

Budget and Planning Committee
Meeting Agenda
May 7, 2020
1:40-3:00pm – Zoom (details are in the calendar invite)

1. Strategic Plan 2020-2025(attached)
2. Budget Discussion (attached)

**The minutes from the last BPC meeting on 9/16/19 will be available for approval at the next BPC meeting*

Budget and Planning Committee Meeting
Minutes
May 7, 2020

Attendees: Karol Mason, Catherine Alves, Dara Byrne, Anthony Carpi, Anthony Chambers, Brian Cortijo, Angela Crossman, Warren Eller, Mark Flower, Robert Garot, Jay Gates, Karen Kaplowitz, Yi Li, Douglas Salane, Michael Scaduto, Larry Sullivan, Steven Titan, Alisse Waterston, Allison Pease, Alison Orlando, Adam Fane, Andrew Sidman, Ned Benton, Ric Anzaldúa, Avram Bornstein, Benjamin Bierman, David Munn, David Shapiro, Donald Gray, Ella Kiselyuk, Erica King-Toler, Jay Hamilton, Jessica Gordon-Nembhard, Jarrett Foster, Dyanna Pooley, Monica Son, Jose Luis Morin, Katherine Stavrianopoulos, Musarrat Lamia, Robin Merle, Shu-Yuan Cheng, Vicente Lecuna, Alena Ryjov (recorder)

Guests: Kim Chandler, Joe Laub, Raj Singh, Saaif Alam, Amber Rivero, Prof. Kimora, Tony Balkissoon

1. Strategic Plan 2020-2025 - Karol M. started by saying that we have completed our College's Strategic Plan and asked Allison Pease to review it. AP went over the plan, said that the team had a great feedback and input from the community. Members of the committee congratulated Allison and team on job well done. Ned B said that it's the best plan he'd seen. Karol introduced Amber Rivero as an incoming President of Student Government, and praised Mus L for being an incredible leader, and praised both for their efforts and contribution and playing an active role in the strategic planning process.
2. Budget Review 2021- Karol then passed a word to Mark F. to walk everyone through the budget presentation. Mark started by sharing good news for 2020. Thus far, he said, we started the year with \$8.5M deficit and ended with a surplus of \$744K. Mark explained what actions were taken to close the gap, including infusion of additional funds from CUNY, increased enrollment, initiatives we undertook, hiring freeze and energy savings. He noted, though, that in Spring our collection rates have dropped significantly [due to the current COVID situation], approx. \$1M drop, so this will have a significant impact on our budget. Karol added that the 3rd quarter end numbers are still coming in, there are still some things going on, like CA vacation time, for example, and she asked managers to encourage CAs to take vacation time. She said that CUNY bailed us so far with budget because they saw our efforts and things we were doing to close the gap, but this time the paradigm has changed, and we are in an uncharted territory; fiscal net will not be there this time, unfortunately. She said that as a country we have been through tough times before; NYC went through the 70s, 9/11, 2008, and came through and came out stronger every time, serving as a role model for the world. We are in a different crisis now, but we'll come through it together. She continued that State has issued a flat budget this year with caveats. First, the state is looking at \$14B in cuts, and \$10B is expected to be passed on to the agencies. We won't know the numbers until mid-May. Second, CUNY colleges were asked to reduce their budget by \$20+M, and community colleges, funded by the city, were told to reduce their budget by \$31.6M, so in total, CUNY is absorbing \$50+M of cuts to figure out. On a positive side, we are getting federal stimulus money, out of which \$1.6M will go directly to the students. We are given constraints as to how to use the rest of the money; we have to submit the plans and have them approved in order to spend. Mark F. has been participating in the Chronicle of Higher Ed budget seminars and we have formed a leadership budget committee that meets every Monday. Mark has been working on various scenarios for our budget for 2021. Mark F. started the presentation describing different scenarios for budget 2021. He started with the best case first, which includes a tuition increase of \$200, 10% drop in CUNY allocation, OTPS increase

of 2% among other things, resulting in \$21.7M deficit after CUTRA. Saaif A. asked a question whether vacation time applies to work-study students, to which Mark F. responded no, because they get paid out of federal money. Jessica G-N. asked if are going to be allowed to go that deep into a deficit or will we have to do the cuts? Karol M. responded that CUNY is not going to have a capacity to help us if we go down, we'll have to work together to make cuts. Saaif asked if SEEK program will be impacted. Karol answered that SEEK is funded by the State but we won't know until mid-May. She said she believes in the Chancellor, his support for SEEK and commitment to students, and there's a reason to be hopeful. Ned B. asked if the best case scenario doesn't include the CARES money for the Hispanic and minorities-serving institutions, and mark confirmed that it doesn't. Karol M. clarified that we got \$1.4M as a minority-serving institution but it came with strings attached so that's why it's not in the budget. Ned B. then asked how come it looks like admin staff expenses are going up, and Mark explained that these are not new personnel, this is because of the 2% collective bargaining agreement step increases. Ned B. asked what would be the value of additional enrollment. Karol responded that we can't over enroll in order to provide students with necessary experience and support; if we increase the numbers, we won't be able to do what we do. Ned B. then asked about the Aux revenue and how the lack of our regular activities impacts Q3 and 2021. Mark said that for Q3 we were able to transfer Aux funds to Tax levy to support and offset expenses, but for 2021 it will be difficult to expect that support. Brian C. asked if a portion of CARES money can be used for students in need to pay their tuition balance to complete their degree. Karol responded that these moneys go directly to students and we can't control how they spend them. There's no clarity on the remaining funds for the college, we are waiting for guidance from Feds and CUNY. Robert G. asked if faculty tenures are secure if departments get disbanded. Karol responded that we are not at the point of discussing it, we are just trying to keep OTPS flat and increasing revenue, no one is talking about disbanding faculty. Robert G. asked if the presentation can be shared with the faculty. Karol responded that at this time it's a working document not for release. Mark then went to describe the middle road scenario between the best and worst one. The middle road, which is what we think may actually happen, presumes that the tuition increase is not approved by the BOT and revenue target remains constant from 2020, 5% drop in enrollment, 10% drop in allocation, 5% drop in collection rate, among other things, resulting in \$26M deficit. He noted that we are seeing a drop in how students are responding compared to last year. On a positive side, we may see some energy savings. The worst case scenario presumes the tuition is not increased, revenue target remains the same, 10% drop in enrollment, 20% drop in allocations, city programs cut, 10% drop in collection rate, overall resulting in \$55M deficit. Yi Li asked if CUNY is considering lowering expectations on revenue target. Karol responded that the revenue targets are set historically and no one knows, but they have been looking into it. Kim C. joined to clarify how revenue targets setting process works explaining that each campus has a portion of a CUNY budget and if State budget is so drastic, CUNY will have to recalculate revenue targets. Ned B. commented that 10% reduction is already bad, but 20% cuts is just a jaw-dropping situation, but how likely is it? Karol responded that these budget scenarios are just to illustrate our thought process and planning for what may have to come. Mus L. asked if 20% is possible. Karol responded that nobody knows; Feds have yet to take actions to bail states out; we hope that the worst case is just a theoretical exercise. Robert G. clarified that the reason he asked a question about tenured faculty is because he already received those questions from his department and was looking for answers. Karol reiterated that this is not something the scenarios presume. Larry S. added that there's a retrenchment document in the College repository that provides a hierarchy on the job cuts. Alisse W. asked if we should be taking into consideration a lift in enrollment instead of a drop. Karol said that yes, we are taking it into

