# THE CITY UNIVERSITY OF NEW YORK

## 2005-2006 STATE EXECUTIVE BUDGET Recommendations

**PRELIMINARY ANALYSIS**

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

**JANUARY 20, 2005**

# THE CITY UNIVERSITY OF NEW YORK
## 2005-2006 STATE EXECUTIVE BUDGETS
### PRELIMINARY ANALYSIS – JANUARY 20, 2005

**SENIOR COLLEGE HIGHLIGHTS**

- The FY2006 State Executive Budget recommendation totals $1.334 billion, an increase of $88.4 million over the current year. The increase in funding reflects an increase in State aid of $59.7 million and an increase in the revenue budget of $28.6 million. Elements include:

  - State aid increase from $641.9 million to $701.6 million, an increase of $59.7 million over the State adjusted FY2005 level.

  - Revenue from tuition charges is set to rise by $37.3 million. This increase in tuition will in part replace $8.7 million in funding that was previously provided by the Higher Education Services Corporation (HESC) as "other revenue" for the administration of financial aid programs. The balance of $28.6 million in tuition will partially fund the additions for mandatory cost increases.

    - Tuition revenue is based on an increase in tuition of $250 for full-time resident undergraduate students, an increase of 6.3%, from $4,000 to $4,250 per year.

  - City revenue offset for University Management and Associate degree program costs remains unchanged at $32.3 million.

Senior College Funding by Source
(millions)

| | FY2005 Base | FY2006 Executive | $ Change from Base | % Change from Base |
|---|---|---|---|---|
| State Aid | 641.9 | 701.6 | 59.7 | 9.3% |
| City Support | 32.3 | 32.3 | 0 | 0% |
| Tuition & Other Revenue | 571.4 | 600.0 | 28.6 | 5.0% |
| **Total** | **$1,245.6** | **$1,333.9** | **$88.4** | **7.1%** |

- The $88.4 million change over FY2005 reflects increases of $119.4 million offset by $31.0 million in decreases.

## SENIOR COLLEGE HIGHLIGHTS-CONT'D

***Increases include:***

- $45.3 million for mandatory cost increases, including $28.7 million for fringe benefits and $4.0 million in energy costs over the 2004-05 adjusted base levels.

- $73.3 million for cost of prospective collective bargaining agreements for PSC and DC37. Cost is based on state-wide labor contract agreements.

- $0.8 million in funding for new *PACT (Partnership to Accelerate Completion Time)* program to increase graduation rates by ensuring that designated students strive to fulfill their coursework in a timely manner and that their required courses are available when they need them.

***Decreases include:***

- $22.2 million in operating assistance representing elimination of an FY2005 unfunded appropriation. ***[Loss of this operating aid in FY2005 created a budget gap that was funded by reductions to college base budgets and use of budget reserves. Loss in FY2006 will result in a continuing budget shortfall that will require permanent base budget reductions to college budgets and result in cuts in services.]***

- $6.9 million reduction in funding for SEEK Program, representing elimination of financial aid component of program.

**Summary of Changes**
**(millions)**

| | |
|---|---|
| **Increases:** | |
| Mandatory Cost Increases | 45.3 |
| Collective Bargaining | 73.3 |
| PACT "Seed" Funding | 0.8 |
| Total Increases | 119.4 |
| **Decreases:** | |
| SEEK (Financial Aid) | -6.9 |
| Additional Operating Assistance | -22.2 |
| Equipment COPS (Debt Service) | -1.9 |
| Total Decreases | -31.0 |
| **NET CHANGE** | **88.4** |

# THE CITY UNIVERSITY OF NEW YORK
## 2005-2006 STATE EXECUTIVE BUDGETS
### PRELIMINARY ANALYSIS – JANUARY 20, 2005

## THE BUDGET CHALLENGE

The State Executive Budget proposal presents CUNY with a $70.5 million challenge. There are three components to the revenue challenge:

1. The challenge in raising $37.3 million through increases in tuition;
2. The challenge of financing the $6.9 million needed for the restoration of the SEEK financial aid program; and
3. The challenge of securing funding of $26.3 million for the unfunded mandatory costs that are built into the FY2006 budget.

FY2006 State Executive Budget Proposal
Summary of Budget Challenge
(millions)

| | |
|---|---|
| **Tuition Increase** | **37.3** |
| | |
| **Unfunded Mandatory Needs:** | |
| Building Rentals | 10.0 |
| Environmental Health & Safety | 2.6 |
| New Buildings Funding for Medgar Evers | 1.4 |
| Energy | 3.7 |
| University Application Processing Center | 4.1 |
| Faculty Commitments | 4.5 |
| **Sub-total** | **26.3** |
| | |
| **State Reductions:** | |
| SEEK Program (Financial Aid) | 6.9 |
| **Sub-total** | **6.9** |
| | |
| **Projected FY06 Budget Challenge** | **70.5** |

- The Executive introduces legislation that would eliminate prohibitions against charging differential tuition at various CUNY campuses.

