



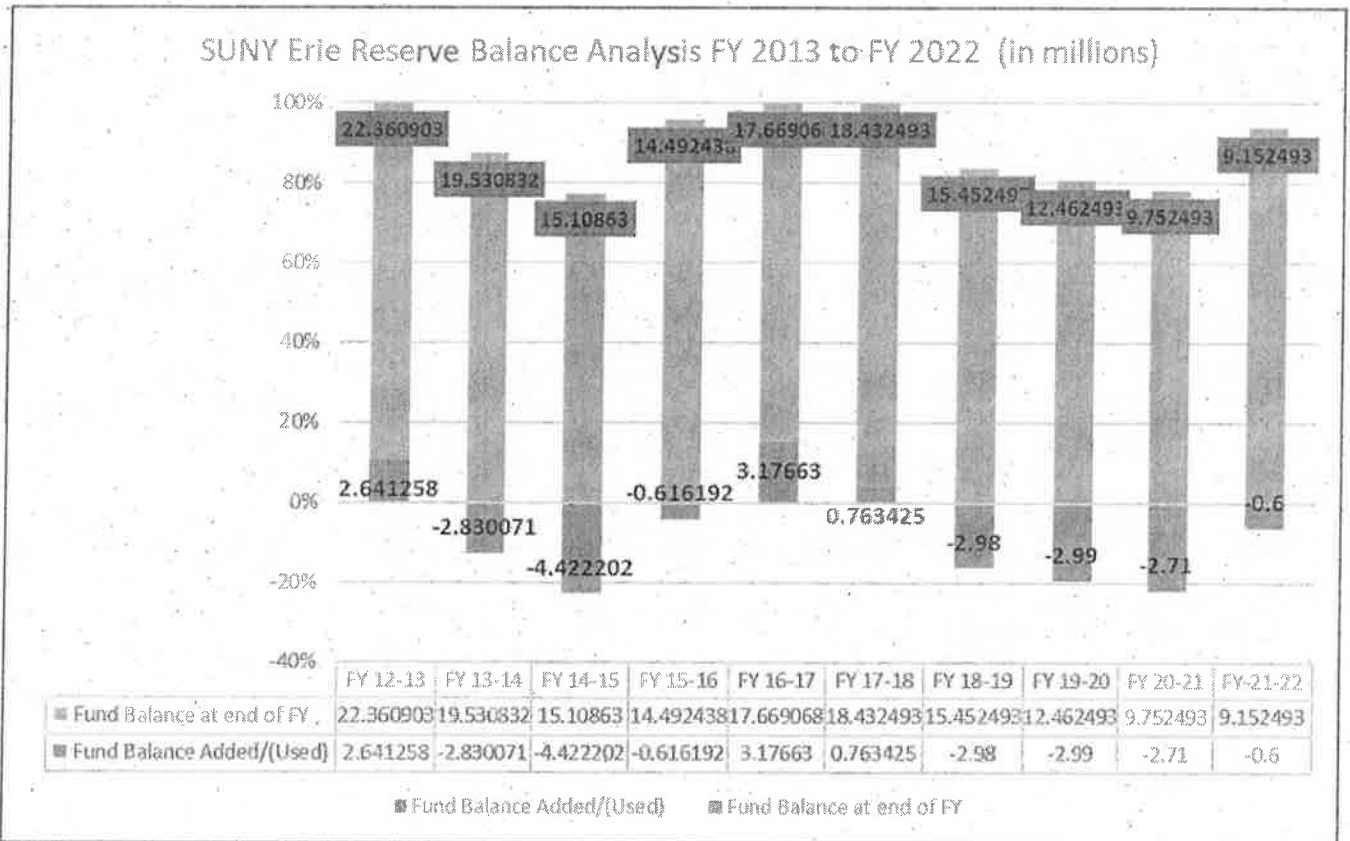
**SUNY Erie Community College
Mid-Year Budget Report Follow Up**

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Mid-Year Budget Review Follow Up Report**

SUNY Erie Community College President Dr. Dan Hocoy presented the College’s mid-year budget review to the Community Enrichment Committee on March 11, 2019. During the course of that presentation, a number of questions arose requesting follow up or clarification.

