

**Budget and Planning Subcommittees
Meeting Agenda
November 13, 2018
1:40-3:00pm – Room 610 HH**

1. Approval of minutes for October 16, 2018 (attached)
2. Addressing Budget Deficit -Presentation (attached)
3. Opportunities for Revenue Enhancement
4. New Business

**Joint Meeting: SPS-FPS
Minutes
November 13, 2018**

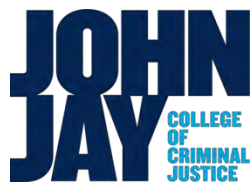
Present: Yi Li (*SPS Chair*), Steve Titan (*FPS Chair*), Ric Anzaldua, Ned Benton, Jim Cauthen, Kinya Chandler, Brian Cortijio, Angela Crossman, Naomi Davies, Mark Flower, Karen Kaplowitz, Erica King-Toler, Erez Lenchner, Dyanna Pooley, Alena Ryjov, Raj Singh, Chinua Thomas and Alison Orlando (*Recorder*)

-
1. **Approval of Minutes from October 16, 2018.** The minutes were approved as proposed.
 2. **Addressing the Budget Deficit - Presentation.** Mark F. started by going over the presentation given to CUNY labeled "Addressing John Jay's Budget Deficit." He explained that for FY 2019 we have a projected deficit of \$6.2 million. He noted that our deficit would have been \$9.5 million without the Department of Corrections rental of North Hall. Mark F. then explained why John Jay is in a deficit. He said that our students are highly dependent on financial aid, and that our revenue target compared to our total allocation is disproportional compared to other CUNY senior colleges who have students with demographics like ours. This means that as our tuition increases our ability to generate revenue is impacted because of our student population and their dependence on financial aid. Mark F. went over a series of slides that went over this in more detail. He explained that our students receive a higher amount of Fed/State Aid per FTE than other CUNY senior colleges; this is also true for TAP Waivers per FTE and Excelsior Awards per FTE. Mark F. also noted that there is a gap created by the Excelsior Scholarship, and that we are losing revenue as the amount of students receiving excelsior increases. Mark F. then talked about our revenue target and our total base allocation. He said that our revenue target to allocation ratio is 81.8%. This means that we are required to raise more money than other CUNY senior colleges who have similar student demographics to us such as Lehman. Steve T. noted that a large part of the problem is that CUNY has stopped adjusting the revenue target for the TAP gap. Mark F. explained that if our revenue target to allocation ratio was similar to other colleges who have similar student demographics as ours it would eliminate our deficit and solve our financial issues. He went on to talk about tuition increases. He said that for FY 2018 we only realized \$99 of the \$236 expected revenue increase per FTE from the tuition increase; one of the main factors for this are our student demographics. Mark F. spoke about other factors that are contributing to our deficit including the labor reserve, staffing requirements, and an increase in OTPS expenses. He then went over a series of slides to demonstrate that we are not over staffed. Lastly, Mark F. addressed the impact of several factors on our student success efforts and the budget. The end of the presentation requested to CUNY that we have a revenue target to allocation ratio comparable to Lehman College as this would solve the structural problem within our budget and the deficit. Yi L. asked how the presentation was received. Steve T. said that he thinks that it was received well. Jim C. asked if the students who take a higher amount of credits have to pay more tuition. Mark F. explained that in-state students are not charged above taking above 12 credits. Yi L. added that we have to look at students who are taking a high amount of credits to see if this practice is harmful to the student. Mark F. also said that students who run out of TAP are eligible for the acceleration waiver in which they get free summer classes; this is lost revenue to the college. Jim C. asked the current status in regards to the budget. Steve T. said that we are currently in an open dialogue with CUNY and will provide them with any information they request.

3. **New Business.** Steve T. said that he will schedule a meeting of the Events Review Committee for December, and that five classrooms are being made available on weekends for academic programs to use.

Addressing John Jay's Budget Deficit

Vice President Steven Titan
Office of Finance and Administration
11/9/2018



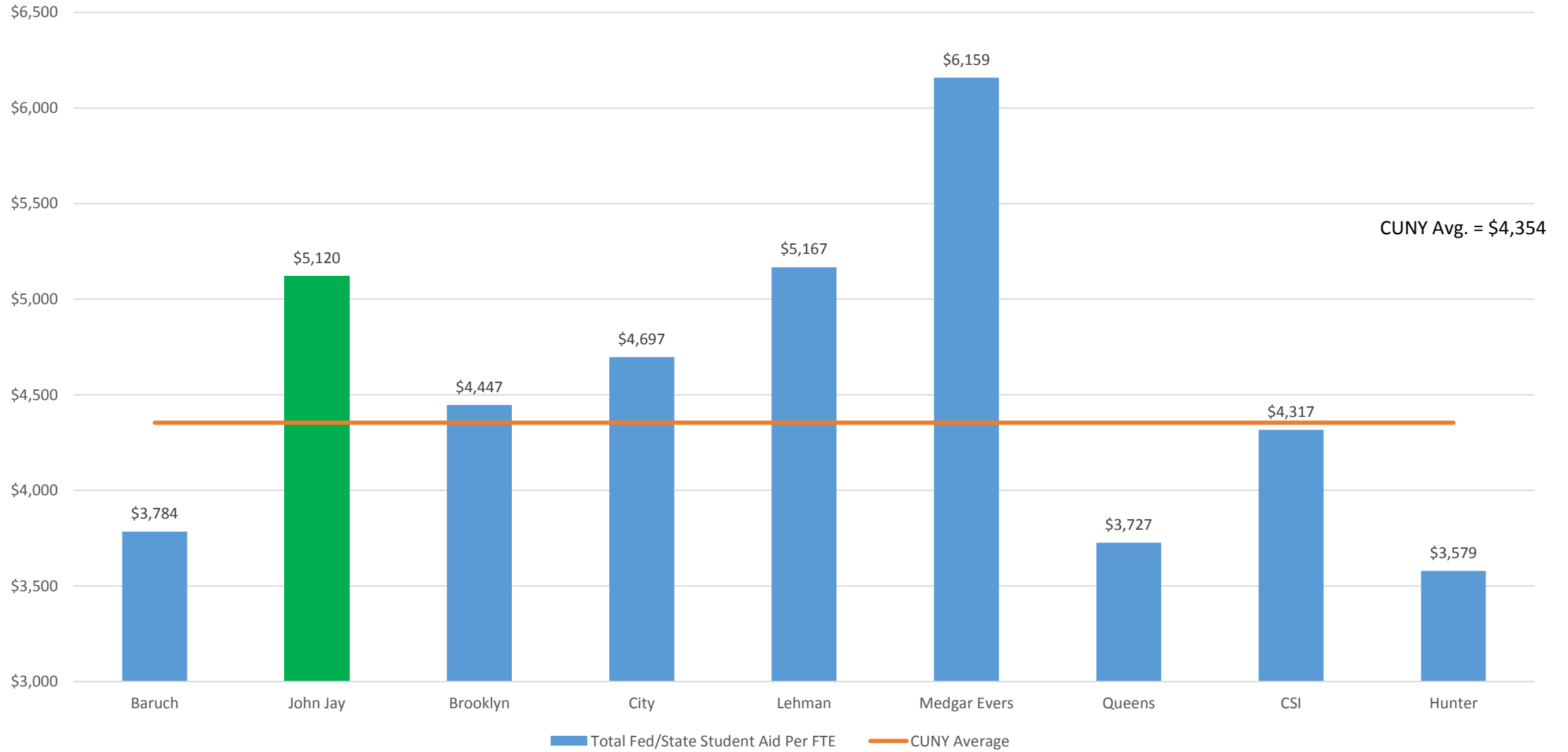
	<u>FY17 Plan Approved By BPC</u>	FY2017 CUNY Results	CUNY Approved FY18 Financial Plan	FY2018 Final CUNY Reported Results	FY2019 Plan
BUDGET ALLOCATION AND REVENUE					
CUNY Revenue Target	\$85,844,000	\$85,523,000	\$88,236,000	\$88,236,000	\$92,214,000
Avg Enrollment ((Fall + Spring)/2)	10,794	10,993	11,312	11,487	11,795
Base Allocation					
Base Allocation:	\$88,153,158		\$94,980,600	\$94,980,600	\$100,846,000
Lump Sum Allocations	\$2,516,987		\$2,153,600	\$2,180,618	\$2,153,138
Initial Tax-Levy Allocation (See Allocation Letter)			\$100,251,400	\$100,278,418	\$102,999,138
Additional Allocations	\$4,588,474		\$3,004,517	\$3,052,227	\$3,943,348
NYC Budget Initiatives (NYPD Exec Leadership & DOC CEEDS)	\$1,405,000		\$3,464,575	\$1,864,431	\$2,346,739
NYC DOC Academy Rental of North Hall		\$2,150,473	\$3,014,000	\$3,014,000	\$3,276,859
Current Year Gross Tuition Revenue above CUNY Target	(\$3,870,041)	(\$1,360,000)	\$1,811,682	\$2,096,000	\$2,138,996
TOTAL BUDGET ALLOCATION	\$97,417,913	\$120,087,000	\$111,546,174	\$110,305,076	\$114,705,080
Personnel Services (PS) :	\$70,778,662	\$89,954,000	\$82,405,643	\$83,385,910	\$90,203,126
Faculty	\$36,410,518		\$39,402,626		\$42,494,748
Administrative Staff	\$30,648,206		\$38,400,023		\$40,836,257
ECP	\$3,719,938		\$4,602,994		\$4,375,121
2% Labor Reserve					\$2,497,000
Adjuncts:	\$11,770,649	\$16,869,000	\$15,786,930	\$15,494,340	\$16,123,348
Teaching Adjuncts / CLTs	\$11,482,969		\$15,404,549		\$16,123,348
CETs	\$287,680		\$382,381		
Temp Services:	\$5,528,218	\$6,783,000	\$5,699,471	\$5,342,870	\$6,243,104
College Assistants	\$4,625,616		\$4,736,436		\$5,486,791
Non-Teaching Adjuncts	\$902,602		\$963,035		\$756,313
TOTAL PS	\$90,983,989	\$113,606,000	\$103,892,045	\$104,223,120	\$112,569,577
TOTAL OTPS (See note below)	\$6,416,500	\$4,875,000	\$8,088,330	\$6,575,176	\$9,452,385
TOTAL FINANCIAL PLAN EXPENDITURES	\$97,400,489	\$118,481,000	\$111,980,375	\$110,798,296	\$122,021,962
Operational YEAREND BALANCE	\$17,424	(\$460,000)	(\$434,201)	(\$493,220)	(\$7,316,882)
Prior Yearend Balance	\$1,717,875	\$2,066,000	\$1,606,000	\$1,576,000	\$1,082,780
Total Yearend Balance	\$1,735,299	\$1,606,000	\$1,171,799	\$1,082,780	(\$6,234,101)
Year End Balance Without DOC Academy North Hall Rental		(\$544,473)	(\$1,842,201)	(\$1,931,220)	(\$9,510,960)

