



The Chancellor

February 4, 2011

To: Board of Trustees
College Presidents
Cabinet

From: Matthew Goldstein 

Re: Fiscal Year 2011-12 State Executive Budget

Governor Cuomo released the Fiscal Year 2011-12 State Executive Budget on February 1. The governor is proposing a 10 percent cut to state agencies, including CUNY. Below is a summary of the impact on the University.

On the operating side, for the senior colleges the executive proposal provides \$64.7 for the University's mandatory needs. It also includes a reduction in state aid of \$83.2 million. In addition, the executive budget further reduces state aid to the senior colleges by \$11.9 million to help cover a FY2011 shortfall of over \$300 million that is rolled forward into FY2012.

The State Executive Budget increases the University's revenue appropriation by \$40 million to recognize the 5 percent spring tuition increase approved by the Board of Trustees. However, the 2 percent increase approved as part of the FY2012 budget request is not recognized.

For the community colleges, the executive budget recommends an overall decrease of \$15.6 million, resulting from a 10 percent base-aid reduction of \$226 per FTE (\$17.5 million), offset by a \$1.8 million increase from projected enrollment growth and a building rental aid increase of \$0.1 million.

Regarding financial aid, the executive budget continues all of the changes made to the Tuition Assistance Program (TAP) in FY2011 except for the \$75 reduction of all TAP awards. The governor proposes to restore the maximum TAP award to \$5,000.

With respect to capital needs, the state budget recommends \$284.2 million in appropriations for the senior colleges for critical maintenance projects and \$31.2 million in appropriations for community college projects that have received city funding.

Attached is a preliminary analysis of the FY 2011-12 State Executive Budget, which provides further details. Please let me know if you have any questions or need any additional information. Thank you.

Enclosure

THE CITY UNIVERSITY OF NEW YORK

2011-2012 STATE EXECUTIVE BUDGET

Recommendations



PRELIMINARY ANALYSIS

**University Budget Office and the
Office of Facilities Planning, Construction and Management**

FEBRUARY 4, 2011

THE CITY UNIVERSITY OF NEW YORK
2011-2012 State Executive Budget Recommendations
Preliminary Analysis - February 4, 2011

SENIOR COLLEGE HIGHLIGHTS

The FY2012 State Executive Budget recommendation for the senior colleges totals \$1.881 billion, an increase of \$20.7 million over the current year, a 1.1% increase. On a year-to-year basis, state aid declines \$19.4 million, while tuition and other revenue increase by \$40.0 million.

Senior College Funding by Source
(\$ millions)

	FY2011 Adopted	FY2012 Executive	\$ Change from Base	% Change from Base
State Aid	1,066.9	1,047.5	-19.4	-1.8%
City Support	32.3	32.3	0.0	0.0%
Tuition & Other Revenue	761.1	801.1	40.0	5.3%
Total	1,860.3	1,880.9	20.6	1.1%

State Aid Reduction

- The governor’s proposal calls for a 10% reduction to state agencies, including CUNY. The base used for the University’s reduction target is its total state fiscal year appropriation, less fringe benefits.
- The year-to-year change in state aid includes an operating budget reduction in FY2012 of \$83.2 million. An additional reduction of \$11.9 million for FY2011 is being rolled forward into the FY2012 base.
- The executive budget also provides \$64.7 million in mandatory needs funding, for items such as fringe benefits, building rentals, energy, and salary step increments. The FY2012 budget also recognizes an additional \$11.0 million from the FY2010 tuition increase, which reflects an increase from 30% to 40% of the amount of the fall 2009 tuition increase retained by the University.

Tuition and Other Revenues

- The executive budget increases the revenue appropriation by \$40 million, the additional revenue that will be generated by the 5% spring 2011 tuition increase.
- The FY2012 budget does not support the fall 2011 tuition increase for the senior colleges that was approved by the Board of Trustees.

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COMMUNITY COLLEGE HIGHLIGHTS

The FY2012 State Executive Budget recommendation totals \$169.4 million, a decrease of \$15.6 million from FY2011 levels, a 8.4% decrease.

