

# 2017 Budget Update

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PRESIDENT VIRGINIA HORVATH

MAY 3, 2017



## Fredonia 2015-2016 End of Year Budget Results

Details	Budget Book	Actual	Difference
<b><u>Financial Plan Revenues</u></b>			
State Support	\$13,289,900	\$13,289,900	\$0
Tuition	\$32,915,200	\$32,053,400	(\$861,800)
<b>Total Financial Plan Revenues</b>	<b>\$46,205,100</b>	<b>\$45,343,300</b>	<b>(\$861,800)</b>
 <b><u>Expenditures</u></b>			
Institutional Personal Services ( PSR)	\$38,327,800	\$35,681,982	\$2,645,818
Temporary Service (TS)	\$4,324,435	\$4,657,816	(\$333,381)
Utilities	\$2,740,100	\$1,974,656	\$765,444
Other Than Personal Services (OTPS)	\$6,911,765	\$6,225,378	\$686,387
<b>Total Expenditures</b>	<b>\$52,304,100</b>	<b>\$48,539,832</b>	<b>\$3,764,268</b>
 <b>Surplus/Loss Structural Deficit</b>	 <b>(\$6,099,000)</b>	 <b>(\$3,196,532)</b>	 <b>\$2,902,468</b>
 <b><u>Revenue Shortfall Actions Taken</u></b>			
Recurring Sources ( Fees, FSA, Summer/J-Term)		\$1,025,732	
Prior-Year End Adjustments Rollover		\$750,000	
Over-Enrollment Reserves		\$559,000	
<b>Total Shortfall Actions Taken</b>		<b>\$2,334,732</b>	
 Cash Payment for Missed Tuition Target <sup>a</sup>		 \$861,800	
<b>Revised Shortfall Actions</b>		<b>\$3,196,532</b>	

<sup>a</sup> Cash Payment for missed tuition target came from the Adjunct Shortfall IFR account. This account was set up in prior years to help balance the the adjunct shortfall prior to the adjunct budget being funded by state allocation

# 2015-16 Reserve Actions

Budget Shortfall Reserve Accounts	2015-2016 Beginning Balance	2015-2016 (+) Additions	2015-2016 (-) Subtractions	2015-2016 Balance 06/30/2016	2015-2016 Year End Closeout	2016-2017 Balance 09/01/2016
Strategic Investment Reserve	\$3,623,500	\$750,000	\$0	\$4,373,500	\$1,742,094	\$6,115,594
Scholarship Reserve	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
<b>Total Strategic &amp; Scholarship Reserves</b>	<b>\$3,623,500</b>	<b>\$1,750,000</b>	<b>\$0</b>	<b>\$5,373,500</b>	<b>\$1,742,094</b>	<b>\$7,115,594</b>
Over Enrollment (SUTRA)	\$2,836,340	\$2,113,500	(\$667,115)	\$4,282,725	(\$559,000)	\$3,723,725
<b>Grand Total Budget Reserve Accounts</b>	<b>\$6,459,840</b>	<b>\$3,863,500</b>	<b>(\$667,115)</b>	<b>\$9,656,225</b>	<b>\$1,183,094</b>	<b>\$10,839,319</b>



