

**Financial Planning Subcommittee
Meeting Agenda
July 22, 2021
2:00-3:00pm – Zoom
(details are in the calendar invite)**

1. Approval of Minutes for March 31, 2021 and July 13, 2021 meetings (attached)
2. Draft 4-Year Budget Plan (presentation attached)
3. All Funds Budget (Slide still in process)

**FPS
Minutes
July 22, 2021**

Attendees: Mark Flower (FPS Chair), Yi Li, Ned Benton, Karen Kaplowitz, Jay Gates, Brian Cortijo, Kim Chandler, Geert Dhondt, Andrew Berezhansky, Alison Orlando, Allison Pease, Ajisa Dervisevic, Roger Szajngarten, Rulisa Galloway-Perry, Janet Winter, Tyrell Farrulla, Alena Ryjov (*Recorder*)

1. **Approval of Minutes from March 31, 2021 and July 13, 2021 meetings:** the minutes were approved unanimously.

2. **Draft 4-Year Budget Plan:** Mark started the meeting by presenting the draft budget and explaining his assumptions. He said that the budget assumes that the revenue target will remain the same and so will the base allocation but he said he is not sure this is a good assumption. He said that he went back in time and did a historical analysis of revenue targets and allocations performance, and found that there was an increase every year, so he questioned why it would be different this time. He said the analysis shows it's probably not a good assumption. He asked the group to provide their thoughts and comments. Yi said it is clear from the analysis on the chart that, historically, the revenue targets and allocations look correlated, and agreed with the assumption that they both will probably increase. Ned said that, usually, the money we spent last year is a good indicator of how much money CUNY will let us spend next year, but he is not sure if this approach would be helpful to us, that it doesn't really matter unless we don't hit the target. Mark proceeded to the next point and said that the new forecast shows impact of revenue target. This year we exceeded it and we got to keep the money, but next year if there is no tuition increase and the revenue target is raised, we will end up in red. Ned said he didn't think the CUNY would raise our revenue target. Mark said they already raised revenue targets for colleges who had money above the target. Mark added that collection rates are a concern. Yi said that if we got the TAP support, it would increase our revenue, but the projected TAP support is not nearly close to what we need. Brian C. asked if the money for lifting student debt has been released. Mark said no. Brian asked if it will be used to cover the deficit once released. Mark said yes, but Yi added that this number (\$8.7M) has already been included in our plan, it's not additional money. Mark said that CUNY will erase the debt up to Spring 2021 (approx. \$7.3M). Mark said that if we incorporate the new model, in 2024 the projections look fine, but in 2025 we are in deficit again. Ned said that we are better off developing the plan building the funds and showing how we will use them, and if CUNY takes the money, it would be extremely unfair. Brian C. said he completely agrees. He said the TAP gap starved us for years and was very detrimental to things and departments. Unfunded mandates from the state don't allow us to operate at the level we need. We need to fight for what we deserve. Ned underscored the importance of hiring full-time faculty and restoration of TAP gap. Yi agreed on the hiring of faculty. He also said that a lot of enrollment growth is not expected so an increase in revenue target doesn't make sense. Based on the discussion, Mark concluded that the plan is not ready to be presented to the BPC on Tuesday 7/27. He proposed to meet with Yi on faculty hiring, talk to CUNY on forecasting, meet on Tuesday

again as FPS and reschedule BPC for 7/29. The plan is due to CUNY on August 2. The committee agreed. Allison asked to figure out a way not to reduce the faculty hiring budget.

- 3. All Funds Budget:** Mark presented the slide on the all-funds budget 2021-22 and talked about support for faculty, students and staff. He said that non-tax-levy funds roll over from year to year, so we need to figure out the budget format that presents the funds in a clear fashion. He opened the floor for feedback and comments. Ned thanked Mark for doing this, he said it's the first attempt that the college is trying to do the all-funds. Mark said that he is excited about doing it from the strategic planning standpoint. The committee will reconvene next week.