Understanding Why John Jay is in Deficit Situation

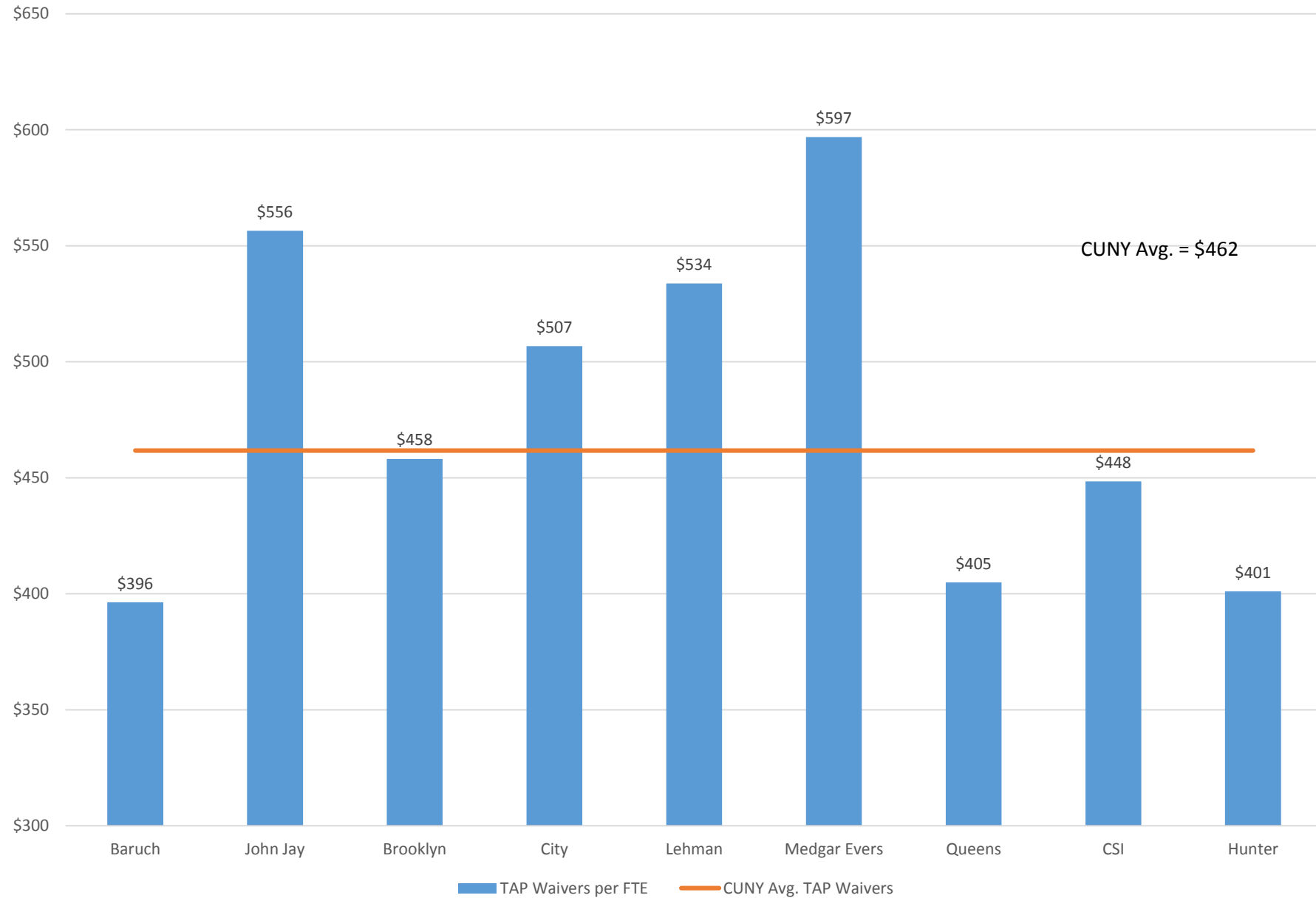
Reasons

- John Jay students are highly dependent on financial aid(both TAP & PELL)
- John Jay's revenue target as compared to the total allocation is disproportional to other schools whose students financial demographics are similar to John Jay's.
- As tuition increases, John Jay's ability to generate additional revenue equal to the increase in the revenue target is impacted by students dependence on financial aid

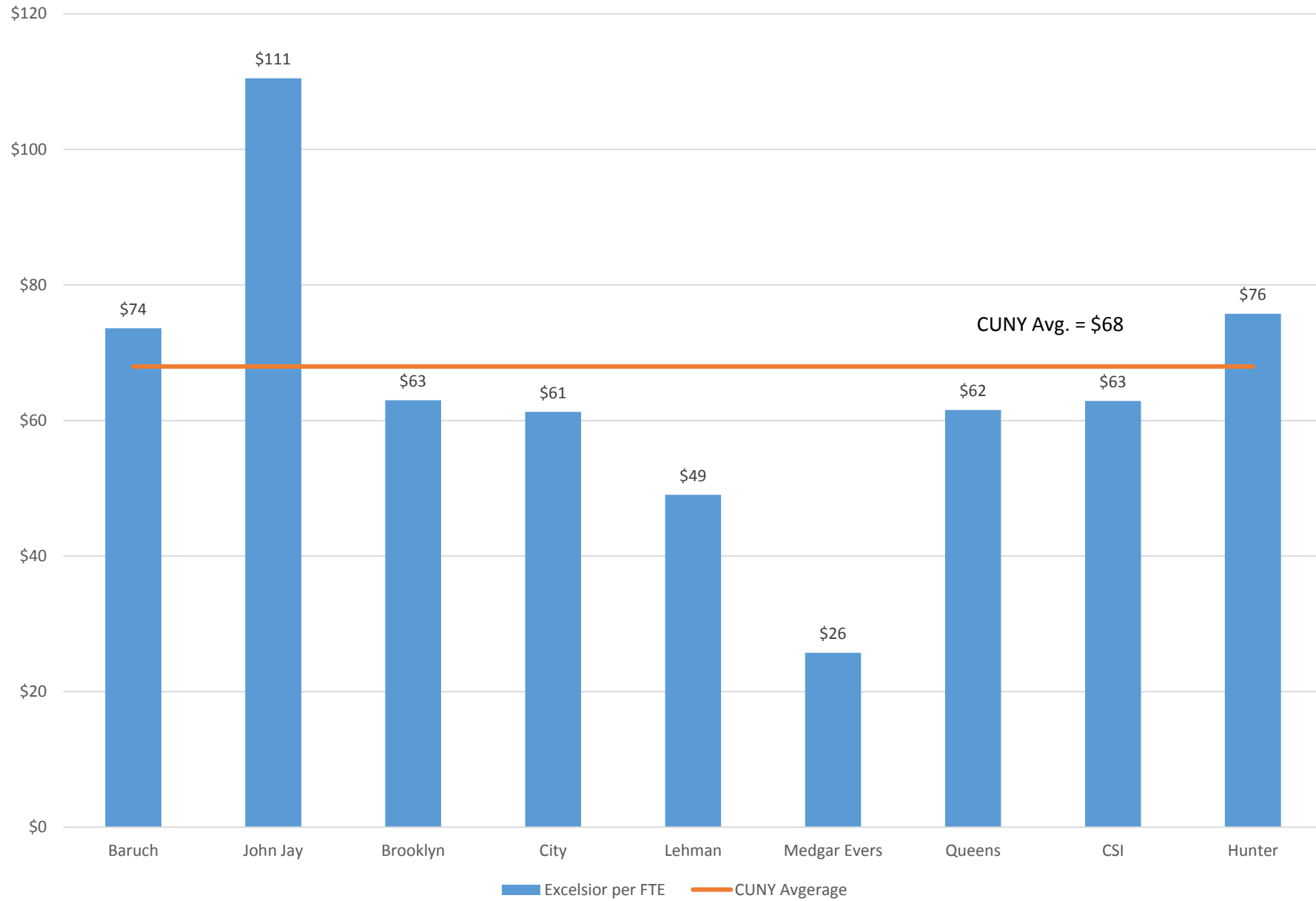
Fed/State Aid Per FTE (Pell & TAP)