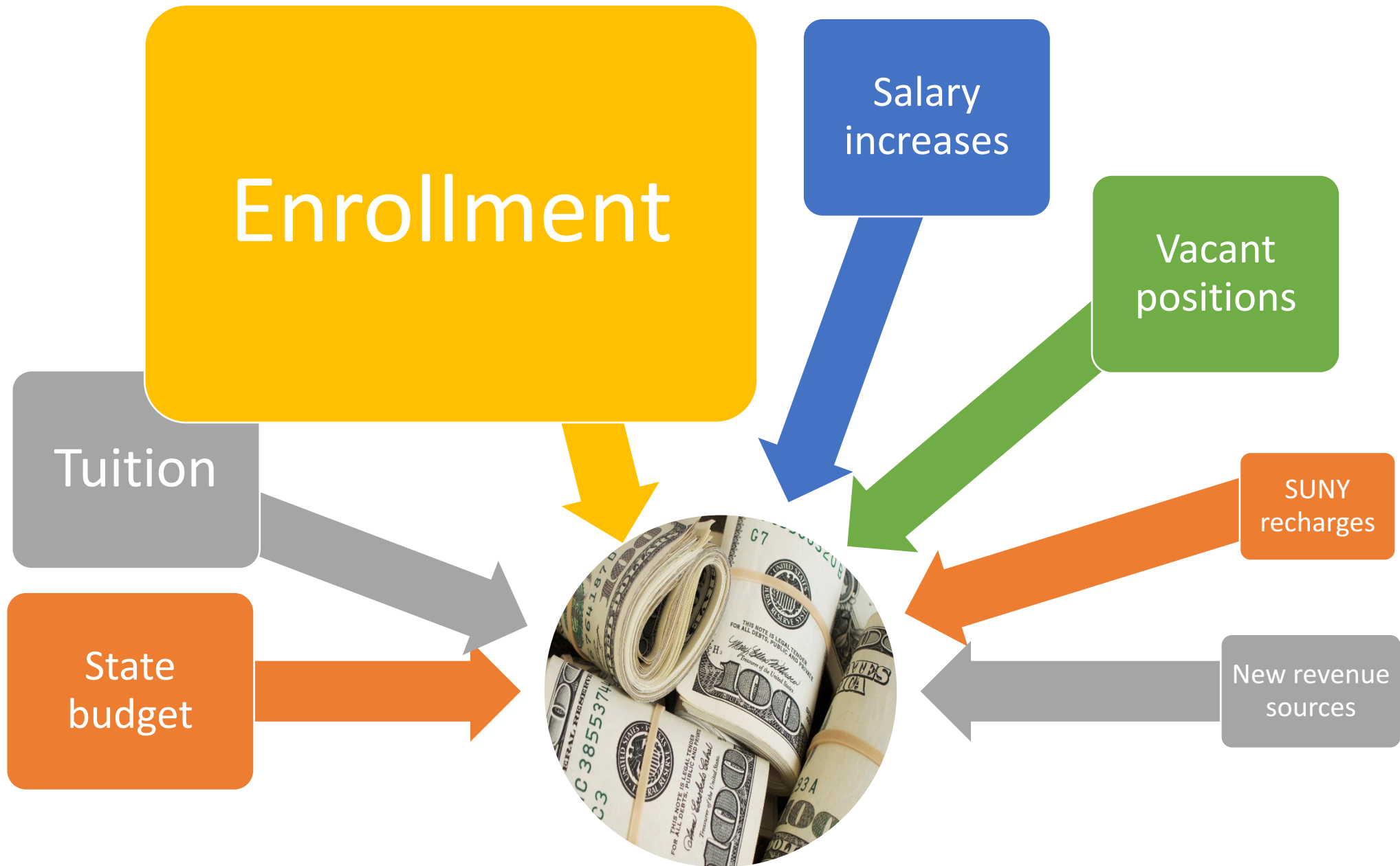




# 2016-17 Budget Adjustments

As of 04/19/17

Funding Categories	2016/17 Budget 4600 FTE	2016/17 Adjusted <b>4460 FTE</b>
State Support	\$13,185,900	\$13,185,900
Tuition Revenue	\$30,809,800	\$30,229,000
<b>Total Revenues (State Appropriations)</b>	<b>\$43,995,700</b>	<b>\$43,414,900</b>
<b>Total Expenditure Base</b>	<b>\$50,892,700</b>	<b>\$50,247,600</b>
<b>Total Shortfall (Structural Deficit)</b>	<b>(\$6,897,000)</b>	<b>(\$6,832,700)</b>
<b><u>Shortfall Funding Sources:</u></b>		
Recurring Sources	\$20,000	\$20,000
One-time Sources-Over Enrollment Res	\$3,723,725	\$3,723,725
One-time Sources-Scholarship Reserve	\$600,000	\$600,000
One-time Sources-Strategic Reserves	\$1,203,275	\$1,013,975
Vacancies and Delayed Hires Savings	\$1,350,000	\$1,475,000
<b>Total Shortfall Actions</b>	<b>\$6,897,000</b>	<b>\$6,832,700</b>
<b>Unfunded Shortfall (Structural Deficit)</b>	<b>\$0</b>	<b>\$0</b>



