

Values and Process Guiding Budget Discussions and Decisions for FY21

The State adopted the Fiscal Year 21, FY21, budget on April 3, and CUNY received a “flat” budget with only \$50 million added over the previous year to cover increased fringe benefit costs. Coming as it did in the middle of the COVID-19 pandemic and a faltering state and national economy, the budget bill included three dates, April 30, June 30 and December 31, when the state budget director can unilaterally modify the budget, based on projections of state revenues. The week prior to April 30 the state budget director issued revised revenue projections showing a \$13.3 billion FY21 shortfall. By mid-May that will be reflected in a revised budget in which he estimates there will be \$3.2 billion in savings identified, and a \$10.1 billion reduction in the budgets of state agencies. CUNY and SUNY are among these state agencies. That would amount to a \$10.6 million reduction in our revenue from the State.

Anticipating mid-year budget reductions, Chancellor Matos Rodríguez established a Fiscal Scenarios Group to create the most realistic estimates about how the CUNY budget could be impacted by the state’s finances. He issued a memo on April 27 in which he laid out four immediate actions including an immediate hiring freeze. While we work within the CUNY budgeting framework, due to long-standing financial prudence and recently strong enrollment growth, we have built a fund balance of \$10-12 million coming into FY21. That puts us in a better position, but does not eliminate our need to revise our FY21 budget projections to accommodate the almost certain state budget reductions. Furthermore, we have already budgeted the current fund balance to cover the increasing costs from the new CBA in the next three years, and those costs will become much greater in FY22.

We began our budget process in mid-April and have an established timeline for finalizing budget allocations by June 15. This process is led by the Cabinet with periodic consultations with the Senate Budget Committee. Given the unprecedented financial challenges in this budget cycle, this process will require many difficult decisions. In order to make those decisions in a way that secures the present and future financial position of the College and, most importantly, advances our mission, we began by re-affirming the process we will use and values that will guide us. These are the basis for all of our decisions and we will regularly refer to them as we address the many details in the budget process.

Process:

1. We will make strategic, rather than across-the-board budget adjustments, in order to ensure that we strengthen our overall position as a college.
2. We will employ both short- and long-term thinking, maintaining a viable FY21 financial position while at the same time making investments that further our mission, minding the overall sustainability of decisions.
3. We will continue our sense of community on campus, engaging the key stakeholders, honoring shared governance, and enabling clear understanding through regular communication.

Values:

1. The safety, health and well-being of students, staff, faculty, and other key community stakeholders must be guarded.
2. We must preserve the integrity and quality of our educational programs, sustaining and promoting excellence in teaching, as we support the scholarship, research, and creative work of our faculty.
3. The needs of students are primary, and we must continue to provide educational opportunity and the range of support that ensures their timely graduation and career-readiness, so we continue to be a leading engine of social mobility, and achieve the 90X30 challenge.
4. We will expand our unique role as a catalytic anchor institution in the Borough, providing intellectual leadership as we work with major organizations like Montefiore and BronxCare, non-profits like the NY Botanical Garden, P-12 schools, elected officials, and local businesses.