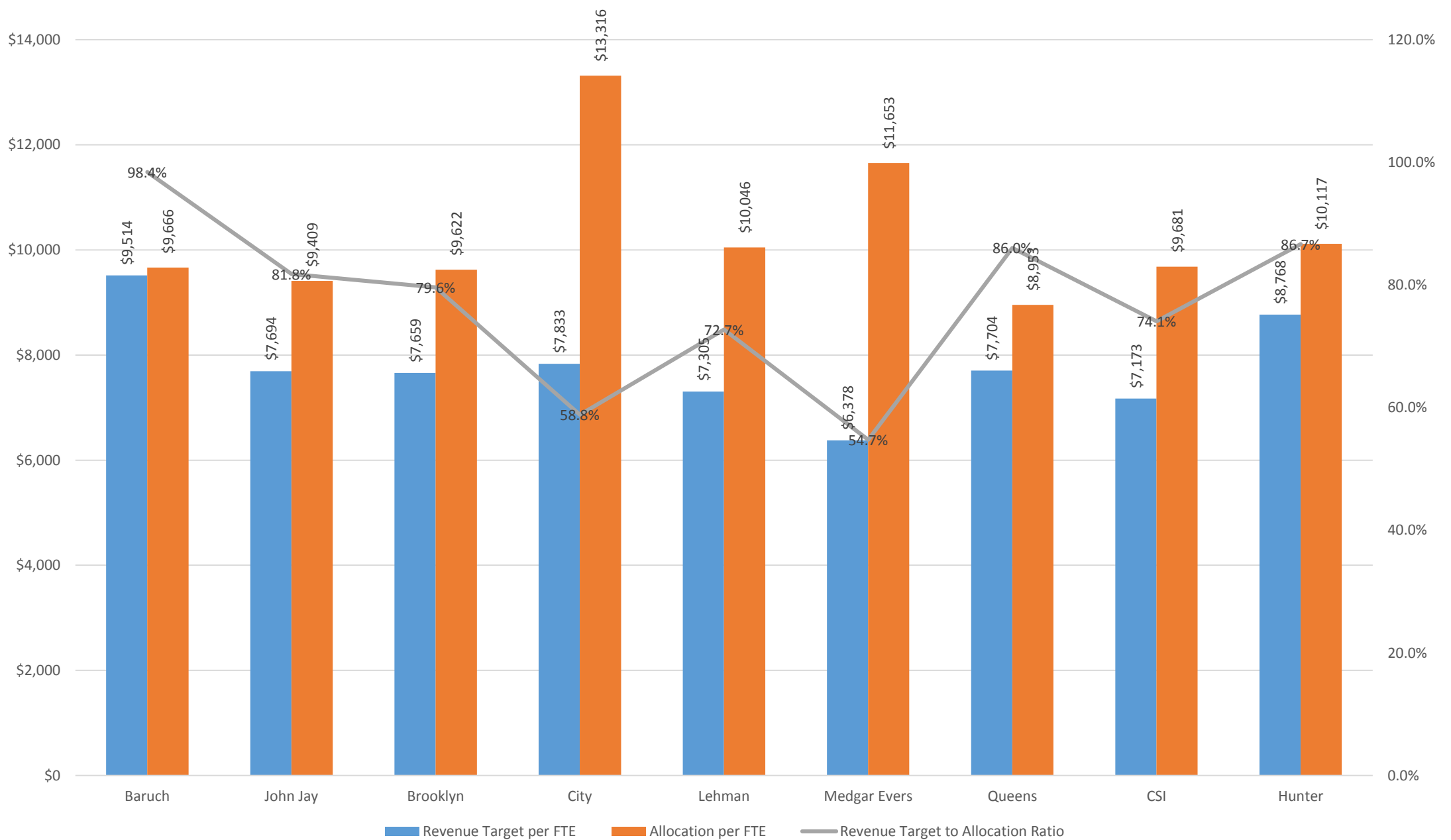
TAP Waivers per FTE



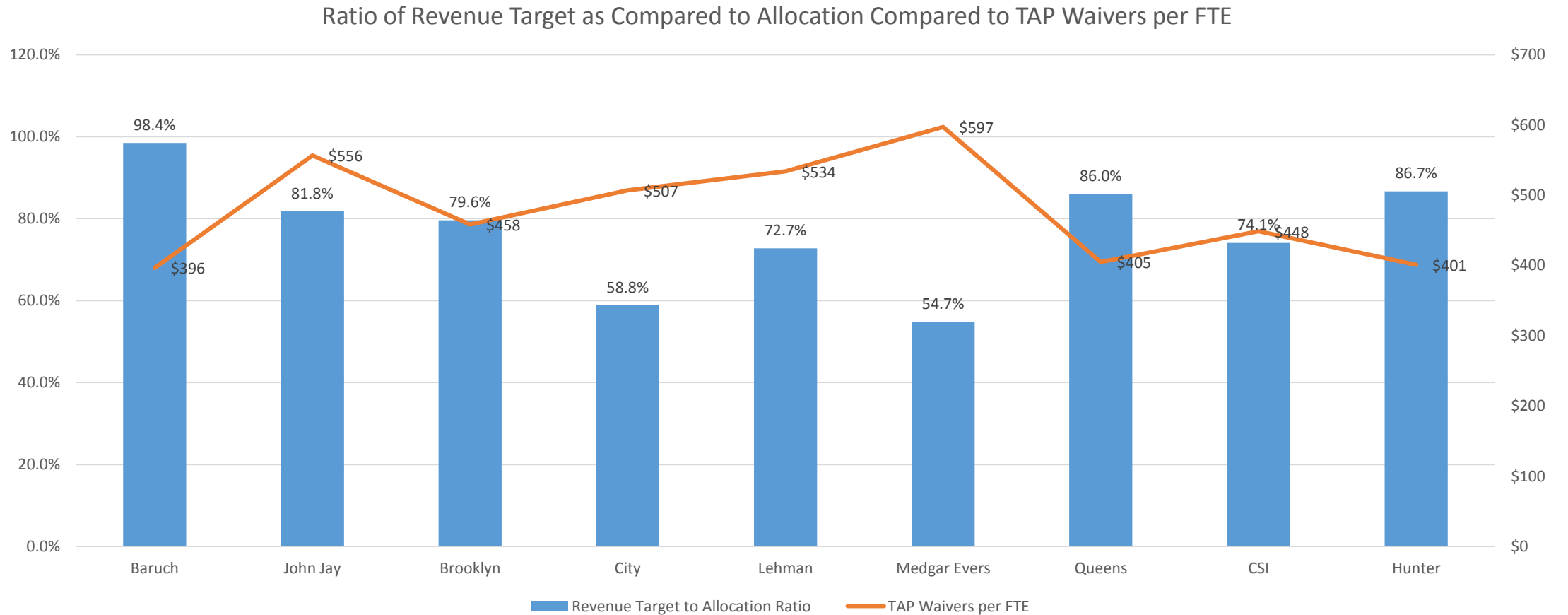
Excelsior Awards Per FTE



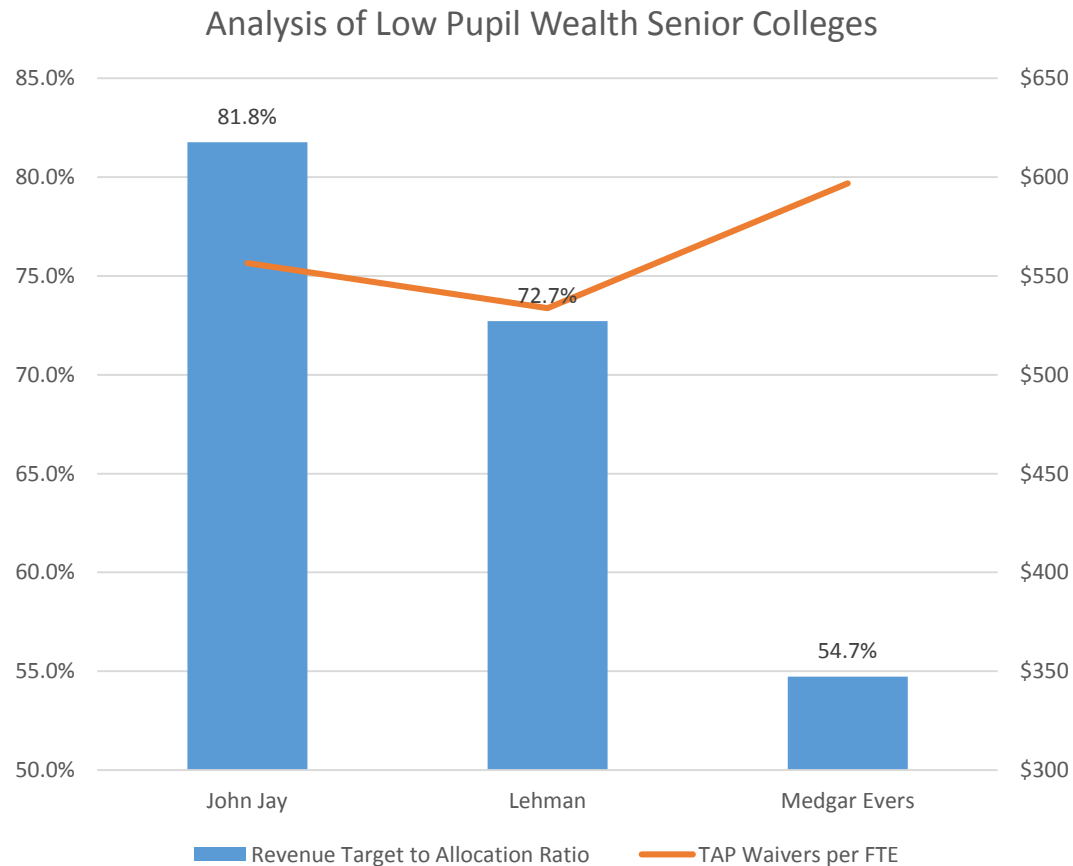
Revenue Target vs. Total Base Allocation



Comparing The Revenue Target/Allocation Ratio to Student Wealth as Based Upon the TAP Waiver per FTE



By reducing John Jay's Revenue Target to Allocation Ratio to be on par with other low pupil wealth schools (Lehman and Medgar Evers), John Jay's systemic financial issues are corrected.



- By reducing John Jay's Revenue target to have a Revenue Target to Allocation Ratio comparable to Lehman, John Jay's Revenue above Target will Increase eliminating the current deficit and position John Jay for continued and future success

	John Jay	John Jay w/ Adjusted Ratio	Change	Lehman
Allocation	\$108,140,000	\$108,140,000		\$97,204,000
Revenue Target	\$88,423,000	\$78,617,780	\$9,805,220	\$70,688,000
Revenue Target to Allocation Ratio	81.8%	72.70%		72.7%
FTE	11493	11493		9676
Allocation Per FTE	\$9,409	\$9,409		\$10,046

As tuition increases, John Jay's ability to generate additional revenue equal to the increase in the revenue target is impacted by students dependence on financial aid

FY 2018 Expected New Revenue from Rational Tuition Increase

- As part of the rational tuition increase program established in FY2018, CUNY calculated anticipated revenue increases
 - In FY 2018, this value was set at \$2.713M
- Converting these targets into tuition increase per FTE = \$236 per FTE

FY 2018 CUNY Budgeted Tuition Increase Amount	\$2,713,000
FY 18 FTE	11,487
FY 2018 Expected Increase in revenue per FTE	\$236

John Jay's Actual FY 2018 Revenue Increase per FTE

- John Jay realized only \$99.73 per FTE as compared to the CUNY target of \$236 per FTE as a result of the Rational Tuition increase

Actual FY2017 FTE worth	\$7,231.85
Actual FY2018 FTE worth	\$7,331.58
Actual Change in per FTE worth	\$99.73

FTE Worth's Impact of John Jay's Ability to Achieve CUNY Revenue Target

	Actual			CUNY Target			Variance
	FTE	FTE Worth	Total Revenue	FTE	FTE Worth	Total Revenue	
FY2017	10993	\$7,232	\$79,499,739	10993	\$7,232	\$79,499,739	\$0
FY2018	11487	\$7,332	\$84,217,843	11487	\$7,468	\$85,783,205	(\$1,565,363)
FY2019	11795	\$7,431	\$87,700,283	11795	\$7,704	\$90,884,088	(\$3,183,805)

