



# BUDGET UPDATE



# IMPACT ON CUNY COMMUNITY COLLEGES OF THE FY2022 STATE EXECUTIVE AND CITY PRELIMINARY BUDGET PROPOSALS

## **NYS Executive Budget**

- The FY2022 State Executive Budget replaces the FY2021 enacted budget withholding of 20% of operating support and replaces it with a 5% reduction to base operating aid and building rentals.
- The total reduction is \$11.7 million. The share of BMCC in this reduction is about \$2.5million.
- FY2022 per FTE student base aid remains flat at \$2,947. However, enrollment continues to decline at the community colleges. The resulting funding decrease is \$10.5 million.
- The Executive budget does not include current year legislative funding of \$2.5 million for ASAP and \$902,000 for childcare funding.
- The Executive budget also allows community colleges to establish lower tuition rates for high-demand certificate programs, in order to be able to react to market demand and allow for greater flexibility when developing more affordable education and training opportunities to help rebuild the economy.

## NYC Preliminary Budget

- The City Preliminary Budget provides \$458.4 million for the community colleges compared to \$459.8million in FY20-21.
- The Preliminary Budget increases the community college efficiency target by \$31.1 million above the \$46.2 million target in the current year.
- The Preliminary does not include current year funding for remediation programs (\$1.7 million), Food insecurity (\$1 million) and Child Care (\$510,000).
- The Preliminary budget includes funding for mandatory costs including collective bargaining, fringe benefits and building rentals. These funds are not available to offset efficiency .
- All these numbers are still preliminary and CUNY will continue negotiate with NYS and NYC in order to minimize clawing back.
- College specific asks to be developed. Our specific ask will be funding for CUNY in the Heights.

## FINANCIAL AID IN 2022

- According to State Executive Budget the tuition rate for the Excelsior Scholarship program will remain at the FY2017 level. The next rate adjustment will occur in FY2023 and years thereafter.
- The Executive Budget eliminates the 20% withholding and maintains full support to HESC financial aid programs, including TAP and the Excelsior Scholarship.
- The NYS Executive Budget also includes legislation to hold harmless students who were unable to complete academic requirements needed to maintain financial aid eligibility because the coronavirus disrupted their enrollment. The Budget extends financial aid award duration limits for those students who, because of the pandemic, were unable to maintain satisfactory academic progress due to illness, course closure, or other special circumstances.

# CURRENT FISCAL YEAR BUDGET UPDATE

- Current FY budget situation remains problematic. College operates on 8 months budget allocation.
- As spring enrollment was finalized, the projected revenue have been adjusted to reflect 11% student FTE reduction compared to fall 2020.
- The projected tuition revenue shortfall was decreased from \$16million to 13.5 million.
- On the expense side, in spring 21 we are projecting an increase in adjunct cost by approximately \$750K due to substantial average class size decrease from 25 to 22 students.
- Overall we are still expecting a budget deficit of approximately \$28 million.

# CARES STIMULUS FUNDS

As a result of CARES Act, BMCC was allocated the following Higher Education Emergency Relief Funds (HEERF):

Emergency Financial Aid	\$13,210,414
Institutional Portion	\$13,210,414
Minority Serving Institutions (MIS)	<u>\$1,720,729</u>
Total:	\$28,141,557

- Emergency Financial Aid in the amount of \$13,210,414 was disbursed.
- BMCC submitted a claim for 2020 calendar year in the amount of \$2,462,913 against the institutional portion.
- The unspent amount of CARES and MIS funds is \$12,468,230.
- Most of these funds should be released to the college shortly to cover the revenue shortfall.

# CRRSAA STIMULUS FUNDS

As a result of new stimulus package approved on 12/27/20 BMCC was allocated the following:

Min. amount for Emergency Grants to students \$13,210,414

Max. amount for Institutional Portion \$42,008,078

Total: \$55,218,492

- Amount allocated to Minority Serving Institutions have not been announced.
- CUNY have not yet received the guidance from DOE regarding the CRRSSAA funds.
- CUNY will disburse \$13,210,414 of students emergency grants as soon as funds will become available.
- Students do not need to be only Pell recipients or students who are eligible for Pell grants. In addition, the CRRSAA explicitly provides that financial aid grants may be provided to students exclusively enrolled in distance education.
- College would have to carefully document how students with exceptional needs are prioritized in distributing financial aid grants to students.
- However, it is still unclear whether funds can be used for grants to undocumented and DACA students.

# CRRSAA STIMULUS FUNDS

- Colleges may not (1) condition the receipt of financial aid grants to students on continued or future enrollment in the institution, (2) use the financial aid grants to satisfy a student's outstanding account balance, unless it has obtained the student's written (or electronic), affirmative consent, or (3) require such consent as a condition of receipt of or eligibility for the financial aid grant.

Allowable uses under the CRRSAA for Institutional Portion awards include:

- Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, costs associated with a transition to distance education, faculty and staff trainings, and payroll);
- Making additional financial aid grants to students