

THE COUNCIL OF THE CITY OF NEW YORK

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Committee on Higher Education



Hearing on the Fiscal Year 2013 Executive Budget

City University of New York

May 18, 2012

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City University of New York Fiscal 2013 Budget Overview

The City University of New York (CUNY) provides higher education to more than 259,000 degree-seeking students and over 262,000 adult and continuing education students. CUNY consists of eleven senior colleges, six community colleges, the William E. Macaulay Honors College at CUNY, the Graduate School and University Center, the CUNY Graduate School of Journalism, the CUNY School of Law, the CUNY School of Professional Studies, the Sophie Davis School of Biomedical Education and the CUNY School of Public Health. CUNY has also opened a new community college; it will admit its first class of student in the next academic year. CUNY enrolls students in 1,420 academic programs, as well as adult and continuing education programs. CUNY also sponsors the Hunter Campus Schools.

This report presents a review of the CUNY's Fiscal 2013 budget and discusses the changes introduced in the Executive Budget. Adjustments to the Fiscal 2103 Budget proposed in either the November 2011 Financial Plan or the Preliminary Fiscal 2013 Budget were reviewed at the Committee on Higher Education's March 9, 2012 hearing and a summary of these changes is presented in Appendix 2 at the end of this report. The Capital Budget for CUNY is also presented, as is a summary of CUNY's capital funding requests. Finally, the Council initiatives included in the Fiscal 2012 Adopted Budget are listed in Appendix 1.

City University of New York Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Exec. Plan	2013 Exec. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$568,848	\$510,560	\$557,387	\$576,989	\$66,428
Other Than Personal Services	207,604	259,433	265,566	260,517	1,084
Agency Total	\$776,452	\$769,993	\$822,952	\$837,506	\$67,513
Budget by Program Area					
Community Colleges- UA 001 & 002	\$754,557	\$719,307	\$772,175	\$786,777	\$67,470
Educational Aid – UA 005**	6,000	N/A	N/A	N/A	N/A
Hunter Campus Schools – UA 003 & 004	15,895	15,687	15,777	15,729	42
Senior Colleges – UA 012	0	35,000	35,000	35,000	0
Total	\$776,452	\$769,993	\$822,952	\$837,506	\$67,513
Funding					
City Funds		\$532,029	\$560,012	\$576,315	\$44,286
Other Categorical		12,516	12,516	13,000	484
State		211,629	213,589	235,462	23,833
Federal - CD		964	1,142	0	(964)
Federal - Other		0	0	0	0
Intra-City		12,856	35,712	12,734	(122)
Total		\$769,994	\$822,971	\$837,511	\$67,517
Positions					
Pedagogical Positions	3180	3150	3180	3180	30
Non-Pedagogical Positions	1674	1590	1647	1687	97
Total	4,854	4,740	4,827	4,867	127

*The difference between the Fiscal 2012 Adopted and the Fiscal 2013 Executive Plan funding.

**The Educational Aid Unit of Appropriation no longer appears in CUNY's budget.

The City is required to share in the support of CUNY's community colleges and it is in the Community College Units of Appropriation (UA) where the bulk of the budget support is scheduled. The Senior College UA is used by CUNY to pre-fund senior college expenses funded by the State due to the different funding cycles of the City and the State. Funding budgeted in the Hunter Campus Schools UAs are appropriated to provide for the education of all preschool, elementary and secondary students who attend the Hunter Campus elementary and high schools. These schools are comprehensive educational schools for gifted children sponsored by CUNY's Hunter College.

The Fiscal 2013 Executive Budget increases by \$67.5 million or 8.8 percent from the Fiscal 2012 Adopted Budget. The growth is almost entirely in personal services in Community Colleges, which increases by \$66.4 million or 13.4 percent and corresponds with the addition of 30 pedagogical positions and 97 non-pedagogical positions.

Increase in City Funds

CUNY is funded almost entirely with City and State funds. City funds total \$576.3 million in Fiscal 2013, a \$44.3 million or 8.3 percent increase from the Fiscal 2012 Adopted Budget. The growth in City funds reflects a tuition increase implemented in September 2011 as well as another planned tuition increase in September 2013. More details on CUNY's tuition adjustments are outlined below in the Fiscal 2013 Executive Budget Actions.

Increase in State Funds

The \$23.8 million or 11.3 percent State funding increase stems mainly from an increase in State operating aid, as detailed below in the Fiscal 2013 Executive Budget Actions.

Council Initiatives

The City Council added \$3.35 million to support a variety of initiatives at CUNY during Fiscal 2012. These funds were not baselined and are therefore not included in the Fiscal 2013 Executive Budget. The table in Appendix 1 outlines Fiscal 2012 City Council Initiatives at CUNY.