If John Jay's FTE Worth Increase Equaled CUNY's Projected FTE Worth Increase

	FY18	FY19 Proposed	Change
Total Revenue	\$110,305,000	\$114,705,000	\$4,400,000
Additional Revenue if FTE worth equaled CUNY's Projected Increase due to tuition increase	\$1,565,636	\$3,183,805	\$1,618,169
Total Expenditure	\$110,798,000	\$122,022,000	\$11,224,000
CUTRA Applied to Operating Budget	\$1,576,000	\$2,648,636	\$1,072,636
Operating Surplus/(Deficit)	\$2,648,636	(\$1,484,559)	(\$5,751,364)

Conclusion: John Jay's FTE worth growth does not keep pace with the revenue target growth

	FTE Worth	Revenue Target
FY2018	\$7,332	\$88,444,000
FY2019	\$7,431	\$92,233,000
% Change	1.35%	4.284%

Other Major Factors Contributing to the Budget Deficit

- Labor Reserve : \$2,497,000
- Necessary staffing requirements to deliver effective instruction and services to John Jay students: \$5,600,000 (Current number of classes taught by full time faculty = 32%)
- Increase in OTPS expenses based upon program needs and critical maintenance issues: \$2,900,000

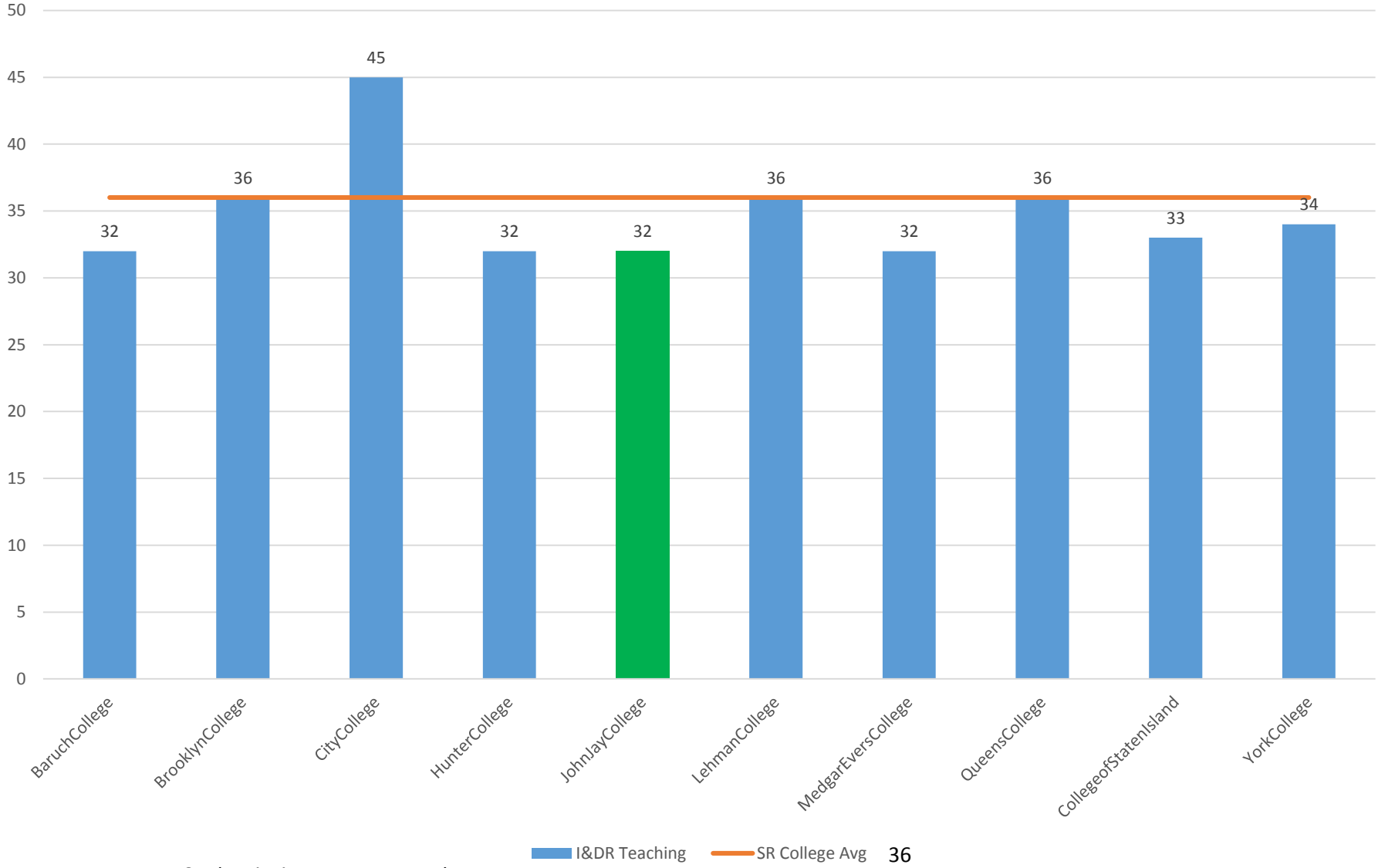
Labor Reserve

The senior colleges are required to hold in reserve an amount equivalent to 2% of labor costs in anticipation of new collective bargaining agreements. Labor negotiations with the Professional Staff Congress have begun, and it is critical that the colleges are in a position to cover any projected salary increases on an ongoing basis. As part of this year's Financial Plan process, colleges will be required to identify the sources of funds that will be used to fund their individual Labor Reserves. The allocation document includes a summary showing revenue from the Fall 2018 tuition increase remaining after the \$9.2 million is used to cover the previous labor agreements, and estimated CUTRA and IFR year balances. Colleges should review resources from an all funds perspective when planning.

John Jay's Requirement: \$2,497,000

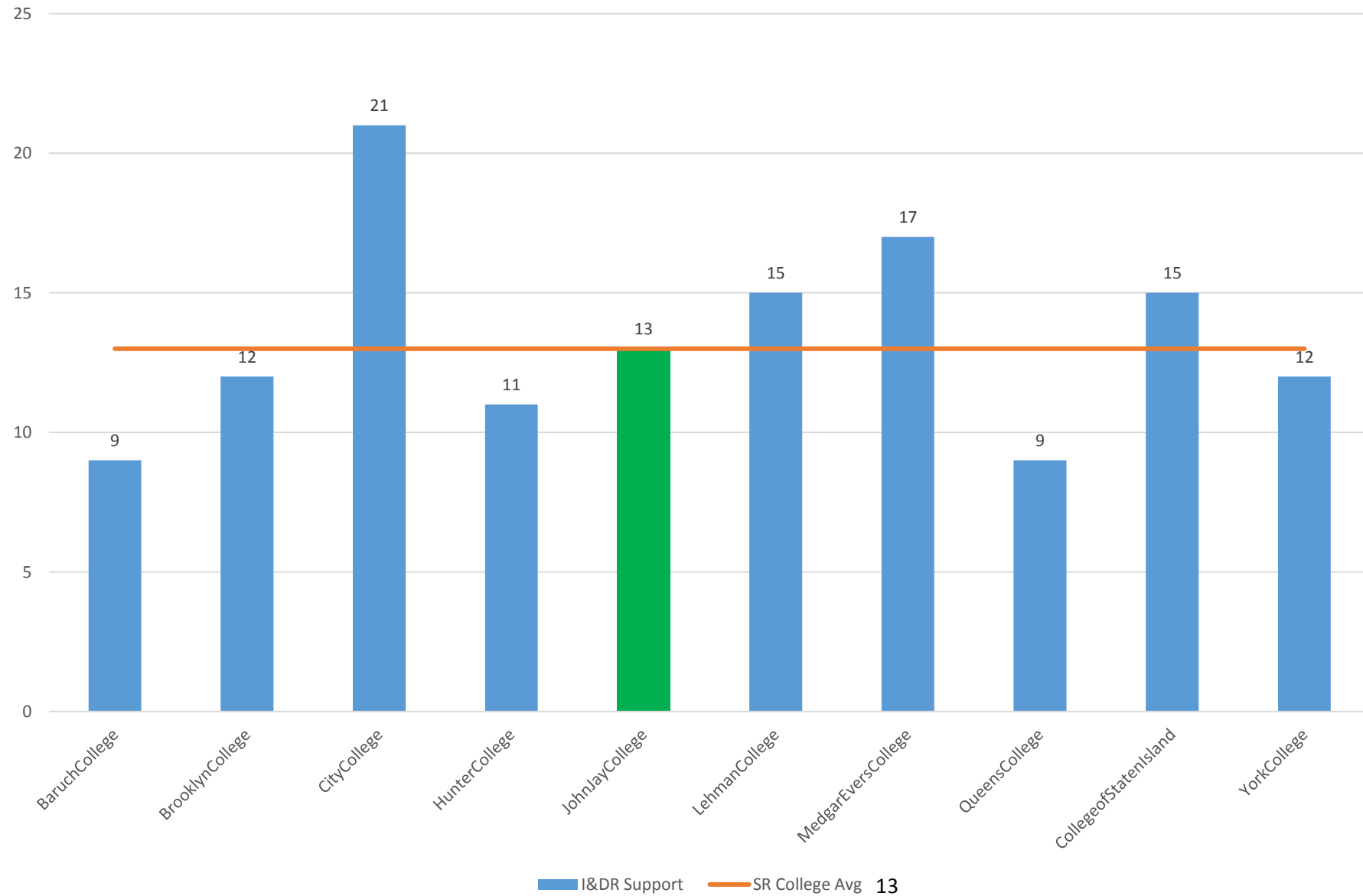
Necessary staffing requirements
to deliver effective instruction
and services to John Jay
Students

Instructional Staff per 1000 FTE
Instruction and Departmental Research (I&DR): I&DR includes all faculty teaching and research activity and all non-teaching, full-time