FPS Meeting 7/13/2021

Agenda

- Draft 4 year Budget Plan
- All Funds Budget (Slide still in process)

Three Budget Outlook Option 1: Full-time Faculty Plan (\$2M Steady State)

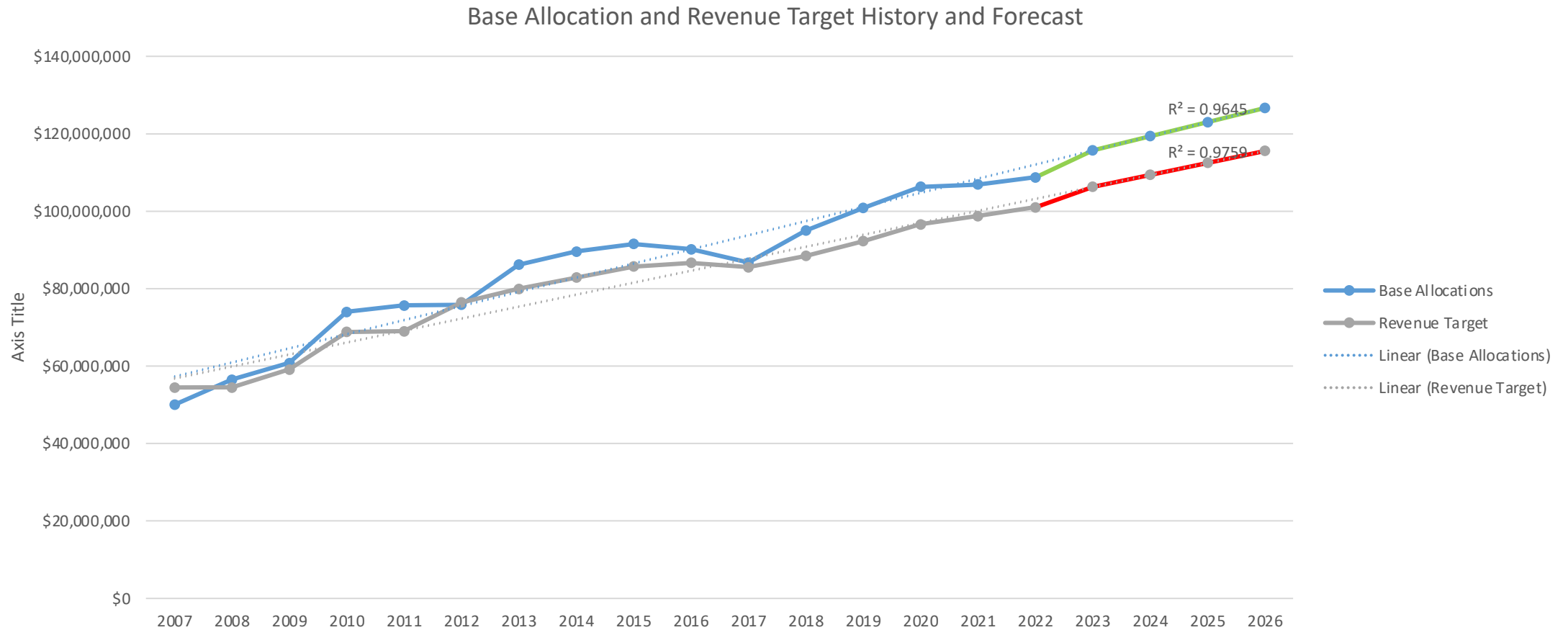
BUDGET ALLOCATION AND REVENUE	Year End	FY2022			Projected			FY2024	Notes
	FY2021	Tax Levy Only	CRRSAA & ARPA Funds	Total Budget	Tax Levy Only	CRRSAA & ARPA Funds	Total Budget	FY2024	
CUNY Revenue Target	\$98,746,347	\$100,990,808		\$100,990,808	\$100,990,808		\$100,990,808	\$100,990,808	Assumes no tuition Increase or FTE growth
Avg Enrollment ((Fall + Spring)/2)	12,340	12,151		12,151	12,148		12,148	12,144	
Base Allocation:	\$106,901,000	\$108,722,000		108,722,000	\$108,722,000		108,722,000	\$108,722,000	
Addl Resources for Collective Bargaining									
Lump Sum Allocations	\$1,648,979	\$1,606,768		\$1,606,768	\$1,565,628		\$1,565,628	\$1,525,541	
<u>Initial Tax-Levy Allocation</u>	<u>\$108,549,979</u>	<u>\$110,328,768</u>	-	<u>\$110,328,768</u>	<u>\$110,287,628</u>	-	<u>\$110,287,628</u>	<u>\$110,247,541</u>	
Additional Allocations	\$5,288,628	\$3,000,000		\$3,000,000	\$3,000,000		\$3,000,000	\$3,000,000	
NYC Budget Initiatives (NYPD Exec Leadership & DOC CEEDS)	\$631,279	\$686,000		\$686,000					
CRRSAA & ARPA			\$20,411,457	\$20,411,457		\$15,633,900	\$15,633,900		
TAP Increase		\$2,579,000		\$2,579,000	\$5,600,000		\$5,600,000	\$8,600,000	
Current Year Gross Tuition Revenue above CUNY Target	\$2,708,111	(\$1,279,795)		(\$1,279,795)	\$3,103,016		\$3,103,016	\$3,103,016	Increase in FTE Worth based upon higher Grad Enrollments
TOTAL BUDGET ALLOCATION	\$117,177,997	\$115,313,973	\$20,411,457	\$135,725,430	\$121,990,643	\$15,633,900	\$137,624,543	\$124,950,557	