- Per-FTE base aid is reduced by \$226, to \$2,034.
- The net decrease in overall base-aid funding at the community colleges is \$15.6 million: an overall base aid reduction of \$17.5 million, offset by a \$1.8 million increase from projected enrollment growth and a \$0.1 million increase for rental aid.

Community College Funding by Source
(\$ millions)

	FY2011 Adopted	FY2012 Executive	\$ Change from Base	% Change from Base
State Aid	185.0	169.4	-15.6	-8.4%
City Support	255.3	255.3	0.0	0.0%
Tuition & Other Revenue	241.2	253.3	12.1	5.0%
Total	681.5	678.0	-3.5	-0.5%

FINANCIAL AID

- The executive budget maintains most of the Tuition Assistance Program (TAP) policies that were enacted in FY2011, including continuing the current maximum award for students enrolled in certain two-year degree granting programs, requiring private pension and annuity income not subject to state taxes to be included in determining TAP award eligibility, and increasing the academic standards for continued TAP award eligibility.
- The FY2011 \$75 reduction to all TAP awards was not continued in the executive budget. Therefore, the proposed maximum award reverts back to \$5,000.

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CAPITAL BUDGET

- The 2011-12 State Executive Budget recommends an increase of \$284.2 million in appropriations for senior colleges for critical maintenance projects, \$31.2 million in appropriations for community college projects that have received funding from the City of New York, and \$21.0 million that represents the redistribution of DASNY operating expenses that are now being shown in client agency budgets. The executive budget also re-appropriates \$3.6 billion for the senior and community colleges for a total of \$3.9 billion in appropriations for FY2011-12.
- The recommended \$284.2 million in appropriations for senior college critical maintenance projects includes:
 - \$73.0 million in campus critical maintenance projects
 - \$211.2 million in CUNY-wide lump sums
- The recommended \$31.2 million in appropriations for community college projects includes:
 - \$2.0 million for campus-wide roofing at Bronx Community College
 - \$1.7 million for theater upgrades and equipment at Borough of Manhattan Community College
 - \$2.6 million for theater upgrades and science building infrastructure at Kingsborough Community College
 - \$3.6 million for T2 building upgrades at Kingsborough Community College
 - \$2.5 million for Phase I of Center 3 façade replacement at LaGuardia Community College
 - \$0.5 million for Center 3 upgrades at LaGuardia Community College
 - \$5.0 million for campus improvements at LaGuardia Community College
 - \$4.3 million for central kitchen/dining hall upgrades at Queensborough Community College
 - \$9.0 million for Phase II of the campus-wide electrical system upgrade at Queensborough Community College
- \$21.0 million appropriated for DASNY operating expenses
- \$3.04 billion re-appropriated for senior colleges
- \$536.3 million re-appropriated for community colleges and Medgar Evers College

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2011-12 State Executive Budget
Funding Sources
(\$ millions)

	FY2011 Adopted Budget	FY2012 State Executive Bduget	\$ Change	% change
Senior Colleges				
State Aid	1,066.9	1,047.5	(19.4)	-1.8%
City Support	32.3	32.3	(0.0)	0.0%
Tuition and Other Revenue	761.1	801.1	40.0	5.3%
Total Senior Colleges*	1,860.3	1,880.9	20.6	1.1%
Community Colleges				
State Aid	185.0	169.4	(15.6)	-8.4%
City Support	255.3	255.3	0.0	0.0%
Tuition and Other Revenue	241.2	253.3	12.1	5.0%
Total Community Colleges	681.5	678.0	(3.5)	-0.5%
University-wide				
State Aid	1,251.9	1,216.9	(35.0)	-2.8%
City Support	287.6	287.6	(0.0)	0.0%
Tuition and Other Revenue	1,002.3	1,054.4	52.1	5.2%
Total University	2,541.8	2,558.9	17.1	0.7%

Numbers may not add due to rounding

*Excludes Income Fund Reimbursables.