Enrollment

Salary increases

Vacant positions

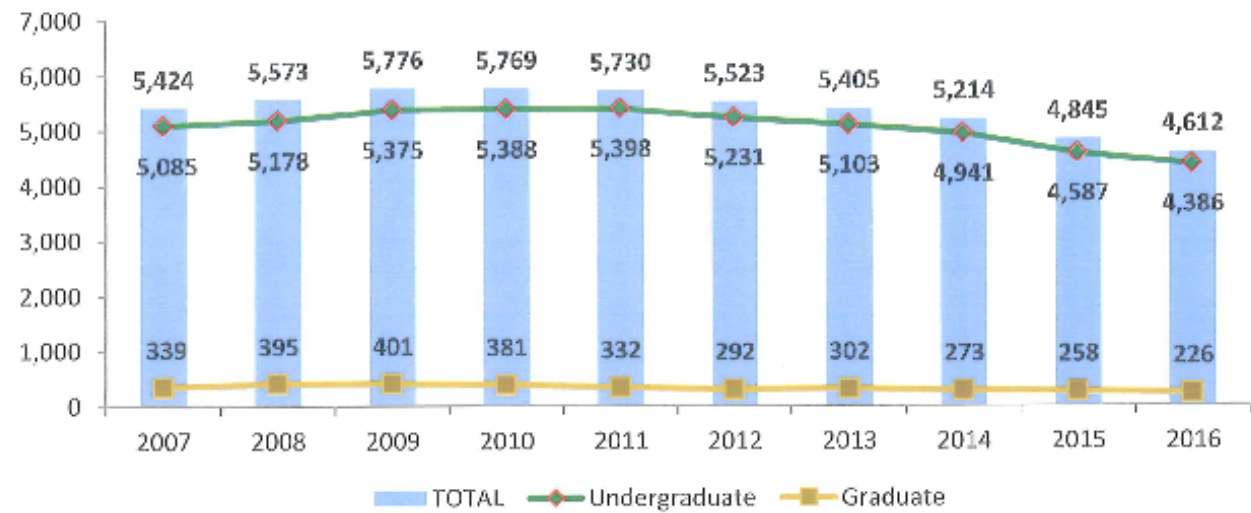
Tuition

SUNY recharges

State budget

New revenue sources

### Fredonia Fall Enrollment - Headcount 2007-2016







**FREDONIA**  
STATE UNIVERSITY OF NEW YORK

# Strategic Enrollment Management Plan

May 26, 2016



## Key Enrollment Indicators

Successful enrollment management plans set specific goals and define specific metrics for monitoring progress. Following the input and guidance of the Recruitment and Retention Councils, and with the assistance of the Data Team, the SEM Steering Committee has identified several key enrollment indicators for monitoring the success of the SEM plan in the coming years. The key enrollment indicators below are based on projections over the next four to five years to 2010-2021.

### Key recruitment indicators:

- ▶ Increase first-time, first-year students to 1,000
- ▶ Increase first-time transfer students to 350
- ▶ Increase international students to 4% (200) of total enrollment
- ▶ Increase graduate students to 6.5% (338) of total enrollment
- ▶ Grow online degree-seeking students to 3% (156) of total enrollment
- ▶ Grow out-of-state non-international students to 10% (500) of the total enrollment by 2020 (assuming out-of-state discount available)
- ▶ Maintain balanced academic profile, with 25% from Group 1, 33% from Group 2, 33% from Group 3, and 10% from opportunity groups

### Key retention metrics:

- ▶ Increase first-year, full-time retention rate from 77.8% to 83% by 2018 and 85% by 2020, 4th-semester retention rates from 74% to 77%
- ▶ Increase 5th-semester retention rates from 69% to 72% by 2020
- ▶ Increase lower-division transfer retention rate from 71.2% to 75% by 2020
- ▶ Increase 4-year graduation rate from 48% to 50% by 2018 and 51% by 2020
- ▶ Increase five-year graduation rate from 60.1% to 65% by 2018 and 66% by 2020
- ▶ Increase six-year graduation rate from 65.4% to 67% by 2018 and 68% by 2020.