- The Executive introduces legislation that would allow CUNY to adopt tuition changes in a given year prior to the adoption of a State budget.

## COMMUNITY COLLEGE HIGHLIGHTS

- State aid per FTE remains the same at $2,235, but the base aid appropriation is increased by $3.2 million to reflect anticipated enrollment growth. Other elements bring the total state aid increase to $3.8 million and include:

  - Funding for Borough of Manhattan Community College building rentals is increased by $0.4 million.

  - $0.5 million in funding for new *PACT (Partnership to Accelerate Completion Time)* program to increase graduation rates by ensuring that students strive to fulfill their coursework in a timely manner and that their required courses are available when they need them.

  - College Discovery funding is reduced by $0.3 million, representing elimination of financial aid component of program.

  - Child care funding remains at the 2004-05 level of $865,000.

  - Workforce Development funding remains at the 2004-05 level of $1.0 million.

  - Maintenance of Effort provision (requiring NYC to "maintain" prior-year funding levels) is extended through 2005-2006.

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## FINANCIAL AID HIGHLIGHTS

- The Executive Budget recommends a significant restructuring of the State's Tuition Assistance Program:

  - The overall level of TAP awards will remain the same as previously authorized. However, awards will now be provided in two components for first-time freshman students: a "base" award equivalent to one-half of the current award, and a "performance" award for the remaining one-half, payable to the students whenever they attain their degree.

  - Students would be expected to finance the performance award portion through Federal loan programs. Students who have exhausted their Federal loan eligibility will be eligible for State loans.

**FINANCIAL AID HIGHLIGHTS—CONT'D**

- Upon completion of their degree programs, students will receive a performance award payment equal to the amount of their deferred TAP awards plus any accrued interest from Federal or State loans that may have been used to finance the performance award.

- Other Financial Aid recommendations in the Executive Budget include:
  - TAP eligibility will depend on a student's being in full-time attendance at the time of certification;
  - TAP eligibility will depend on a student's being in good standing with all federal student loans, regardless of loan guarantor; and
  - Academic progress and good academic standing criteria for continued TAP eligibility will be enhanced.

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**STATE EDUCATION DEPARTMENT**

- Aid for Part-time Study is funded at $14.6 million, no change from the 2004-2005 level.
- Aid for Independent Colleges and Universities (Bundy Aid) is funded at $42.0 million, no change from the 2004-2005 level.
- Science and Technology Entry Program (STEP and CSTEP) is funded at $9.5 million, no change from the 2004-2005 level.
- Liberty Partnership Program is funded at $10.9 million, no change from the 2004-2005 level.

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**CAPITAL BUDGET HIGHLIGHTS**

The State Executive Budget recommends a total of $1.42 billion for a FY2005-FY2010 University Five-Year Capital Improvement Plan: $1.281 billion for the Senior Colleges and $139 million for the Community Colleges and Medgar Evers College. The building plan includes, for the Senior Colleges, an increase of $69 million over the FY2004-FY2009 plan, and an increase of $20 million to the Community Colleges for the replacement of Fiterman Hall at BMCC.

- The recommended $1.281 billion Five-Year Capital Budget for Senior Colleges includes:
- $69 million appropriation increase:
    - $41.5 million for ongoing CUNY-wide programs such as health and safety and facilities preservation, and projects to meet mandated EPA, ADA and energy conservation policies.
    - $10 million to begin rehabilitation of the Marshak Building at CCNY.
    - $2.5 million in design funds for renovation of science facilities in Roosevelt Hall at Brooklyn College.
    - $15 million to begin addressing overall facilities infrastructure issues at Governors Island.
- $1.095 billion recommended in the 2004-09 five-year plan;
- $97.15 million in funds reappropriated from the previous five-year plan;
- $20 million in (hard dollar) minor rehabilitation projects for the Senior Colleges.
- The Senior Colleges reappropriated funds provide for the University's initiative to upgrade science facilities: the CUNY-wide Advanced Science Research Center and science facilities at CCNY, Lehman, Hunter and Queens; Information Systems upgrades; and funds needed to complete several major projects already underway, including the John Jay College expansion, Brooklyn College West Quad building, the City College School of Architecture, and renovation of the Roosevelt House for Hunter College.
- The recommended $139 million Five-Year Capital Budget for the Community Colleges and Medgar Evers includes:
- $20 million appropriation increase for the replacement of Fiterman Hall at BMCC;
- Reappropriation of $50 million from the 2003-04 to 2007-08 five-year capital plan;
- Reappropriation of $64 million from previous five-year capital plan;
- $5 million in (hard dollar) minor rehabilitation projects for the Community Colleges and Medgar Evers College.
- When matched by the City of New York the plan will provide $278 million for:
- The completion of the Medgar Evers Academic Building;

