

**Queensborough Community College
Academic Senate
Committee on Budget Advisement**

Date: May 3, 2022

To: QCC Academic Senate

From: Philip Pecorino, Ph.D., Chair of the Committee on Budget Advisement

Subject: Committee on Budget Advisement Report to the Academic Senate

CHARGE:

In the charges to this committee in the Bylaws of the QCC Academic Senate is this:

“Report to the College Advisory Planning Committee (CAPC) and the Academic Senate concerning budgetary conditions, and any recommendations regarding the budget and/or the budget allocation process at Queensborough Community College “

INFORMATION:

The committee last met on 2-23-22 with both Vice President William Faulkner and Marc Carpentier present to provide the committee with the latest reports of the financial plan and quarterly reports related to CUNY and to QCC. We looked at the QCC Financial Plan for FY22.

We have attached three documents to this report to the Senate for the consideration of members of the Senate.

1. The CUNY midyear report-QCC data is on page 55 of the 55 page document
2. QCC data-page 55 removed from (1)
3. The “Budget Outlook for CUNY” which looks at current proposals by the Governor, Mayor and State government. It is prepared by Prof. John Verzani (CSI), UFS Representative to the Board of Trustees Committee on Fiscal Affairs and Investment Subcommittee; Member of the UFS Executive Committee and Prof. Ned Benton (JJ), UFS Representative to the Board of Trustees Committee on Audit and Chair of the UFS Budget Advisory Committee. In it they present some useful information.

BASIC POINTS:

We have information that has in the judgment of the Committee on Budget Advisement necessitated this communication to the Academic Senate. Information and speculation we have discussed in meetings of this Committee for some time have now amounted to what is in our judgment so serious a state of affairs that it must be presented to the community to educate all on what we face at this time and may face in the near future.

The current projected gap for FY22 is \$20.25 million (or \$18 million after exhausting \$2.073 million in CUTRA reserves). \$18M is the forecasted structural deficit in FY22 if QCC continues to slide in enrollment and makes no other changes, i.e., if we fully spend against a non-pandemic budget (FY20 budget), i.e., if we spend as we have been doing. This \$18M+ assumes no federal stimulus funding is applied. It most probably will be applied this year and we will meet the current needs for this year. With Federal funding, we should be good through FY23 and perhaps FY24. However, here is the point : that once the federal stimulus money is no longer available and the relatively small QCC reserve funds (CUTRA) are exhausted and the funds CUNY holds in reserve to assist campuses in deficit are no longer available QCC will no longer be able to fund personnel and other than personnel commitments that currently exist. This set of circumstances might occur as early as Fall of 2024 and definitely by Fall 2025. So in other words, with Federal funding, we should be good through FY23 and perhaps FY24 (if CUNY allows us to roll unused FY23 Federal funds into FY24, which CUNY said we could) putting the fiscal cliff squarely in FY25. That statement assumes that the City restores \$9.073 million in PEG cuts in FY23 (PEG is a nearly annual reduction in funding of a small percentage 1-3% that is almost always restored). The University told us to put this assumption into the financial plan, but it is still a big if. If that doesn't come through, we won't likely be able to cover expenses in FY23. Without the PEG restoration, if spending and FTE levels remains as it does today, we will be about \$2-\$3 Million short after exhausting Federal funds. Though we would still have the \$2.073 M in CUTRA to apply, so it would be close.

We unfortunately must make clear in this report that the situation with the budget for QCC is dire. By the end of Fiscal Year 2023 there is a large gap between expected revenue and the expenses needed to operate the College. The gap could be better than \$18,000,000. While the State and City might provide for some increases in their support there is no indication that the amount would come close to the amount QCC needs to close the gap between expenses and income.

REACTIONS:

The scope of this challenge the College is facing has already been reported in the two administrative/faculty governance staff meetings in the Fall of 2021 and in the recent State of the College community zoom meeting. What is needed now is to prepare the College community for the change in our budget availability and the need to prioritize our resources—in every area of the college—in the most efficient manner possible.

There have been many measures taken to deal with the systemic structural deficit that became apparent in, or around, 2018 due primarily to unchecked full time faculty hiring and increases in administrative HEO's to support students.

Since realizing the challenge posed by faculty hiring there has been an effort to challenge the hiring of all positions. Over the last several years there are many cases of vacated positions left vacant, mostly on the student support staff and administration. The provost has challenged and rejected many faculty vacancies. OTPS and overtime in the years prior to the pandemic were reduced.

With the arrival of President Christine Mangino there has been a marked increase in transparency on the College budget and financial situation. The President has held special meetings with all administrative staff and governance leaders on the dire situation and the impending point soon to be reached which has been termed with various dramatic terms such as “cliff”. Three task forces are already in progress: one on Enrollment Management chaired by VP Brian Mitra, one on OTPS and another on Enterprise Revenue Review.

There are two main options for QCC or three if the two are combined:

OPTION 1: Increase enrollment by roughly 20% and making everyone understand that in some manner all in the community should think of some way in which they can aid in this effort. Faculty in particular need to contribute through significant efforts to retain and to recruit students.