account, the unpredictability affects people's lives, and we are expecting an uptick, but the challenge is the revenue collection and ability to come; we do have the advantage because of "free" tuition, but the math doesn't work to our advantage, and we still want to be able to provide students with support and experience. Any way you look at it, it's a challenging situation, and how we manage it is our task and focus for now; we have to work on this collectively, and we can do this together. We hope to get some CARES act support. Karol also praised faculty by saying they have been great in trying to polish their skills. Alisson P. added that we have trained 200 faculty to teach online in the past 6 days; we are taking a coordinated approach and summer should be a better experience. DoIT has been a tremendous support for students and faculty. Karol ended the meeting by thanking everyone for being a part of this process and the new world, thanked faculty, staff and students for working together to succeed.



**JOHN JAY
COLLEGE
of Criminal Justice**

**STRATEGIC
PLAN
2020-2025**



OUR VALUES

DIVERSITY • EQUITY • INTEGRITY • JUSTICE • LEARNING & SCHOLARSHIP • RESPECT

OUR VISION

For JOHN JAY in 2025 is that we will:

- Be an engine for social mobility and equity
- Educate students to be fierce advocates for justice in a rapidly changing future
- Support world-class research and a justice-minded faculty

OUR MISSION

John Jay College of Criminal Justice is a community of motivated and intellectually committed individuals who explore justice in its many dimensions. The College's liberal arts curriculum equips students to pursue advanced study and meaningful, rewarding careers in the public, private, and non-profit sectors. Our professional programs introduce students to foundational and newly emerging fields and prepare them for advancement within their chosen professions.

Our students are eager to engage in original research and experiential learning, excited to study in one of the world's most dynamic cities, and passionate about shaping the future. Through their studies our students prepare for ethical leadership, global citizenship, and engaged service. Our faculty members are exceptional teachers who encourage students to join them in pursuing transformative scholarship and creative activities. Through their research our faculty advances knowledge and informs professional practices that build and sustain just societies.

We foster an inclusive and diverse community drawn from our city, our country, and the world. We are dedicated to educating traditionally underrepresented groups and committed to increasing diversity in the workforce. The breadth of our community motivates us to question our assumptions, to consider multiple perspectives, to think critically, and to develop the humility that comes with global understanding. We educate fierce advocates for justice.

STRATEGIC PLAN

GOALS & OBJECTIVES

GOAL 1:

Educate and support undergraduate and graduate students at every step of their John Jay journey

At John Jay we recognize that student success is everyone's responsibility, and our fundamental purpose as a college. Guided by our 2019 *Vision for Undergraduate Student Success* we will build on and expand approaches we know are working to help enrich undergraduate educational experiences and propel students to degree completion, such as student cohort, engagement, and support programs; faculty support and development for enhanced learning and student research; and integrated academic and career planning. For undergraduate and graduate students alike, we will engage our alumni in the career success of John Jay graduates and inform students early about the benefits of experiential learning in multiple career sectors. With designated academic advising and enhanced co-curricular programming, we will decrease graduate student time to graduation and advance their careers. With a larger faculty, enhanced philanthropic support for targeted student programming, and curricular and extra-curricular opportunities to learn 21st century skills, we will support and prepare more graduate and undergraduate students than ever to complete their degrees and become fierce advocates for justice.

OBJECTIVES

- a. Prepare all undergraduate and graduate students for lifelong success beyond John Jay
- b. Institutionalize academic support programs for freshmen & transfers
- c. Increase our undergraduate and graduate graduation rates
- d. Align and scaffold high impact instructional practices in general education and major courses to enhance students' critical thinking, research-based academic writing, and quantitative reasoning skills.
- e. Expand curricular and extra-curricular opportunities for experiential learning; creative research, production, and problem solving; and technological and information literacy.
- f. Increase size of full-time faculty

GOAL 2:

Create and advance knowledge in support of justice education, public awareness, and civic engagement

Our mission describes the college as “a community of motivated and intellectually committed individuals who explore justice in its many dimensions.” As student-facing staff and professors, we advance justice education not just by “educating traditionally underrepresented groups and ... increasing diversity in the workforce” but also by developing innovative curriculum that affirms the identities of our students and works toward our ideal of equitable outcomes for all demographics within our student body. John Jay’s curriculum is like no other in the country, with robust offerings in social justice, criminal justice and justice education that span STEM, social science and humanities disciplines. With contemporary challenges such as climate change, rapid technological change, and economic and structural inequality, John Jay’s curriculum must keep pace with the rapidly evolving future. We will continue to hire new faculty, we will increase the money we invest in faculty support for cutting-edge research that “builds and sustains just societies,” and we will increase the college’s connections with the local, state, federal, and international agencies and NGOs that benefit from our research and hire our alumni.

