



The City University of New York

Report to Committee on Fiscal Affairs Regarding
2009-10 Operating Budget Request and
Recommended Changes in Tuition Charges

November 24, 2008

Current Budget Conditions – The National Context and Outlook for FY2010

- The nation is undergoing the most devastating financial crisis since the Great Depression. The impact of the current fiscal crisis is a rapid decline in revenues to the New York City and New York State Governments. New York State alone has projected a budget gap in FY2010 of up to \$15.0 billion.
- As a result of this fiscal crisis, CUNY has sustained \$82 million in reductions in City and State support in the current year alone.
- Based on Governor Paterson's Deficit Reduction proposals to the Legislature, CUNY anticipates further reductions in State support next year. However, the Governor has proposed to offset the State reduction with increases in tuition and, moreover, would for the first time allow revenues to return to the University for investment.
- The City of New York has projected a budget gap of \$4 billion in FY2010. The City has already proposed a reduction for the community colleges of \$9.5 million for FY2010. That figure is expected to increase when the City updates its financial plan in January.

THE FY2010 Budget Request – The CUNY Compact

- Fiscal Year 2009-2010 represents year four of the University's innovative multi-year financing approach – the CUNY Compact. This strategy offers an economically efficient way to finance CUNY by delineating shared responsibility among partners and creating opportunities to leverage funds.
- The CUNY Compact would ordinarily call for additional public resources to cover the University's mandatory costs and a share of the investment plan. The remainder of the investment resources comes from philanthropy, productivity, restructuring and efficiencies, targeted enrollment growth, and increased revenue from tuition increases.

THE FY2010 Budget Request – The CUNY Compact

- Given the extraordinary financial crisis facing the State and City of New York, with projected budget deficits at the State level of up to \$15 billion in FY2010 and \$50 billion through FY2012, CUNY's budget message this year seeks to finance the majority of the University's ongoing obligations and investment program through continuing budget restructuring and efficiencies, philanthropy, revenues from enrollment growth and an increase in tuition of up to \$300 per semester for undergraduate resident students at the senior colleges and up to \$200 per semester at the community colleges.
- This plan is consistent with Governor Paterson's proposed policy which, for the first time in State history, would allow the University to retain a portion of the revenue increase to use for investment. CUNY is requesting the implementation of a State and City Philanthropy Matching Program in which three dollars in public funds are provided for every dollar the University raises through philanthropic sources.

THE FY2010 Budget Request – The CUNY Compact

- The tuition increases proposed in this Request will result in no additional tuition expense for the tens of thousands of students who receive full TAP (Tuition Assistance Program) awards. Virtually all TAP recipients with incomes under \$50,000 will see no increase in tuition.
- No student will be denied the ability to continue their studies as a result of the proposed tuition increase. The Budget Request will establish a new **Student Financial Assistance** program that includes four components:
 - Resources to **reduce the costs of tuition increases** for those students who are placed at risk of being unable to maintain their matriculation.
 - Resources to fund a **CUNY work study program** to provide for jobs on campus to students most in need.
 - Resources to finance a program to reduce the costs of **textbooks**.
 - CUNY will also waive the fee for students who participate in available **tuition payment plans** designed to enable them to pay their tuition bills in installments.

THE FY2010 Budget Request – The CUNY Compact

- FY2010 College Investment Program totals \$90.6 million and includes:
 - \$38.0 million for Flagship Environment and Academic support, including \$29.7 million for full-time faculty and \$5.0 million for the new CUNY School of Public Health.
 - \$26.0 million for improved student services, including up to \$10.0 million for a new Student Financial Aid Initiative, \$4.0 million for Advising and Counseling and \$3.4 million for Career Services.
 - \$5.3 million for Upgrading Facilities Infrastructure, including \$1.2 million for Environmental Health and Safety.

THE FY2010 Budget Request – The CUNY Compact

- FY2010 Investment plans will build on initiatives outlined in Master Plan:
 - Hiring 350 new full-time faculty
 - Funding CUNY School of Public Health
 - Decade of Science -- *Expanding research opportunities in the STEM disciplines (Science, Technology, Engineering, and Mathematics)*
 - Bolstering student services in advising and counseling, financial aid, services for students with disabilities, and support for veterans.

