

Budgeting in Unprecedented Times



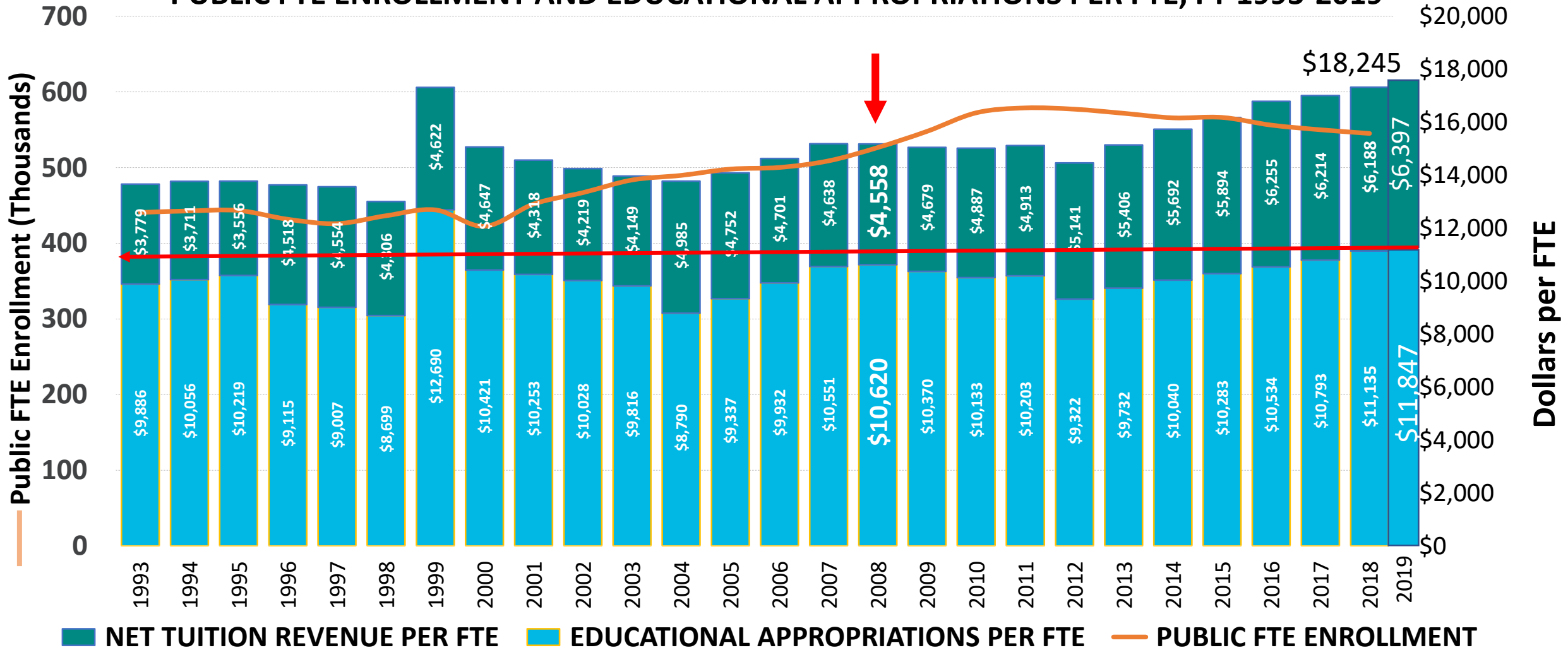
LEHMAN
COLLEGE

CU
NY

Budget Townhall – May 14, 2020

26 Years of New York State Public HE Funding

PUBLIC FTE ENROLLMENT AND EDUCATIONAL APPROPRIATIONS PER FTE, FY 1993-2019

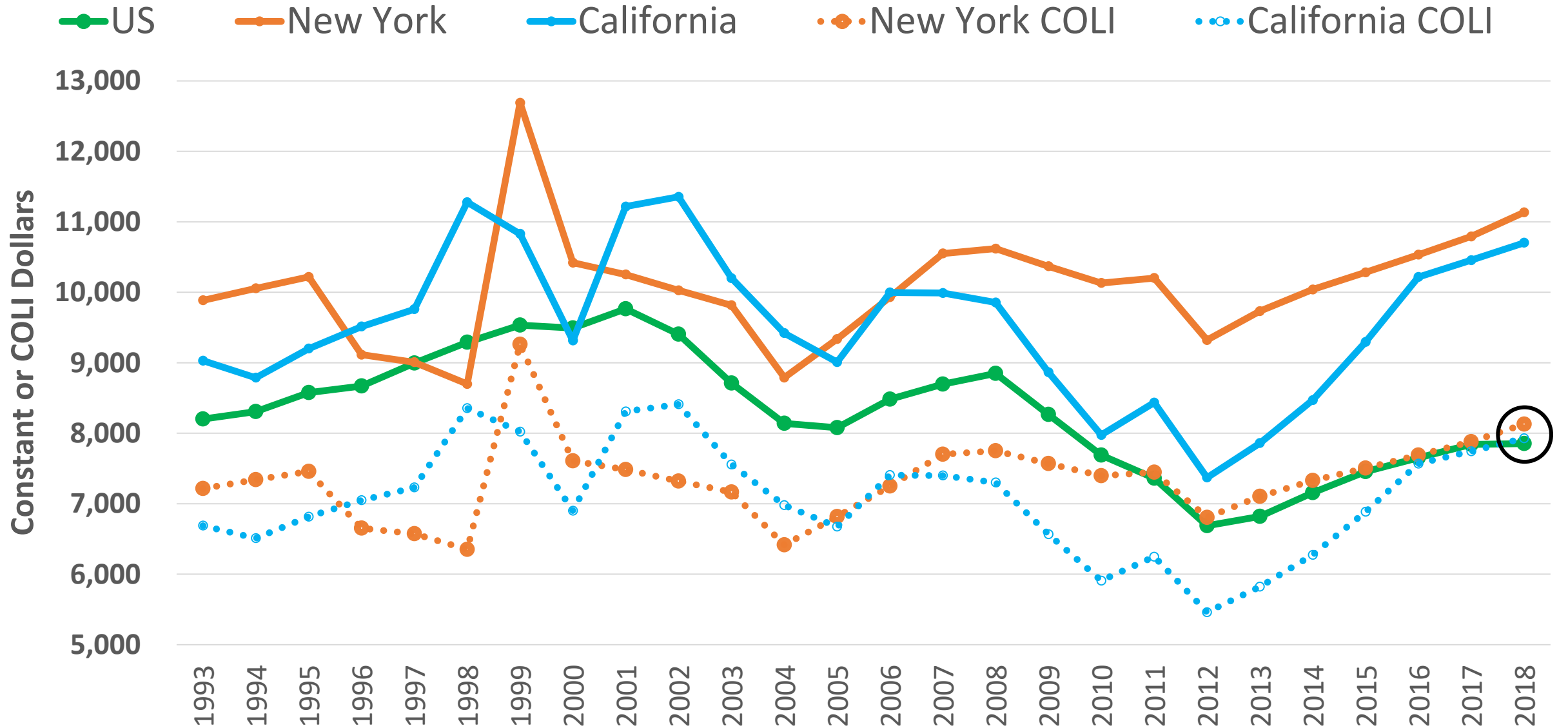


NOTES: Data adjusted for inflation using the Higher Education Cost Adjustment (HECA). Full-time equivalent (FTE) enrollment equates student credit hours to full-time, academic year students, but excludes medical students. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. Net tuition revenue used for capital debt service is included in the net tuition revenue figures above.