# Successful Efforts

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## Recruitment

- Implemented a 24-month recruitment calendar
- Moved Admissions review to a batch-admit process for applications
- Changed scholarship award program

## Retention

- Purchased and implemented Starfish early alert software
- Developed strategic intervention and tracking processes for unregistered students
- Increased retention rate for FTFY cohort from 77.8% to 79.2%

# Fall Enrollment Picture

## Deposits as of Monday night

1,050 first-year

164 transfers

1,214 total undergraduates

91% of goal of 1,330 new students

Up almost 16% over May 1, 2016





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## **Class scheduling**

- Implemented Ad Astra to build the academic schedule based on student need
- Cancelled fewer courses
- Cancelled fewer sections

## **Salary Savings**

- Delayed hiring in 2016-17: expected savings of \$1.6 M

# *Right Serving, Right Sizing*

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- Engaging creative ideas at the unit levels for long-term solutions
- Campus-wide goals:
  - Reducing costs
  - Increasing revenue
  - Identifying new revenue streams
  - Increasing efficiency and effectiveness
  - Serving our mission in better ways



# 2017-18 New York State Budget

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- Maintenance of effort reinstated
- No plan to fund salary increases
- Possible tuition increase of up to \$200/year
- Excelsior Scholarship Program introduced



# Excelsior Scholarship Program

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## Potential Impacts

- Enrollment
- Perceptions of families
- “Strings attached”
- Fundraising efforts
- Cost to Implement





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- Increased capital funding for Fredonia:
    - \$3.7 M/year for critical maintenance (current buildings)
    - \$2.4 M/year for critical maintenance or new space
    - TBD M/year for high-priority critical maintenance