OBJECTIVES

- a.** Increase number of courses supporting environmental justice, data literacy, and digital literacy in General Education and incorporate AASHE sustainability/U.N. Sustainable Development concepts throughout the curriculum
- b.** Expand John Jay’s reputation as a national and international convener of justice issues
- c.** Support faculty to build on John Jay’s reputation for excellence in research
- d.** Increase intentionally designed civic engagement activities to positively impact student learning and professional outcomes, foster personal and community empowerment and deepen collaborative interactions among faculty, staff, students and community partners.
- e.** Support faculty efforts to innovate justice curricula and pedagogies

GOAL 3:

Embody and promote our values of equity, diversity, and inclusion

We are a college committed to justice, we are committed to educating historically underrepresented and low-income students in the name of equity, and as a proud Hispanic- and Minority-Serving Institution we know that our diversity is our strength. But as with any high ideals, we know that there are gaps between our commitments and the lived experience of some in our community. So, as a college, we are making it a top priority to continue to build a culture in which we embody and promote equity, diversity and inclusion. We have begun this work by formulating the core values that frame our educational mission and that we want to animate our campus climate: diversity, equity, integrity, justice, learning & scholarship, respect. We will orient all newcomers to our community -- whether students, staff or faculty -- to these values. We will make it our mission to close the equity gaps in educational outcomes for different demographic groups of students. We will work toward building a faculty that looks more like our student body. Faculty will not be expected to thrive on their own; we will provide new and continuing faculty with professional development and mentoring opportunities to facilitate their success, which in turn will help shape the successful outcomes of our students. Finally, we will mobilize the power of knowledge to engage faculty in the creation of a shared framework for a culturally affirming, inclusive pedagogy and curriculum design that helps our students see themselves, their strengths, and the experiences of people like them from a strengths-based, and not a deficit-minded, framework.

OBJECTIVES

- a.** Create and sustain a culture of equity, diversity and inclusion
- b.** Close graduation equity gaps for all student populations we serve
- c.** Achieve equitable student success across all learning modalities
- d.** Continue to hire, retain and advance a diverse faculty through collaborative support and mentoring services for all faculty at all stages of their careers
- e.** Develop a shared framework across the faculty that informs a culturally affirming, inclusive pedagogy and curriculum design

GOAL 4:

Improve and expand financial resiliency, operational efficiency, and the college's sustainability

No one questions John Jay's commitment to justice, but a person looking at our funding model might rightly question how we can afford to educate fierce advocates for justice and support world-class research. After several years of projected budget deficits that have forced us to winnow our hiring and make difficult decisions on an annual basis, it is time for John Jay to take stock of its sources of income, its costs, its operational efficiencies, and its priorities, and to align those four things in order to make a more sustainable future for the college. While over the past five years the college has increased funding from indirect grant revenue and philanthropy, neither one of these sources of funding alone will be sufficient to sustain us. To become a sustainable college we need to diversify our revenue streams and improve operations through technology and staff development. Because we are fierce advocates for justice we commit to reducing our carbon footprint and saving energy, but this is a strategic alignment of costs and priorities, because doing so will also save us money.

OBJECTIVES

- a.** Create an effective, transparent budget process aligned with college priorities
- b.** Expand and diversify revenue streams
- c.** Improve operations through staff development and technology
- d.** Implement a comprehensive sustainability program using AASHE Stars
- e.** Use space creatively to sustain priorities
- f.** Build plans for adding space to the college

MEASURING SUCCESS

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
GOAL 1	a. Prepare all undergraduate and graduate students for lifelong success beyond John Jay	a. CUNY PMP 2018 indicates graduates enrolled in further study within 1 yr = 14%, graduates employed in NYS within 1 yr = 82%. Equifax data summer 2020 used to benchmark all.	a. Postgraduate employment rate 85% within one-year of graduation; graduates enrolled in further study will be 18%
	b. Institutionalize academic support programs for freshmen & transfers	b. This is the first year 100% freshmen have academic, cohort-based services; 900 transfers in semester-long seminars with peer coaching and co-curricular support	b. 100% freshmen have academic, cohort-based services; 3000 transfer students per year have academic advising, peer coaching, access to emergency funds and co-curricular programming.
	c. Increase our undergraduate and graduate graduation rates	c. 2019 UG graduation rates: 4 yr = 38%, 6 yr = 52%, Transfer 4 yr = 62%. Master's graduation rate 81.5% for full-time 59.3% for part-time	c. Graduation rates 2025 4-yr = 40% 6-yr = 65% Transfer 4-yr = 70%. Master's degrees (4 yr) 85% = FT 65% PT
	d. Align and scaffold high impact instructional practices in general education and major courses to enhance students' critical thinking, research-based academic writing, and quantitative reasoning skills.	d. no inventory of high-impact practices used in Gen Ed; Gen Ed outcomes assessment of 2015 indicated critical thinking met by 99% at first-year level and 8% at capstone; written communication met at 99.6% at first year and 19.3% at capstone; quantitative reasoning in (20XX) met at XX% in first year and XX% at capstone.	d. inventory and scaffolded alignment of at least 3 high impact instructional practices; Improvement on 3 learning outcomes at capstone level by a minimum of 10%

e.	Expand curricular and extra-curricular opportunities for experiential learning; creative research, production, and problem solving; and technological and information literacy	e. credit-bearing experiential learning opportunities TBD; CUNY PMP (based on survey) 12% undergraduate students have paid internships.	e. 35% of eligible students will participate in a credit-bearing experiential learning opportunity or a formal Service Learning opportunity before graduation 25% undergraduates will have paid internships.
f.	Increase size of full-time faculty and percentage of full-time teaching	f. AY20 = 401 FT faculty	f. 450 faculty and 2% increase in total full-time coverages of courses

