

The Council of the City of New York



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Report on the Fiscal Year 2015 Executive Budget for the City University of New York May 16, 2014

Executive Budget Highlights

Spending

- Total Fiscal 2015 Budget: \$926.1 million
 - \$36.3 million or 4.1 percent increase from Fiscal 2014 Adopted Budget
 - \$11 million or 1.2 percent increase from Fiscal 2014 forecast budget
- Personal Services total: \$687.6 million
 - \$113.2 million or 19.7 percent increase from Fiscal 2014 Adopted Budget
- Other Than Personal Services total: \$238.5 million
 - \$76.9 million or 24.4 percent decrease from Fiscal 2014 Adopted Budget
- Community Colleges total: \$875.1 million
 - \$36.2 million increase from Fiscal 2014 Adopted Budget
 - Enrollment projection of approximately 83,000 full-time equivalent students
- Hunter Campus Schools: \$16.1 million
- Senior Colleges: \$35 million

Headcount

- Funding for 5,064 full-time positions in Fiscal 2015, a net increase of 60 positions
 - 3,339 budgeted as pedagogical positions, an increase of 91 positions
 - 1,644 budgeted as non-pedagogical positions, a decrease of 31 positions

Funding

- City funds: \$636.7 million
 - Includes \$375.4 million in tuition revenue, a \$24.2 million increase from Fiscal 2014 that stems from a \$300 increase in tuition; Community college tuition will be \$4,500 in September 2014.
- State aid: \$259.7 million, a \$3.7 million increase resulting from a \$75 increase in student base aid; base aid for community colleges will total \$2,497 per student

STEM Initiative

- \$18.9 million in City funds for a new initiative to fund Science, Technology, Engineering, and Math (STEM) programs at community colleges and two-year programs in senior colleges

City University of New York Overview

In the 2014-2015 academic year, the City University of New York (CUNY) will provide higher education to approximately 267,000 degree-seeking students and 258,000 adult and continuing education students. The system is comprised of 24 institutions, including eleven senior colleges and seven community colleges. In addition, CUNY operates the William E. Macaulay Honors College, the Graduate School and University Center, the CUNY Graduate School of Journalism, CUNY School of Law, the CUNY School of Professional Studies, and the CUNY School of Public Health. There are approximately 1,570 academic programs at CUNY.

Although CUNY is not a City agency, the City is responsible for supporting CUNY's seven community colleges and the two-year programs offered by the senior colleges. The Executive Budget presents this portion of CUNY's budget for which the City is responsible, and it will be the focus of this report.

CUNY Financial Summary

<i>Dollars in Thousands</i>	FY12 Actual	FY13 Actual	FY14 Adopted	FY14 as of FY15 Exec. Budget	FY15 Exec. Budget	*Change FY14 - FY15
Personal Services	\$580,668	\$622,062	\$574,460	\$615,368	\$687,648	\$113,188
Other Than Personal Services	210,653	216,648	315,404	299,794	238,472	(76,932)
Agency Total	\$791,320	\$838,710	\$889,864	\$915,162	\$926,119	\$36,255
Budget by Program Area						
Community Colleges	\$775,300	\$822,353	\$838,828	\$864,113	\$875,060	\$36,232
Hunter Campus Schools	16,021	16,356	16,036	16,049	16,059	24
Senior Colleges	0	0	35,000	35,000	35,000	0
Total	\$791,320	\$838,710	\$889,864	\$915,162	\$926,119	\$36,255
Funding						
City Funds	NA	NA	\$604,556	\$608,083	\$636,706	\$32,150
Other Categorical	NA	NA	13,508	13,508	14,041	\$533
State	NA	NA	256,003	256,003	259,746	\$3,743
Federal CD	NA	NA	0	0	0	0
Federal Other	NA	NA	0	0	0	0
Intra City	NA	NA	15,797	37,567	15,626	(\$171)
Total	NA	NA	\$889,864	\$915,162	\$926,119	\$36,255
Budgeted Headcount						
Full-Time Positions – Pedagogical	3,180	3,180	3,248	3,248	3,339	91
Full-Time Positions – Non-Pedagogical	1,646	1,686	1,675	1,675	1,644	(31)
Total	4,908	4,948	5,004	5,004	5,064	60

*Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

The \$36.3 million increase, as shown in the Financial Summary above, primarily stems from a \$32.2 million increase in City funds and a \$3.7 million increase in State funds. Nearly all of the new funding is for Community Colleges.

