Baruch College

Ad Hoc Committee

On

Budget Planning

Background and Purpose. Baruch College faces a budget imbalance in the current fiscal year 2004 estimated at $2.5m as of December 31, 2003. This amount is the residual after taking certain actions recommended by an earlier budget evaluation committee referenced below. For FY 2005, the imbalance is estimated at approximately $4.8m (all of which is recurring), assuming most vacant lines are eliminated and the resultant savings applied.

Throughout the autumn semester, a series of conversations among College and University leaders took place that defined and explored the problem. These included discussions at Cabinet meetings, multiple presentations to the Faculty Senate, meetings with University fiscal leaders, a presentation to the Baruch College Fund Executive Committee, and budget orientation and initial revenue/expenditure adjustment recommendations by an integrated committee of faculty, staff and student leaders. While conversations with the Chancellor are slated to continue, the College must move forward decisively and immediately to devise a balanced budget plan for FY 2005.

Previous work by the earlier committee focused on:

- Understanding the basics of Baruch’s budgeted revenues and expenditures;
- Examining tuition collection scenarios and their impact on the budget;
- Recommending continuation of the Tax Levy hiring freeze and conversion of vacant lines into budget savings for the current year; and
- Recommending one-time use of non-Tax Levy budget revenues that might ease the Tax Levy fiscal burden.

The purpose of this work is to:

- Recommend to the Provost and VP Administration & Finance prioritized Tax Levy expense reductions and Tax Levy revenue enhancements that will result in a balanced budget in FY 2005. Recommendations may be specific or generic, and impacts may be broad or targeted as the group sees appropriate.
- Strategize an enrollment policy specific to each enrollment category that will provide additional Tax Levy revenue with a minimum of associated cost.

Constraints. Expectation of any yet-to-be-approved fee rate increase or tuition rate increase should not be factored into the budget planning. Enrollment forecasts should be utilized, and revenue estimates should be calculated at currently-approved prices. As much of our program and service budgets as possible needs to be “on the table” for evaluation. Solutions may span multiple years through cash flow loans, but creation of future year deficits is prohibited.
Authority. This *Ad Hoc* Committee is charged by and reports to the Provost and the Vice President for Administration & Finance at Baruch College. Its recommendations do not constitute Baruch College policy; rather, they are solicited to help guide College leadership in its decision-making. The *Ad Hoc* Committee will disband upon completion of its charge.

Deliverables. The *Ad Hoc* Committee’s principal deliverable is a written report that summarizes its recommendations for balancing the FY 2005 budget, including actions that might be taken immediately to support that imperative. *Given that the calendar calls for the final report to be presented in mid-March, the Committee is encouraged to communicate its ideas for immediate actions early in the process.*

Schedule. The work of the *Ad Hoc* Committee is time-critical due to the risks and sensitivities associated with Baruch College’s budget allocation and potential hiring commitments. The committee must begin as soon as possible and move forward expeditiously to meet or beat these deadlines:

- January 26 Task Force members are selected and the group is charged
- February 26 Draft report submitted to Provost Dannenbring and Vice President Specter
- March 2 Draft report presented to the President’s Cabinet
- March 15 Final report due to Provost Dannenbring and Vice President Specter

*Time is of the essence in completing this work. The Ad Hoc Committee is accountable to the Provost and to the Vice President for Administration & Finance for adhering to this schedule.*

Membership. **Terry Martell** and **Arthur Downing**, *Co-Chairs*

Stan Altman   Myrna Chase
John Elliott   Mary Finnen
Mary Gorman Hetherington
Robert Myers   David Potash
Sam Johnson   David Gallagher

Staffing. Gwen Ferguson-Pugh will staff the Committee. Assistance from the Budget Office, Enrollment Management and Human Resources may be utilized as needed by the Co-Chairs.