<u>Personnel Services (PS) :</u>	\$89,855,689	\$92,659,530	\$4,518,170	\$97,177,700	\$94,281,072	\$3,564,179	\$97,845,251	\$97,875,945	
Faculty									Assumes 2% salary increase each year and \$2M permanent increase to full-time faculty in 2024
Administrative Staff	\$42,450,236	\$43,421,930	\$2,000,000	\$45,421,930	\$44,181,814	\$2,000,000	\$46,181,814	\$46,989,995	
ECP	\$42,459,387	\$44,180,613	\$2,518,170	\$46,698,783	\$44,953,774	\$1,564,179	\$46,517,953	\$45,740,465	Assumes 2% salary increase each year
2% Labor Reserve and Adjustments	\$4,946,066	\$5,056,987		\$5,056,987	\$5,145,484		\$5,145,484	\$5,145,484	
Adjuncts:	\$20,684,041	\$22,184,471		\$22,184,471	\$23,541,836		\$23,541,836	\$24,899,201	
Temp Services:	\$4,595,269	\$6,000,000		\$6,000,000	\$6,700,000		\$6,700,000	\$6,700,000	
TOTAL PS	\$115,134,999	\$120,844,001	\$4,518,170	\$125,362,171	\$124,522,908	\$3,564,179	\$128,087,087	\$129,475,146	
TOTAL OTPS	\$6,115,000	\$6,200,000	\$3,014,491	\$9,214,491	\$7,700,000	\$471,299	\$8,171,299	\$7,854,000	Restores OPTS back to prepandemic levels in 2023 and a 2% increase in FY2024
TOTAL FINANCIAL PLAN EXPENDITURES	\$121,249,999	\$127,044,001	\$7,532,661	\$134,576,662	\$132,222,908	\$4,035,478	\$136,258,386	\$137,329,146	
Operational YEAREND BALANCE	(\$4,072,002)	(\$11,730,028)	\$12,878,796	\$1,148,768	(\$10,232,265)	\$11,598,422	\$1,366,157	(\$12,378,589)	
CARES Allocation (Estimated Additional Funding)	\$5,406,000								
Prior Yearend Balance	\$3,057,000	\$6,428,205		\$6,428,205	\$7,576,973		\$7,576,973	\$8,943,130	
CRRSAA Allocation	\$2,037,207								
Total Yearend Balance	\$6,428,205	(\$5,301,823)	\$12,878,796	\$7,576,973	(\$2,655,292)	\$11,598,422	\$8,943,130	(\$3,435,459)	