College Fund Balance Reserve

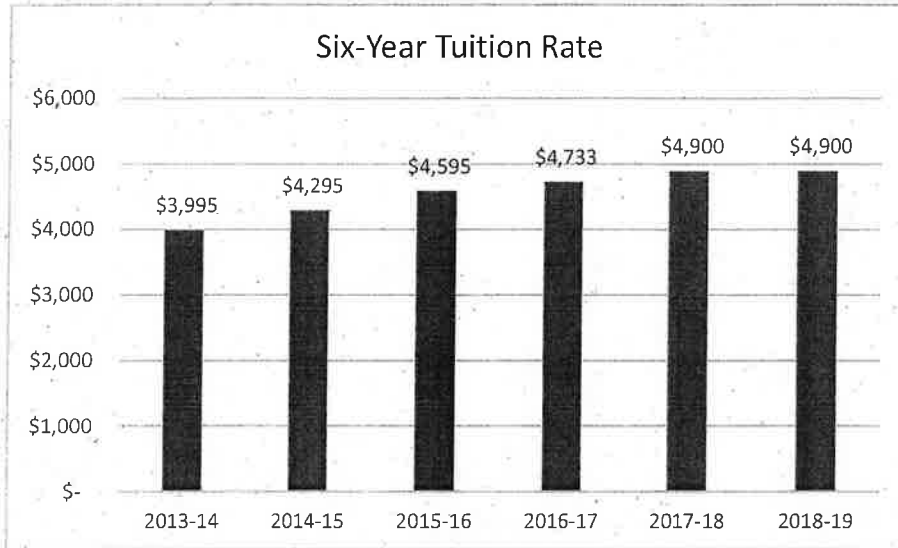
As reported, SUNY Erie currently has slightly less than \$19 million in its fund balance reserve. President Hocoy noted that approximately \$6.1 million has been added to the reserve over the past two budget cycles. A question was asked pertaining to whether the College has considered using those reserves to lower tuition, with an additional note asking for the comparison of the reserve balance to tuition cost over the past 4 years.



The **Fund Balance Reserve** chart shows fund balance was used to balance the operating budget for the 2013-14, 2014-15 and 2015-16 fiscal years. At the end of the 2016-17 and 17-18 fiscal years, \$3.17 million and \$763,425 were returned to the reserve fund, respectively. The chart also outlines the anticipated reserve expenditures through 2022 for the implementation of the approved ERP project.

With all else remaining constant, the fund balance reserve will hold slightly more than \$9 million at the end of Fiscal Year 2021-2022.

The **Six-Year Tuition History Chart** shows that tuition increased 22.7% between FY2013-14 and FY17-18. Tuition was held flat for FY18-19.

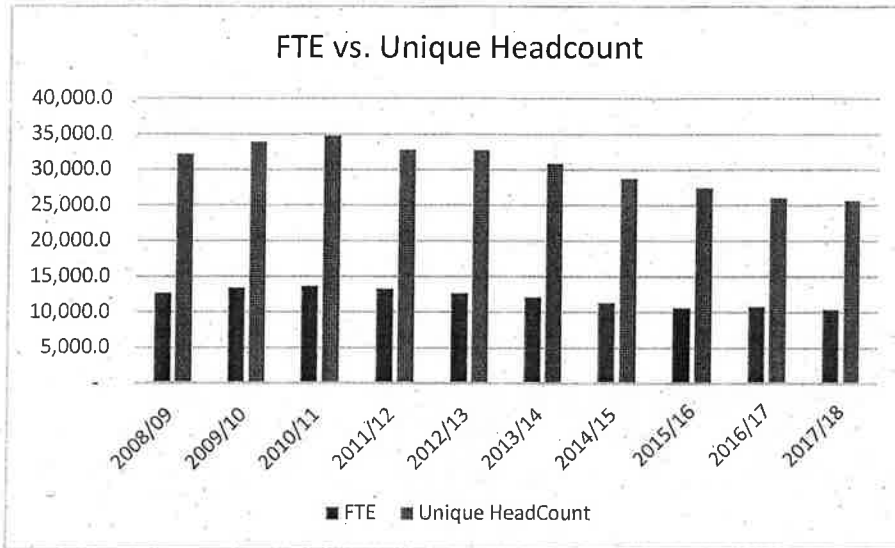


The savings generated during the 16-17 and 17-18 fiscal years were realized because of a change in the end of the year purchasing process for the College, as well as the institution of a monthly reforecasting model. These changes enable the College's Business and Finance Office to closely monitor revenue and expenditures to ensure the College remains on target for a balanced budget.