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
GOAL 2	a. Increase number of courses supporting environmental justice, data literacy, and digital literacy in General Education and incorporate AASHE sustainability/U.N. Sustainable Development concepts throughout the curriculum	a. 5 environmental justice courses (1722 students in AY20), 5 data literacy courses (1397 students in AY20), and 2 digital literacy courses in General Education with a total enrollment (this stat TBD as courses supporting digital proficiencies is much higher than this indicates); AASHE inventory of 266/775 (34%) courses addressing sustainability challenges	a. 10 environmental justice courses; 10 data literacy courses, and 10 digital literacy courses in General Education with 25% increase of total enrollment of students in each category; AASHE inventory of 40% courses addressing sustainability challenges.
	b. Expand John Jay's reputation as a national and international voice on justice issues	b. Monthly media mentions are 80 and top tier monthly media mentions are 20, One signature college-wide justice conference each year Total social media followers are 150,000+ and social media engagement are 350,000+	b. Increase monthly media mentions to 100 and top tier monthly media mentions to 25, hold at least 2 college-wide justice conferences per year; Increase social media followers and social media engagement by 10 percent;

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
	c. Support faculty to build on John Jay’s reputation for excellence in research	c. OAR investment in faculty research and travel in AY19 = \$1,058,000; 20% faculty receive individual awards FY18 research grants = \$9,293,015	c. OAR increase internal research/travel funding to \$1,163,800; 25% faculty will receive individual awards; FY25 research awards increases by 20%
	d. Increase intentionally designed civic engagement activities to positively impact student learning and professional outcomes, foster personal and community empowerment and deepen collaborative interactions among faculty, staff, students and community partners.	d. 2018 John Jay student voter registration rate of 72.5%; voter participation rate of 37%; and community service rate of baseline TBD.	d. 2024 John Jay eligible student voter registration rate of 85%; voter participation rate of 60%; and community service rate increase of 10%.
	e. Support faculty efforts to innovate justice curriculum and pedagogies	e. Pilot year of 6 Faculty Fellows in Curriculum-Driven Student Success (one major revised, 2 gateway courses revised; growth-mindset pedagogy tested for FYE; Gen Ed writing pedagogy tested)	e. Annual Faculty Fellows Program around justice education priorities environmental justice, data literacy, inclusive curriculum. # faculty fellows + courses, programs, and improvement metrics

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
GOAL 3	a. Create and sustain a culture of equity, diversity and inclusion	a. 2019 Climate Review Action Commitments documented; 2018 CUNY Sexual Violence Campus Climate survey 81% say campus is doing a good job of ensuring safety against sexual violence, 92% say they are respected as a member of campus community	a. Successful completion of 2019 Climate Review Action Commitments; 95% will respond to CUNY Sexual Violence Campus Climate Survey that they are “respected” and “safe” on campus.
	b. Close graduation equity gaps for all student populations we serve	b. 2019 JJ rates v National 4yr public rates: 38%JJ/41%N; total 34%JJ/21%N, Black 42%JJ/49%N, Asian PI 36%JJ/32N, Hispanic 40%JJ/45%N; White 8%=high/low inter-group gap	b. Ensure all groups surpass national averages and reduce inter-group gaps by 25%
	c. Achieve equitable student success across all learning modalities	c. Graduate FWI rate for online vs in-person courses SP19: 8%/6% Undergraduate DFWI rate for online vs in-person SP 19: 19%/15% Support services online routinely: Writing Center only.	c. Graduate FWI rate for online vs in-person will be same; UG DFWI rates for online vs in-person will be same; All student support services will be easily accessible and routinely online

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
	d. Continue to hire, retain, and advance a diverse faculty through collaborative support and mentoring services for all faculty at all stages of their careers	d. TBD; 2.5% FT faculty receives formal mentoring; 0 mentoring/support for PT faculty; current % URM faculty = 33.8% % female faculty at each rank; % URM faculty at each rank; % department chairs female = 30%; % department chairs FOC = 22%; mean # years in rank of Assoc by gender & URM	d. Retention, tenure & promotion rates of URM faculty members comparable to non-minority faculty; Expand faculty support & mentoring to 25% for FT and 15% for PT Increased % of URM faculty; increased % of female faculty at rank of Full Professor; increased % of URM faculty at rank of Full Professor; increased % dept chairs female and URM; reduced # years in Associate rank for females and FOC
	e. Develop a shared framework across the faculty that informs a culturally affirming, inclusive pedagogy and curriculum design	e. No framework for shared understanding	e. Framework document produced after one year, # faculty participating in discussions and development opportunities; 15 Inclusive OER Gen Ed courses revised or developed; # of students per year impacted by revised courses.