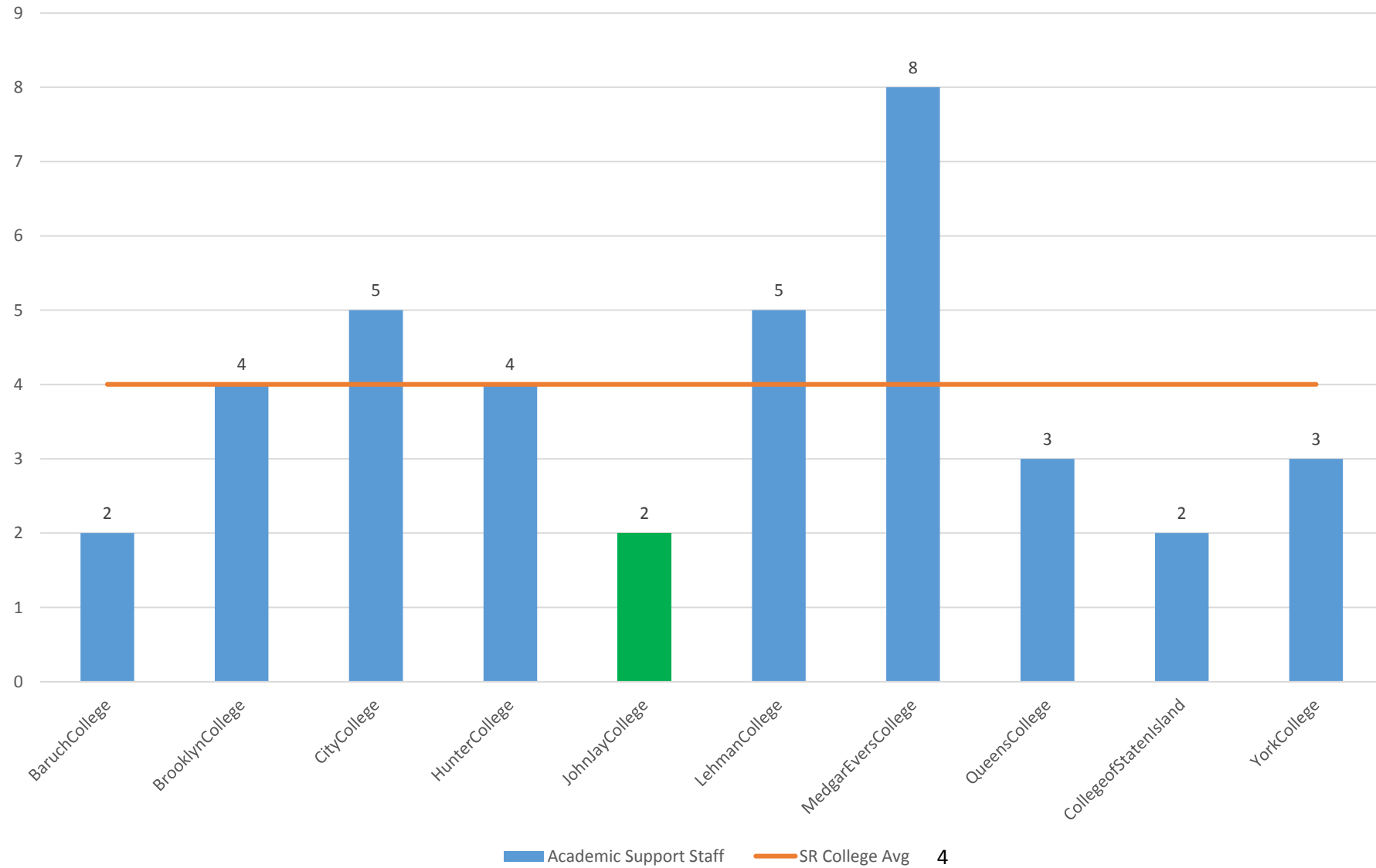


Source: Average Salary Report, FISM115 V&Z (Excludes IFR positions)
 Spring 2018

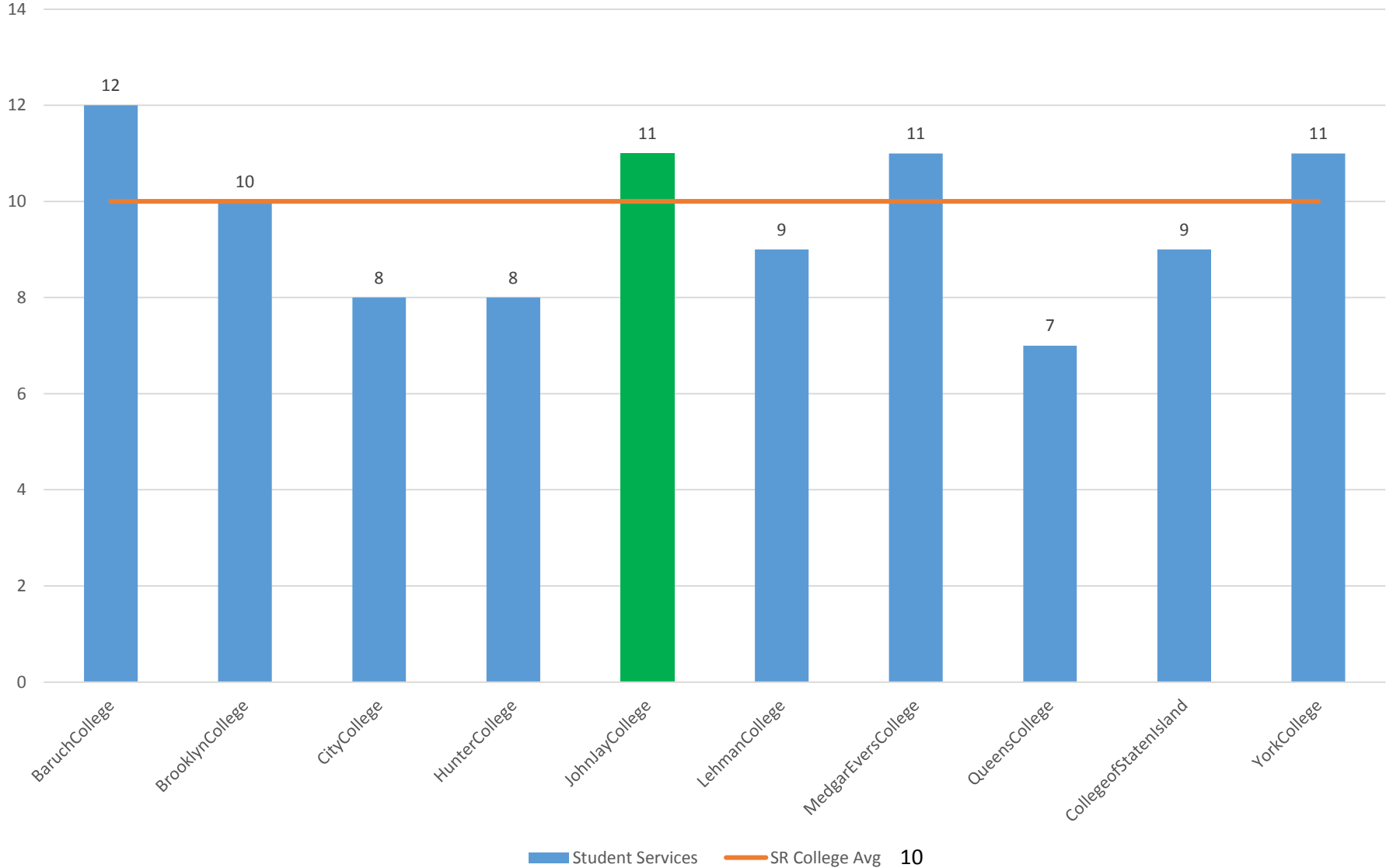
Instructional Support Staff per 1000 FTE Counselors, Other Teaching,, Non- Instructional, and Civil Service



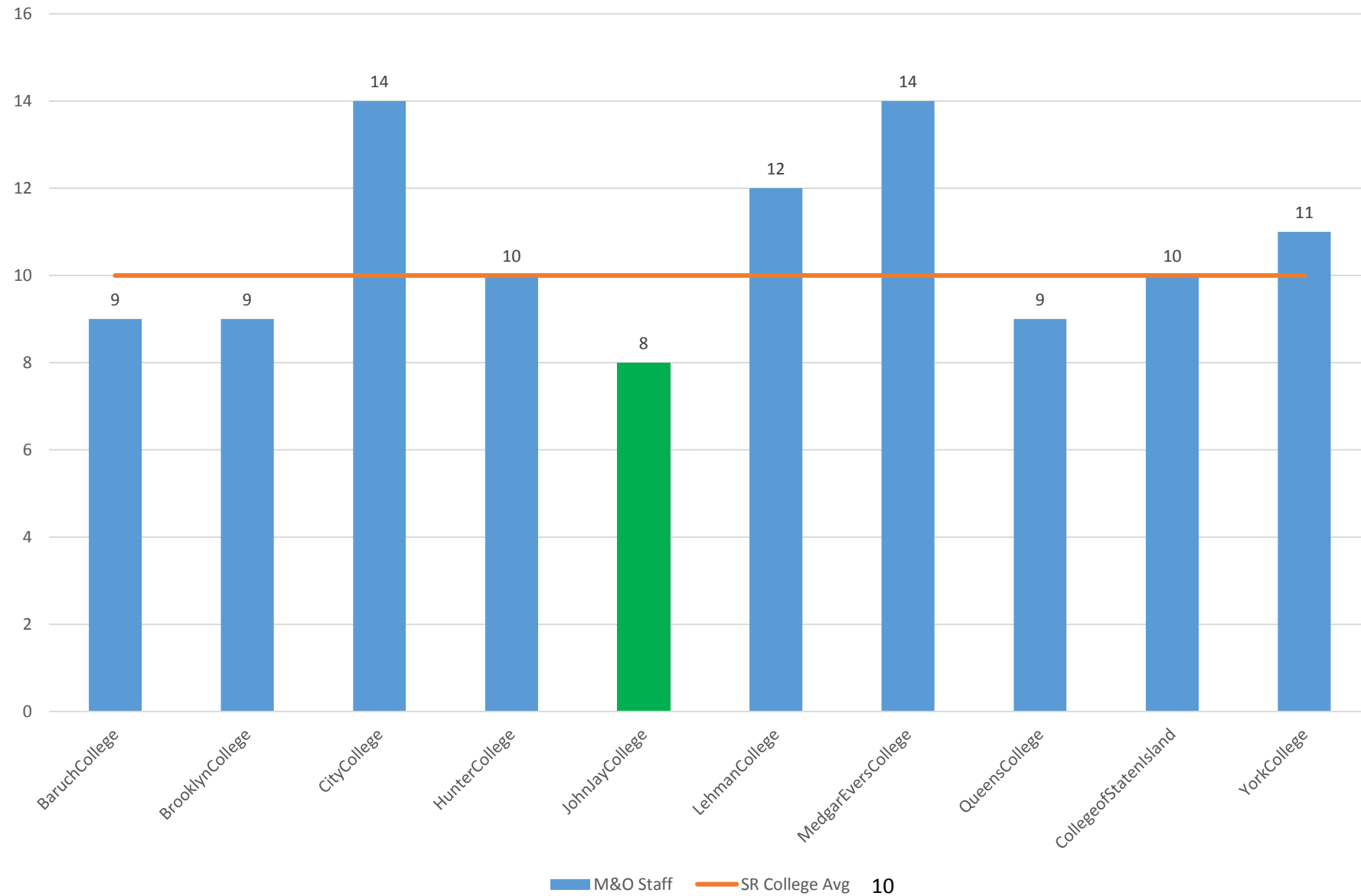
Academic Support Staff per 1000 FTE
Includes all expenditures associated with the library, audio visual services, galleries, and various media operations



