

**FISCAL YEAR 2020 YEAR END  
AND  
FISCAL YEAR 2021 STATE ENACTED  
AND CITY EXECUTIVE BUDGETS  
PRELIMINARY ANALYSIS**



I am presenting to your attention an analysis of the recently issued Fiscal Year 2021 State Enacted and City Adopted Budgets. The analysis includes an overview of the impact of Fiscal Year 20 New York City budget reduction on the BMCC's operating budget

# **CITY EXECUTIVE BUDGET. IMPACT ON COMMUNITY COLLEGES FY 2020 BUDGET.**

- The City Executive budget includes \$24.6 million reductions from the January Preliminary Budget in operating support for the community colleges.

University Budget Office will summarize the resources available from the energy, special allocations and OTPS savings university-wide, which can be applied toward this budget reduction. The balance will be allocated to the colleges. BMCC usually gets about 22% of allocations.

# BMCC FISCAL YEAR 20 BUDGET STATUS PROJECTED AS OF APRIL 3, 2020

<b>RESOURCES</b>	<b>(in \$000)</b>
FY20 projected budget allocation	\$ 187,967
Projected revenue shortfall as of 4/3/20	(5,100)
<b>TOTAL PROJECTED RESOURCES (including PSC collective bargaining)</b>	<b>\$ 182,867</b>
<b>EXPENDITURES</b>	
Projected PS cost	\$ 151,170
OTPS budget allocations	35,016
Total Projected Expenditures	186,186
Originally Budgeted deficit	\$ (3,319)
<b>PROJECTED BUDGET SAVINGS</b>	
Projected savings from NTA expenses	\$ (465)
Projected OTPS savings	(2,000)
Total Projected Savings	\$ (2,465.00)
<b>BUDGET DEFICIT PROJECTED AS OF 4/3/20</b>	<b>\$ (854)</b>

# **TUITION REVENUE REMAINS THE MOST UNCERTAIN AND VULNERABLE COMPONENT OF OUR RESOURCES.**

We are projecting \$5.1 million revenue shortfall based on the assumption that collection rate for tuition paid by students will be 30% less than our historical collection rates.

After careful considerations, the Cabinet at BMCC approved the policy to allow students with current spring 2020 semester balances of \$4000.00 or less to register for the upcoming summer and fall 2020 semesters.

All balances prior to spring 2020 must be paid in full in order for registration to occur for summer and fall 2020.

There will be no Bursar holds applied until after the start of the fall 2020 semester, which is August 26th, 2020. This will allow students to conduct school related transactions without delay.

Summer 2020, and fall 2020 balances must be paid in full for spring 2021 and beyond registration or to request school documents (i.e. transcript, letter of enrollment, etc).

## **FY 2021 State Enacted Budget**

- The FY2021 State Enacted Budget for the community colleges, includes a decrease of \$7.4 million from the FY2020 level.
  - The budget agreement includes a provision whereby the State Budget Director can reduce the NYS spending by 6.7% throughout the year due to declining revenues related to the COVID 19 public health crisis. The three points of the year where this can occur are April 30th, June 30th, and December 31st.
  - If a 6.7% reduction were applied, the community colleges' appropriation, net of TAP, would be lowered by an additional \$16.3 million.
- Per FTE student base aid remains flat at \$2,947. Continuing community college enrollment declines result in a base aid realignment of \$5.4 million.

## FY2021 City Executive Budget

- The FY2021 NYC Executive budget includes \$31.6 million reduction in operating support for the community colleges. Major changes include:
  - Discontinued support for the following programs: \$2.0 million for remediation; \$1.0 million for Food Insecurity; \$0.6 million for child care; and \$0.4 million for adult literacy.
  - Funding will be provided in the amount of \$13.8 million for collective bargaining increases, \$10.0 for fringe benefits \$2.7 million for building rentals, and \$0.6 million for energy.
  - This is an Executive budget and the numbers may change in the final NYC budget at the end of June.

# FY 2021 BUDGET SUMMARY FOR COMMUNITY COLLEGES

- Total NYS and NYC projected budget decrease for Community colleges is \$39 million. The share of BMCC could be more than \$8 million.
- In addition, the downturn in economy, when families struggle with reduction of income due to loss of jobs or reduced work hours will continue to negatively impact tuition revenue.
- The timing of the release of 13 million - the second portion of the CARES Act funding is still uncertain. CUNY is developing plans how to best utilize these funds to serve our students and campuses. These funds can play a vital role in FY20 and FY21 budget deficit reduction.



# IMMEDIATE ACTIONS PROPOSED BY CUNY

- Effective immediately, the University is implementing a freeze on all personnel actions, including all hires and discretionary salary increases. Some exceptions that will be considered include health and safety positions and faculty searches in which an offer has already been made.
- Per NY City regulations, the University must pause all active campus construction projects, unless:
  - Construction is necessary to protect health and safety of occupants; and
  - Construction needs to continue until it is safe to shut it down.
- Until the end of the Fiscal Year 2020, colleges should refrain from any new one-time or recurring expenditures, with the exception of those that are related to COVID-19 or distance learning instruction.  
Colleges should not be entering into any new long-term contractual obligations

## FY2021 BMCC BUDGET PROCESS

- Once the college will receive from the University Budget Office information about the proposed allocations of NYC budget reductions for Fiscal year 2020 and provide the details on how the CARES Act funds will be allocated, our Budget Office will develop BMCC's preliminary budget for Fiscal year 2021 and distribute the OTPS and hourly employees budget requests in early June.
- As always, OTPS portion of college spending will be determined after subtracting the cost full-time employees salaries and projected costs of adjuncts and hourly employees.