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
GOAL 4	a. Create an effective, transparent budget process aligned with college priorities	a. Discussions occur but there is no regularized calendar and process for when and how decisions will be made	a. Develop budget process and calendar of open meetings to clearly align with strategic plan

	OBJECTIVES	BENCHMARKS 2020	KEY PERFORMANCE INDICATORS 2025
	b. Expand and diversify revenue streams	b. Professional Studies revenue in FY 19 = \$400,000; IA fundraising in FY19 = \$10,720,952 ; External grants in AY 19 = \$33 million; AY19 Auxiliary Corporation = \$1.8 million	b. Professional Studies target net revenue \$1,000,000; 30% increase in fundraising; 10% increase in external grants; Auxiliary Corporation 20%
	c. Improve efficiency and effectiveness of operations	c. Instructional budget relative to total budget = 49%; HR satisfaction currently 54%	c. Increase instructional budget relative to total budget; satisfaction with HR support services on annual F&A survey will improve by 20%
	d. Implement a comprehensive sustainability program	d. AASHE Stars estimated rating based on sp 2020 inventory – Bronze Rating	d. Implement STARS, Sustainability Tracking, Assessment & Rating System and achieve Silver Rating
	e. Use space creatively to sustain priorities	d. No framework for space use	e. Implement framework for space allocation and reallocation
	f. Build plans for adding space to the college	f. no plan currently in place	f. Adoption of a CUNY-recognized and funded plan for more space

John Jay Data Analysis related to “Under Covid-19, University Budgets Like We’ve Never Seen Before”

Mark Flower
AVP for Finance
5/7/2020

Prepared for BPC



Best and Worst Case Scenarios for FY2021

	FY2020 Mid Year	FY2020 Q3	FY2021 Best Case	FY2021 Worst Case	Worst Case Notes	FY2021 Somewhere in the Middle	Somewhere in the Middle Notes
BUDGET ALLOCATION AND REVENUE							
CUNY Revenue Target	\$96,598,000	\$96,598,000	\$98,590,083	\$98,590,083		\$98,590,083	
Avg Enrollment ((Fall + Spring)/2)	12,269	12,269	12,094	10,885	10% Drop In Enrollment	11,489	5% Drop in Enrollment
Base Allocation:	\$106,316,140	\$106,316,140	\$109,505,624	\$87,604,499	20% Drop In Allocations	\$98,555,062	10% Drop In Allocations
Addl Resources for Collective Bargaining							
Lump Sum Allocations	\$2,081,664	\$2,119,193	\$2,082,625	\$2,082,625		\$2,082,625	
Initial Tax-Levy Allocation	\$108,397,804	\$108,435,333	\$111,588,249	\$89,687,124		\$100,637,687	
Additional Allocations	\$8,256,260	\$8,598,462	\$3,000,000	\$3,000,000		\$3,000,000	
NYC Budget Initiatives (NYPD Exec Leadership & DOC CEEDS)	\$1,639,359	\$1,540,487	\$1,239,400	\$0	City Programs are Cut	\$400,000	NYPD Exec Leadership Only
NYC DOC Academy Rental of North Hall							
NYS Retro & Ratification Bonus							
\$1M Additional Allocation (part of CUNY Plan to reduce JJC Deficit)	\$1,000,000	\$1,000,000					
\$1M CUNY Loan(part of CUNY Plan to reduce JJC Deficit)	\$1,000,000	\$1,000,000					
Current Year Gross Tuition Revenue above CUNY Target	\$2,799,096	\$2,146,000	\$2,095,477	(\$7,972,996)	10% Drop in Collection Rates	(\$2,938,801)	5% Drop in Enrollment
TOTAL BUDGET ALLOCATION	\$123,092,519	\$122,720,282	\$117,923,126	\$84,714,128		\$100,698,886	
Personnel Services (PS) :	\$89,697,232	\$89,846,006	\$91,503,765	\$91,503,765		\$91,503,765	
Faculty	\$40,054,803	\$42,309,417	\$42,154,221	\$42,154,221		\$42,154,221	
Administrative Staff	\$40,685,272	\$42,673,619	\$44,274,211	\$44,274,211		\$44,274,211	
ECP	\$4,918,888	\$4,862,970	\$5,075,332	\$5,075,332		\$5,075,332	
2% Labor Reserve and Adjustments	\$4,038,269						
Adjuncts:	\$19,918,278	\$19,856,317	\$20,329,203	\$18,429,203	With 10% Drop in Students assume 10% drops in required Adjunct Hours	\$19,379,203	With 5% Drop in Students assume 5% drops in required Adjunct Hours
Temp Services:	\$6,964,537	\$6,799,463	\$7,000,000	\$7,000,000		\$7,000,000	
TOTAL PS	\$116,580,047	\$116,501,786	\$118,832,968	\$116,932,968		\$117,882,968	
TOTAL OTPS	\$7,600,000	\$6,600,000	\$7,752,000	\$6,845,000	Reduction in \$907K of OTPS expenses for NYC Sponsored Programs	\$6,945,000	Reduction in \$807K of OTPS expenses for NYC Sponsored Programs
TOTAL FINANCIAL PLAN EXPENDITURES	\$124,180,047	\$123,101,786	\$126,584,968	\$123,777,968		\$124,827,968	
Operational YEAREND BALANCE	(\$1,087,528)	(\$381,504)	(\$8,661,842)	(\$39,063,840)		(\$24,129,082)	
Prior Yearend Balance	\$1,126,394	\$1,126,394	\$744,890	\$744,890		\$744,890	
Total Yearend Balance	\$38,866	\$744,890	(\$7,916,952)	(\$38,318,950)		(\$23,384,192)	

THE CHRONICLE of Higher Education

THE CHRONICLE REVIEW

Under Covid-19, University Budgets Like We've Never Seen Before

Unprecedented times require unprecedented strategies and actions

By Paul N. Friga | APRIL 20, 2020

✓ PREMIUM



Pui Yan Fong for The Chronicle

This article is part of a series on the financial challenges facing colleges and universities amid the coronavirus pandemic and the need for proactive strategies. Please join a virtual forum on Wednesday, April 22, at 3:30 p.m., Eastern time, to hear from experts about how to prepare your institution's budget with coronavirus in mind. The forum will be hosted by Scott Carlson, senior writer

at The Chronicle, and Paul Friga, strategy professor and co-founder of ABC Insights.

