

Subject: FY2016-2017 Financial Plan/Expenditure Controls

Last week the college received the FY 2016-2017 First Quarter Financial Report issued by the University Budget Office. The initial report reflected a projected total budget of \$82.1M and expenditures of \$83.1M; and a deficit of approximately \$1.0M at the fiscal year end. As you are aware, university regulations require that colleges maintain balanced budgets and achieve a reserve (CUTRA) of 3-5 percent of their campus based allocation.

As you will recall, over the past two years the college's operating budget was reduced by 5 percent to help support a variety of university-wide expenses including mandatory costs and the collective bargaining agreement between the PSC and CUNY which was reached earlier this year. In addition, other budget reductions last fiscal year include the college's return of \$1.6M to HESC arising from a TAP overpayment, and a short-fall in revenue of approximately \$1 M due to the lower rate of tuition collected than was projected in the college's FY 2015-2016 Financial Plan. This fiscal year, the City of New York and unions representing many of the skilled trades reached agreements. Funding support for those agreements were not included in the college's FY 2016-2017 Financial Plan, on which they have had a severe adverse effect.

Given our budget condition at the beginning of the current fiscal year and our position according recently released First Quarter Financial Report; we are being taken immediately to bolster our financial condition for the remainder of this fiscal year. To address the balanced budget requirement, a number measures will be implemented, including the following: A hiring suspension is in effect beginning today, Monday, January 10, 2017. Current searches are all suspended pending review by the Vacancy Control Committee (VCC). New searches will not be approved until further notice. All new hires, both full and part-time, excluding adjuncts, will need the approval of the VCC before commitments can be made. The VCC is comprised of the College President (Chair), the Provost, the Vice Presidents, the AVP for Budget and Planning, and the Executive Director of Human Resources. Special consideration will be given to those full-time positions that are related to health and safety or are otherwise deemed critical to college operations.

In addition to the hiring suspension, OTPS spending will continue to be monitored very closely and may be capped. The hiring suspension and close monitoring of OTPS expenses apply to the college's tax levy budget. Expenditures supported by Material Fees, Tech Fees, the Related Entities, the QEOC, the Office of Workforce and Economic Development and the Research Foundation are exempt.

Thank you for your cooperation and understanding. I am confident that our collaboration on the above procedures will help to resolve the college's immediate fiscal pressures. If you have any questions or would like to discuss this matter further, please contact Vice President Thomas or me.