

ORANGE COUNTY COMMUNITY COLLEGE

Middletown, New York 10940

Office of the Vice President for Administration & Finance

October 21, 2020

To: Members of the Board of Trustees

From: Paul Martland, Vice President of Administration and Finance

FISCAL REPORT: September 1, 2020 – September 30, 2020

The report of revenue and expenditures for the period September 1, 2020 to September 30, 2020 is attached. This report compares the projected 2020-2021 fiscal year to the original budget and prior year actual. We have also included an un-official adjusted budget which reflects expected levels of State support and enrollment.

REVENUE

Total projected revenues based on the period ended September 30, 2020, fall short of original approved budget expectations by 5.8%, or \$3.6 million. The majority of the shortfall is related to NYS reducing their State payment by 20% or \$2.7 million. Another \$1.9 million of the shortfall is related to lower than anticipated FTE (full-time equivalent) enrollments during the fall 2020 term which, in turn, impacts fees and spring tuition revenues. With the unknown impacts of COVID the college is taking a conservative approach and is projecting about 10% decline in enrollment for the Winter Spring, and Summer semesters, and the actual fall '20 enrollment. Projected non-credit courses, or CAPE revenues, are forecasted to be 46.5%, or \$226k lower than budget, most of this shortfall is related to COVID-19 impact to fall, and spring revenues. The college was awarded \$1.7 million dollars of CARES Act Institutional Funds and is projected to use \$1.3 million of those dollars to support additional costs related to moving in-person courses to online, additional course offerings due to remote status, and PPE costs. The variance of about \$400k that is not projected in this report will be used to purchase I.T. and A/V equipment to support a "classroom of the future" concept under development by the ITS and Academic Affairs departments.

EXPENDITURES

Total projected expenditures for the academic year are estimated to be 6.6% less than the original budget, or \$4.1 million. This is primarily due to the implementation of cost saving strategies to mitigate the anticipated 20% reduction in State funding and 10% decrease in student enrollment. These cost savings strategies are reflected in the un-official adjusted budget. We continue to update the un-official adjusted budget as new information becomes available.

FUND BALANCE

At the beginning of the year, the College's unrestricted fund balance was 6.6% of its operating expenses. SUNY's general guideline for each community college, regardless of size, is to "work to establish unrestricted net assets ranging from 5% to 15% of its operating expenses." Currently, the unrestricted fund balance is projected to gain approximately \$486k, which will result in a level of 7.6% of operating expenses.