- Funding for Community Colleges is scheduled to increase by \$36.2 million or 4.3 percent, which is largely due to a \$300 annual tuition increase that would result in \$24.2 million in revenue.
- The remaining increase stems from a new \$18.9 million Science, Technology, Engineering, and Math (STEM) initiative that would be funded with City Tax Levy.
- The total increase is partially offset by approximately \$5 million in Fiscal 2014 City Council initiatives that have not been baselined in Fiscal 2015. In addition, the modified Fiscal 2014 budget has been reduced by approximately \$2.3 million to align with updated enrollment projections, which led to a reduction in State aid.

The Financial Plan Summary also shows a \$113.2 million increase in personal services (PS) and a \$76.9 million reduction to other than personal services (OTPS). The shift of funds from OTPS to PS more closely aligns the budget with actual spending. In addition, the Executive Budget for Fiscal 2015 does not recognize many intra-city payments to CUNY scheduled in OTPS that are generally added to CUNY's budget after adoption. This fiscal year, CUNY has received \$37.5 million in intra-city payments for a variety of services.

The Executive Budget includes for a net increase of 60 full-time positions. The overall increase would stem from 90 new positions associated with the STEM initiative, which would be offset by reductions to positions elsewhere. All of these positions are budgeted in Community Colleges.

CUNY's Fiscal 2015 Budget includes \$2.5 million for the Black Male Initiative, which was baselined in the November 2013 Financial Plan. The Executive Budget does not include any proposals presented in the City Council's Preliminary Budget Response, in which the Council called for an Academic Achievement Award and a \$900,000 restoration to CUNY Prep.

New in the Executive Budget

The Executive Budget introduces several significant budget actions. Some of these changes stem from additional State funding included in the Enacted State Budget. The Executive Budget also reflects the Administration's priorities, which include additional funding for CUNY. Significant budget actions are:

- **Recognition of State Budget Restorations.** The Executive State Budget for 2014-2015 proposed the following budget cuts: \$551,300 for the Search for Education, Elevation, and Knowledge (SEEK) program at senior colleges; \$1.7 million for the Accelerated Study in Associate Programs (ASAP) at community colleges; \$544,000 for child care funding; and \$26,500 for College Discovery at community colleges. The Enacted State Budget restores this funding, and includes an additional \$28,000 for College Discovery. The restorations total \$2.86 and are reflected in CUNY's Fiscal 2015 Executive Budget.
- **Recognition of Increase in Base Aid.** The Enacted State Budget includes a per full-time equivalent (FTE) students base aid increase of \$75, bringing the base aid to \$2,497. The increase in base aid combined with enrollment growth will result in approximately \$8 million in additional State revenue.
- **\$18.9 million for STEM Initiative.** CUNY's Fiscal 2015 Executive Budget includes \$18.9 million for a Science, Technology, Engineering, and Math (STEM) initiative at CUNY. The

initiative corresponds with a headcount increase of 90 full-time positions, and includes five main components:

- **Expansion of ASAP** and the creation of a new accelerated studies program for STEM students that would impact 4,352 students in Fiscal 2015 and 13,090 students in Fiscal 2017 and beyond;
- **STEM Research Fellowships** to enable students to work directly with faculty on STEM-related research projects and receive laboratory training, academic support, and counseling, and would impact 200 students in Fiscal 2015 and 250 students in Fiscal 2016 and beyond;
- **STEM Cooperative Education Program** to allow STEM students to gain experience working full-time in a technical position in their field of study while taking courses, which would impact 300 students in Fiscal 2017 (the first two years would be used to set up the program);
- **Summer Tuition Program** to allow CUNY to pay summer tuition for students in STEM-related disciplines, which would impact 4,500 students in Fiscal 2015 and 6,000 students in Fiscal 2016 and beyond; and
- **Academic Advisement** to improve the quality of academic support and to identify students facing academic challenges early on in their college careers, specifically for those studying STEM who often face complex degree requirements, which would impact 13,706 students in Fiscal 2015. This number is anticipated to increase by five percent each year.

