

THE CITY UNIVERSITY OF NEW YORK

2008-2009 STATE EXECUTIVE BUDGET AND CITY PRELIMINARY BUDGET Recommendations



PRELIMINARY ANALYSIS

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

FEBRUARY 5, 2008

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Preliminary Analysis – February 5, 2008

STATE EXECUTIVE BUDGET

SENIOR COLLEGE HIGHLIGHTS

- The FY2009 State Executive Budget recommendation totals \$1.684 billion, an increase of \$35.9 million over the current year, a 3.6% increase in State support.

Senior College Funding by Source
(millions)

	FY2008 Base	FY2009 Executive	\$ Change from Base	% Change from Base
State Aid	1,006.5	1,042.4	35.9	3.6%
City Support	32.3	32.3	0.0	0.0%
Tuition & Other Revenue	609.1	609.1	0.0	0.0%
Total	\$1,647.9	\$1,683.8	\$35.9	2.2%

\$35.9 million change includes:

- ∞ \$52.7 million for mandatory cost increases over the 2007-08 adjusted base levels, including \$35.9 million for fringe benefits, \$2.8 million for building rentals, and \$14 million for other inflationary increases.
- ∞ \$1 million to expand nursing programs.
- ∞ \$16.7 million reduction to be achieved through savings from efficiencies.
- ∞ Elimination of \$652,000 in legislative funding for SEEK and \$500,000 for the Joseph S. Murphy Institute.
- ∞ In addition, the University's request for \$8.5 million for increased energy costs is funded, on a contingency basis, outside of CUNY's appropriation.

TUITION POLICY

- ∞ The Executive Budget does not support an increase in tuition.

HIGHER EDUCATION ENDOWMENT

- ∞ The Governor's Executive Budget proposes the creation of a \$4 billion Higher Education Endowment, **to be enacted in 2009-10**, to be funded by unlocking the value of the State Lottery. The Endowment will serve as a permanent source of recurring revenue to increase full-time faculty, financial aid, and support for cutting edge research and other investments.

COMMUNITY COLLEGE HIGHLIGHTS

- ∞ State aid per FTE has been decreased by \$50, to \$2,625, for an overall reduction of \$3.1 million, which is to be offset partially by an increase of \$2.1 million due to enrollment growth.
- ∞ \$2.7 million was added for leased space at BMCC due to the loss of Fiterman Hall. It is expected that City matching funds will be included in the Mayor's Executive Budget.

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FINANCIAL AID

- ∞ The Executive Budget provides for a tuition benefit for veterans of Vietnam, Afghanistan, and Persian Gulf conflicts of up to \$4,350 for use at any college, university, or approved vocational program in New York State.
- ∞ The Governor’s plan also proposes that all students in default on federal loans be ineligible for TAP awards, regardless of guarantor.

CITY PRELIMINARY BUDGET

COMMUNITY COLLEGE HIGHLIGHTS

- ∞ The FY2009 Preliminary Budget recommends City support for the community colleges of \$177.8 million, which is \$29.8 million less than the adjusted FY2008 budget.

Community College Funding by Source
(millions)

	FY2008 Base	FY2009 Preliminary	\$ Change from Base	% Change from Base
State Aid	172.9	174.5	1.6	0.9%
City Support	207.6	177.8	(29.8)	(14.4)%
Tuition/Other Revenue	185.8	185.8	0.0	0.0%
Total	\$566.3	\$538.1	(\$28.2)	(5.0)%

(\$29.8) million change includes:

- ∞ \$25.8 million decrease in Community College operating support and Safety Net Program.
- ∞ \$10.0 million in Commission on Economic Opportunity funding (for the Accelerated Studies in Associate Programs Initiative and CUNY Prep) is not included in the Preliminary Budget. Programmatic funding recommendations will be provided by the Commission as part of the Executive Budget process.
- ∞ Reductions of \$1.0 million for the Veterans’ Resource Center and \$0.2 million for energy training as part of the Mayor’s PlaNYC 2030 Initiative.
- ∞ The above reductions are offset by \$7.2 million of year-to-year increases in City Support for mandatory cost increases, including \$0.5 million for PSC Collective Bargaining, \$1.9 million for increased Energy Costs, and \$4.8 million for additional fringe benefits and pensions costs.

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SENIOR COLLEGES/OTHER

- ∞ In addition to the above changes in City support for the community colleges, the FY2009 Preliminary Budget eliminates funding for the following initiatives. They include all of last year's City Council budget restorations:
 - ∞ \$11.2 million for the Peter F. Vallone City Council Scholarships.
 - ∞ \$ 4.8 million for the Civic Justice Corps at John Jay College.
 - ∞ \$ 3.0 million for NYC Works (Workforce Development Initiative).
 - ∞ \$ 2.5 million for the University's Black Male Empowerment Initiative.
 - ∞ \$ 1.6 million for Centers and Institutes
 - ∞ \$ 0.6 million for the CUNY Citizenship and Immigration Project.
 - ∞ \$ 0.6 million for the Creative Arts Team.

 - ∞ The Mayor's Preliminary Budget also adds \$0.3 million to the Hunter Campus Schools for costs related to enrollment growth.
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CAPITAL BUDGET

STATE EXECUTIVE

- ∞ The State Executive Budget recommends a new \$2.84 billion five year capital investment plan, including \$2.58 billion for the senior colleges for critical maintenance needs and strategic priorities and \$260.45 million for the community colleges.

Senior Colleges

- ∞ New appropriations for the senior colleges include \$960 million for strategic priorities.
- ∞ \$284.2 million is appropriated annually for critical maintenance, for a five year total of \$1.4 billion.
- ∞ \$23.2 million (hard dollars) is allocated for small maintenance projects.

Community Colleges

- ∞ New appropriations for the community colleges include \$250 million for existing and new projects.
- ∞ \$2.75 million (hard dollars) is allocated for small maintenance projects

Capital Projects Review Board

The Executive Budget proposes the creation of a University Capital Projects Review Board to review and consider requests by CUNY and SUNY for funding capital projects within the total lump sum appropriations. The review board will consist of five members, with three voting members: the Director of the Budget, or designee; the temporary president of the senate, or designee; and the speaker of the assembly, or designee and two non-voting members one each appointed by the minority leaders of the assembly and senate. No later than 30 days following the enactment of the 2008-09 budget the University shall submit a schedule of capital projects that shall not exceed appropriations. Unanimous approval of the voting members of the review board shall be required before any project is approved: however, if by the 45th day following the submission of a university project schedule no action has been taken by the review board, the capital project schedule shall be deemed approved. The schedules can be amended as required.

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CAPITAL BUDGET

CITY PRELIMINARY

- ∞ The City Preliminary Budget recommends a \$17.4 million increase to the commitment plan in City FY2009 for two ongoing projects: \$11.4 million for the Medgar Evers College Academic One Building, and \$6.0 million for the Bronx Community College North Instructional Building.
- ∞ In addition, \$23.3 million has been advanced from the out-years of the plan into FY2009: Medgar Evers College Academic One Building (\$20.6 million); LaGuardia Community College Center 3 Renovations Phase II (\$2.7 million).
- ∞ The Mayor's Preliminary Plan also advances \$20.8 million in funds for Fiterman Hall at BMCC from FY2011 to FY2010.