It is important to note that the College was placed on warning by the Middle States Association in 2017 as a result of planned consistent use of the reserve fund to balance the operating budget. The warning was removed in 2018, as the College's Finance Office demonstrated a sustainable model of monthly reforecasting to maintain a balanced budget.

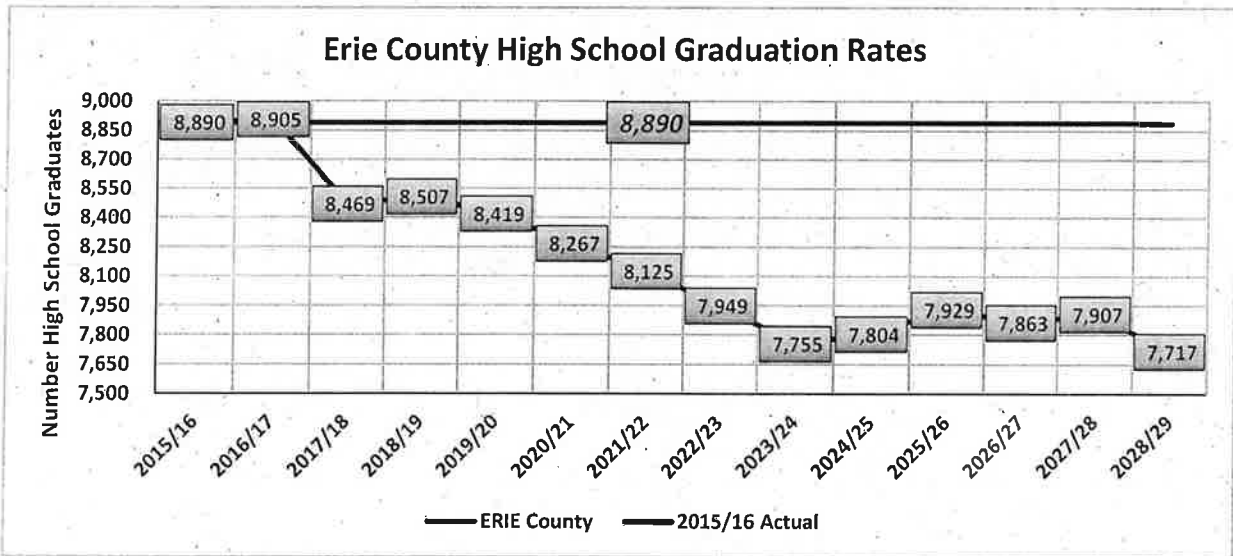
10 Year Enrollment Trends - FTE vs Headcount Comparison

A comparison of FTE and Unique Headcount over the past ten years shows a drop-in enrollment of 18% in FTE and 20.2% in headcount. This trend is consistent with enrollment and headcounts in the region and throughout the state over the past 10 years.



High School Graduation Rates

The nationwide trend of shrinking populations has an impact on the annual high school graduation rates, thereby reducing the number of traditional age college students. The **Erie County Graduation Rate Chart** reinforces that this trend is expected to continue through Fiscal Year 2023-24, before the population sees an upward variance for a two-year period.

