

FY 2013- 2014 Financial Plan and Summary

October 15, 2013

The FY 2014 Financial Plan (updated 10/8/13) was approved by the University on October 11, 2013. The approved Financial Plan differs slightly from the preliminary plan in that we ended FY 2013 with a larger surplus than planned. There were 3 factors that resulted in the surplus: there was a one- time increase in our FY 2013 additional allocations as a result of energy savings; and our Adjunct and OTPS expenditures were lower than planned.

As you may recall, the University decentralized the energy allocations in FY 2013 and began tracking usage. The savings from usage below the College target was returned to the operating budgets of the colleges. Similarly, Colleges whose usage exceeded the targets were required to fund any additional costs from their operating budgets. Although the target for John Jay was set at historical usage levels and did not factor in the new building, the target was adjusted at the end of the year and \$230,000 was added to our CUTRA account at year end. This is a one- time funding. The actual adjunct expenditures were approximately \$300,000 less than planned. Lastly with the transition to CUNYfirst and the close out of the old financial systems, we were not confident that the new reports of final OTPS expenditures were correct when we first generated them in June. Therefore to be conservative, we intentionally inflated our projected OTPS expenses for FY 2013 by \$300k. It turns out the reports were accurate and we spent less than projected.

The increased FY 2013 year end surplus (2.4 million) will be carried over into FY 2014 and will allow the College to end FY 2014 with a surplus of \$1 million. The carry- over of the FY 2014 surplus increases the projected surplus for FY 2015 and FY 2016. The FY 2015 and FY 2016 plans assume additional revenue from increased enrollment and maintaining the reductions implemented to balance FY 2014.

The plan was the culmination of a six month financial planning process and includes the recommendations of the Budget and Planning Committee were as follows:

Recommendations for FY2014 Financial Plan from Budget and Planning Committee

Adopted August 26, 2013

The planning subcommittees met jointly on nine occasions since February, 2013, to discuss the financial plan and develop recommendations. On July 31 the subcommittees met with the full BPC to consult on the recommendations before a final subcommittee discussion on August 12. On August 26, 2013, the final subcommittee recommendations were presented to the BPC, which amended and then adopted them unanimously. Three sets of recommendations follow some observations about the budget situation.

Facts and Circumstances:

- The College lists approximately \$4 million of unfilled non-faculty vacancies.

- The College cut the College Assistant budget by 5% (\$246,000) for FY2014.
- In June 2013, the Middle States Commission requested a Progress Report, due April 1, 2015, documenting evidence of our having “sufficient numbers of appropriately prepared and qualified faculty. . .” and documenting “further implementation of an integrated strategic planning process linked to budgeting and resource allocation...”
- Filling vacancies late in the fiscal year is an unsound practice as it saves funds in the current year but results in increased costs the following year when the salary is annualized.
- The viability of the recommendations depends upon meeting current enrollment targets and achieving planned savings and revenue offsets. If any of these targets (enrollment, revenue, savings) are not met, further reductions will be necessary.
- New Investments will not be authorized until fall enrollment is known.
- The College continues to operate under a hiring pause for non- faculty positions.

To address the FY2014 deficit and to create a very modest surplus for new investments, the following actions were taken or are now recommended:

Recommendations to Balance FY2014 Financial Plan

Eliminate Proposed Tech Fee Transfers/offset with OTPS	\$106,000
Fund Director of Continuing Education from IFR	75,000
Defer all 38 Administrative Vacancies with 12/1 Start date to FY2015	1,192,193
10% OTPS Reduction	735,715
Re-Evaluate Tax Levy Support for Centers	200,000
Philanthropy Offset	150,000
Reduce Compact Fringe	<u>200,000</u>
 Savings/Revenue Offsets	 \$2,658,908

Funds for new investments	About	\$600,000
---------------------------	-------	-----------

Leverage Student Activity Association
 End of year balance

(100,000)
 60,000

The new spending proposals are very limited, and about half of the funds are earmarked for CUNYFirst, either for one-time transitional costs or full-time permanent positions:

Recommendations for New Spending in FY2014 Financial Plan

		F/T Costs	P/T Costs	PS Costs	OTPS	TTL PS/OTPS
CUNYfirst	Student Employment (DoIT)		\$28,000	\$28,000		\$28,000
	Student Employment (Enroll Management)		\$30,000	\$30,000		\$30,000
	F/T & P/T Personnel (Bursar/Enrollment/DoIT)	\$130,000	\$88,000	\$218,000		\$218,000
				\$0	\$50,000	\$50,000
Total CUNYfirst		\$130,000	\$146,000	\$276,000	\$50,000	\$326,000
SPG Recruitment				\$0	\$131,560	\$131,560
International Student Advisor		\$65,000		\$65,000		\$65,000
Distance Learning	Course Development		\$50,000	\$50,000		\$50,000
Student Affairs	Administration	\$60,000		\$60,000		\$60,000
Veterans Support			\$20,000	\$20,000	\$30,000	\$50,000
Total Other Recommendations		\$125,000	\$70,000	\$195,000	\$176,560	\$356,560
	Total Tax Levy Spending	\$275,000	\$178,000	\$453,000	\$226,560	\$682,560
Other Funds						
Space Planning Consultant	Aux Corp				\$125,000	\$125,000
Faculty Workload Mitigation	Faculty Accruals		\$125,000		\$125,000	\$125,000

Note: The savings do not balance the spending in the tables presented because the Budget Office is still cleaning up the numbers.