**CAPITAL BUDGET HIGHLIGHTS, CONT'D**

- Funds to begin new facilities at Bronx and Queensborough Community Colleges;
- The continued renovations to buildings at Borough of Manhattan Community College, Hostos, Kingsborough and LaGuardia, as well as crucial funds for health and safety and code-related upgrades.
- The FY 2005-06 increases and reappropriations to the Senior College and the Community Colleges and Medgar Evers College capital plans represent an Executive Budget recommendation of $1.420 billion.
- When the Community College/Medgar Evers State recommended funds are matched by the City of New York, the next five-year CUNY Capital Budget Plan totals $1.559 billion.

The Executive Budget also includes $250 million in 3 to 1 capital matching grants for higher education facilities available to CUNY, SUNY and independent colleges. $100 million of this program is guaranteed to the independent colleges. CUNY can compete with SUNY and independent colleges for the remaining $150 million by raising $3 privately for every $1 available in this program.

# THE CITY UNIVERSITY OF NEW YORK

**DRAFT** **CAPITAL BUDGET FY 2005-2006** **DRAFT**

(Dollars expressed in Thousands)

January 18, 2005

**Five Year State Appropriation for FY 2005-2006 through FY 2009-2010**

| | Major Bonded Projects | | | | Minor Rehabilitation Projects | | |
|---|---|---|---|---|---|---|---|
| | CUNY Request | State Reappropriated | State New Funds | Total Approved | CUNY Request | State Reappropriated | Total Approved |
| **Senior Colleges** | $1,658,170 | $1,192,150 | $69,000 | $1,261,150 | $46,918 | $20,000 | $20,000 |
| **Community Colleges** | $601,196 | $114,351 | $20,000 | $134,351 | $13,096 | $5,000 | $5,000 |
| **Totals** | **$2,259,366** | **$1,306,501** | **$89,000** | **$1,395,501** | **$60,014** | **$25,000** | **$25,000** |

| | CUNY REQUEST | FUNDS APPROVED |
|---|---|---|
| **University Wide Totals** | **$2,319,380** | **$1,420,501** |

The City University of New York
State Five-Year Capital Plan FY 2005-2006 to FY 2009-2010 DRAFT
SENIOR COLLEGES

**(costs in thousands)**

| Project Name | | Reappropriated Funds | New Appropriations | Total |
|---|---|---|---|---|
| **CUNY Wide Senior** | | | | |
| Condition Assessment: Health & Safety | (B) | $75,000 | | $75,000 |
| Condition Assessment: Facilities Preservation | (B) | $60,000 | | $60,000 |
| Condition Assessment: ADA | (B) | $13,000 | | $13,000 |
| Asbestos Abatement | (B) | $7,000 | | $7,000 |
| Energy Conservation | (B) | $45,500 | | $45,500 |
| Educational Technology Initiative | (B) | $6,000 | | $6,000 |
| Upgrade Bathroom Facilities | (B) | $6,610 | | $6,610 |
| Science & Technology Equip. | (B) | $25,000 | | $25,000 |
| Project Administration | (B) | $32,290 | | $32,290 |
| Science Lab Upgrades | (B) | $7,000 | | $7,000 |
| Code Compliance (replaces B&E funds, etc.) | | $59,500 | $41,500 | $101,000 |
| **Subtotal** | | **$336,900** | **$41,500** | $378,400 |
| NIT, Info Sys & Admn Apps | (B) | **$40,000** | | $40,000 |
| CUNY Science Research Center | (B) | **$176,000** | | $176,000 |
| **Brooklyn College** | | | | |
| West Quad | (B) | $27,600 | | $27,600 |
| Roosevelt Hall Renovation | (B) | $0 | $2,500 | $2,500 |
| **Subtotal** | | **$27,600** | **$2,500** | **$30,100** |
| **City College** | | | | |
| CCNY School of Architecture Renovation | (B) | $53,500 | | $53,500 |
| CCNY New Science Facility, Phase I | (B) | $60,000 | | $60,000 |
| Marshak Building Rehabilitation | (B) | $0 | $10,000 | $10,000 |
| **Subtotal** | | **$113,500** | **$10,000** | **$123,500** |
| **Hunter College** | | | | |
| Hunter - Roosevelt House | (B) | $15,000 | | $15,000 |
| Hunter - New Science Lab Bldg., Ph. I | (B) | $68,000 | | $68,000 |
| Visual & Performing Arts, Phase I | (B) | $8,000 | | $8,000 |
| 68th Street Campus Security System | (B) | $2,000 | | $2,000 |
| Phone Switch Replacement | (B) | $2,000 | | $2,000 |
| **Subtotal** | | **$95,000** | **$0** | **$95,000** |
| **John Jay College of Criminal Justice** | | | | |
| Phase II | (B) | **$130,000** | | $130,000 |
| **Lehman College** | | | | |
| New Science Facility, Phase I | (B) | **$60,000** | | $60,000 |
| **New York City College of Technology** | | | | |
| Academic Bldg I | (B) | **$86,000** | | $86,000 |
| **Queens College** | | | | |
| Science Upgrades, Ph. I | (B) | **$30,000** | | $30,000 |
| **Governors Island** | | | | |
| Infrastructure Upgrades | (B) | | **$15,000** | $15,000 |
| **Senior Colleges Sub-Total** | | **$1,095,000** | **$69,000** | **$1,164,000** |
| ***Senior Colleges Minor Rehabilitation Projects*** | | **$20,000** | | **$20,000** |
| **FY 2004-2009 STATE FIVE-YEAR PLAN** | | **$1,115,000** | | |
| **Senior Colleges FY 1998-2003 5-yr Plan** | | **$97,150** | | **$97,150** |
| **Senior Colleges Total** | | **$1,212,150** | **$69,000** | **$1,281,150** |