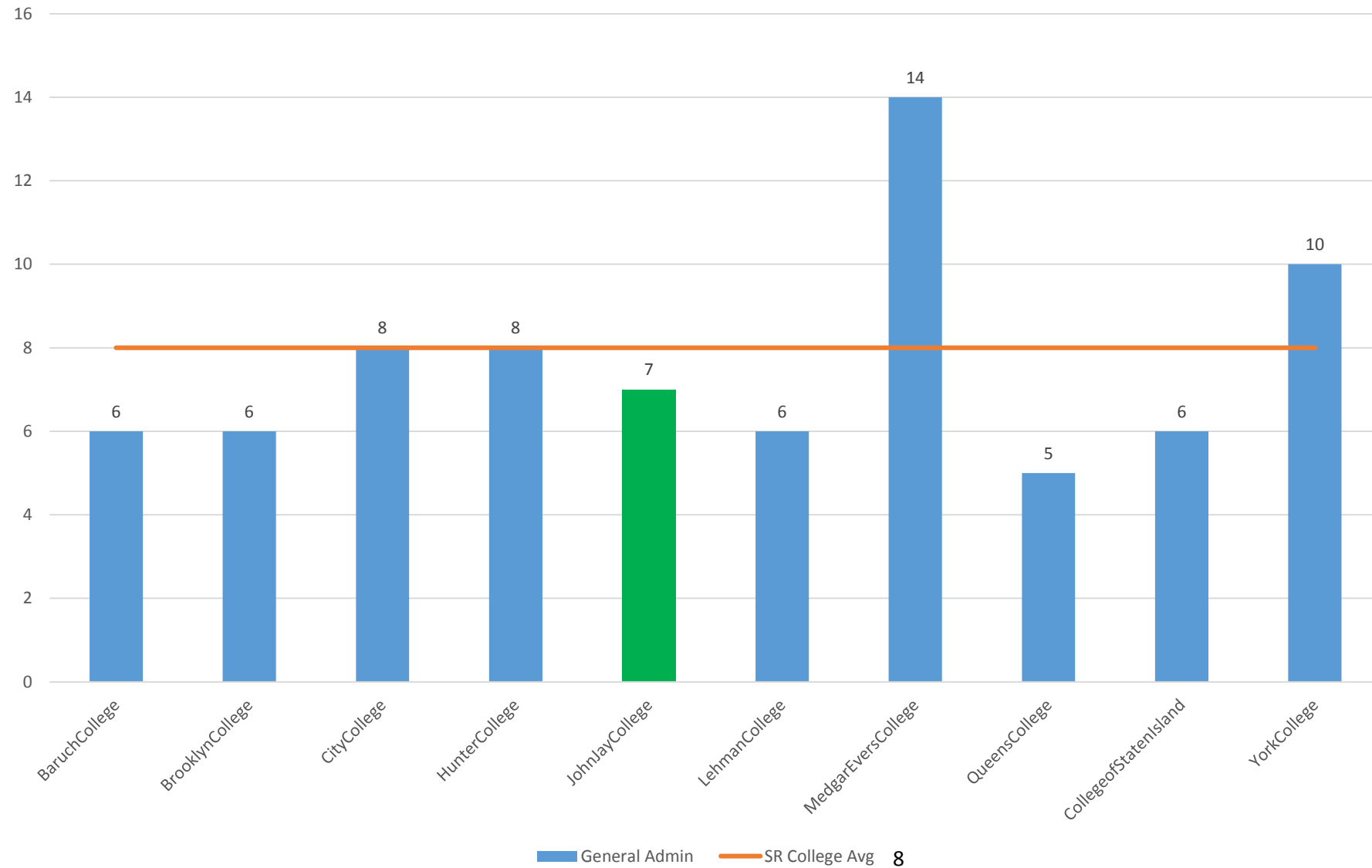
Student Services Staff per 1000 FTE
Includes counseling, financial aid, registrar, athletics, international student services,
admissions, and student health services.



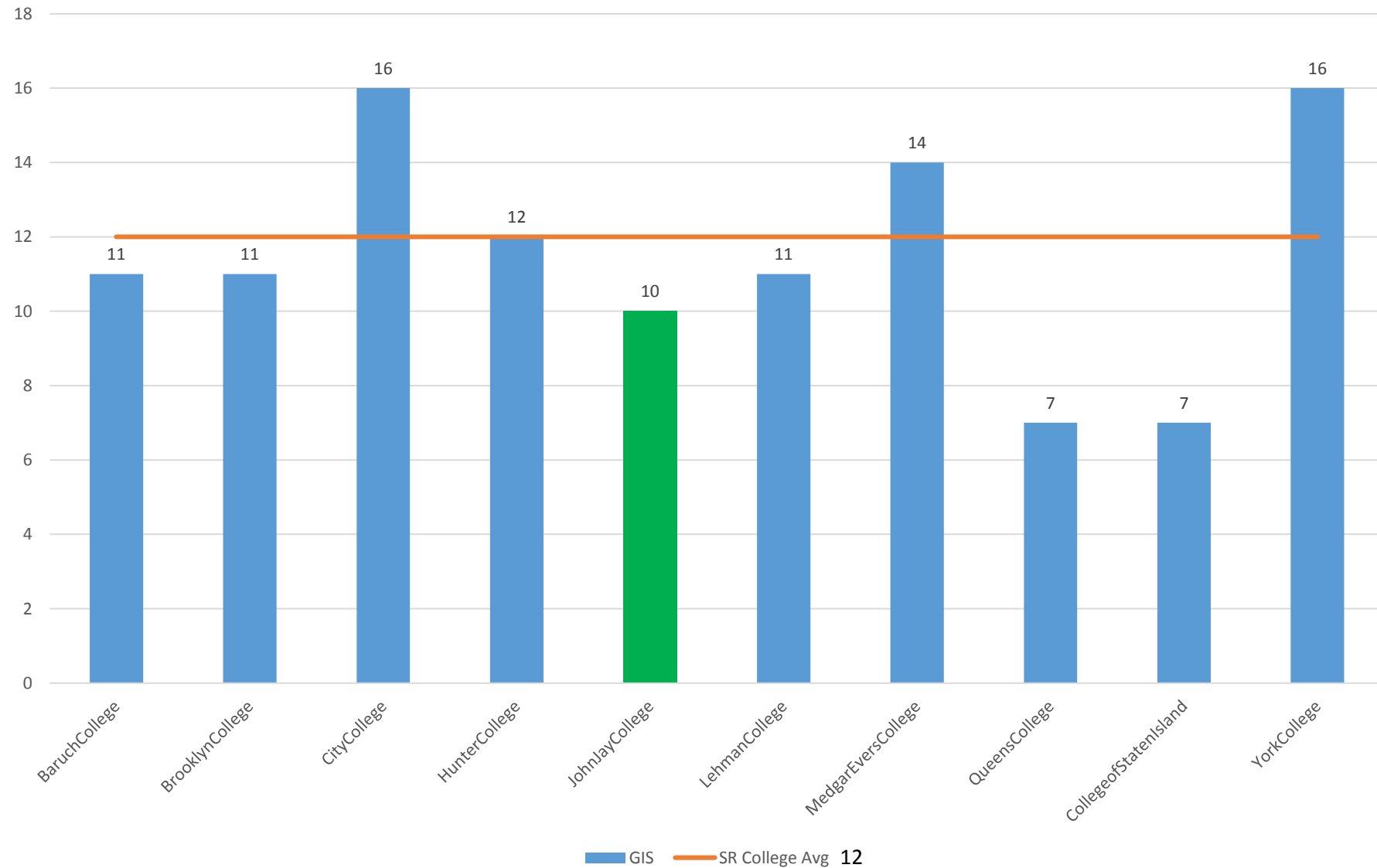
Maintenance & Operations Staff per 1000 FTE
Includes administrative, maintenance and custodial services



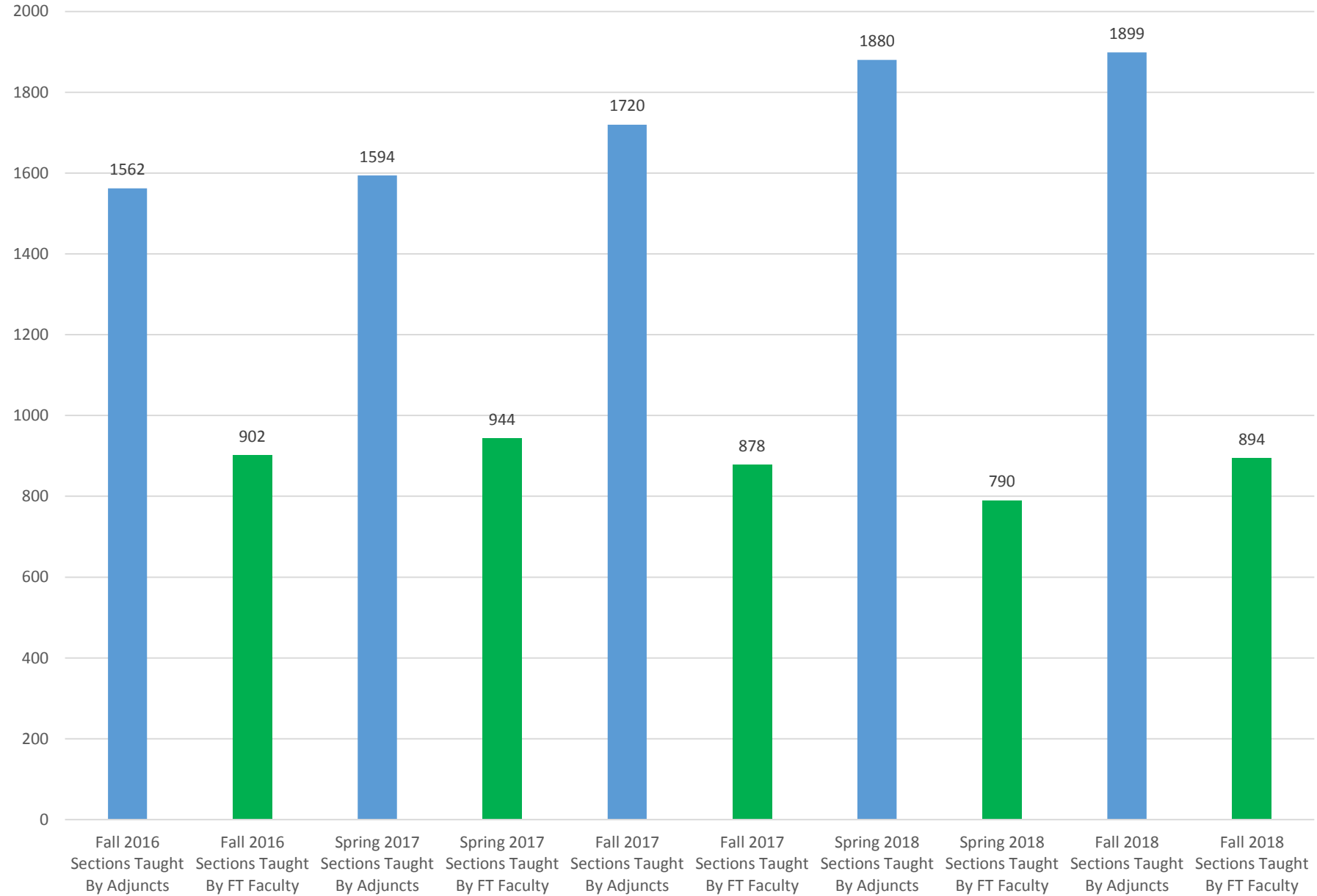
General Admin Staff per 1000 FTE
Includes presidential offices, legal services, fiscal operations, campus development and grant offices.