This is an option often brought up in conversation at QCC. It is an aspirational claim as its success at that level is not currently supported by recent enrollment data and what appear to be trends.

Considerations:

The College has a Task Force dedicated to examining possible means for retaining current students and attracting new students. Vice President Brian Mitra heads that effort. Possible investments of Federal funds to raise enrollment through new program strategies are being considered.

There are several CUNY units in a similar position as is QCC and they too will be doing what is possible for them to attract new students. Many of the senior CUNY units are also taking measures to attract and actually admit as many students as possible.

The CUNY BOT has adopted a policy that CUNY will no longer be using standardized instruments in admissions. CUNY has recently adopted a Placement Index for determining the academic strength of applicants to be used in determining admission placements but the algorithms used in that protocol are not capable of implementation as they relied on measures taken by the NYC DOE that were abandoned during the pandemic.

CUNY senior college units are now accepting students from the NY DOE that would have previously gone into one of the CUNY community colleges. There are reports of those CUNY units experiencing the challenges that community colleges have long experienced and created measures with which to deal with them. Some such students have left the senior colleges and transferred to a community college but many such who have “stopped out” are no longer located in a CUNY college.

There is a projected **demographic cliff** in the country that holds for a decrease in college age persons in the country starting in 2025 reflecting the decline in births in 2008. EAB [notes](#) the decline may already be happening.

New York City Schools Chancellor David Banks [said](#) (3-21-22) 120,000 students and families have left city schools over the last five years. There are reports that although the percentage of high school students in NYC DOE schools who graduate has increased the number of students leaving the NYC DOE units is decreasing and another report that there has been fewer students leaving NYC high schools and going on to college. The immediate College Enrollment Rate is reported to be declining. Several factors have been cited

as a possible explanation and they involve matters beyond the ability of QCC to alter in a manner that would favor students applying for admission to QCC.

Increasing enrollment must be undertaken however any budget planning for the College after Spring of 2025 must take into account the projected decline in the number of students leaving NYC high schools and in consideration of the intense competition for enrollments within CUNY and with other area colleges.

OPTION 2: Decrease expenses drastically and quickly

If there is a significant budget challenge in the millions of dollars the area in which reductions must take place would need to be where most of the funds are targeted and that would be with personnel. Reductions may need to be significant and could occur across administration, staff, and instructional staff. It is likely that the bulk of reductions would need to be in administrative and staff positions as instructional staff are needed to support instruction that brings in revenue from tuition and funding assistance from sources such as TAP and PELL programs and the FTE from the enrollment but even the instructional staff as currently configured is being reconsidered. At this time there are no plans to reduce faculty except by attrition as when there are fewer students there are fewer sections and thus far the major part of the impact on the instructional staff has been with adjunct faculty. Instructional staff are being replaced only in critical student facing areas. In current budgeting being reported to this committee there is no provision for letting non-tenured full time faculty go and the conditions for fiscal exigency that would need to be met for retrenchment is not being considered at the College or anywhere in CUNY.

What is a central point of this report is that there is no plan committed to a document that indicates how to decrease expenses over time. If one exists it has not been circulated. We recommend that there be one and that it be transparent and that it incorporate the results of the three Task Force and that there be a fourth are dealing with staffing made part of the plan that would be created as a joint work of administration and senior faculty (Department Chairs, Faculty Executive Committee and Steering Committee of the Academic Senate).

Such a plan that would consider significant reduction in expenses is needed to avoid sudden stark changes. The College has need of planning in place for gradual decreases in expenditures starting as soon as possible for which there is transparency and involvement of all sectors of the College impacted by the reductions. Speculation about how this option could be realized might lead to considerations that are unavoidably disturbing yet such contemplations are needed if there is to be a plan that would preserve the instructional program whereby the mission of the university and the College is primarily realized. Over the last few years there have been considerations and actions taken to reduce costs. Further considerations are related to the instructional staff that focus on such items as release time, teaching adjuncts, non-teaching adjuncts and all other part time staff. The dedicated technical assistance provided to the academic departments is currently being reexamined to determine if there is a less costly manner in which essential support could be provided.

We are still facing the financial situation already described above and a large gap after Spring of 2025.

OPTION 3:

This might be some combination of options 1 and 2 however as the size of the expense reductions are so large increasing enrolment by some amount less than 15 or 10% would still mean drastic measures to close the gap in the budget.

In the meantime the committee is reporting that QCC needs to do all it can to halt the downward trend in enrollment and reverse it in order to recover what has been lost and increase enrollment by as much as 20% and soon. To the degree this is not realized the College will need to reduce expenses and develop a budget and budgetary plan that envisions reductions needed if enrollments are not increased or increased enough. This is one of the Committee's "recommendations regarding the budget and/or the budget allocation process at Queensborough Community College"

In all of this planning the College needs to refrain from increasing expenses that would follow from taking on more personnel in the administration, staff and faculty that would increase the budgetary burden beyond what any reasonable projection of revenues could support. The college budgetary process needs to now include concrete planning for reductions in expenses given various levels of budget decreases. Planning on doing what is needed once it is actually needed is not planning at all but responding and

doing so under the pressure of timing. This is one of the Committee's "recommendations regarding the budget and/or the budget allocation process at Queensborough Community College"