The City University of New York
State Five-Year Capital Plan FY 2005-2006 to FY 2009-2010 DRAFT
COMMUNITY COLLEGES

**(costs in thousands)**

| **Project Name** | | **Reappropriated Funds** | **New Appropriations** | **Total** |
|---|---|---|---|---|
| | | **State share** | **State share** | **State share** |
| **CUNY Wide Community** | | | | |
| Condition Assessment: Health and Safety | (B) | $7,040 | | $7,040 |
| Condition Assessment: Facilities Preservation | (B) | $3,150 | | $3,150 |
| Energy Conservation | (B) | $1,597 | | $1,597 |
| Educational Technology Initiative Phase III | (B) | $1,500 | | $1,500 |
| NIT Info Sys & Admin Apps | (B) | $2,500 | | $2,500 |
| Project Management | (B) | $2,535 | | $2,535 |
| **Subtotal** | | **$18,322** | | **$18,322** |
| **Bronx Community College** | | | | |
| North Instructional Building | (B) | $6,776 | | $6,776 |
| **Hostos Community College** | | | | |
| 500 Grand Concourse, Ph.II | (B) | $4,000 | | $4,000 |
| **Kingsborough Community College** | | | | |
| Roof Replacement & Fire Alarm Upgrade | (B) | $1,500 | | $1,500 |
| **LaGuardia Community College** | | | | |
| Center 3 Renovation, Phase I | (B) | $8,898 | | $8,898 |
| **BMCC** | | | | |
| Chambers St. Renovations, Phase I | (B) | $5,500 | | $5,500 |
| Chambers Street Renovation Phase II | (B) | $4,000 | | $4,000 |
| Fiterman Hall Replacement | (B) | | $20,000 | $20,000 |
| **Subtotal** | | **$9,500** | **$20,000** | **$29,500** |
| **Medgar Evers College** | | | | |
| Academic Building I | (B) | $58,855 | | $58,855 |
| **Queensborough Community College** | | | | |
| Instruction Building | (B) | $6,500 | | $6,500 |
| **Community Colleges Bonded Projects Total - State Funds** | | **$114,351** | **$20,000** | **$134,351** |
| **Community Colleges Bonded Projects Total - City Match** | | **$114,351** | **$20,000** | **$134,351** |
| ***Community Colleges Minor Rehab Projects - State*** | | **$5,000** | | **$5,000** |
| ***Community Colleges Minor Rehab Projects - Required CityMatch*** | | **$5,000** | | **$5,000** |
| **Community Colleges Total -State Funds** | | **$119,351** | | **$139,351** |
| **Community Colleges Total -Required City Matching Funds** | | **$119,351** | | **$139,351** |
| **Community Colleges Grand Total** | | **$238,702** | **$40,000** | **$278,702** |

Reappropriations include $64.35 million from FY 1998-99 to FY 2002-03 five-year plan plus $50 million from FY 2003-04-2007-08 five-year plan