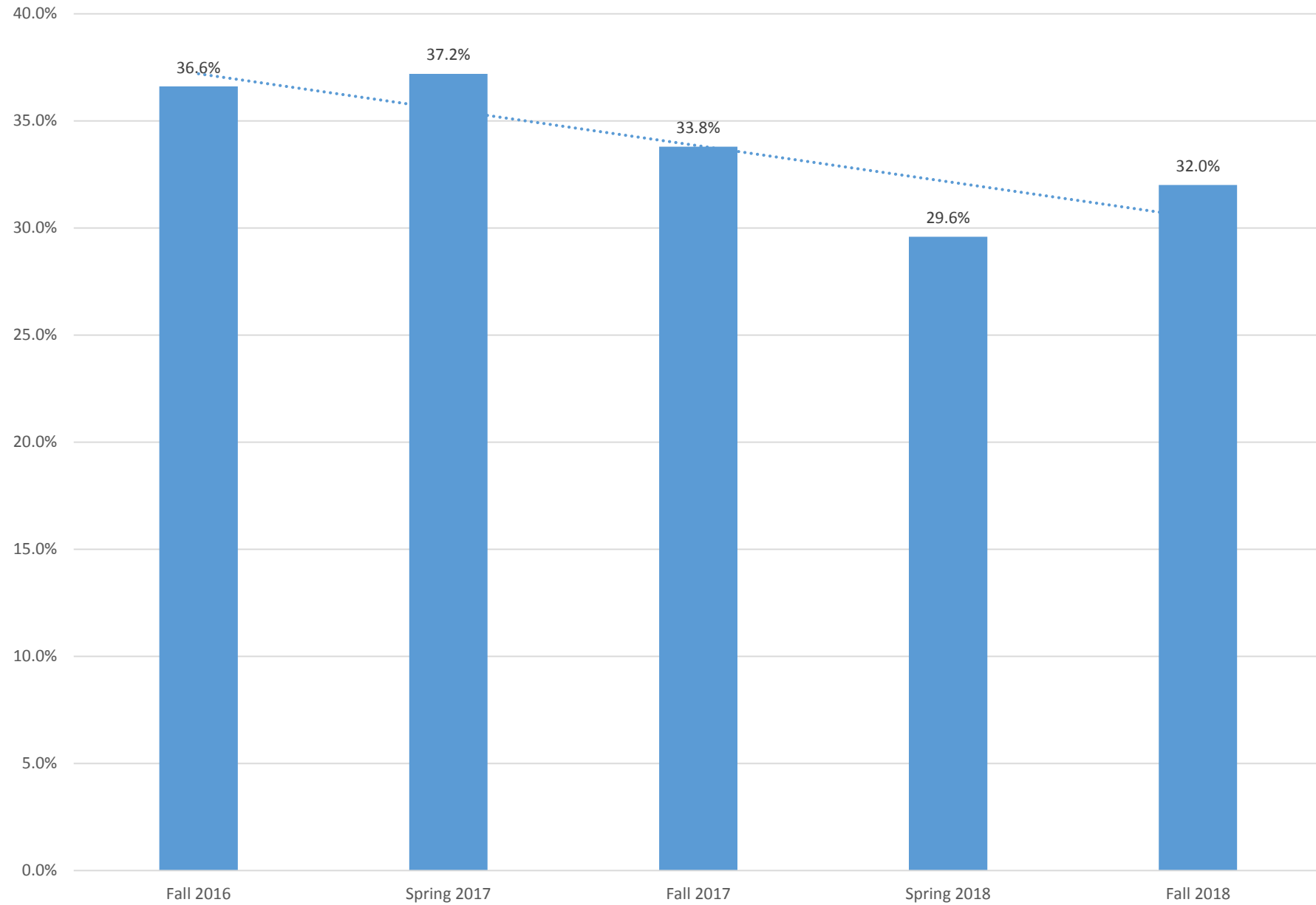
General Institutional Services Staff per 1000 FTE
Includes DoIT, Public Safety, mail and printing, institutional research, public relations, computer
and telephone service



Number of Sections Taught By Adjuncts verses Full Time Faculty



Percentage of Sections Taught by Full Time Faculty



Needs to Increase OPTS

OTPS

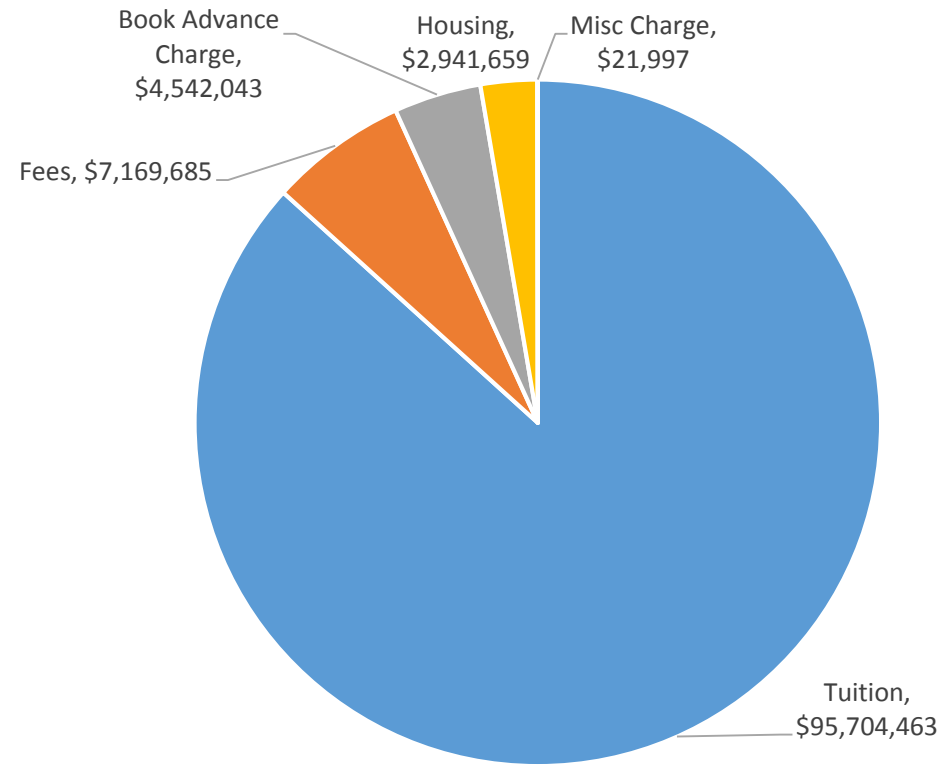
- Restoration of Departments back to FY18 Original Budgeted Levels, \$1,300,000
- Special Budget Changes

CF DEPT	Dept Name	FY2018 Actual	FY19 OTPS Budget	FY18/FY19 Difference	FY19 Notes
80129	UWI	\$0	\$778,500	\$778,500	Formerly in CUNY allocation
10301	Undergraduate Studies	\$29,338	\$331,486	\$302,148	\$254,482 = ACE Tuition, \$47,666 OPTS Supplies all formerly in RF
80259	Provost's Office	\$67	\$177,567	\$177,500	OER grant \$177,500
80040	Facilities	\$1,403,520	\$1,503,520	\$100,000	\$100K increase due to increase on elevator escalator contract
80179	Information Technology	\$498,932	\$598,932	\$100,000	\$100K Increase to cover critical maintenance issues
75126	Office of Accessibility Services	\$98,980	\$188,000	\$91,120	\$100K Addition for mandated services
80268	Registrar	\$34,479	\$114,479	\$80,000	Registrar for Record Digitization
80251	Print shop	\$192,496	\$247,496	\$55,000	Print shop (New Copiers)
80170	Office of the Advancement of Research	\$0	\$25,000	\$25,000	Rollover of Grant (Faculty Mini-Grant for Equipment)
10395	VP Student Affairs	\$27,468	\$49,446	\$21,978	\$21,978 for Explorers Grant formerly in RF
80250	President's Office	\$184,5998	\$84,598	(\$100,000)	President Allocation Reduction
	Total			\$1,631,246	