Reality is setting in: Covid-19 is here to stay. We have shut down campuses, keeping our communities as healthy as possible, and are close to finishing the semester online. The financial impact of these changes is just being calculated, but the losses from room-and-board refunds and decreased revenue from executive education, the spring sports season, and auxiliary services will be considerable.

While the \$14 billion for higher education from the Cares Act is helping to cushion the blow, most chief financial officers I talk to say that their allocated amounts are not covering the short-term losses associated with this crisis. For example, the University of Wisconsin recently announced that it will lose \$170 million from refunds of housing, dining, and parking fees to students, and other unexpected expenses. At the University of

Michigan, president Mark S. Schlissel anticipates losses of \$400 million to \$1 billion through the end of the calendar year. As bad as it may seem right now, it is about to get worse.

College leaders must now turn their attention to next year's budget. While academic budgeting has heavily relied on prior-year numbers, incremental changes, and investments in new strategic initiatives, this year's budgeting process will be very different. Any work done through March of this year will be generally useless for the creation of the fiscal '21 budget, as the new one will be so heavily dependent upon the path and consequences of the Covid-19 virus.

Here are three steps for managing your budget process and data and for creating a plan that will guide your institution through one of the most challenging years ever to hit higher education.

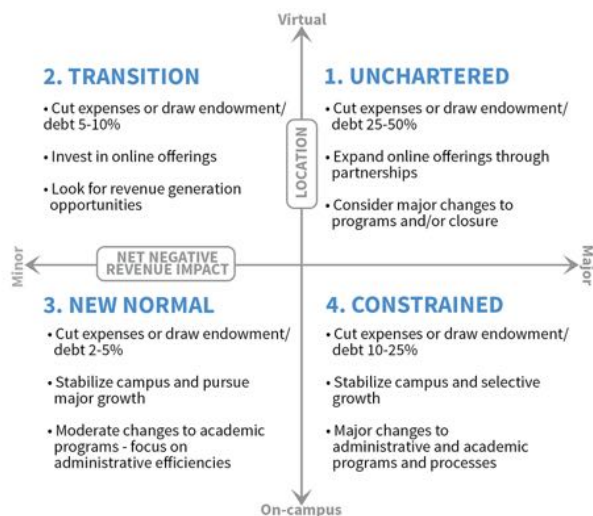
Step 1: Conduct Scenario Planning

The first step in a strategic approach to crafting your budget involves scenario planning. The two most important considerations that will affect your finances next year include the degree to which students physically return to campus and the overall anticipated effect on revenue.

Both involve uncertainty. Many universities are delaying final budget decisions until May, when we should have more clarity about national guidelines for handling Covid-19, with May 31 being a target date for making decisions about the fall.

Here is a matrix to help campus leaders sort through their individual situations and the anticipated big-picture financial scenarios for next year. Each quadrant offers drastically different financial and operational scenarios that will lead to unique priorities and action plans for your institution.

Leaders should identify a base case for the next year, as well a contingency plan for the worst case, at least on a high level. Some key actions, such as cutting expenses or tapping endowments, will vary based upon the unique mission, culture, and conditions at each institution.



Source: Paul Friga, ABC Insights

The decision to reopen residential classes in the fall is a major one, paralleling the national dialogue about returning closed businesses to operational mode. Given that the purpose of scenario planning is to add structure to deal with such ambiguity, it is important campus leaders work together to make the best prediction they can and plan accordingly. Again, consider a worst-case scenario to be prepared for a different reality as well.

As part of the scenario planning, consider likely drops in enrollments. In a survey conducted in late March of presidents who are members of the Association of American Colleges & Universities, 64 percent leaned toward a “moderate” scenario of students returning to campus but with modifications to operations including social distancing, fewer major events, and more online offerings. That leaves 36 percent who feel that students might not return until the spring or at all next year. Having no students on campus and no college football season would have significant ramifications for finances and operations. Eighty-four percent of the surveyed presidents also anticipate enrollment drops, while the American Council on Education recently estimated a drop of 15 percent of traditional students and 25 percent of international students. Some institutions will face even more drastic drops in enrollments without in-person classes.

Also take a look at potential decreases in state support, federal support, philanthropy, research grants, endowment returns, and auxiliary revenues. Each university has a unique mix of revenue streams, but I continue to maintain that all universities will be negatively affected. McKinsey & Company estimates that even under a controlled virus scenario and return to operations in the fall, 25 percent of public colleges and universities and almost half of private institutions will experience a budget shortfall of at least 5 percent.

If classes remain online for most of next year, McKinsey says those estimates will increase to 57 percent for publics and 77 percent for privates, with more than 800 institutions experiencing a 20 percent or greater shortfall in next year's budget. Given the financial impact of the Great Recession on revenues at the University of North Carolina at Chapel Hill that suggested a revenue decrease today of approximately 25 percent, many of our colleges and universities may take an even larger hit this time, given the unusual circumstances related to the on-campus interactions and culture. We need to be prepared for significant shifts in operations, academic offerings, delivery, and finances.

Step 2: Develop Assumptions

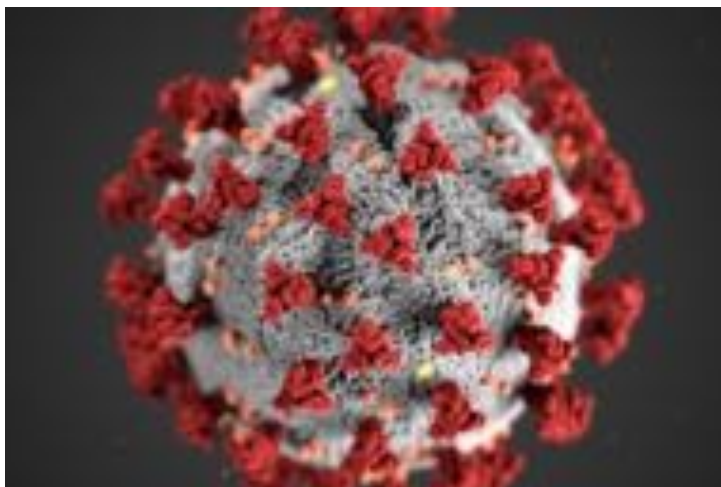
The next step is to translate assumptions about big-picture scenarios into detailed projections for your budget. From a process perspective, this crisis may offer a unique opportunity for universities to work even more collaboratively than usual – between centralized and decentralized units as well as across schools.