Funding is scheduled to increase to \$29.2 million in Fiscal 2016 and \$50.9 million in Fiscal 2017. The additional funds would support an additional 35 positions in Fiscal 2016 and 34 positions in Fiscal 2017. The initiative is designed to support programming at community colleges and two-year programs at the senior colleges.

- **CEO Funding Adjustment.** The Executive Budget includes \$2.8 million in intra-city funding from the Center for Economic Opportunity for the NYC Justice Corps program. This is a six-month program that incorporates youth development, service learning, workforce development, and prisoner reentry. The NYC Justice Corps strives to improve education and employment outcomes of Corp members, keep them out of the criminal justice system, and support community development in various communities.

CUNY Capital Program

The Executive 2015 Capital Commitment Plan includes \$421.1 million in Fiscal 2014-2018 for the City University of New York (including City and Non-City funds). This represents approximately one percent of the City's total \$48.9 billion Executive Plan for Fiscal 2014-2018. CUNY's Executive Commitment Plan for Fiscal 2014-2018 is \$6 million more than the \$415.2 million scheduled in the Preliminary Commitment Plan, an increase of 1.4 percent.

The majority of capital projects span multiple fiscal years, and therefore it is common practice for an agency to roll unspent capital funds into future fiscal years. The table below shows a \$109.7 million decrease in Fiscal 2014 and increases in Fiscal 2015 and the out-years to reflect funds that would roll from this fiscal year.

Since adoption last June, the City-wide total Capital Commitment Plan for Fiscal 2014 has decreased from \$20.9 billion to \$14.2 billion in the Executive Capital Commitment Plan, a decrease of \$6.7 billion or 32.1 percent.

CUNY 2014-2018 Capital Commitment Plan						
<i>Dollars in Thousands</i>	FY14	FY15	FY16	FY17	FY18	Total
Preliminary Plan	\$381,057	\$17,619	\$13,452	\$3,038	NA	\$415,166
Executive Plan	\$271,393	\$85,622	\$51,178	\$6,413	\$6,520	\$421,126
Change	(\$109,664)	\$68,003	\$37,726	\$3,375	NA	\$5,960
Percentage Change	-28.78%	385.96%	280.45%	111.09%	NA	1.44%

The City and State are responsible for supporting capital work at community colleges, while the State is responsible for funding capital projects at senior colleges. The State essentially matches the City funding level for the community college capital program, leading to a 50/50 funding split. Prior to the Fiscal 2014 Adopted Budget, CUNY estimated the State had set aside approximately \$70 million more than the City had allocated for capital work at community colleges. At adoption of the Fiscal 2014 budget, the Administration and City Council agreed to add \$35 million each to match the State's funding level, which would enable CUNY to access the funds.

In the Fiscal 2015 Preliminary Budget, the Office of Management and Budget (OMB) removed approximately \$35 million in City funds from CUNY's Capital Commitment Plan. The OMB has explained that CUNY's original estimate of the \$70 million gap between State and City funding was inaccurate, and the City should have contributed no more than \$35 million. Not only did the OMB remove the funds, the OMB removed only funds that had been allocated by the Administration. Therefore, City Council funds alone have been used to match State funds, despite the Administration having agreed to split the cost with the Council. The funding has not been restored in the Executive Budget. CUNY and OMB disagree on their estimates and are currently working to come to a resolution.

Major Capital Projects & Executive Budget Highlights

Of the \$421.1 million Capital Commitment Plan, \$165.2 million or 39 percent of funding is scheduled for the following three major CUNY projects:

- **Science and Health Professions Building, Hunter College.** \$100 million or nearly 24 percent of funding is scheduled for the construction of a Science and Health Professions Building at Hunter College.
- **Phase 1 of Center 3 Façade Replacement, LaGuardia Community College.** The Capital Commitment Plan includes \$47.2 million for Phase 1 of replacing the façade of the Center 3 building at LaGuardia Community College. Of this amount, the Administration would provide \$26.7 million and the City Council would allocate \$20.5 million.

- **Critical Maintenance for Community Colleges.** The Capital Commitment Plan includes \$18 million in City Council funds for various projects associated with critical maintenance for community colleges.

The remaining \$255.9 million is allocated to a variety of smaller projects at both community and senior colleges. Though the vast majority of projects are scheduled for capital commitments in Fiscal 2014, it is expected that many of these projects will roll into Fiscal 2015 and the out-years of the plan.

