

THE CITY UNIVERSITY OF NEW YORK

2007-2008 STATE EXECUTIVE BUDGET AND CITY PRELIMINARY BUDGET Recommendations



PRELIMINARY ANALYSIS

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

FEBRUARY 26, 2007

STATE EXECUTIVE BUDGET

SENIOR COLLEGE HIGHLIGHTS

The FY2008 State Executive Budget recommendation totals \$1.621 billion, an increase of \$71.8 million over the FY2007 adjusted budget.

Senior College Funding by Source (millions)

	FY2007 Base	FY2008 Executive	\$ Change from Base	% Change from Base
State Aid*	927.2	999.0	71.8	7.7%
City Support	32.3	32.3	0.0	0.0%
Tuition & Other Revenue	589.2	589.2	0.0	0.0%
Total	\$1,548.7	\$1,621.5	\$71.8	4.6%

* FY2007 State Aid has been adjusted to include funding for collective bargaining and mandatory needs.

\$71.8 million increase includes:

- ∞ \$67.8 million for mandatory cost increases over the 2006-07 adjusted base levels, including \$40.3 million for fringe benefits, \$7.5 million for collective bargaining, \$3.0 million for utilities and \$17.0 million for other inflationary increases.
- ∞ \$4.0 million of the Empire Innovation Program funding to support critical research projects, academic programs and Master Plan Initiatives at CUNY. This leaves a net need of \$24.3 million not authorized by the Executive Budget.

GOVERNOR'S COMMISSION ON PUBLIC HIGHER EDUCATION

- ∞ The Governor's Executive Budget does not recommend a tuition increase. The Governor's new Commission on Public Higher Education will develop comprehensive recommendations as part of a multi-year strategy. The Commission will be responsible for developing:
 - ∞ Short-term and longer-term strategies to enable [the State's] public universities to go from being good to being great
 - ∞ A rational tuition policy to promote affordability, stability and predictability in future tuition charges at SUNY and CUNY.
 - ∞ Benchmarks for comparing the educational accomplishments, research productivity and academic quality of [the State's] public colleges against those of peer institutions throughout the country.

COMMUNITY COLLEGE HIGHLIGHTS

- ∞ State aid per FTE has been increased by \$100, to \$2,625, which results in additional base aid of \$6.3 million.

FINANCIAL AID HIGHLIGHTS

- ∞ The use of the Ability to Benefit Test (ATB) will be discontinued as a measure of determining academic eligibility for TAP beginning with the 2007-08 academic year.

CITY PRELIMINARY BUDGET

COMMUNITY COLLEGE HIGHLIGHTS

The City Preliminary Budget includes changes covering the current fiscal year (FY2007) and the next fiscal year, beginning July 1 (FY2008).

FY2007

- ∞ For the current fiscal year, the Preliminary Budget recommends City Support for Community Colleges of \$187.7 million, an increase of \$7.1 million over the City Adopted Budget. This includes an increase of \$1.0 million for the Community College ASAP (Accelerated Study in Associate Programs) Initiative, a \$2.4 million restoration for CUNY Prep, and a \$3.7 million for pensions (which are funded outside of CUNY's budget).

FY2008

Community Colleges

- ∞ The FY2008 Preliminary Budget recommends City support for the community colleges of \$181.6 million, which is \$6.1 million less than the recommended FY2007 budget.

Community College Funding by Source (millions)

	FY2007 Base	FY2008 Adopted	\$ Change from Base	% Change from Base
State Aid	163.4	169.8	6.4	3.9%
City Support*	187.7	181.6	(6.1)	(3.2)%
Tuition & Other Revenue	185.8	185.8	0.0	0.0%
Total	\$536.9	\$537.2	\$0.3	0.1%

* FY2007 City Support has been adjusted to include funding for CUNY Prep, the CUNY ASAP Initiative, and pensions.

- ∞ The Preliminary Budget includes year-to-year increases of:
 - \$5.5 million for the CUNY ASAP Initiative (for a total of \$6.5 million).
 - \$1.8 million for CUNY Prep (for a total of \$3.5 million).
 - \$3.2 million for PSC Collective Bargaining (for a total of \$19.8 million).
 - \$1.7 million for additional fringe benefits and pensions costs.
- ∞ FY2008 reductions contained in the Preliminary Budget include:
 - \$12.3 million in Community College Operating Support.
 - \$4.5 million for the Safety Net Program.
 - \$0.8 million for Energy.
 - \$0.7 million for City Council Member Items.

Senior Colleges/Other

- ∞ In addition to the above changes in City support for the community colleges, the FY2008 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.
 - \$6.0 million for NYC Works (Workforce Development Initiative).
 - \$1.5 million for the University's Black Male Empowerment Initiative.
 - \$0.6 million for the CUNY Citizenship and Immigration Project.
 - \$0.4 million for Science, Math and Nursing Scholarships.
 - \$2.5 million for various City Council member items.