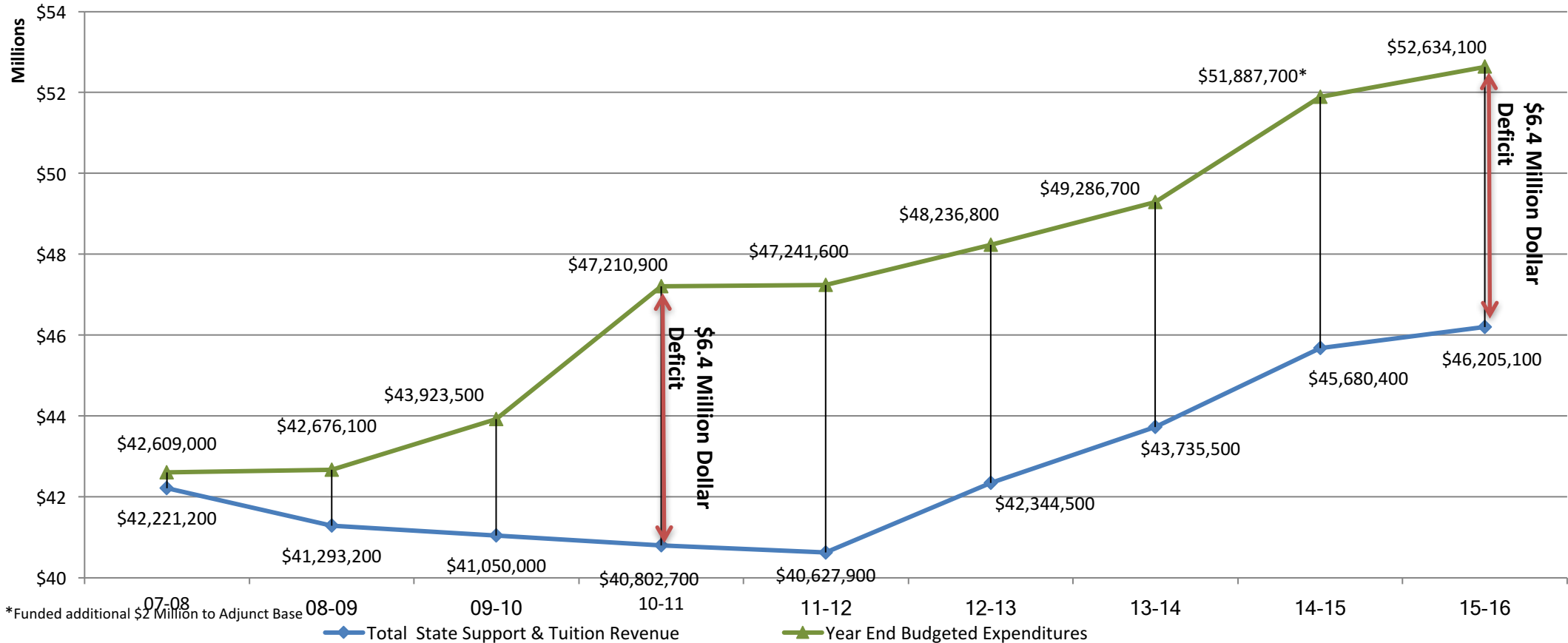
# 2017-18 Fredonia Budget Projections

Funding Categories	2017-2018 Budget
	<b>4400 FTE</b>
State Support	\$13,185,900
Tuition Revenue	\$30,292,100
<b>Total Revenues (State Appropriations)</b>	<b>\$43,478,000</b>
<b>Total Expenditure Base</b>	<b>\$51,782,100</b>
<b>Total Shortfall (Structural Deficit)</b>	<b>(\$8,304,100)</b>
<b>Shortfall Funding Sources:</b>	
Recurring Sources	\$20,000
One-time Sources-Over Enrollment Reserves	\$0
One-time Sources-Scholarship Reserves	\$400,000
One-time Sources-Strategic Reserves	\$5,101,619
Vacancies and Delayed Hires Savings	\$1,250,000
<b>Total Shortfall Actions</b>	<b>\$6,771,619</b>
<b>Unfunded Shortfall Actions</b>	<b>(\$1,532,481)</b>



# Fredonia's Structural Deficit

## State Support & Tuition Revenue and Budgeted Expenditures 2007-2008 to 2015-2016



"Now, here, you see, it takes all the running you can do just to keep in the same place. If you want to get somewhere else, you must run at least twice as fast!"

- Red Queen from *Through the Looking Glass*



# Efforts to Reduce Expenditures

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- Permanent expenditure reductions of **\$1.6 M**\* (in 2016-17)
- Total of **\$5.7 M** in permanent reductions over the past 6 years
- Salary savings of **\$1.5 M** in 2016-17 (estimate) and a total of **\$8.1M** over the past five years

\*Does not include \$1.78 M of Tap Gap Scholarship expense moved from State to IFR.



# The Structural Deficit: A Real and Continuing Problem

- Increased from **\$400 K** in 2007-08 to **\$6.4M** in 2010-11
- Projected to be **\$6.9 M** for 2016-17 and **\$8.3 M** for 2017-18
- Efforts to **Reduce** Structural Deficit are Offset by Increased Expenses and Reduced Revenues
- Cash **Covers** the Structural Deficit **Temporarily, Not Permanently**

# Availability of Cash to Address the Deficit

SUNY FREDONIA CASH BALANCES AS OF 06-30-2016				
FUND	BALANCE	FUNDS AVAILABLE TO COVER DEFICIT		
		YES	MAYBE	NO
INCOME OFFSET (STATE)	1,566,500	-	-	1,566,500
GENERAL IFR	12,987,150	5,373,500	5,370,125	2,243,525
SUTRA	5,202,850	4,302,725	616,200	283,925
STABILIZATION	813,275	-	-	813,275
DORMITORY	10,295,950	-	-	10,295,950
<b>CASH TOTAL ALL FUNDS</b>	<b>30,865,725</b>	<b>9,676,225</b>	<b>6,799,600</b>	<b>14,389,900</b>

# Opportunity Costs

- Over the past 9 years: **~\$42 M** used to cover the structural deficit
- Funds **cannot** be used for purposes such as
  - Investing in strategic initiatives
  - Improving the residence halls
  - Increasing student support services
  - Filling vacant positions and investing in growth
  - Making Fredonia more affordable





# Continued Emphases

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- Continued implementation of the SEM Plan
- Implementation of *Right Sizing, Right Serving* recommendations
- Advocacy for additional state funding and out-of-state tuition
- Increased fundraising efforts
- Continued exploration of new revenue streams
- Continued search for greater efficiency, effectiveness, cost reductions, strategic hires
- Transparency in budget reporting and actions

# Actions not Being Planned for 2017-2018

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- Laying off current employees
- Eliminating sabbatical leaves
- Reducing departmental OTPS funding
- Outsourcing services
- Banning travel
- Freezing hiring



**Eduvijez Sanchez**

International Relations and Public Relations



**Nyle P. Higgs**  
Video Production





**Bridget Doyle**  
History and Political Science



**Michelle Guilford**  
Psychology and Public Relations





**Rebecca Hartling**  
Psychology and Molecular Genetics



FREDONIA RADIO SYSTEMS



**Seniors**  
Fredonia Radio Systems





Eisenhower Hall Suites

← 111

↑ 209-212 2nd Floor

↑ 309-312 3rd Floor

**Patrice Douglas**  
Social Work



**Andrew Camera**  
Music Industry





Fredonia educates, challenges, and inspires students to become skilled, connected, creative, and responsible global citizens and professionals.

The university enriches the world through scholarship, artistic expression, community engagement, and entrepreneurship.