Fiscal 2013 Executive Budget Actions

The Fiscal 2013 Executive Plan increases CUNY's Fiscal 2013 Budget by \$50.1 million. Adjustments to the current year budget total \$11.6 million. A planned tuition increase and an increase in State aid account for almost all of the increase. All of the budget changes introduced in the Executive Plan are presented in the table below.

Budget Actions in the Executive Plan						
<i>Dollars in Thousands</i>						
	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
CUNY Budget as of FY13 Prelim	\$552,577	\$258,764	\$811,341	\$547,321	\$240,120	\$787,441
New Needs						
Operating Support	\$4,775	\$0	\$4,775	\$792	\$0	\$792
Operating Support for New Community College	0	0	0	2,000	0	2,000
Total New Needs	\$4,775	\$0	\$4,775	\$2,792	\$0	\$2,792
Other Adjustments						
Budget Mod	\$0	\$63	\$63	\$0	\$0	\$0
College Discovery Adjustment	0	0	0	0	55	55
PlaNYC Programs	0	145	145	0	0	0
Tuition and Enrollment Adjustment	2,878	0	2,878	22,878	0	22,878
YMI	0	0	0	410	0	410
State Aid Rental Adjustment	0	0	0	0	33	33
CD CUNY Adjustment	0	0	0	0	(868)	(868)
State Operating Aid	0	0	0	0	21,839	21,839
Heat, Light & Power and Fuel	(217)	0	(217)	2,604	0	2,604
Lease Adjustment	0	0	0	311	0	311
Adult Lit. Ex Offender Program	0	178	178	0	0	0
Various Intra-City Adjustments	0	3,811	3,811	0	17	17
Total Other Adjustments	\$2,661	\$4,197	\$6,858	\$26,203	\$21,076	\$47,279
Total All Changes	\$7,436	\$4,197	\$11,633	\$28,995	\$21,076	\$50,071
CUNY Budget as of the FY13 Executive Budget	\$560,013	\$262,961	\$822,974	\$576,316	\$261,196	\$837,512

New Needs

- Operating Support.** The Executive Budget adjusted CUNY's City-funds budget upward by \$4.8 million in Fiscal 2012 and by \$792,000 in Fiscal 2013 to ensure that it meets the Maintenance of Effort requirement. The MOE level for Fiscal 2012 is \$259 million; CUNY's City-funds budget had temporarily dipped below that marker when pension savings were recognized in the February 2012 Financial Plan. This adjustment returns the City-funds budget to \$259 million.
- Operating Support for the New Community College.** CUNY has opened a new community college, which will admit its first class of students in the upcoming academic year. The Executive Plan added \$2 million for OTPS in Fiscal 2013, bringing the OTPS budget to \$6.8 million. The Office of Management and Budget has not yet established a personal services budget code for the new school so the Executive Budget therefore does not indicate the level of PS funding that will be provided to the school; nor does it show PS spending in Fiscal 2012 associated with the school.

Other Adjustments

- **Tuition and Enrollment Adjustment.** The Plan recognizes \$2.9 million in additional tuition revenue in Fiscal 2012, stemming from a tuition increase starting in September 2011. The CUNY increased undergraduate resident tuition by \$300 at both the senior and community colleges this school year. The \$2.9 million added in Fiscal 2012 is an adjustment to a prior estimate based on actual enrollment that grows the tuition revenue increase associated with the September 2011 rate change to \$22.9 million. This action also recognizes another planned \$300 tuition increase that will be imposed on students in September 2012. The action baselines a \$22.9 million increase beginning in Fiscal 2013.
- **State Operating Aid.** The Executive Budget recognizes \$21.8 million in additional state aid for the community colleges beginning in Fiscal 2013. This increase reflects a \$150 increase in the State's per full-time equivalent (FTE) student aid. The aid will grow from \$2,122 to \$2,272 per student next year, accounting for \$12.2 million of the growth. The State enacted budget also recognized enrollment growth from 77,500 FTEs to 81,000. State aid for this increase is \$7.4 million. The State adopted budget also provides one-time funding of \$2.3 million for prior year enrollment growth.

CUNY Capital Budget Summary

The May 2012 Capital Commitment Plan includes \$309.3 million in Fiscal 2012-2016 for the City University of New York (including City and Non-City funds). This represents just about one percent of the City's total \$39.52 billion Executive Plan for Fiscal 2012-2016. The agency's Preliminary Commitment Plan for Fiscal 2012-2016 is 4.2 percent more than the \$296.9 million scheduled in the Preliminary Commitment Plan, an increase of \$12.4 million. Almost all of this increase is associated with projects at the community and senior colleges funded by the Borough Presidents.