- Plans will integrate three important system-wide initiatives:
 - The Campaign for Student Success
 - The Decade of Science at CUNY
 - The Implementation of CUNYfirst, an enterprise resource planning (ERP) solution

City University of New York
2009-2010 Budget Request
Summary Requested Increases (\$ millions)

Program	Senior	Community	Total
Creating a Flagship Environment	30.000	8.000	38.000
Fostering a Research Environment	10.000	1.000	11.000
Student Services	16.000	10.000	26.000
Workforce Development	3.000	3.350	6.350
Information Management Systems	3.000	1.000	4.000
Upgrading Facilities Infrastructure	3.750	1.500	5.250
Total Program Needs	65.750	24.850	90.600
Mandatory Needs			
Fringe Benefits	36.118	7.499	43.617
Energy	9.772	3.628	13.400
Building Rentals	5.048	3.529	8.577
Salary Increments/OTPS Inflation	12.843	6.694	19.537
Total Mandatory Needs	63.781	21.350	85.131
Total Request	129.531	46.200	175.731
Funding Sources			
Tuition Increase	103.200	28.000	131.200
Enrollment Growth	6.331	1.811	8.142
Restructuring	4.000	1.750	5.750
Philanthropy	4.000	1.000	5.000
State / City Support for Philanthropy Matching Program	12.000	3.000	15.000
Community College State Aid Increase/Enrollment Growth	0.000	10.639	10.639
Total	129.531	46.200	175.731

Numbers may not add due to rounding

FY2010 Senior Budget Request by Source

(millions)

	2009 Adopted	Percent of Total	2010 Request	Percent of Total	\$ Change	% Change
State Aid	\$1,141.0	62.6%	\$1,153.0	59.3%	\$12.0	1.1%
City Support	\$32.3	1.8%	\$32.3	1.7%	\$0	0%
Tuition	\$649.1	35.6%	\$758.6	39.0%	\$109.5	16.9%
Total	\$1,822.4	100.0%	\$1,943.9	100.0%	\$121.5	6.7%

FY2010 Community College Budget Request by Source (millions)

	2009 Adopted	Percent of Total	2010 Request	Percent of Total	\$ Change	% Change
State Aid	\$177.1	29.4%	\$187.7	29.1%	\$10.6	6.0%
City Support	\$234.4	38.9%	\$237.4	36.7%	\$3.0	1.3%
Tuition	\$191.1	31.7%	\$220.9	34.2%	\$29.8	15.6%
Total	\$602.6	100.0%	\$646.0	100.0%	\$43.4	7.2%

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Report to Board Committee on
Fiscal Affairs

CUNY FY2010 Budget Request by Source (millions)

	2009 Adopted	Percent of Total	2010 Request	Percent of Total	\$ Change	% Change
State Aid	\$1,318.1	54.4%	\$1,340.7	51.8%	\$22.6	1.7%
City Support	\$266.7	11.0%	\$269.7	10.4%	\$3.0	1.1%
Tuition	\$840.2	34.6%	\$979.5	37.8%	\$139.3	16.6%
Total	\$2,425.0	100.0%	\$2,590.0	100.0%	\$165.0	6.8%

Numbers may not add due to rounding



Proposed Changes to Tuition Charges

The Board of Trustees believes that tuition should be as affordable as possible. Mindful that many of the University's constituents—in particular its largest group of students, i.e., undergraduate residents of New York—rely on the relatively low cost of public education, the Board and the Chancellor have worked jointly to establish a set of principles that will help to ensure that the entire burden of compensating for reduced public support will not fall on the shoulders of those least able to afford it. These principles will guide planning and policy in ways that generate revenue from multiple sources.

The Board also recognizes the importance of safeguarding the University's most precious asset: its academic and student support core. Thus the principles that have been established also speak to the Board's enduring commitment to fulfill the academic priorities outlined in the University's Master Plan. This budget plan seeks the investment funds necessary to meet the needs of this growing University now and into the future.



Proposed Changes to Tuition Charges

This Budget plan develops a comprehensive program that shields the University's most vulnerable student populations.

This Budget Plan develops a standard for setting tuition at the community colleges that provides the University with the ability to hire first-rate faculty who can develop teaching models that bring students to the appropriate level for transfer to a CUNY senior college and that also makes available the resources necessary for ensuring that the first two years of a community college education are equivalent to the first and second years at a CUNY senior college.

This Budget Plan maintains a reasonable differential in tuition levels between senior and community colleges. Under the current proposal, the difference will rise to \$1,400 from the current \$1,200.

Summary of Changes to Tuition Charges – Effective Fall 2008

Tuition Categories	Current	Proposed	\$ Change	% Change
Community College Resident Full-time	\$2,800	\$3,200	\$400	14%
Senior College Resident Full-time	\$4,000	\$4,600	\$600	15%
Non-Resident Per-credit (SR/CC)	\$360 190	\$415 215	\$55 25	15% 13%
Masters Resident Full-time	\$6,400	\$7,360	\$960	15%
Doctoral Full-time	\$5,720	\$6,580	\$860	15%
Law	\$8,900	\$10,240	\$1,340	15%