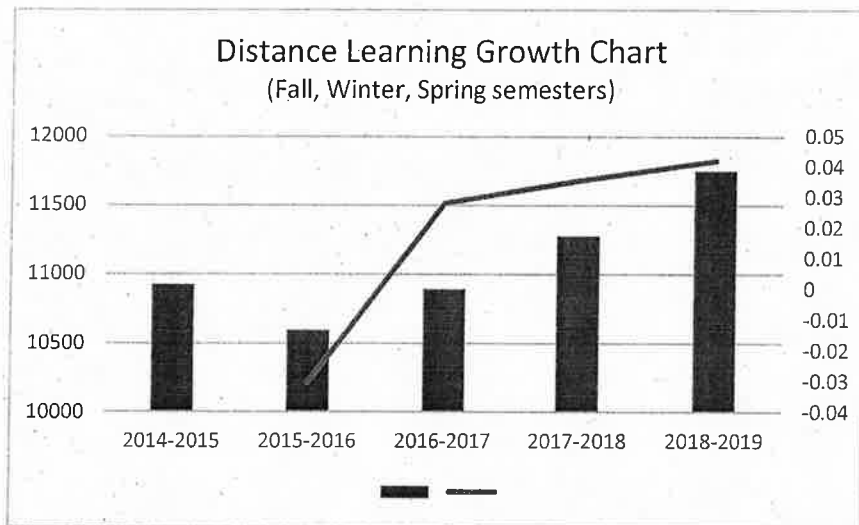


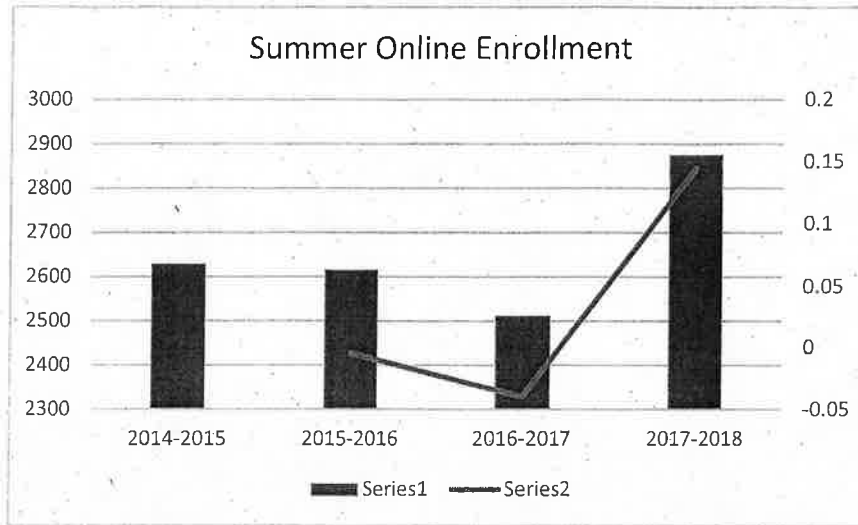
Understanding these trends is important for the College to adequately project enrollment and develop strategy to offset the number of available traditional age students. One already identified area for growth Distance Learning.

Distance Learning Growth

Upon his arrival in the mid-2017, President Hocoy initiated a push for distance learning coursework – both in fully online offerings, as well as individual courses offered.

In that period, the number of distance learning courses offered has grown to 240, with new fully online courses in development. The impact on enrollment for the Fall, Winter and Spring semesters can be seen in the **Distance Learning Growth Chart**, with the **Summer Enrollment Chart** detailing the summer enrollment trend both prior to and after President Hocoy's arrival.





For Fiscal Year 2017-18, enrollment in distance learning courses grew by 4.68% over the previous year, including an enrollment increase of 14.49% over the previous summer period. To date for the 2018-19 Fiscal Year, there has been an additional growth of 4.21% over the previous reporting period with summer enrollment remaining to be added.

SUNY Erie Community College Foundation

In response to a question regarding the number of donations in excess of \$10,000 were received by the Foundation in the past year, a total of 10 donations were received in Fiscal Year 2017 totally just over \$321,000. Two of the donations were unrestricted, while eight were designated for a specific scholarship or project.

Senior Executive Staff

In response to a question on the number of Senior Executive Staff positions hired in the past year, the **SES Comparison Table** shows a three-year history of positions.

