

Reflections on our Budget December 16, 2020

As we continue to navigate through these unprecedented times, I again write to update you on the current status of our budget and share some of my thoughts on budget related matters. You should put these comments in context of [communications](#) previously sent to the College community.

Budget Allocation

I have been communicating to the campus for a few months that the State has been withholding approximately 20% of State agency allocations, inclusive of student financial aid. This has continued, as our 7-month budget allocation from CUNY through January 31, 2021 is at the 80% level. Without a new federal stimulus package or a change in the state's economy there is a strong possibility that some or all of 20% withholding may be permanent.

This is rather sobering, as we had been tightening our belts for the past few years, putting measures in place to eradicate the structural deficit that has resulted from severe underfunding for our 204-acre campus with an aging infrastructure. If this were a normal year, we would be starting to build back up our City University Tuition Reimbursement Account (CUTRA). However, COVID-19 and its financial implications have unfortunately masked and hindered our progress.

FY 20 Year-End Financial Report

On November 19, 2020 the University released the FY 20 Year-end Financial Report. In comparing FY 20 with FY19, it shows our resources increased more than our expenditures resulting in a \$109k improvement in our year ending condition. This is exclusive of our CUTRA balance, which increased from \$13k to \$76k, and rolls into the next fiscal year as an additional resource.

In addition, tuition collections, though falling short of target, increased by over \$100k from the previous year, despite a lower enrollment relative to the prior year. By February 2020, we were ahead by over \$1M from FY 19, and were on track of meeting our goals, however, the pandemic directly impacted our progress.

The report further shows that our expenditures associated with maintaining our current workforce levels increased approximately \$4.9M because the campus was required to self-

fund contractual increases. In order to mitigate these cost increases, Temporary Services and OTPS spending decreased by approximately \$400k and \$1.6M respectively and we are forced to fund the remainder through attrition and other cost cutting measures, while continuing to protect existing full-time position as much as possible.

CARES Act Funding

Regarding our CARES Act allocation, now that \$118M in Student Emergency Grants has been disbursed to students, we have been working on a spending plan for CSI's Institutional Portion of CARES funding, which is valued at approximately \$6.3M. Some examples of expenses that will be covered by CARES funding are technology hardware for students, faculty & staff, reimbursements of fees to students (i.e. - dormitory, parking & student activity fees), purchase of personal protective equipment (PPE), required signage, and health screening equipment. Reimbursement of eligible expenses will occur on a quarterly basis for the current year following completion of reimbursement for FY 2020 expenses.

Funding and Capital Projects

Over the years, I have been working to lobby for the greatest amount of resources we could possibly receive and in some areas, we have really been successful. We have received over \$7M from elected officials to fund important projects, such as CUNY 2X, the Makerspace lab, the Nursing Sim Lab, a Media Culture Screening Room, Genomics Labs and a Science Lecture room. Furthermore, CUNY has doubled for the second time our critical maintenance budget to \$5.1M for after years of lobbying that our campus was severely underfunded.

With a greater capital budget, over the last 5 years we have completed approximately \$100M worth of capital improvement projects and are scheduled to do another \$200M over the next 5 years. These are not small investments, and these projects, including repairing and repaving our roadways and installing gutters where none previously existed, have really helped to improve everyday life on our campus to solidify its infrastructure. Even during the pandemic, FY 21 will be an average year for us with respect to capital projects with \$30 M projected to be spent to address some of our existing structural problems. Several Capital projects will move forward: Campus wide Sidewalk Reconstruction Phase 2; Campus wide Restroom Reconstruction Phase 1; Academic Quad Building Stair Tower Reconstruction; Building 1A and 2A Elevator Reconstruction; and Building 1A and 2A Entrance Door Reconstruction.

Athletics

Finally, recent data show the major factor driving new student athletes' decisions to attend CSI was our decision to transition to NCAA Division II competition. Overall, student athletes are contributing over \$858k in revenue for the Fall 2020 semester which translates to over \$1.7M annually. Of the \$1.7M, approximately \$1.6M is in tuition revenue. In FY 21, there were a total of 59 new admissions of student athletes, resulting in the College generating \$556k in revenue annually, which includes \$223k in out-of-state revenue. At this time, Athletics has 47 new recruits for the 2021-2022 Academic year, 21 of which are out-of-state, which translates to over \$200k in tuition revenue annually, for the out-of-state students alone. As expected, Athletics continue to attract more out-of-state recruits now that we have joined Division II, contributing to our strategic goal of becoming a destination campus. It is important to note that our DII student athletes are all baccalaureate students with no remedial needs who have a better academic profile than the student body at large.

Reflections

While I reflect on the budget and all the information before me, like you I am and have been frustrated by the challenges presented by the existing funding model for our College, which has ultimately resulted in a structural deficit. Then, just as we were about to turn the corner, we found ourselves faced with a national pandemic, which has had far reaching and devastating consequences, including major financial implications. However, I will not let that deter us. We have been through some trying times, but we have worked through them together. This will be no different. And through it all, I will stand by the principles I have set out in the beginning. First and foremost, we will ensure the health and safety of our students, faculty, staff and community. Second, we will remain focused on supporting our students, which is what we are all here to do. Finally, we will do whatever we can to protect jobs to the best of our ability. In the face of this crisis, we must remain calm and focused. Together, we can and will overcome these obstacles.

William J. Fritz
President