Revenue Target and Base Allocation History and Forecasts

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
												Actual				
Base Allocations	\$50,004,000	\$56,486,000	\$60,756,800	\$73,968,725	\$75,666,417	\$75,849,141	\$86,197,011	\$89,552,436	\$91,557,100	\$90,161,073	\$86,732,237	\$94,980,600	\$100,845,530	\$106,316,140	\$106,901,000	\$108,722,000
Lump Sum Allocation	\$7,203,100	\$7,099,796	\$6,722,600	\$2,837,131	\$3,064,429	\$2,140,435	\$2,141,885	\$2,467,949	\$2,536,809	\$2,133,923	\$2,122,942	\$2,180,618	\$2,297,805	\$2,081,664	\$1,648,989	\$1,606,768
Revenue Target	\$54,453,000	\$54,457,000	\$59,093,000	\$68,798,000	\$69,012,000	\$76,442,000	\$79,917,000	\$82,867,000	\$85,702,000	\$86,683,359	\$85,523,000	\$88,423,297	\$92,266,130	\$96,598,000	\$98,746,000	\$100,990,808
Base % Change		12.963%	7.561%	21.746%	2.295%	0.241%	13.643%	3.893%	2.239%	-1.525%	-3.803%	9.510%	6.175%	5.425%	0.550%	1.703%
Lump Sum % Change		-1.434%	-5.313%	-57.797%	8.012%	-30.152%	0.068%	15.223%	2.790%	-15.882%	-0.515%	2.717%	5.374%	-9.406%	-20.785%	-2.560%
Revenue Target Change		0.007%	8.513%	16.423%	0.311%	10.766%	4.546%	3.691%	3.421%	1.145%	-1.339%	3.391%	4.346%	4.695%	2.224%	2.273%

	Forecast beginning 2023			
	2023	2024	2025	2026
Base Allocations	\$115,702,521	\$119,353,580	\$123,004,640	\$126,655,700
Lump Sum Allocation	\$1,665,672	\$1,582,071	\$1,498,471	\$1,414,871
Revenue Target	\$106,273,355	\$109,364,547	\$112,455,739	\$115,546,931