SES Comparison Table					
2016/2017	Salary	2017/2018	Salary	2018/2019	Salary
Senior VP for Operations	\$ 140,000	EVP Institutional Advancement & Efficiencies	\$ 145,656	EVP Institutional Advancement & Efficiencies	\$ 148,569
VP of Foundation	\$ 93,636				
Vice Provost Health Sciences	\$ 111,427	Vice Provost Health Sciences	\$ 113,655	Vice Provost Health Sciences	\$ 115,928
Provost/EVP	\$ 122,767	Provost/EVP	\$ 140,000	Provost/EVP	\$ 140,000

Exec Sec to the Pres & BOT	\$ 60,137	Exec Sec to the Pres & BOT	\$ 62,936	Exec Assistant to the President	\$ 64,194
Dir Human Resources	\$ 89,250	VP of HR, Equity & Inclusion	\$ 96,035	VP of HR, Equity & Inclusion	\$ 97,956
Assoc VP Liberal Arts	\$ 97,995				
Assoc VP IRAAP	\$ 96,900	Vice Provost IRAAP	\$ 98,838	Vice Provost IRAAP	\$ 100,815
Assoc VP Enrollment Mgt	\$ 91,800	VP of Enrollment Management	\$ 93,636	VP of Enrollment Management	\$ 95,509
Chief Fin Officer & Sr VP of Admin	\$ 137,957	EVP Admin & Finance	\$ 140,000	EVP Admin & Finance	\$ 142,800
Asst to CFO Sr VP ADM & FIN	\$ 44,028	President's Legal Affairs Assistant	\$ 46,894	Assistant to President-City	\$ 49,967
AVP Data Analy & Sys In	\$ 96,900				
AVP of College Safety & Securit	\$ 77,010	VP of Facilities and Security	\$ 90,000	VP of Facilities and Security	\$ 91,800
AVP Student Success	\$ 91,800	VP of Student Affairs	\$ 93,636	VP of Student Affairs	\$ 95,509
Asst Dir Human Resources	\$ 61,200	Dir of Talent Mgt & Employee E	\$ 62,220	Director of Human Resources	\$ 80,000
Asst to the EVP Academic Affairs	\$ 48,027	Asst to Provost/EVP	\$ 51,260	Asst to Provost/EVP	\$ 52,285
Asst to the SVP Operations	\$ 44,026	Asst to EVP Inst Adv & Efficiency	\$ 46,894	Asst to EVP Inst Adv & Efficiency	\$ 49,967
				Assistant to the Board of Trustees	\$ 56,657
Chief Info Off Vice Provost	\$ 109,000	Chief Info Officer/Vice Provost	\$ 111,180	Chief Info Officer/Vice Provost	\$ 113,404
Dir Office Equity/Diversity	\$ 96,036			Chief Diversity Officer	\$ 80,000
Employee Relations Manager	\$ 50,000	Employee Relations Manager & Chief Diversity Officer	\$ 71,400	Employee Relations Manager	\$ 80,000
Confidential Office Assistant	\$ 48,027	Confidential Office Assistant	\$ 51,260	Confidential Office Assistant	\$ 38,043
22 positions	\$ 1,807,924	17 positions	\$ 1,515,501	19 positions	\$ 1,693,402

During the 2016-17 Fiscal Year, the College employed 22 Senior Executive Staff positions compared to 17 positions in FY2017-18, and 19 positions in FY2018-19.

JMZ Study

The College is in the midst of an academic and facilities study with JMZ Architects. The expected outcome of this study will be a comprehensive master plan that will allow the College to create a roadmap for infrastructure and academics. Upon receipt of the final report, the College will work with the Erie County Department of Public Works and SUNY to develop a capital facilities plan to ensure the best service for future student populations.

6 Month Interim Financial Report for FY18-19

Overall, our headcount YTD is down ~3.46%, therefore, we are anticipating a tuition budget variance of approximately \$1.5 million. Through monthly re-forecasting, we have managed our expenses to ensure we stay within budget. We have created savings from additional efficiencies and diligence in purchasing to offset the decline in tuition revenue. We expect expenditures to match revenue for the remainder of FY18-19, therefore, we will be on budget for the fiscal year.