Be sure to establish guidelines for such discussions and decision-making criteria, which can be challenging to enact across multiple units on a campus or universities within a system. Laura Hubbard, vice president for finance and administration at the University at Buffalo, for example, says her office is in “constant communication” with the Buffalo campus and other universities in the 64-institution SUNY system. “We decided to articulate specific guidelines for financial decision-making,” she says. “They include a focus to protect the health and well-being of faculty, staff, and students, to maintain flexibility based upon a unique university mission, to consider the short-term as well as long-term, obey laws, and be prudent with our resources.”

Coronavirus Hits Campus

As colleges and universities have struggled to devise policies to respond to the quickly evolving situation, here are links to *The Chronicle's* key coverage of how this worldwide health crisis is affecting campuses.

- Should You Keep Working on That Book Manuscript?
- How to Salvage a Disastrous Day in Your Covid-19 House Arrest
- A Side Effect of the Covid-19 Pandemic? Reading Got a Lot Harder



As always, projections and decisions should be made on a data-informed basis. Sources of data for budgeting would of course include past spending levels, but over-reliance on past spending could be an inhibitor of adequate change and assumes that past investment levels were strategically designed. Universities are infamous for creating programs and positions and never eliminating them, and this could be time for a fresh review of everything on a campus.

Let's examine the key financial line-items of a university's budget through the lens of a hypothetical medium-sized public institution in the Midwest that we will call "Winston Jerome University" (for realism, I created the starting financials for WJU by averaging three regional public universities using fiscal year 2019 data). "WJU" was founded in 1949 after World War II ended. With a solid reputation in business and engineering, the university's 10,500 students are heavily oriented to undergraduate studies, with only 15 percent of its enrollment in graduate programs. Over the past three years, the university's enrollment has dropped 1, 2, and 4 percent, respectively.

The relationship with the state has been solid, but contributions to higher education dropped after the last recession and have not yet recovered to 2008 levels, consistent with the rest of the country. The university had just concluded a \$500-million capital campaign (tagline: "WJU – the Highest ROI in Higher Education") and had planned to

launch a new agricultural and veterinary school next year. WJU's endowment has risen to \$105 million as a result of its recent campaign and the strong success of its basketball team, which reached the NCAA tournament for the first time in 2018.

The starting point for assumption building is revenue. Despite WJU's young life and competition in the state for funding, state appropriations had risen to \$63 million, or 21 percent of its revenues, slightly above the 17 percent national average for public universities. Rumors were circulating that the state was planning an enormous cut to higher-ed funding, as estimates for health-care costs associated with Covid-19, unemployment expenses, and a loss of tax revenue from closed manufacturing and farming entities were changing the entire landscape. Nearby, Missouri had already announced \$76 million in cuts to higher ed, and farther away, New Jersey cut higher education funding by \$122 million, with more reductions likely to come. The university also had a small affiliated academic hospital and very modest research activity of \$5 million.

Of high concern was enrollment, representing 37 percent of the university's total revenue. Although most students came from in-state and very few were international, the university estimated that enrollment would drop 10 percent to 25 percent due to dissatisfaction with online education, which was likely for at least the fall semester. The mitigating factor may be students from the state who decide to transfer closer to home from more distant universities.

While WJU had been considering a major move into online learning, the university had only one small online program, a master's in journalism. The university also anticipated a significant drop in philanthropy as it just concluded a campaign, and potential donors were suffering from the worst drop in stock market value since the Great Depression.

See the base and worst-case revenue estimates below.

What a Worst-Case Scenario Looks Like

Two scenarios — a base case and a worst case — for revenue change at the fictional "WJU." Dollar amounts in millions.

2021

Budget category	2020 budget	% of total	% of total, nationally	budget: base scenario
Operating Revenue				
Student tuition and fees, net	\$109	37%	20%	\$98
Patient services, net	\$0.40	0%	13%	\$0.50
Federal grants and contracts	\$5	2%	7%	\$4
State and local grants and contracts	\$10	3%	2%	\$9
Nongovernmental grants and contracts	\$1	0%	4%	\$1
Sales and services, net	\$59	20%	8%	\$47
Interest earnings on loans	\$3	1%	N/A	\$2
Other operating revenues	\$1	0%	6%	\$1
Total Operating Revenue	\$188	64%	59%	\$163
Non-Operating Revenue				
State appropriations	\$63	21%	18%	\$56
Noncapital grants – student financial aid	\$18	6%	5%	\$16
Noncapital grants	\$6	2%	1%	\$5
Noncapital gifts, net	\$8	3%	2%	\$7
Investment income	\$3	1%	4%	\$0
Interest and fees on debt	-\$6	-2%	N/A	-\$12
Federal and local appropriations	\$0	0%	4%	\$20
Other non-operating revenue	\$16	5%	2%	\$14
Net Non-				

Operating Revenue	\$108	36%	36%	\$107
Total Revenue	\$296	100%	100%	\$270

The WJU Covid-19 Finance Response team used the estimated expenses for fiscal 2020 as a base to gauge the potential budget shortfall for fiscal '21, given the revenue estimates above. The team also sought national benchmarking data for all public universities but planned to continue to revise such data based upon a more specific peer set over the coming weeks.