SOURCE: State Higher Education Executive Officers Association

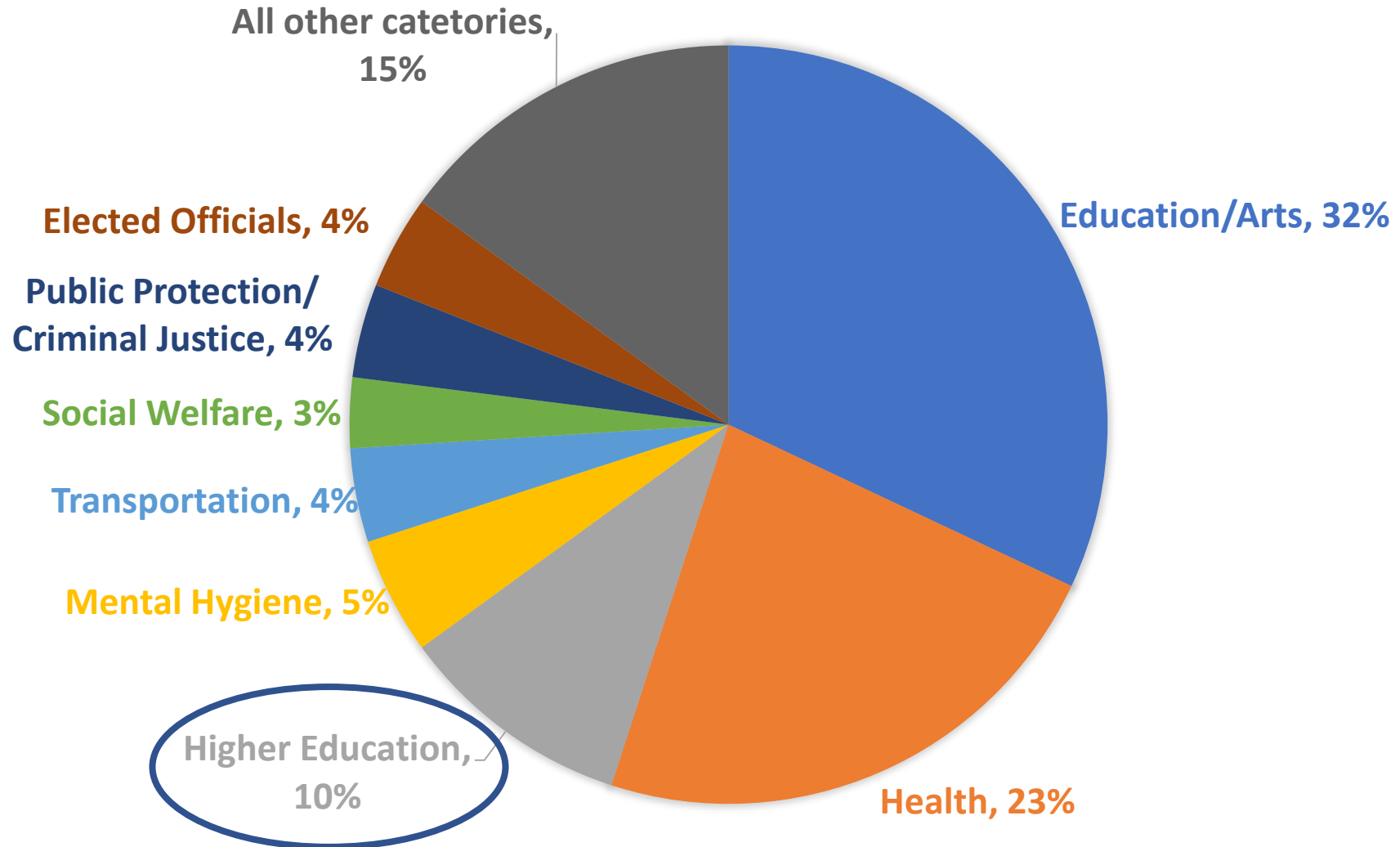
New York State in the National Context

Educational Appropriations per FTE

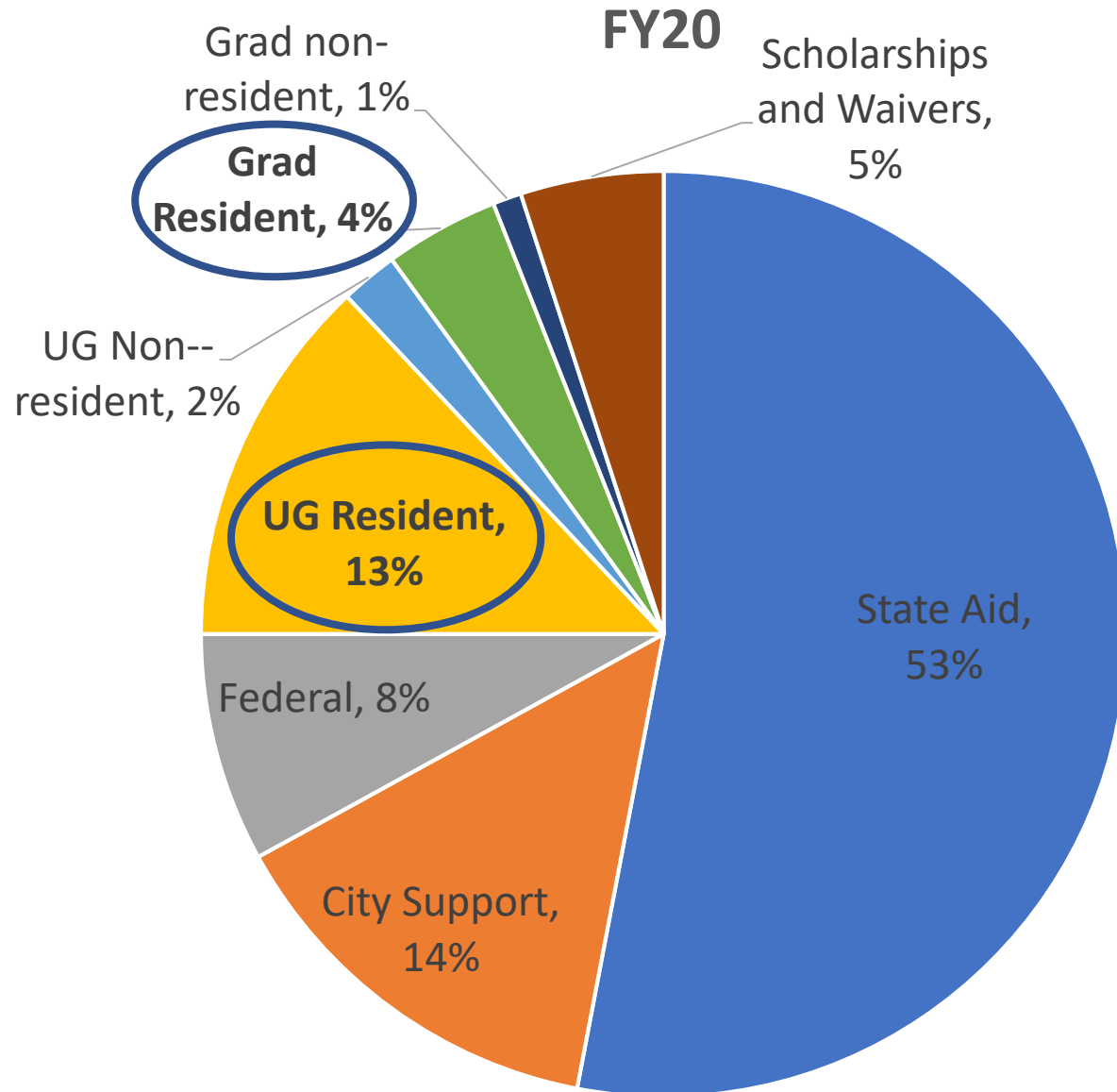


New York State Budget

FY 2020 OPERATING FUND BY AREA



Source of CUNY Funds



The Evolving FY21 Budget

The budget law included three dates when the State Budget Director, Robert Mujica (also a member of the CUNY BOT) may unilaterally adjust the budget based on projected revenues. The legislature has no authority to intervene.

1. April 30: finalized May 15 but the assumption being used is \$13.3B revenue shortfall (14%)
 - a. \$10.1B in agency budget reductions
 - b. Three targeted areas including education receive 20% reductions
 - c. That would amount to over a \$20 million reduction in our revenue from the State
2. June 30: ??
3. December 31: ??

Process

1. ...make **strategic, rather than across-the-board budget adjustments** as much as possible
2. ...employ both **short- and long-term thinking**,
...while at the same time making **investments**
...minding the overall **sustainability** of decisions.
3. ...continue our sense of **community...engagement, communication**

Values

1. The **safety, health and well-being** of students, staff, faculty, and other key community stakeholders
2. ...preserve the **integrity and quality** of our educational programs...excellence in teaching...support the scholarship, research, and creative work of our faculty.
3. The **needs of students are primary**... their timely graduation and career-readiness...remain a leading engine of social mobility
4. ...expand our **unique role as a catalytic anchor institution in the Borough**, providing intellectual leadership ...