ERIE FIN RPT - Budget vs. Actual

Period FY 2018 - 2019 - 08 - Feb
 Time Period Current Period YTD
 Budget Structure Operating Plan
 Fund Operating Fund

Ledger Account	Budget	Actual	Prior Actual	Budget Variance	Prior Period Variance	Prior Period Percent Increase/(Decrease)
Revenues						
Tuition	43,808,954.00	39,357,457.70	42,256,868.43	(4,451,496.30)	2,899,410.73	-6.86%
40000:Tuition Revenue	43,808,954.00	39,357,457.70	42,256,868.43	(4,451,496.30)	2,899,410.73	-6.86%
Non-Resident Tuition and Charges	2,889,967.00	1,997,918.43	2,611,567.54	(892,048.57)	613,649.11	-23.50%
40000:Tuition Revenue	1,389,967.00	1,279,091.25	1,278,530.50	(110,875.75)	(560.75)	0.04%
40150:County Chargebacks—Operating	1,500,000.00	718,827.18	1,333,037.04	(781,172.82)	614,209.86	-46.08%
Non State Aidable Courses	950,000.00	357,217.35	649,897.74	(592,782.65)	292,680.39	-45.03%
40100:Student Revenue: Non-State Aidable Courses	950,000.00	357,217.35	649,897.74	(592,782.65)	292,680.39	-45.03%
Student Service Fees	10,786,740.00	8,510,478.12	9,502,753.60	(2,276,261.88)	992,275.48	-10.44%
40200:Student Fees	7,006,409.00	5,290,615.62	6,049,074.60	(1,715,793.38)	758,458.98	-12.54%
40210:Student Fees: Technology	3,780,331.00	3,219,862.50	3,453,679.00	(560,468.50)	233,816.50	-6.77%
Sponsor Contribution	18,554,317.00	-	-	(18,554,317.00)	-	0.00%
40155:Sponsor Contribution	18,554,317.00	-	-	(18,554,317.00)	-	0.00%
State Aid	30,299,384.00	15,149,692.00	15,288,228.00	(15,149,692.00)	138,536.00	-9.91%
40300:State Aid	30,299,384.00	15,149,692.00	15,288,228.00	(15,149,692.00)	138,536.00	-9.91%
Other Sources	1,326,953.00	492,280.98	458,782.77	(300,147.02)	(568,023.21)	7.30%
40400:Interest & Earnings	60,000.00	114,875.39	56,406.16	54,875.39	(58,469.23)	103.66%
40700:Miscellaneous Revenue	860,153.00	591,856.79	80,955.49	(268,296.21)	(510,901.30)	631.09%
40710:Rental Income	405,800.00	311,134.69	322,698.38	(94,665.31)	11,563.69	-3.58%
40715:Forfeiture of Deposit	1,000.00	8,939.11	(1,277.26)	7,939.11	(10,216.37)	-799.87%
Fund Balance	2,969,489.00	-	-	-	-	0.00%
Total Revenues	111,585,804.00	65,665,044.58	70,766,998.08	(42,216,745.42)	4,368,528.50	-6.93%
Expenses						
Salaries and Wages	57,873,595.26	28,964,326.15	27,278,633.20	28,909,269.11	1,685,692.95	6.18%
50000:Salaries and Wages	28,909,574.02	14,453,828.63	14,207,924.28	14,455,745.39	245,904.35	1.73%
50010:Salaries-Non-teaching	28,964,021.24	14,510,497.52	13,070,708.92	14,453,523.72	1,439,788.60	11.02%
Employee Benefits	28,142,621.32	14,424,698.10	13,583,357.31	13,717,923.22	841,340.79	6.19%
29811:105h	-	-	-	-	-	0.00%
58005:Retirement: NYS ERS	3,199,601.89	1,570,758.15	1,465,847.71	1,628,843.74	104,910.44	7.16%
58010:Retirement: NYS TRS	1,492,198.45	829,354.36	706,550.91	662,844.09	122,803.45	17.38%
58020:Retirement: TIAA/CREF	1,836,163.18	857,123.90	867,656.98	979,039.28	(10,533.08)	-1.21%
58030:Employee Benefits: FICA	5,304,948.01	2,145,708.00	2,031,925.62	3,159,240.01	113,782.38	5.60%
58035:Employee Benefits: Workers Compensation	688,262.04	392,378.49	353,173.82	295,883.55	39,204.67	11.10%
58040:Employee Benefits: Unemployment Insurance	30,724.13	9,812.98	19,182.83	20,911.15	(9,369.85)	-48.85%
58045:Employee Benefits: Health & Dental Insurance	15,341,756.87	8,516,826.47	7,910,680.94	6,824,930.40	606,145.53	7.66%
58050:Employee Benefits: Tuition Waiver	248,851.75	102,735.75	228,338.50	146,118.00	(125,602.75)	-55.01%
58055:Employee Benefits: Wellness Incentive	115.00	-	-	115.00	-	0.00%
Supplies and Services	24,129,587.42	8,360,156.58	7,457,218.14	15,769,430.84	902,938.44	12.11%
64005:Supplies	24,129,587.42	951,960.03	1,632,355.81	23,177,627.39	(680,395.78)	-41.68%
64010:Utilities	-	954,510.18	977,489.41	(954,510.18)	(22,979.23)	-2.35%
64015:Services	-	5,153,634.93	3,422,102.12	(5,153,634.93)	1,731,532.81	50.60%
64020:Taxes	-	70,013.00	75,669.28	(70,013.00)	(5,656.28)	-7.48%
64026:Insurance	-	636,461.34	697,563.73	(636,461.34)	(61,102.39)	-8.76%
64030:Travel	-	69,391.26	74,779.12	(69,391.26)	(5,387.86)	-7.21%
64035:Recruitment	-	12,619.28	202,911.92	(12,619.28)	(190,292.64)	-93.78%
64040:Memberships	-	72,944.02	80,503.60	(72,944.02)	(7,559.58)	-9.39%
64045:Accreditation Fees	-	25,382.00	45,328.00	(25,382.00)	(19,946.00)	-44.00%
64050:Miscellaneous	-	272,110.24	248,515.15	(272,110.24)	23,595.09	9.49%
64055:Advertising	-	141,130.30	-	(141,130.30)	141,130.30	0.00%
Equipment	1,440,000.00	202,589.17	703,218.05	1,237,410.83	(500,628.88)	-71.19%
60000:Equipment	1,440,000.00	202,589.17	703,218.05	1,237,410.83	(500,628.88)	-71.19%
Total Expenses	111,585,804.00	51,951,770.00	49,022,426.70	59,634,034.00	2,929,343.30	5.98%
Net Increase/(Use of) Fund Balance	-	13,913,274.58	21,745,671.38	-	1,439,185.20	

