

THE CITY UNIVERSITY OF NEW YORK

**FISCAL YEAR 2011-2012 STATE ADOPTED AND
CITY PRELIMINARY BUDGETS**



PRELIMINARY ANALYSIS

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

APRIL 7, 2011

THE CITY UNIVERSITY OF NEW YORK
2011-2012 State Adopted and City Preliminary Budgets
Preliminary Analysis – April 7, 2011

SENIOR COLLEGE HIGHLIGHTS

- The FY2012 state adopted budget recommendation for the senior colleges totals \$1.841 billion, a decrease of \$19.4 million over the current year, a 1.0% decrease.

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	761.1	0.0	0.0%
Total	1,860.3	1,840.9	-19.4	-1.0%

State Aid Reduction

- The state budget agreement 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, 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% to 40% of the amount of the fall 2009 tuition increase retained by the University.

Tuition and Other Revenues

- The state adopted budget does not recognize the additional revenue (\$40 million) for FY2012 that will be generated by the 5% spring 2011 tuition increase. 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.
- The FY2012 budget also does not address the fall 2011 tuition schedule for the senior colleges that was approved by the University’s Board of Trustees.

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COMMUNITY COLLEGE HIGHLIGHTS

State Adopted Budget

- The FY2012 state adopted budget recommendation totals \$177.1 million, a decrease of \$7.9 million from FY2011 levels.
 - 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 during the adopted budget process.
 - The net decrease in overall base aid funding at the community colleges is \$8.8 million: an overall base aid reduction of \$10.6 million, offset by a \$1.8 million increase from projected enrollment growth, and a \$0.1 million increase for rental aid.

City Preliminary Budget

FY2011

- For the current fiscal year, the preliminary budget recommends city support for community colleges of \$255.1 million, a decrease of \$8.0 million from the city adopted budget. The city financial plan PEG reduction of \$11.8 million was offset partially by a \$4.0 million restoration provided by the New York City Council.
- The mayor's preliminary budget recognizes \$6.0 million in additional revenue associated with the 5% spring 2011 tuition increase.

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 reduction in funding comprises decreases of \$30.8 million, offset by increases of \$9.2 million.
- FY2012 reductions total \$30.8 million and include:
 - \$21.4 million in community college operating support from prior year reductions
 - \$8.2 million in new reductions (when annualized with the current year reductions, the total new PEG target for FY2012 is \$16.0 million)
 - \$1.2 million in local initiatives
- Year-to-year increases total \$9.2 million and consist of:
 - \$7.1 million for incremental pension costs (funded outside of CUNY's budget)
 - \$2.1 million for additional fringe benefits costs
- After the city preliminary budget was issued, the mayor announced a new round of PEG reductions for FY2012. For CUNY, the reduction targets for community colleges total an additional \$7.6 million, or 4%. If enacted, these cuts will be added to the \$16.0 million reduction that was included in the preliminary budget.

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COMMUNITY COLLEGE HIGHLIGHTS (CONT'D)

Community College Funding by Source
(\$ millions)

	FY2011 Adopted	FY2012 Executive	\$ Change from Base	% Change from Base
State Aid	185.0	176.7	-8.3	-4.5%
City Support	255.1	233.5	-21.6	-8.5%
Tuition & Other Revenue	241.2	253.3	12.1	5.0%
Total	681.5	663.5	-17.8	-2.6%

Senior Colleges/Other

- In addition to the above changes in city support for the community colleges, the FY2012 preliminary budget eliminates funding for the following initiatives:
 - \$6.0 million for the Peter F. Vallone City Council Scholarships
 - \$2.3 million for the University's Black Male Initiative
 - \$0.5 million for centers and institutes
 - \$0.4 million for the Creative Arts Team

FINANCIAL AID

- The state adopted budget maintains most of the Tuition Assistance Program (TAP) policies that were proposed in the executive budget 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 proposed federal budget calls for cuts to the Pell Grant program of \$100 billion over the next decade. The maximum award of \$5,550 would stay the same, but the number of eligible students would decrease, as awards for summer sessions and subsidies for graduate programs would be eliminated. A counter-proposal by the House of Representatives would cut Pell funding by 15%. This would reduce the maximum Pell award from \$5,550 to \$4,705.