Shared Governance and the Budget

Section 12. Budget and Long Range Planning Committee

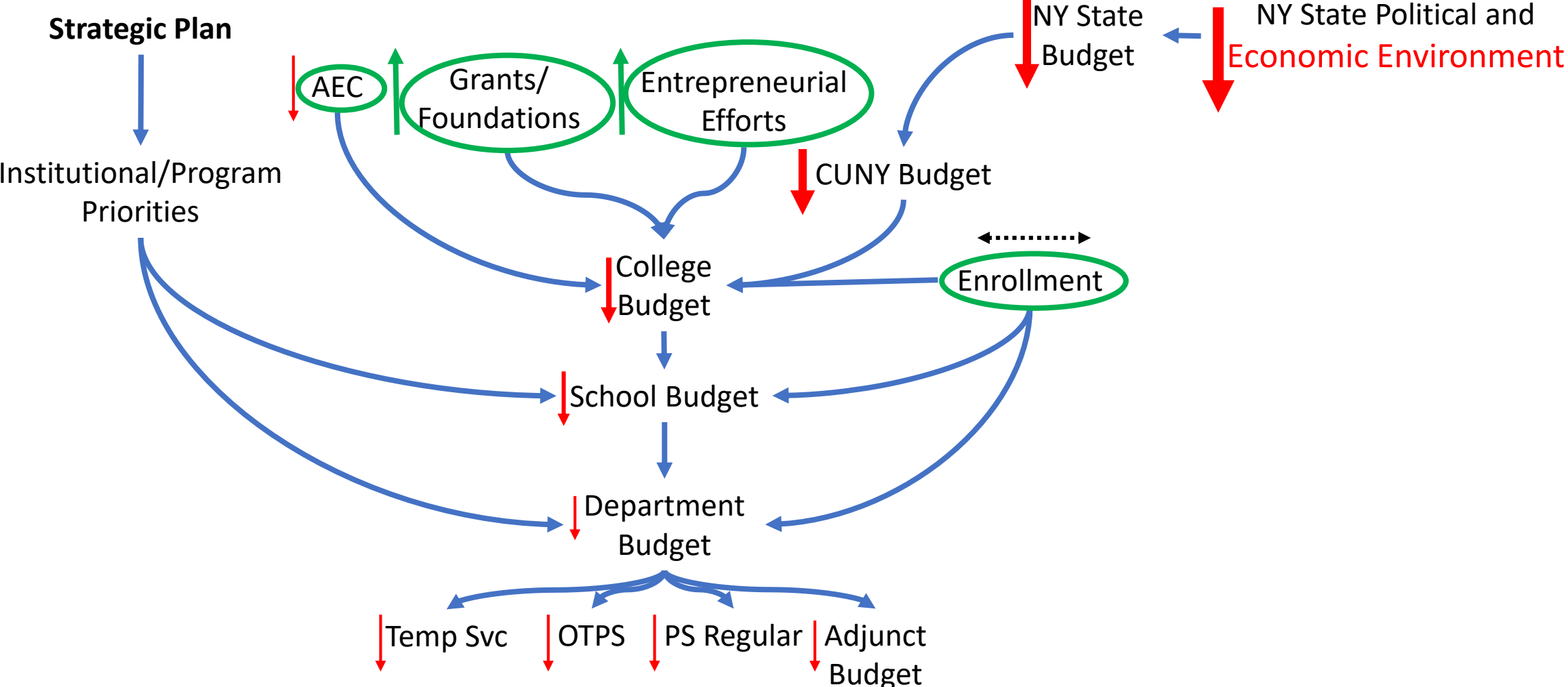
Long Range Planning Committee

- a) Membership: Ten members as follows: six elected faculty; three elected students; and one administrator.
- b) Functions:
 - i. **Receives** complete and timely information from the College Administration regarding the colleges budget;
 - ii. **Advises** the Senate and the College Administration regarding the College's budgetary priorities and strategies;
 - iii. Meets jointly with the P&B Subcommittee on the Budget for the purposes of **exchange of information and joint deliberation**;
 - iv. Reviews, on an ongoing basis, the long range plans of the College.

Budget Timeline

Milestone	Due Date
Develop Preliminary FY21 Budget Scenarios	April 13-15
Initial Presentation to Cabinet	April 16, 2020
First meeting of the Budget Working Group of Cabinet	April 22, 2020
Preliminary Budget Scenario to Joint Budget Committee of Senate and P&B	April 29, 2020
*NYS Budget ↓Cut or ↑Correction ?	April 30, 2020
PAB - Budget discussions, enrollment and revenue projections	May 15, 2020
Consultation with Joint Budget Committee of Senate and P&B	May 27, 2020
Cabinet - expenditures for FY21 finalized and proposed budget allocations	May 28, 2020
NTA, Adjunct Faculty re-appointment deadline	May 29, 2020
Implement Budget in CUNY First in preparation for FY21	June 15, 2020
NYS Budget ↓Cut or ↑Correction ?	June 30, 2020
*New Budget Year - issue preliminary budget	July 1, 2020
Final FY21 Financial Plan due to CUNY	August 15, 2020
*NYS Budget ↓Cut or ↑Correction ?	Dec. 31, 2020

Annual Budgets: Sources and Influences



Take Home

- We may face over \$20 million in budget reductions
 - Enrollment is a wildcard and collection is a wildcard
 - The State tax revenues and the Federal stimulus 4.0 are wildcards
- Our fund balance could be totally exhausted by the end of FY21
- We must end the year with a positive or zero fund balance
- Therefore, we may need to reduce our budget by over \$10 million
- If we exhaust our fund balance this year, we could face further budget reductions the following year and we would no longer have it as a cushion
- We have difficult choices to make on expenses
- And, we need to do everything we can to increase revenues

What must happen

- We have to work together
- We need to stick to facts
- **Boldness, Creativity** and **Flexibility** are imperative

Emerging Stronger

- Re-invention that builds on already existing strengths plus what we are learning now
- Initiatives that promote growth and are sustainable