Footnotes:

1 There is a positive correlation with student tuition and fee revenue and enrollment. Fall and spring enrollment is down compared to 2018, thereby adversely affects revenues. Additionally, a decrease of \$415,468 is presented within collection fees due to the timing of Fall accounts being sent to collection agencies. Does not include summer enrollment revenue at mid-year.

2 Notable decrease in operating chargeback revenues at 2/28/19; this is the result of timing of chargeback invoices. In 2018, invoices were sent prior to 2/28, whereas in 2019, invoices are not yet posted.

3 Decrease in corporate training revenues largely due to the timing of invoicing and collection of revenues.

4 Sponsor contribution is received 4/15 (operating) and 8/31 (equipment reimbursement).

5 Increased total revenues and expense by \$534,525, respectively, which represents payments collected and remitted to ASC for student housing at Canisius College.

6 Increases in salaries and wages compared to 2018. In 2018, the pathways program salaries and benefits were not transferred over to the operating fund and included in monthly reporting until 8/31. In 2019, the pathways program expenses are included in the operating fund on an on-going basis to provide more transparent and accurate reflection of expenses to date. Additional increase is the result of annual step/wage increases and current year activity.

7 Erie County invoice for retiree health insurance for employees retired pre- 1/1/03 at 12/31/18 increased \$592,895 compared to those similar expense at 12/31/17. We are investigating the change.

8 Notable decrease in supplies expense relates to decrease in computer supply and security uniforms within maintenance and general institutional support functional areas.

9 Significant increase in service fee expenses compared to prior year. This is due to \$901,805 of pathway expenses being recorded throughout the period 9/1/18-2/28/19. This differs from 2018 when the expenses for pathway programs was recognized in the grants fund and transferred to college expense at 8/31/18. At 2/28/18, contractual expenses for pathways amount to \$1,066,338.

10 Notable budget and prior year savings within equipment expenses; this is largely within the ITS cost center due to a refresh and update of student and staff computers, laptop, printers and disaster recovery equipment during 2018.