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CAPITAL BUDGET

State Adopted Budget

- The FY2012 state adopted budget appropriates \$284.2 million for senior college critical maintenance projects, \$31.2 million 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 adopted budget also re-appropriates \$3.6 billion for the senior and community colleges, for a total of \$3.9 billion for FY2012.
 - 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 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

City Preliminary Budget

- For CUNY, the mayor's FY2012 preliminary capital budget, after the reductions, restorations and additions noted below, totals \$324 million in city funds, including funds in FY2011. The reduction in funds in years FY2011 through FY2013 totals \$15.2 million. However, the net 10-year plan reduction reported in the city budget is \$13.1 million due to changes in lump-sum amounts in years FY2014 through FY2021. The chart below details the reductions at

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each college. After the January financial plan was completed some funds were restored to CUNY’s budget, and that restoration is expected to be permanent. The chart below nets out the restorations at each college.

FY2011 – FY2013 reductions		(\$ in thousands)	
School Name	FY 2011	FY 2013	Total
Baruch College	-\$764	-\$658	-\$1,422
BMCC	-\$1,000	\$0	-\$1,000
Brooklyn College	-\$1,622	\$0	-\$1,622
City College	-\$82	-\$631	-\$713
College of Staten Island	-\$17	\$0	-\$17
CUNY Law School	-\$1,509	\$0	-\$1,509
Graduate School	-\$116	\$0	-\$116
Hostos Community College	-\$14	-\$41	-\$55
Hunter Campus School	-\$1	\$0	-\$1
Hunter College	-\$203	\$0	-\$203
John Jay College of Criminal Justice	-\$3	\$0	-\$3
Kingsborough Community College	-\$320	\$0	-\$320
LaGuardia Community College	-\$21	\$0	-\$21
Lehman College	-\$10	-\$2,413	-\$2,423
Medgar Evers College	-\$1,241	\$0	-\$1,241
Queens College	-\$1,533	-\$1,347	-\$2,880
Queensborough Community College	-\$1	-\$1,000	-\$1,001
York College	-\$454	-\$165	-\$619
Grand Total	-\$8,911	-\$6,255	-\$15,166

FY2014 and later changes			
Kingsborough Community College			-\$300
Community College Lump Sums			\$2,353
Grand Total (including out-year adjustments)			-\$13,113

FY 2012 PRELIMINARY BUDGET -- CUNY City Funds Only							
(\$ IN THOUSANDS)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016- FY2021	Total
City Budget	256,389	0	43,505	2,728	2,813	18,560	323,995

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2011-2012 State Adopted Budget /
City Preliminary Budget
Funding Sources
(\$ millions)

	FY2011 Adopted Budget	FY2012 State Adopted / City Preliminary Budget	\$ 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	761.1	0.0	0.0%
Total Senior Colleges*	1,860.3	1,840.9	(19.4)	-1.0%
Community Colleges				
State Aid	185.0	176.7	(8.3)	-4.5%
City Support	255.1	233.5	(21.6)	-8.5%
Tuition and Other Revenue	241.2	253.3	12.1	5.0%
Total Community Colleges	681.3	663.5	(17.8)	-2.6%
University-wide				
State Aid	1,251.9	1,224.2	(27.7)	-2.2%
City Support	287.4	265.8	(21.6)	-7.5%
Tuition and Other Revenue	1,002.3	1,014.4	12.1	1.2%
Total University	2,541.6	2,504.4	(37.2)	-1.5%

Numbers may not add due to rounding

*Excludes Income Fund Reimbursables.