

## **Budget Committee Report to the College Council 11/29/2017**

1. The Business Manager, Alison Young and myself met with PMB Budget Subcommittee members on 11/13/2017. We answered their questions about the college budget process and reviewed FY17-18 1<sup>st</sup> Quarter Financial Report. The highlights of this report are the following:

### **Resources.**

Total projected Campus based Allocation is higher than in the prior fiscal year by \$5.6Mil as a result of:

- The State base aid per student FTE increase by \$50.
- The City support increase, largely to support the expansion of ASAP.

Centrally administered resources remain at the same level.

Technology Fee expenditures proposed by the Technology Fee Committee were approved at the level of \$5.6Mil., which is \$1.2Mil. higher than in FY16-17. If all initiatives will be completed, no rollover of FY17-18 technology fee revenue is expected.

Tuition revenue target, established in the original budget allocation was frozen for the third fiscal year in the row at the level of \$111.6Mil. However, it was adjusted upward for two reasons:

- \$5.5 Mil increase due to the transfer of funds to the capital budget to support the construction work at the newly leased additional space at the 3<sup>rd</sup> Floor in Murray Street campus.
- \$743K increase due to collection rate increase target established by the University as part of Administrative Efficiencies plan.

Projected tuition revenue collections are higher by \$5.1 Mil. Two major factors affecting this variance are:

- Additional 2.6Mil due to FY16-17 ASAP waivers payment of \$1.3 Mil received on 7/1/2017, which was not counted towards FY16-17 revenue.
- Fall17 tuition billed to international students and out of state residents is up by \$2.6Mil.

### **Expenditures.**

Full Time personnel services expenses are projected to be higher by \$4.6 Mil. than in the prior fiscal year. \$3.2 Mil of this variance covers the vacancies, and may not completely materialize by the end of year.

Adjuncts and hourly employee's costs are projected to remain almost at the same level as in a year before.

Based on the projected resources it looks like we may have \$5 Mil more than in the prior fiscal year to be spent on OTPS expenses.

**Enrollment.**

- Current fall 2017 enrollment numbers show a decrease from last fall's level, which may have some negative tuition revenue implications. While there are demographic and economic trends that are contributing to this decline, it should not be viewed as a short-term problem.
- It was approved to increase the contingency reserves from 3% to 4% by the end of FY16-17 and BMCC met this recommendation.

**Staffing.**

The numbers in the report demonstrate that BMCC continues to invest the resources in Instructional and Departmental Research staff, which includes faculty and support. The Academic Support increase was mainly due to increase of number of academic advisors and CUNY Start staff.

There were no significant changes in other personnel services categories.

The College submitted its balanced financial plan in September, which outlines in the aggregated form its financial resources and their allocation to personnel services and OTPS expenses. This plan was approved by University Budget Office.