

THE CITY UNIVERSITY OF NEW YORK

**2011-2012 STATE ADOPTED AND
CITY ADOPTED BUDGETS**



PRELIMINARY ANALYSIS

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

JULY 18, 2011

THE CITY UNIVERSITY OF NEW YORK
2011-2012 City Adopted Budget
Preliminary Analysis – July 18, 2011

SENIOR COLLEGE HIGHLIGHTS

- The FY2012 state adopted budget recommendation for the senior colleges totals \$1.917 billion, an increase of \$56.9 million over the current year, a 3.1 percent increase. The net increase is made up of a state aid reduction of \$95.1 million, additions of \$64.7 million for mandatory needs, and \$11 million from the FY2010 tuition increase, and tuition increases that will generate an additional \$76.3 million.

Senior College Funding by Source
(\$ millions)

	FY2011 Adopted	FY2012 Adopted	\$ 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	837.4	76.3	10.0%
Total	1,860.3	1,917.2	56.9	3.1%

State Aid Changes

- The state budget agreement calls for a 10 percent 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, resulting in a total of \$95.1 million in new cuts to the senior colleges.
- The state adopted 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 percent to 40 percent of the amount of the fall 2009 tuition increase retained by the University.

State Higher Education Agreement

- In June 2011, the state approved a rational tuition plan for both CUNY and SUNY that calls for a \$300 increase in the resident undergraduate rate each year for the next five years. The state also provided a \$40 million revenue appropriation for spring 2011 tuition increase. Tuition increases cannot be used to offset reduced state appropriations.

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SENIOR COLLEGE HIGHLIGHTS (CONT'D)

- The agreement includes a maintenance-of-effort provision, which states that funding cannot be less than the preceding year (beginning with FY2011-12 levels) unless the governor declares a fiscal emergency, at which point state support for operating expenses at CUNY and SUNY may be reduced proportionate to each other.
- In the event that annual tuition exceeds \$5,000 per year, a tuition “credit” would be given to those students who are eligible for TAP. The New York State Higher Education Services Corporation (HESC) would determine the award amount based on a proportion of the current award.

Procurement

- The FY2012 budget makes significant improvements to the procurement process for CUNY by removing the requirement for prior approval by any state officer or agency for materials, equipment, supplies, computer equipment, vehicles, printing, construction, and construction-related services. It does not, however, remove the existing prior approval requirements for services in excess of \$20,000. The language in the Article VII bill continues to allow the University to negotiate with the comptroller increases to the dollar limit which now stands at \$100,000 as a result of prior negotiations. It also adds a provision enabling further negotiations for the exemption of any services or categories of services from the dollar limit without the need for additional legislation.
- The Article VII bill also removes the prior approval requirements recently enacted under the Public Authorities Law from procurements of the City University Construction Fund.

COMMUNITY COLLEGE HIGHLIGHTS

State Adopted Budget

- The FY2012 state adopted budget recommendation totals \$176.7 million for the community colleges, a decrease of \$8.3 million from FY2011 levels.
 - Per-FTE base aid is reduced by \$138, to \$2,122. The executive budget proposed a reduction of \$226 per FTE; however, \$88 per FTE was restored by the legislature during the adoption process.

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COMMUNITY COLLEGE HIGHLIGHTS (CON'T)

- The net decrease in overall state funding at the community colleges is \$8.3 million; an overall base aid reduction of \$10.6 million, offset by a \$1.7 million increase from projected enrollment growth, a \$0.5 million increase for child care, and a \$0.1 million increase for rental aid.

City Adopted Budget

- The city adopted budget provides city support for the community colleges of \$257.3 million, a \$0.2 million increase over the FY2011 budget and a restoration of \$20.9 million over the executive budget level. Increases include:
 - \$20.2 million in community college operating support
 - \$ 1.0 million in local initiatives
- The increases are offset by a \$0.3 million decrease in fringe benefits.
- The revenue appropriation is increased by \$6.0 million to reflect the annualization of the 5 percent spring 2011 tuition increase.

Community College Funding by Source
 (\$ millions)

	FY2011 Adopted	FY2012 Adopted	\$ Change from Base	% Change from Base
State Aid	185.0	176.7	-8.3	-4.5%
City Support	257.1	257.3	0.2	0.1%
Tuition & Other Revenue	256.2	262.2	6.0	2.3%
Total	698.3	696.2	-2.1	-0.3%

Senior Colleges/Other

- In addition to the above changes in city support for the community colleges, the FY2012 adopted budget eliminates \$6.0 million for the Peter F. Vallone City Council Scholarships.
- Funding is restored/added for the following initiatives:
 - \$2.3 million for the University’s Black Male Initiative
 - \$0.5 million for Centers and Institutes
 - \$0.2 million for the Creative Arts Team
 - \$800,000 for the Young Men’s Initiative
 - \$500,000 for a Nursing Initiative
 - \$100,000 for the Joseph S. Murphy Institute