Further Recommendations

- The College will recruit and appoint 14 or 15 new full-time faculty for fall, 2014 with an overall salary limitation of \$1,134,000. (The funds for this will fall into the FY2015 Compact.)
- Forty non-faculty vacancies identified in the 7/25/2013 vacancy report should be filled including exemptions to the pause authorized by the President, Health and Safety exemptions and COA positions. The remaining 35 vacancies should be examined and either eliminated or deferred until July 1, 2014.
- The planning subcommittees should review proposed exemptions to the pause.
- Special funding for capital projects and equipment should be spent in a manner consistent with the funding requirements.
- Any new net revenue beyond that presented in the August 26 projection should be allocated back to the divisions in proportion to their respective overall budgets. The funds should be committed to College Assistant, overtime, and OTPS spending for the spring semester, rather than additional non-faculty hiring. Within the Academic Affairs domain, highest priority should be the restoration of departmental and library CA cuts, mitigation of faculty travel cuts, and mitigation of CUNYfirst impacts on academic department and program operations.
- The College should hold off on new hiring and spending on new investments whenever possible, pending receipt of fall enrollment numbers and review by the planning subcommittees and BPC.

John Jay College
FY 2013- FY 2014 Financial Plan

	<u>FY 2013 Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
<u>BUDGET ALLOCATION AND REVENUE</u>				
CUNY Revenue Target	\$79,917,000	\$82,867,000	\$82,867,000	\$82,867,000
Actual Enrollment / FY12-15 Projection	11,378	11,572	11,907	11,907
Base Allocation:	\$86,197,011	\$89,552,436	\$89,552,436	\$89,552,436
Lump Sum Allocations	\$2,141,885	\$2,221,746	\$2,221,746	\$2,221,746
Additional Allocations	\$4,000,054	\$1,540,716	\$1,540,716	\$1,540,716
Current Year Gross Tuition Revenue above CUNY Target	\$262,000	\$1,315,549	\$3,217,288	\$3,617,288
TTL BASE BUDGET ALLOCATION	\$92,600,951	\$94,630,447	\$96,532,186	\$96,932,186
Prior Year Cutra Balance	\$2,684,800	\$2,444,650	\$1,002,493	\$680,283
Lease Revenue				
TTL ADDITIONAL REVENUES	\$2,684,800	\$2,444,650	\$1,002,493	\$680,283
TOTAL BUDGET ALLOCATION	\$95,285,751	\$97,075,098	\$97,534,679	\$97,612,469
<u>EXPENDITURES</u>				
Personnel Services (PS) :	\$66,895,900	\$69,856,400	\$70,916,863	\$70,916,863
<i>Faculty</i>	\$34,517,142	\$35,517,730	\$35,687,298	\$35,587,298
<i>Administrative Staff</i>	\$29,417,054	\$30,863,842	\$31,932,821	\$32,032,821
<i>ECP</i>	\$2,961,704	\$3,474,827	\$3,296,744	\$3,296,744
Adjuncts:	\$11,932,800	\$12,530,163	\$12,530,163	\$12,530,163
<i>Teaching Adjuncts / CLTs</i>	\$11,620,151	\$12,217,513	\$12,217,513	\$12,217,513
<i>CETs</i>	\$312,649	\$312,649	\$312,649	\$312,649
Temp Services:	\$6,943,600	\$6,105,549	\$6,038,196	\$6,038,196
<i>College Assistants</i>	\$5,905,457	\$4,950,053	\$4,950,053	\$4,950,053
<i>Laborer Retroactive Collective Bargaining</i>				
<i>Non-Teaching Adjuncts</i>	\$1,038,143	\$1,155,496	\$1,088,143	\$1,088,143
TTL PS	\$85,772,300	\$88,492,111	\$89,485,222	\$89,485,222
OTPS	\$7,068,800	\$7,580,493	\$7,369,174	\$7,369,174
TTL OTPS	\$7,068,800	\$7,580,493	\$7,369,174	\$7,369,174
TTL FINANCIAL PLAN EXPENDITURES	\$92,841,100	\$96,072,604	\$96,854,396	\$96,854,396
YEAR END BALANCE	\$2,444,650	\$1,002,493	\$680,283	\$758,073

ASSUMPTIONS IN FY 2014 FINANCIAL PLAN

REVENUE/ALLOCATION ASSUMPTIONS:

Allocation reflects net allocated compact of 2.6 million for FY 13 only. Does not reflect FY 2015 Compact Allocation increase.

FY14 Revenue Target per UBO, Revenue Collections based on FY 2014 Tuition rates. Does not include tuition increase planned for FY 2015.

FY 14 enrollment based on Form A. FY 15 enrollment based on Enrollment Mgt estimate. No planned enrollment increase in FY 2016.

Summer 2014 assumes same collections as Summer 2013.

FY 2016 assumes increase in summer revenue of 10% or \$300k to balance plan.

EXPENDITURE ASSUMPTIONS

FY13-15 PS Projections include staff on 7/25/13 payroll, assumes 36 approved hires will be filled as planned and remaining 36 pending vacancies will not be filled.

FY 2014 Expenditures reflect hiring 33 new faculty in Fall 2013 (net increase of 6 from FY 2013).

FY14 Adjunct Projection reflects 350k or actual release time for Adjunct Reimbursement from RF

FY14-16 Temp Services Expenditures assumed will be within allocations as adjusted for financial plan changes.

All FY 2014 Reductions are carried into FY 2015 and 2016.