CITY PRELIMINARY BUDGET--CONT'D

- ∞ The Preliminary Budget also allocates \$4.8 million for the Civic Justice Corps, a program that will provide short term public works jobs to ex-offenders coming back to several low income neighborhoods. The number of participants is 730. This program is collaboration between the NYC Department of Corrections and John Jay College.
- ∞ Included in the Mayor's State agenda is a proposed reform of the reimbursement process for CUNY's senior colleges, whereby the City advances funding to the State and receives quarterly reimbursement.

CAPITAL BUDGET

STATE EXECUTIVE

The State Executive Budget recommends an increase of \$265.8 million and reappropriation of \$2 billion for a total of \$2.3 billion for a FY2004-FY2009 University Five-Year Capital Improvement Plan. The building plan includes: \$1.92 billion for the Senior Colleges and \$356 million for the Community Colleges and Medgar Evers College. The \$265.8 million increase is made up of \$225 million for the Senior Colleges and \$40.8 million for the Community Colleges and Medgar Evers College.

- ❖ The recommended \$1.92 billion Five-Year Capital Budget for Senior Colleges includes:
 - ∞ \$225 million appropriation increase;
 - \$69.8 million for the Advanced Science Research Center and New Science Building at CCNY;
 - \$69.1 million for health/safety and facilities preservation projects across the campuses;
 - \$30 million to continue rehabilitation of Marshak Building at CCNY;
 - \$56.1 million for utilities upgrades at various campuses;
 - ∞ \$1.7 billion reappropriated from the 1998-2003 and 2004-09 five-year plans;
 - ∞ \$20 million reappropriated for (hard dollar) minor rehabilitation projects for the Senior Colleges.
 - ❖ The recommended \$356 million Five-Year Capital Budget for the Community Colleges and Medgar Evers College includes:
 - ∞ \$40.8 million appropriation increase:
 - \$31 million appropriation increase for the replacement of Fiterman Hall at BMCC (\$20 million) and Academic Building I at Medgar Evers College (\$11 million);
 - \$9.8 million for health/safety, facilities preservation and utilities/mechanical upgrades across the campuses;
 - ∞ \$315 million in reappropriated funds from the 1998-03 and 2003-08 five-year plans.
- However, the Executive Budget does not include all of the additional funds requested by the University, in FY 2007-08. Not included in the Executive Budget are:
- ❖ \$50 million in continued funding for the NIT/Information Systems & Administrative Applications project (the University's ERP initiative);

CAPITAL BUDGET—CONT'D

- ❖ \$18 million to address escalation increases due to recent economic changes for projects that are already in construction; and
- ❖ \$72 million more is needed for the Advanced Science Research Center and the New Science Facility at CCNY.

CITY PRELIMINARY

The City Executive Budget did not recommend any new funding; however, the City Budget continues to include the multi-year capital improvement plan that was appropriated two years ago. The plan provides a total of \$326 million for the Community Colleges and Medgar Evers College. Together, the City and State commitments provide a multi-year capital improvement plan totaling \$600 million for Community Colleges and Medgar Evers College.

- ❖ The reappropriated multi-year capital budget for the Community Colleges and Medgar Evers College includes funding for:
 - ∞ Ongoing CUNY-wide programs such as health and safety and facilities preservation, Network Infrastructure/Information Systems upgrades, and projects to meet mandated EPA, ADA, and energy conservation policies;
 - ∞ New facilities: Medgar Evers College Academic I, Bronx CC North Instructional Building , Queensborough CC Holocaust Center and Instructional Building ;
 - ∞ Replacement of Fiterman Hall at BMCC;
 - ∞ Incubator projects a various campuses;
 - ∞ Infrastructure work at Bronx CC, Kingsborough CC and Queensborough CC;
 - ∞ Site acquisition at Hostos CC;
 - ∞ Infrastructure and programmatic improvements at BMCC, Hostos CC and LaGuardia CC;
 - ∞ Athletic Fields at Medgar Evers College; and
 - ∞ Minor rehabilitation projects for the Community Colleges and Medgar Evers College.

The Executive Budget does not include all of the additional funds requested by the University in FY 2007-08. Not included in the Executive Budget are:

- ❖ \$37.6 million to address escalation increases due to recent economic changes for projects that are already designed and ready to begin construction;
- ❖ \$3.8 million for mechanical and infrastructure upgrades required at Bronx Community College.
- ❖ To ensure that CUNY receives funding for essential facility and infrastructure improvements, the Governor will call upon CUNY to develop new Five-Year Capital Plans for FY2009-09.

STATE AND CITY TOTAL

The FY 2007-08 increases and reappropriations to the Senior Colleges and the Community Colleges and Medgar Evers College capital plans represent a State Executive Budget recommendation of \$2.3 billion. If the Community College/Medgar Evers College State recommended funds are matched by the City of New York, the five-year CUNY Capital Budget Plan will total \$2.63 billion. With funding from private donations, public/private partnership opportunities, insurance proceeds and FEMA the University's total Capital Improvement Plan totals nearly \$3.3 Billion.