Appendix 1: CUNY Fiscal 2015 Executive Budget Actions

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
CUNY Preliminary Fiscal 2015 Budget	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Expansion for STEM support	\$0	\$0	\$0	\$18,937	\$0	\$18,937
Rent Increase	371	0	371	0	0	0
Subtotal New Needs	\$371	\$0	\$371	\$18,937	\$0	\$18,937
Other Adjustments						
City Council Member Items	\$145	\$0	\$145	\$0	\$0	\$0
IntraCity Payments	0	800	800	0	96	96
Child Care Restoration	0	0	0	0	544	544
CUNY ASAP Restoration	0	0	0	0	1,700	1,700
College Discovery Restoration	0	0	0	0	54	54
CEO Funding Adjustment	0	0	0	2,800	0	2,800
CUNY Healthcare Sector Training	0	1,803	1,803	0	0	0
Fuel, Heat, Light & Power	1,223	0	1,223	(223)	0	(223)
Lease Adjustment	0	0	0	1,533	0	1,533
State Operating Aid	0	0	0	0	3,746	3,746
YMI Reallocation	0	0	0	20	0	20
Superstorm Sandy Category G Claims	0	293	293	0	0	0
Subtotal Other Adjustments	\$1,368	\$2,896	\$4,264	\$4,130	\$6,140	\$10,270
Total All Changes	\$1,739	\$2,896	\$4,635	\$23,067	\$6,140	\$29,207
CUNY Executive Fiscal 2015 Budget	\$608,082	\$307,079	\$915,161	\$636,706	\$289,413	\$926,119

Appendix 2: CUNY Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
CUNY Adopted Fiscal 2014 Budget	\$604,556	\$285,309	\$889,865	\$589,432	\$285,779	\$875,211
New Needs						
Expansion for STEM support	\$0	\$0	\$0	\$18,937	\$0	\$18,937
Rent Increase	371	0	371	0	0	0
Subtotal New Needs	\$371	\$0	\$371	\$18,937	\$0	\$18,937
Other Adjustments						
City Council Member Items	\$188	\$0	\$188	\$0	\$0	\$0
IntraCity Payments	0	19,670	19,670	0	(109)	(109)
Pensions (Operating Support)	1,743	0	1,743	(2,492)	0	(2,492)
Black Male Initiative	0	0	0	2,500	0	2,500
Child Care Cut	0	0	0	0	(544)	(544)
Child Care Restoration	0	0	0	0	544	544
CUNY ASAP Cut	0	0	0	0	(1,730)	(1,730)
CUNY ASAP Restoration	0	0	0	0	1,700	1,700
College Discovery Cut	0	0	0	0	(27)	(27)
College Discovery Restoration	0	0	0	0	54	54
Tuition Increase	0	0	0	24,200	0	24,200
CEO Funding Adjustment	0	0	0	2,800	0	2,800
CUNY Healthcare Sector Training	0	1,803	1,803	0	0	0
Fuel, Heat, Light & Power	1,223	0	1,223	(223)	0	(223)
Lease Adjustment	0	0	0	1,533	0	1,533
State Operating Aid	0	0	0	0	3,746	3,746
YMI Reallocation	0	0	0	20	0	20
Superstorm Sandy Category G Claims	0	293	293	0	0	0
Subtotal Other Adjustments	\$3,154	\$21,766	\$24,920	\$28,338	\$3,634	\$31,972
Total All Changes	\$3,525	\$21,766	\$25,291	\$47,275	\$3,634	\$50,909
CUNY Executive Fiscal 2015 Budget	\$608,081	\$307,075	\$915,156	\$636,707	\$289,413	\$926,120

Appendix 3: City Council Initiatives

<i>Dollars in Thousands</i>	FY 2014
Community Colleges	
Anti-Gun Violence Initiatives	\$250
Black Male Initiative	\$2,500
Center for Puerto Rican Studies	\$470
Creative Arts Team	\$200
CUNY Advanced Certificate Program	\$50
CUNY Citizenship NOW	\$800
Dominican Studies Institute	\$470
Hunter College Food Policy Center	\$200
Murphy Institute Center for Worker Education	\$100
Technical Assistance for Childcare Providers	\$1,200
Immigrant Opportunities Initiative	\$40
Local Initiatives	\$1,090
TOTAL	\$7,370