A few key insights were generated by this analysis. First, the anticipated budget shortfall, assuming consistent expenses, was \$26 million and \$93 million, for base case and worst case respectively. While alarming to the cabinet, it was not necessarily surprising since peer universities had been reporting similar estimates. The trustees had already met several times and communicated a clear message that they did not want to use endowment funds to handle the crisis and asked campus leaders to use this opportunity to tighten up costs, especially administrative ones.

High-level benchmark data suggest that there may be opportunities for savings, especially in administrative expenses. As shown below, WJU administrative expenses are at 65 percent of operating expenses, while the national average is 56 percent. If WJU were able to operate its administrative expenses at the national average, the university would spend \$27 million less. If it could cut even more than that, it could free up funds to invest in the academic side of the house and advance strategic goals of increasing research, launching the new agricultural and veterinary school, and rising in national rankings.

The Role of Expenses

Sample expenses for the fictional "WJU." Dollar amounts in millions. Model assumes expenses will stay constant in 2021.

Operating expenses, by budget category	2020 budget	% of total	% of total, nationally
Academic			
Instruction	\$87	29%	30%
Research	\$5	2%	10%
Student financial aid	\$12	4%	4%
Total Academic	\$103	35%	44%
Administrative			
Academic support	\$24	8%	8%
Student services	\$12	4%	6%
Institutional support	\$25	9%	10%
Operations and maintenance of plant	\$24	8%	N/A
Public service	\$3	1%	4%
Auxiliary enterprises	\$66	22%	9%
Depreciation/amortization	\$15	5%	N/A
Other (including Covid-19 spring charges)	\$23	8%	19%
Total Administrative	\$192	65%	56%
Total Operating Expenses	\$296	100%	100%

Step 3: Launch Actions

The final step is to use assumptions and scenario planning to inform actions. A common approach in dire times is to adopt across-the-board cuts – whether by administrative areas (such as technology, finance, facilities) or by school or unit. In fact, the recent survey of college presidents suggests that the majority, 55 percent, are considering such cuts. While this approach appears fair and is faster to implement, it is not strategic as it punishes high-value areas that potentially deserve additional investment while rewarding other areas that may present opportunities to scale back.

So what would be a more strategic approach? The starting point, not surprisingly, involves data. The best way to identify where you may be under- or over-invested is reliable benchmark data. For example, if WJU wanted to find opportunities to cut administrative spending, it should seek data from peers about full-time equivalents and spending. By doing so, the university can compare its investments and identify areas for decreasing investment or perhaps increasing, according to the mission and priorities of the institution.

ABC Insights recently concluded a research study of potential administrative efficiencies at its member universities. Nine administrative activities and 54 subactivities were analyzed by comparing the number of employees and labor spend for a university versus the benchmark average. That analysis generated a total savings opportunity of more than \$1 billion for 32 members of the consortium, with the average amount per institution of \$29 million. The top three areas for efficiency gains were information technology, general administration, and ironically, finance.

Once you determine primary focus areas for efficiency gains, drill down into subactivities to understand areas that may be over-staffed and opportunities for furloughs or layoffs. You may also identify strategic priority areas, such as career services and student mental health, that are under-invested and deserve additional funds.

Next you will want to identify specific initiatives to generate potential savings. This crisis affords a rare chance to make personnel changes that have historically been resisted by strong campus cultures of inertia or by union agreements. Many leaders have long recognized that increasing efficiencies is a priority but have not achieved the changes they desire. It is important to remember that the goal of generating efficiencies is not the end-game but rather the re-investment in more strategic priority areas, such as academic programs.

Jason Wright, a partner with McKinsey and a member of its Covid-19 strategic-response team, agrees. "The choice of actions is critical at this very moment," he says. "Leaders will want to make data-driven decisions but also incorporate scenario-planning assumptions into the process. Most importantly, every action should tie to strategy. Consider long-term consequences and balance cuts with strategic investments."

See the chart below for suggestions for how to pursue efficiencies in administrative spending, academic prioritization, and revenue growth.

ABC Insights ROI Framework

Potential strategic initiatives for increasing efficiency. Click to expand.

Optimize Administrative Spend

Assess level of investment vs strategy

- Consolidate Purchasing
- Cut Staff
- Re-engineer Processes
- Outsource
- Centralize/Shared Services
- Modernize Technologies
- Merge Multiple Locations
- Increase Spans of Control
- Decrease Energy Use

Increase Academic Program Returns

Rationalize academic offerings based upon demand

Grow Resources

Increase enrollments and revenue

Unprecedented times require unprecedented strategies and actions. And budgets. The goal should be to continue with planning even during ambiguity, as this will help your entire campus. Don't forget how important it is for this to be an inclusive process, especially involving faculty, staff, and students. Dedicate adequate resources to the process given the magnitude of the situation facing higher education, which is shaping up to have even more impact than the Great Recession.

We know that furloughs, early retirements, and layoffs are coming. Best practices suggest that this should be targeted, rather than across-the-board, and for that focus you need data. Create an internal data and analytics team to support other Covid-19 task forces on your campus. Gather benchmarking data to determine areas of over- and underinvestment — using third parties, consortiums, and consulting firms as appropriate.

Be prepared for big-change efforts and major cost-cutting (both administrative and academic), and invest in strategic differentiation to advance your college's long-term health as well as survive this short-term crisis. In general, you will want to strive to cut more rather than less, and if things turn positive, you will be in a position to re-invest according to your strategy. Consider partnerships with other universities, in complementary areas such as online education, shared services, and academic-program offerings.

I want to end on how important it is to pursue high quality in all that we do – in academics and administration. Our goal should be to find ways to increase the effectiveness of higher education, particularly in student outcomes in learning, growing, and becoming value-adding citizens in our world.

Paul N. Friga is a clinical associate professor at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. He leads numerous strategic-planning initiatives and co-founded ABC Insights, a consortium of universities working to make higher education more efficient and effective. Visit the website for articles, slide decks, and additional material related to budgeting and benchmarking.

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