The College must carefully consider what adding additional lecturer and professorial lines would do past the Spring of 2025 without a firm indication of revenue sufficient to support any personnel additions at this time. There is a current plan to add several (perhaps 8) Lecturer positions and then again another such increase in lecturers if the state and city budgets provide support for them and again a number of appointments to professorial rank. The funding for these lines will be a 'new allocation' approved by the state. If the College were to do nothing it would not receive the new lines. To receive them now as a new allocation from CUNY would lead to an increase in the baseline budget support going forward which is hoped would continue to be funded. With this new funding the College may be able to reduce current teaching adjunct costs while providing greater full time support for our students. This increase in funding is taken to be a risk worth taking at this time for the sake of a possible reduction in costs for adjunct instruction. Such a reduction would be short term and the College would be left with the challenge to fund the new lines if and when City, State and CUNY funding would be at a level below that for FY 22-FY23 in consideration of a lower enrollment and lower FTE funding.

In making "recommendations regarding the budget and/or the budget allocation process at Queensborough Community College" the Committee thinks that thinking that the baseline budget will always be funded and never decreased is a behavior that is risky.

We are appreciative how this report is disturbing but the Committee would be remiss in not fulfilling its charge and one of the reasons for its creation, if it did not send such a report. The entire community needs to be educated as to the extent of the current problem. There is a dire need to encourage retention and enrollment (Option 1) and for faculty and staff to be prepared for changes in services and support levels from what have been customary and relied upon to something different (Option 2). Among many possible considerations would be for a return to having faculty doing advisement in their academic programs and thus reduce through attrition the size of the staff dedicated to advisement. It is an open question as to whether or not faculty are sufficiently aware of the challenges we face that they would be willing to do something like this. If not that sort of action, then what other actions are possible to conceive and effectuate?

In making "recommendations regarding the budget and/or the budget allocation process at Queensborough Community College" the Committee communicates this basic point the Committee now seeks to make and the recommendation it makes to the administration and to the Senate, it is that Queensborough Community College is in need of a plan for dealing with what lies ahead. Wishful thinking and assuming past supports will continue into the indefinite future does not suffice. A rational plan that is well thought out and flexible taking into account a number of possible contingencies and future situations is what is called for at QCC and in CUNY. We believe a community of well-educated persons understands the need for planning and dealing with potential grave problems by having a plan and that this is what is required now. To be clear what is meant by a plan is an actual document that presents possible actions to be taken over a period of years given various contingencies that would result in certain levels of funding. The plan should provide for a variety of elements with actions to be instituted in accord with the size of budget gaps that might obtain after Spring of 2025. The size of that gap might vary from \$8 million to \$20 million depending on future circumstances unknowable at this time.

It is in our view risky for any QCC plan to assume any of these as more than simply possibilities:

- (1) CUNY or the State or the City will provide the funding needed to meet the needs of QCC to fill the gap between revenue dependent on enrollment and the total of all expenses in operating the college, both personnel and other than personnel.
- (2) That enrollment will rise significantly to provide for revenue to close any budgetary gap or that attrition in personnel at any or all levels would void the budgetary gap or a combination of the two.
- (3) That in consideration of enrollment CUNY would not adjust downward the base funding amounts that support the personnel positions and faculty lines currently supported.
- (4) that the State would continue to increase TAP funding

Such a multiyear plan should include for consideration such elements as:

Multiple year planning with flexibility in relation to the size of the budget gap that will vary
When attrition occurs, assess need for advisor replacement in light of current and projected enrollments
Assess need for administration replacements and salary levels of replacements in light of enrollments
Assess need for replacements of and overloads for full time faculty.

Academic Senate Agenda- May 10, 2022- Attachment G

Assess need for elimination of all appointments to adjunct faculty positions to no higher than adjunct lecturer or assistant professor.
Assess need for Buildings and Grounds replacements
Assess effectiveness of the advisement process.
Assess advisement by faculty as an addition that can allow for attrition of others doing advising
Having faculty directly identify those students in most need of support to designated advisors who work with those faculty bypassing starfish
Base decisions on reassigned time for departments on data and make the allotments relative to the size of the budget gap

The Committee can assure the Senate that the administration is working in conjunction with this committee and will continue regular updates on progress and changes. What is needed for the foreseeable future is a strong collaboration between the administration and all faculty and staff. The faculty/administration partnership that has begun with the formation of the three Task Forces needs to grow going forward.

It is hoped that it would be realized that all need to work together to deal with these challenges facing our institution. Given the size of the challenge all need to prepare for the necessary changes.

NOTE:

Committee on Budget Advisement is composed as follows:

one (1) representative from the Steering Committee of the Academic Senate; Steven Dahlke

one (1) representative from the Budget Committee of the College Personnel and Budget Committee/Committee of Chairs; David Lieberman

one (1) representative from the Faculty Executive Committee (FEC); Philip Pecorino

one (1) President's Designee: Vice President William Faulkner

one (1) representative from Student Government; Navneet Sandhu