

The Chancellor

April 7, 2011

To: Board of Trustees  
College Presidents and Deans  
Cabinet

From: Matthew Goldstein *MB*

Re: Fiscal Year 2011-12 State Adopted Budget and City Preliminary Budget

Governor Cuomo and the leaders of the New York State Legislature have reached an agreement on the Fiscal Year 2011-12 operating and capital budgets, and I write to provide you with a summary of the impact on The City University of New York.

On the operating side, the adopted budget includes a new reduction in state aid to the senior colleges of \$83.2 million. In addition, the budget further reduces senior college aid by \$11.9 million to help cover a FY2011 shortfall that is rolled forward into FY2012. The total loss in state aid for FY2012 is \$95.1 million. When combined with cuts incurred over the last three fiscal years, the senior colleges have now sustained \$300 million in state aid reductions since FY2009. The adopted budget also provides \$64.7 for the University's mandatory needs.

The adopted budget does not recognize the additional revenue (\$40 million) for FY2012 that will be generated by the 5 percent tuition increase that was put into effect in spring 2011. The adopted budget also does not address the fall 2011 tuition schedule for the senior colleges that was approved by the Board of Trustees. The governor and the legislature have committed to post-budget discussions on higher education in order to finalize several issues critical to both CUNY and SUNY, including the crafting of a rational tuition policy.

For the community colleges, the adopted budget provides a partial restoration to the reductions contained in the executive budget recommendations. Base aid is reduced by \$138 per FTE, to \$2,122. The executive budget had proposed a reduction of \$226 per FTE; however, \$88 per FTE was restored by the legislature. The resulting decrease in base aid funding at the community colleges is \$10.6 million.

With respect to capital needs, the adopted 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.

A preliminary analysis of the state adopted budget is attached and provides further details. The analysis also includes the results of the city preliminary budget for FY2012. The preliminary budget recommends support for the community colleges of \$233.5 million, which is \$21.6 million less than the current FY2011 budget. This decrease in funding includes a new reduction in community college operating support of \$16.0 million. After the preliminary budget was issued, the mayor announced a new round of PEG (Program to Eliminate the Gap) reductions for FY2012, which total an additional \$7.6 million for the community colleges.

Please let me know if you have any questions or need any additional information. Thank you.

Attachment