuition</td>
<td>$87.9</td>
<td>$44.2</td>
<td>$88.1</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$139.7</strong></td>
<td><strong>$99.1</strong></td>
<td><strong>$144.4</strong></td>
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<tr>
<td>Full-Time Personnel</td>
<td>$111.1</td>
<td>$56.3</td>
<td>$113.5</td>
</tr>
<tr>
<td>Adjuncts</td>
<td>$10.5</td>
<td>$6.5</td>
<td>$11.2</td>
</tr>
<tr>
<td>Temp. Services</td>
<td>$6.3</td>
<td>$3.6</td>
<td>$6.6</td>
</tr>
<tr>
<td>OTPS</td>
<td>$10.3</td>
<td>$5.2</td>
<td>$11.9</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$138.2</strong></td>
<td><strong>$71.6</strong></td>
<td><strong>$143.2</strong></td>
</tr>
<tr>
<td>Budget Reserve</td>
<td>$1.5</td>
<td></td>
<td>$1.2</td>
</tr>
</tbody>
</table>

*Note: Dollars in millions. Tax levy only, excludes compact philanthropy and tech fee. Increase in State aid is associated with targeted spending.*
## FY15 Mid-Year Tuition Collection

<table>
<thead>
<tr>
<th>Terms/Activities</th>
<th>Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 2014 - Spring 2015</td>
<td>$48.9</td>
</tr>
<tr>
<td>Prior Years</td>
<td>$1.9</td>
</tr>
<tr>
<td>Refunds &amp; Adjustments</td>
<td>($6.6)</td>
</tr>
<tr>
<td>Total YTD Collections</td>
<td>$44.2</td>
</tr>
</tbody>
</table>

**Additional Actions:**

<table>
<thead>
<tr>
<th>Additional Actions</th>
<th>Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Collections</td>
<td>$37.2</td>
</tr>
<tr>
<td>Summer 2015</td>
<td>$3.6</td>
</tr>
<tr>
<td>Additional Prior Year</td>
<td>$3.1</td>
</tr>
<tr>
<td>Total Projected Collections</td>
<td>$88.1</td>
</tr>
<tr>
<td>Tuition Target</td>
<td>$88.5</td>
</tr>
<tr>
<td>Variance from Target</td>
<td>($0.4)</td>
</tr>
</tbody>
</table>

*Note: Dollars in millions.*
FY15 Mid-Year Highlights

• Spending generally on pace with budget
• Tax-levy resources generally on pace with estimates
• Tuition largest risk in the budget
  – Enrollment drives tuition revenue
  – Shortfall of $400k identified
  – Collect tuition debt from prior years
Plan to Improve Enrollment and Tuition Collections

• Expand Summer session
• Expand Winter session
• Develop strategies to increase enrollment for Fall and Spring semesters
  – On-line course offerings
  – International students
  – Post-baccalaureate/certificate programs
• Continue to pursue all available collection tools
  – Targeted email campaigns
  – Targeted phone call campaigns
  – Utilization of collection agency
  – Bursar holds and de-registration
Role of Tuition in the Budget

- Enrollment is a critical component
- Enrollment fluctuates while budgets remain flat or decrease
- Tuition targets increased each year tuition rates increase
- Ratio of undergraduate to graduate enrollment is important determinant
- Enrollment decreases magnify budget shortfalls during periods of increased tuition targets
U.S. College Enrollment Trends

Source: National Center for Education Statistics: Integrated Postsecondary Education Data System (IPEDS)
U.S. College Enrollment Trends

Number of students enrolled in postsecondary institutions annually by student level (Graduate)

Source: National Center for Education Statistics -- Integrated Postsecondary Education Data System (IPEDS)
Governor’s Executive Budget for Fiscal Year 2015-2016
Impact of NYS Executive Budget

What is not in the budget?

• No Increases for Mandatory Needs
  – Fringe Benefits
    • Health benefits
    • Pension
  – Energy
  – Building Rentals
  – Salary Increments

• New Collective Bargaining Agreement

• Funding for Specialized Programs
  – SEEK, Child Care, Single-Stop
Impact of NYS Executive Budget

What is in the budget?

• College Performance Improvement Plans
  – Pay for Performance
    • Access
    • Graduation Rates
    • Post-graduate Success
    • Research
  – 10% Hold Back of Allocation
• Experiential Learning (unfunded mandate)
• Tuition Increase (final year)
• Financial Aid
Challenges for Next Fiscal Year

• Tuition target will increase again
• Enrollment continues to be a challenge
  — Enrollment projections will impact available resources
• Funding for collective bargaining contract
• Maintain budget reserves
• Implications of new State budget