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FINANCIAL AID

- The adopted budget maintains most of the Tuition Assistance Program (TAP) policies that were proposed in the executive recommendations, 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 when 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 state budget agreement. Therefore, the proposed maximum award reverts back to \$5,000.
- The recent state higher education agreement calls for the CUNY Board of Trustees to conduct a study regarding the effectiveness of TAP and to make recommendations for improvement to HESC.
- The enacted federal budget included cuts to the Pell Grant program. The maximum award of \$5,550 remains the same, but the number of eligible students would decrease, as awards for summer sessions and subsidies for graduate programs were eliminated. Congress is once again considering reduction proposals in an effort to cut the budget deficit. Recently, the House of Representatives passed a budget resolution that would reduce the current maximum award by as much as \$2,510, dropping it to \$3,040. It is expected that budget negotiations will be completed by the end of July.

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CAPITAL BUDGET

State Adopted Budget

- The FY2012 state adopted budget appropriates \$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 which represents the redistribution of DASNY operating expenses that are now being shown in client agency budgets. The adopted budget also re-appropriates \$3.6 billion for the senior and community colleges, for a total of \$3.9 billion in appropriations for FY 2011-12.
- The \$284.2 million appropriated for senior college critical maintenance projects includes:
 - \$73.0 million in campus critical maintenance projects
 - \$211.2 million in CUNY-wide lump sums
- The \$31.2 million appropriated 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 the 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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City Adopted Budget

- After the reductions, restorations, and additions, CUNY’s FY2012 adopted 10-year capital budget totals \$355 million in city funds, including funds in FY2011 that will roll into FY2012. The January plan reduction in years FY2011 through FY2013 totalled \$15.2 million after the borough presidents restored \$5.1 million during the executive budget. However, the net 10-year plan reduction is \$13.1 million due to changes in lump-sum amounts in years FY2014 through FY2021. During adoption, the borough presidents added \$3.1 million and the city council provided \$27.6 million in additional funding to CUNY. The charts below provide preliminary details on those additions by college.

Borough President Additions - CAPITAL

SENIOR COLLEGES		(\$ in thousands)
Queens College	Queens BP	\$ 750
York College	Queens BP	\$ 750
New York City Tech	Brooklyn BP	\$ 48
Brooklyn College	Brooklyn BP	\$ 35
Hunter College Campus Schools	Manhattan BP	\$375
John Jay College of Criminal Justice	Manhattan BP	\$340
	Senior Colleges	\$ 2,298
LaGuardia CC	Queens BP	\$ 400
Queensborough CC	Queens BP	\$ 400
	Community Colleges	\$ 800
	Combined Total	\$ 3,098

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City Council Additions - CAPITAL

SENIOR COLLEGES	(\$ in thousands)
CUNY-Wide	\$1,500
Baruch College	\$860
Brooklyn College	\$1,200
City College	\$2,400
College of Staten Island	\$850
Graduate Center	\$1,000
Hunter College & Campus School	\$1,250
Hunter Campus Schools	\$375
John Jay College of Criminal Justice	\$920
Lehman College	\$1,300
Medgar Evers College	\$1,500
New York City College of Technology	\$1,500
Queens College	\$1,174
York College	\$885
Senior College Subtotal	\$16,714
COMMUNITY COLLEGES	
CUNY-Wide	\$2,000
BMCC	\$1,400
Bronx CC	\$1,500
Hostos CC	\$1,535
Kingsborough CC	\$1,500
LaGuardia CC	\$1,500
Queensborough CC	\$1,500
Community College Subtotal	\$10,935
Grand Total	\$27,649

FY 2012 NEW YORK CITY ADOPTED BUDGET – City Funds* (\$ in thousands)							
(\$ IN THOUSANDS)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016- FY2021	Total
City Budget	256,392	30,372	43,505	2,728	2,813	18,560	354,745

* - excludes funding allocated to agencies other than CUNY (eg. DCAS,

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2011-2012 State and City Adopted Budgets
Funding Sources
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	FY2011 Adopted Budget	FY2012 Adopted Budgets	\$ 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	837.4	76.3	10.0%
Total Senior Colleges	1,860.3	1,917.2	56.9	3.1%
Community Colleges				
State Aid	185.0	176.7	(8.3)	-4.5%
City Support	257.1	257.3	0.2	0.1%
Tuition and Other Revenue	256.2	262.2	6.0	2.3%
Total Community Colleges	698.3	696.2	(2.1)	-0.3%
University-wide				
State Aid	1,251.9	1,224.2	(27.7)	-2.2%
City Support	289.4	289.6	0.2	0.1%
Tuition and Other Revenue	1,017.3	1,099.6	82.3	8.1%
Total University	2,558.6	2,613.4	54.8	2.1%