Revenue Target and Base Allocation History and Forecasts



Four Year Budget Using Forecasted Revenue Targets and Base Allocations

	Yearend Actuals FY2021	FY2022			Projected			FY2023	FY2024	FY2025	Notes
<u>BUDGET ALLOCATION AND REVENUE</u>		Tax Levy Only	CRRSAA & ARPA Funds	Total Budget	Tax Levy Only	CRRSAA & ARPA Funds	Total Budget				
CUNY Revenue Target	\$98,746,347	\$100,990,808		\$100,990,808	\$106,273,355		\$106,273,355	\$109,364,547	\$112,455,739	Forecasted Revenue Target based upon Target History Since 2007	
Avg Enrollment ((Fall + Spring)/2)	12,340	12,151		12,151	12,148		12,148	12,144	12,196	Average of 2021 - 2024 Projections	
Base Allocation:	\$106,901,000	\$108,722,000		108,722,000	\$115,702,521		115,702,521	\$119,353,580	\$123,004,640	Forecasted Base based upon Base History Since 2007	
Addl Resources for Collective Bargaining											
Lump Sum Allocations	\$1,648,989	\$1,606,768		\$1,606,768	\$1,665,672		\$1,665,672	\$1,582,071	\$1,498,471	Forecasted Lump Sum based upon Lump Sum History Since 2010	
<u>Initial Tax-Levy Allocation</u>	<u>\$108,549,989</u>	<u>\$110,328,768</u>		<u>\$110,328,768</u>	<u>\$117,368,192</u>		<u>\$117,368,192</u>	<u>\$120,935,652</u>	<u>\$124,503,111</u>		
Additional Allocations	\$4,944,345	\$3,000,000		\$3,000,000	\$3,000,000		\$3,000,000	\$3,000,000	\$3,000,000		
NYC Budget Initiatives (NYPD Exec Leadership & DOC CEEDS)	\$974,583	\$686,000		\$686,000							
CARES Allocation	\$5,406,472										
CRRSAA & ARPA			\$20,411,457	\$20,411,457		\$15,633,900	\$15,633,900				
TAP Increase		\$2,579,000		\$2,579,000	\$4,461,878		\$4,461,878	\$6,344,756	\$8,227,634	Assumes Full TAP by 2025 with a \$1,9M increase in 2022 & 2023	
Current Year Gross Tuition Revenue above CUNY Target	\$2,708,111	(\$1,279,795)		(\$1,279,795)	(\$2,179,531)		(\$2,179,531)	(\$3,450,962)	(\$4,688,511)	Increase in FTE Worth based upon higher Grad Enrollments using Forecasted Revenue Targets	
TOTAL BUDGET ALLOCATION	\$122,583,500	\$115,313,973	\$20,411,457	\$135,725,430	\$122,650,539	\$15,633,900	\$138,284,439	\$126,829,446	\$131,042,235		
<u>Personnel Services (PS) :</u>	\$89,855,689	\$92,659,530	\$4,518,170	\$97,177,700	\$94,281,072	\$3,564,179	\$97,845,251	\$97,875,945	\$99,588,774		
Faculty	\$42,450,236	\$43,421,930	\$2,000,000	\$45,421,930	\$44,181,814	\$2,000,000	\$46,181,814	\$46,989,995	\$47,812,320	Assumes 2% salary increase each year and \$2M permanent increase to full-time faculty in 2024	
Administrative Staff	\$42,459,387	\$44,180,613	\$2,518,170	\$46,698,783	\$44,953,774	\$1,564,179	\$46,517,953	\$45,740,465	\$46,540,923	Assumes 2% salary increase each year	
ECP	\$4,946,066	\$5,056,987		\$5,056,987	\$5,145,484		\$5,145,484	\$5,145,484	\$5,235,530		
2% Labor Reserve and Adjustments											
Adjuncts:	\$20,684,000	\$22,184,471		\$22,184,471	\$22,184,471		\$22,184,471	\$22,184,471	\$22,184,471	Hold Adjunct Rate at FY22 levels based upon new Full-time faculty hiring plan	
Temp Services:	\$4,595,000	\$6,000,000		\$6,000,000	\$6,450,000		\$6,450,000	\$6,562,875	\$6,677,725	Assumes 2% salary increase each year	
TOTAL PS	\$115,134,689	\$120,844,001	\$4,518,170	\$125,362,171	\$122,915,543	\$3,564,179	\$126,479,722	\$126,623,291	\$128,450,970		
TOTAL OPTS	\$6,115,000	\$6,200,000	\$3,014,491	\$9,214,491	\$7,700,000	\$471,299	\$8,171,299	\$7,854,000	\$8,011,080	Restores OPTS back to prepandemic levels in 2023 and a 2% increase in FY2024	
TOTAL FINANCIAL PLAN EXPENDITURES	\$121,249,689	\$127,044,001	\$7,532,661	\$134,576,662	\$130,615,543	\$4,035,478	\$134,651,021	\$134,477,291	\$136,462,050		
Operational YEAREND BALANCE	\$1,333,811	(\$11,730,028)	\$12,878,796	\$1,148,768	(\$7,965,004)	\$11,598,422	\$3,633,418	(\$7,647,844)	(\$5,419,815)		
Prior Yearend Balance	\$3,057,000	\$6,428,018		\$6,428,018	\$7,576,786		\$7,576,786	\$11,210,204	\$3,562,359		
CRRSAA Allocation	\$2,037,207										
Total Yearend Balance	\$6,428,018	(\$5,302,010)	\$12,878,796	\$7,576,786	(\$388,218)	\$11,598,422	\$11,210,204	\$3,562,359	(\$1,857,456)		