The majority of capital projects span multiple fiscal years and it is common practice for an agency to roll unspent capital funds from the current fiscal year into future fiscal years. In Fiscal Year 2011 the CUNY committed \$58.5 million or 22 percent of its annual capital plan. Therefore, it is assumed that a significant portion of CUNY's Fiscal 2012 Capital Plan will be rolled into Fiscal 2013, thus increasing the size of the Fiscal 2013-2016 Capital Plan. Since the Preliminary Budget was released in February the City-wide Capital Commitment Plan for Fiscal 2013 has increased from \$8.69 billion to \$10.82 billion, an increase of \$2.13 billion or 24.6 percent.

CUNY 2012-2016 Commitment Plan: Preliminary and Executive Budget

Dollars in Thousands

	FY12	FY13	FY14	FY15	FY16	Total
Prelim						
Total Capital Plan	\$244,302	\$43,986	\$2,783	\$2,869	\$2,952	\$296,892
Executive						
Total Capital Plan	\$244,785	\$54,938	\$3,783	\$2,869	\$2,952	\$309,327
Change						
Level	\$483	\$10,952	\$1,000	\$0	\$0	\$12,435
Percentage	0.20%	24.90%	35.93%	0.00%	0.00%	4.19%

Capital Program Overview

CUNY's April 2012 Commitment Plan includes a wide array of projects. Most of CUNY's capital program is focused on critical maintenance and repair projects. The City's Commitment Plan, however, does not present an accurate picture of CUNY's capital program because the State funding that matches every city dollar spent on community college projects does not get reported in the Plan. Generally, only the city-funded portion of each project is shown and the other half of the cost that the State pays for is not.

Also not included in the City's Capital Budget are matching funds for \$71 million of projects for which the State has appropriated funds. Without a match from the City these State funds cannot be spent. Given the scope, diversity and age of CUNY's capital portfolio, foregoing \$71 million in capital support should not be considered. CUNY has identified a range of projects that could be supported if the City were to match the available State appropriation. They include:

- LaGuardia Community College – \$17.5 million for Phase III of the façade replacement project. The building’s terra cotta façade must be replaced if the building is to be preserved.
- Bronx Community College Critical Maintenance - \$23.5 million for a multi utility upgrade project that is already underway. Support is also required for ADA-related projects on the campus and replacement of the air conditioning system for the main server room.
- CUNY-wide Critical Maintenance - \$10 million would fund various projects at the community colleges.

Appendix 1: Fiscal Year 2012 Initiatives

FY 2012 Council Initiatives by CUNY Program Area	
<i>Dollars in Thousands</i>	
Community Colleges	
Black Male Initiative	\$2,250
Center for Puerto Rican Studies	250
CUNY Nursing Program	500
Dominican Studies Institute	250
Murphy Institute Center for Worker Education	100
TOTAL	\$3,350

Appendix 2: Actions in the November, Preliminary & Executive Plans

CUNY Budget Actions in the November, Preliminary, and Executive Plans						
<i>Dollars in Thousands</i>						
	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
CUNY Budget as of FY12 Adopted Plan	\$532,029	\$237,965	\$769,993	\$518,630	\$238,214	\$756,844
New Needs						
Young Men's Initiative	\$0	\$0	\$0	\$2,000	\$0	\$2,000
Operating Support	4,775	0	4,775	792	0	792
Operating Support for New Community Coll.	0	0	0	2,000	0	2,000
Total New Needs	\$4,775	\$0	\$4,775	\$4,792	\$0	\$4,792
Other Adjustments			0			0
CEO Programs	\$0	\$0	\$0	\$6,975	\$0	\$6,975
Intern Programs	0	2,570	2,570	0	0	0
PlaNYC Programs	0	2,187	2,187	0	0	0
Member Item Reallocation	548	0	548	0	0	0
MOU with CUNY	19	0	19	0	0	0
Tuition and Enrollment Adjustments	22,878	0	22,878	42,878	0	42,878
YMI	0	950	950	660	0	660
State Aid Rental Adjustment	0	1,906	1,906	0	1,906	1,906
HIP Rate Adjustment	0	0	0	(534)	0	(534)
CD CUNY Adjustment	0	0	0	0	(868)	(868)
State Operating Aid	0	0	0	0	21,839	21,839
Heat, Light & Power and Fuel	(217)	0	(217)	2,604	0	2,604
Lease Adjustment	0	0	0	311	0	311
Adult Lit. Ex Offender Program	0	178	178	0	0	0
Various Intra-City Adjustments	0	3,811	3,811	0	17	17
Other Adjustments	0	13,375	13,375	0	88	88
Total Other Adjustments	\$23,228	\$24,977	\$48,205	\$52,894	\$22,982	\$75,876
Total All Changes	\$28,003	\$24,977	\$52,980	\$57,686	\$22,982	\$80,668
CUNY Budget as of FY13 Executive Plan	\$560,032	\$262,942	\$822,974	\$576,316	\$261,196	\$837,512