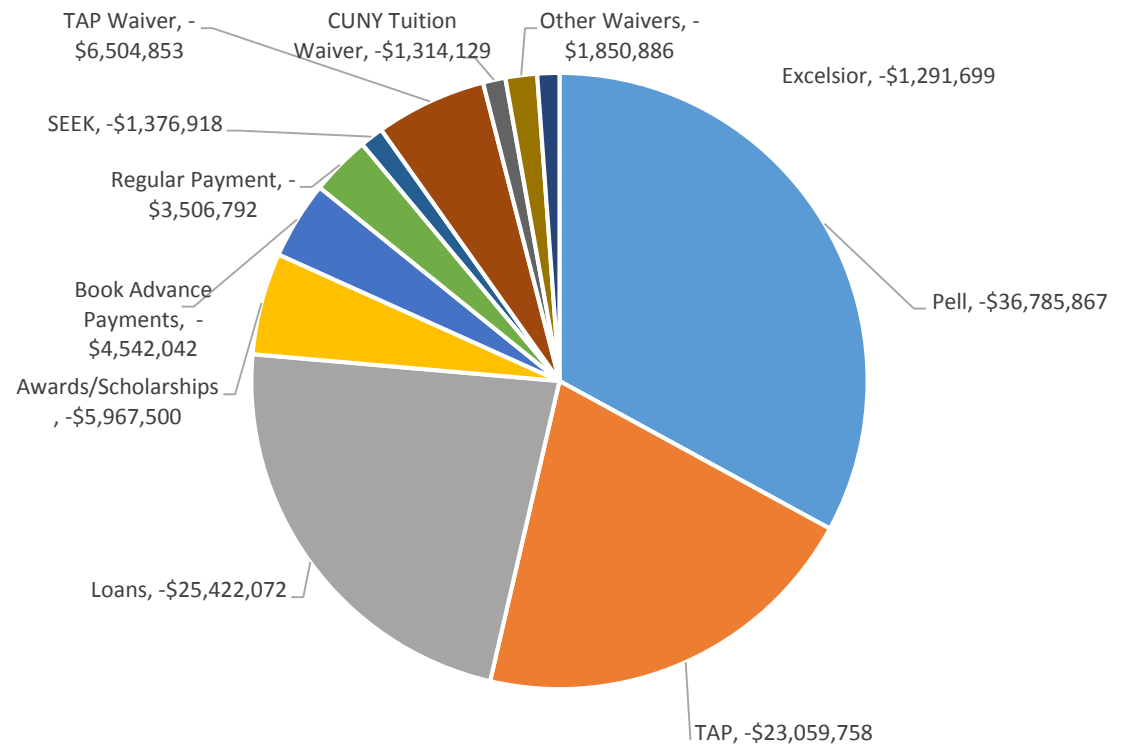
Overall Impact of Factors on Our Student Success Efforts and the Budget

Waivers and Their Impact on Unrealized Revenue

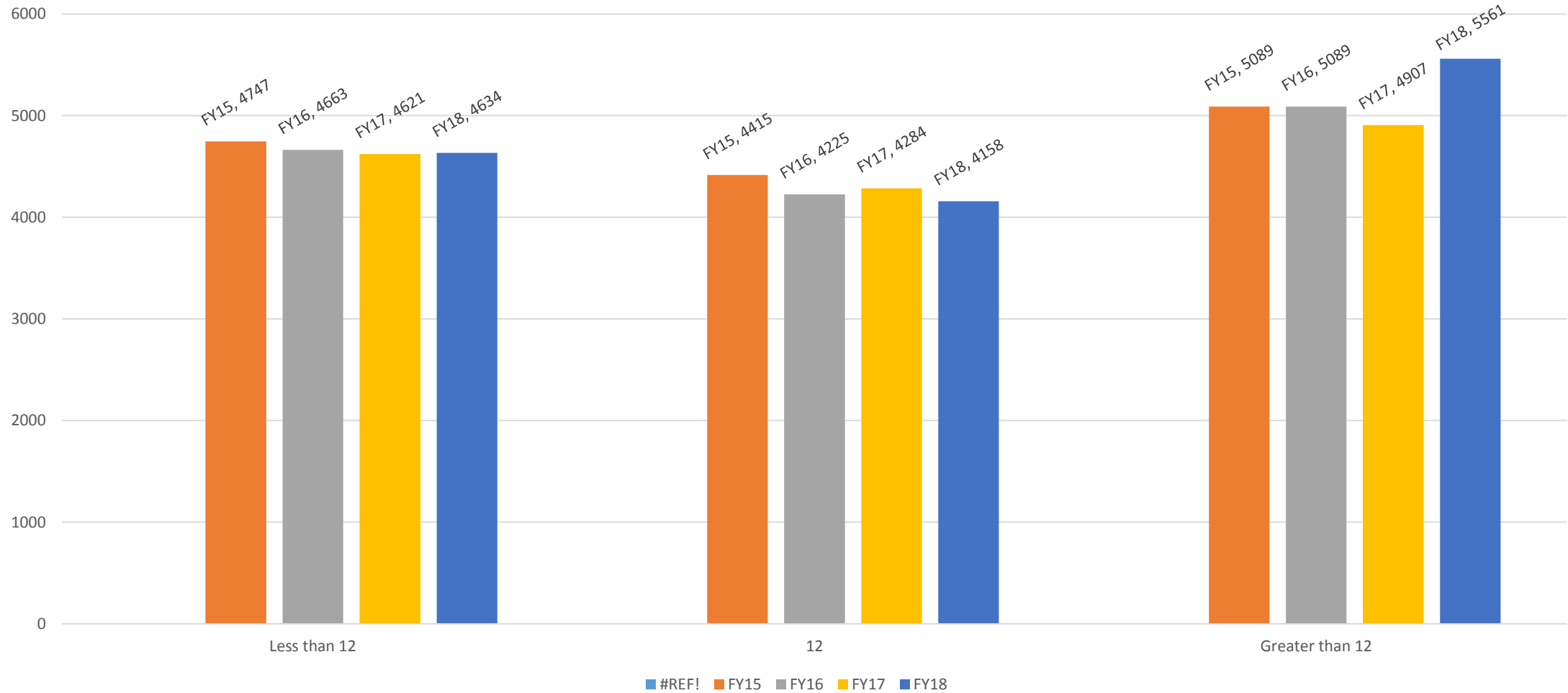
Student Account Charges



Payment Types



Number of Students Taking an Average x Credits Per Semester



Total Student Credit Hours

	Sum of FY2015	Sum of FY2016	Sum of FY2017	Sum of FY2018
Fall Undergraduate	165,235	160,550	154,988	162,310
Spring Undergraduate	156,744	154,055	152,799	161,043
Summer Undergraduate	15,062	16,214	16,613	18,788
Fall Graduate	12,665	13,498	12,952	14,425
Spring Graduate	13,014	12,865	13,372	14,206
Summer Graduate	2,115	2,256	2,526	3,034
Total Student Credits	364,835	359,438	353,250	373,806
FTE's	11,257	10,993	11,312	11,487

Influence of Course Level on Instructional Costs

		Course Level				
		100	200	300	400	Grad
Fall FY17	1169 Inst Cost	\$2,842,616	\$3,379,711	\$3,001,682	\$1,187,789	\$2,743,108
	1169 SCH	70,357	60,240	40,105	7,111	14,983
	Cost per SCH	\$ 40.40	\$ 56.10	\$ 74.85	\$ 167.04	\$ 183.09
Spring FY17	1172 Inst Cost	\$2,326,744	\$3,197,529	\$3,161,712	\$1,343,273	\$3,462,520
	1172 SCH	50,321	61,236	38,912	8,372	16,618
	Cost per SCH	\$ 46.24	\$ 52.22	\$ 81.25	\$ 160.45	\$ 208.36
Summer FY17	1176 Inst Cost	\$456,437	\$595,257	\$778,215	\$310,728	\$875,657
	1176 SCH	4,038	6,290	4,630	1,464	2,820
	Cost per SCH	\$ 113.04	\$ 94.64	\$ 168.08	\$ 212.25	\$ 310.52
Fall FY18	1179 Inst Cost	3,828,111	3,561,289	3,751,115	1,425,538	2,809,548
	1179 SCH	79,936	64,000	42,276	7,203	18,074
	Cost per SCH	\$ 47.89	\$ 55.65	\$ 88.73	\$ 197.91	\$ 155.45
Spring FY18	1182 Inst Cost	\$2,029,864	\$3,074,845	\$2,835,284	\$1,619,892	\$2,574,916
	1182 SCH	55,767	65,154	40,788	8,751	16,529
	Cost per SCH	\$ 36.40	\$ 47.19	\$ 69.51	\$ 185.11	\$ 155.79
Summer FY18	1186 Inst Cost	\$696,999	\$679,246	\$1,034,308	\$553,102	\$1,045,846
	1186 SCH	5,512	6,568	5,694	1,773	3,207
	Cost per SCH	\$ 126.45	\$ 103.42	\$ 181.65	\$ 311.96	\$ 326.11

Annual Revenue/Allocations

	Sum of FY2015	Sum of FY2016	Sum of FY2017	Sum of FY2018
Total Revenue	\$98,013,551	\$98,544,306	\$119,381,240	\$111,014,793
Revenue Per Student Credit Hour	\$268.65	\$274.16	\$337.95	\$296.99

Note: FY2017 Includes Collective Bargaining Retro Payments

Expenses by Department based upon Cost per Student Credit Hour

Cost Per Student Credit Hour	Sum of FY2015	Sum of FY2016	Sum of FY2017	Sum of FY2018
Academic Affairs	\$170.33	\$177.16	\$222.23	\$192.27
Development	\$0.16	\$4.99	\$4.94	\$3.36
Enrollment Management	\$12.99	\$13.03	\$16.91	\$15.31
Finance & Administration	\$54.24	\$55.23	\$66.10	\$61.67
Legal Counsel	\$1.16	\$1.03	\$1.17	\$0.85
Office of the President	\$3.03	\$2.90	\$3.99	\$4.48
Public Affairs	\$6.65	\$2.60	\$3.80	\$3.85
Student Affairs	\$14.19	\$13.37	\$16.24	\$14.95
Grand Total	\$262.75	\$270.31	\$335.37	\$296.74

Surplus/(Deficit) Per Student Credit Hour

	Sum of FY2015	Sum of FY2016	Sum of FY2017	Sum of FY2018
Revenue Per Student Credit Hour	\$268.65	\$274.16	\$337.95	\$296.99
Cost Per Student Credit Hour	\$262.75	\$270.31	\$335.37	\$296.74
Surplus/(Deficit) per Student Credit Hour	\$5.90	\$3.85	\$2.58	\$0.25

Conclusion/Request

Current Financial Plan

	FY19 Proposed
Total Revenue	\$114,705,000
Total Expenditure	\$122,022,000
CUTRA Applied to Operating Budget	\$1,083,000
Operating Surplus/(Deficit)	(\$6,231,000)
Year End Balance Without DOC Academy North Hall Rental	(\$9,510,960)

Reduce John Jay's Revenue target to have a Revenue Target to Allocation Ratio comparable to Lehman College

	John Jay	John Jay w/ Adjusted Ratio	Change	Lehman
Allocation	\$108,140,000	\$108,140,000		\$97,204,000
Revenue Target	\$88,423,000	\$78,617,780	\$9,805,220	\$70,688,000
Revenue Target to Allocation Ratio	81.80%	72.70%		72.70%
FTE	11493	11493		9676
Allocation Per FTE	\$9,409	\$9,409		\$10,046