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Report on the Fiscal 2017 Executive Budget

City University of New York

May 20, 2016

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Executive Budget Summary

- **Expense Budget Overview.** The City University of New York's (CUNY, or the University) Fiscal 2017 Executive Budget totals \$1.03 billion. This figure is \$36.9 million greater than CUNY's Fiscal 2016 Adopted Budget of \$993.2 million.
- **Headcount.** The Fiscal 2017 Executive Budget supports a workforce of 6,348 full-time pedagogical and non-pedagogical staff, for a net increase of 55 positions when compared to the Fiscal 2016 Current Modified Budget.
- **Executive Budget Changes**
 - \$11.3 million in additional tuition revenue;
 - \$5.5 million in additional information technology fee revenue;
 - \$1.4 million to support CUNY's 12th Grade Expansion Program;
 - \$1 million in additional support for Accelerated Studies in Associate Programs (ASAP);
 - \$924,000 to create a CUNY Tutor Corps;
 - \$27.5 million in other adjustments; and
 - \$3.2 million in campus-wide energy efficiencies.
- **Capital Budget.** The Fiscal 2017 Executive Capital Commitment Plan includes \$481.7 million over the five year Plan and adds \$13.9 million in new funding.
- **Agency Issues and Areas of Interest**
 - The Fiscal 2017 Executive Budget does not address the Council's Fiscal 2017 Preliminary Budget Response request to baseline the Council's \$17.5 million Merit-Based Scholarship Program.
 - The Fiscal 2016-2017 New York State Budget fails to include \$240 million to support salary increases of four percent for CUNY faculty and staff retroactive to 2010, when their labor contract expired.
 - The Joseph S. Murphy Institute for Worker Education and Labor Studies, housed within the CUNY School of Professional Studies, has appealed to establish its own separate school within the CUNY system.

CUNY Overview

This report presents a review of the City University of New York's Fiscal 2017 Executive Budget. The following presents an overview of the University's budget and how it has changed over Fiscal 2016, with a review of budget actions introduced in the Fiscal 2017 Executive Budget. The report then discusses major issues related to the University's budget. Finally, Appendix 1 outlines changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on CUNY's budget and programs, please refer to the Fiscal 2017 Preliminary Budget Report for at: <http://council.nyc.gov>.

CUNY Financial Summary

<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services	\$645,567	\$673,305	\$699,838	\$692,399	\$721,154	\$21,316
Other Than Personal Services	246,290	281,820	293,364	377,122	308,985	15,621
TOTAL	\$891,857	\$955,125	\$993,202	\$1,069,521	\$1,030,139	\$36,937
Budget by Program Area						
Community Colleges	\$875,097	\$937,914	\$942,021	\$1,018,452	\$979,001	\$36,980
Hunter Campus Schools	16,760	17,211	16,181	16,069	16,138	(43)
Senior Colleges	0	0	35,000	35,000	35,000	0
TOTAL	\$891,857	\$955,125	\$993,202	\$1,069,521	\$1,030,139	\$36,937
Funding						
City Funds			\$702,508	\$715,106	\$717,051	\$14,543
Other Categorical			3,185	12,712	13,840	10,655
State			271,068	271,068	285,655	14,587
Federal – Comm. Dev.			916	1,357	0	(916)
Intra City			15,524	69,278	13,593	(1,931)
TOTAL	\$891,857	\$955,125	\$993,202	\$1,069,521	\$1,030,139	\$36,938
Budgeted Headcount						
Full-Time - Pedagogical	3,849	4,023	4,357	4,407	4,441	84
Full-Time - Non-Pedagogical	1,905	1,916	1,855	1,886	1,907	52
TOTAL	5,754	5,939	6,212	6,293	6,348	136

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

The City's Fiscal 2017 Executive Budget totals \$82.2 billion, \$2.1 billion more than the Fiscal 2016 Adopted Budget of \$80.1 billion. City funds (City tax-levy and non-tax revenues) total \$59.4 billion, compared to the Fiscal 2016 Adopted Budget amount of \$56.9 billion. For CUNY, the Fiscal 2017 Executive Budget totals \$1.03 billion, representing 1.3 percent of the City's total budget.

CUNY's Fiscal 2017 Executive Budget of \$1.03 billion represents a \$36.9 million increase from its Fiscal 2016 Adopted Budget of \$993.2 million. The difference between these two budgets is reflected in a \$15.6 million increase in spending in other than personal services (OTPS) and \$21.3 million in personal services (PS). The proposed budget is approximately \$44.4 million higher than CUNY's Fiscal 2017 Preliminary Budget of \$985.7 million.

Since Adoption of the Fiscal 2016 Budget, several initiatives have impacted both DYCD's budget and headcount for Fiscal 2016 and Fiscal 2017. For Fiscal 2016, these include \$169,000 in new needs and \$76.1 million in other adjustments and the addition of 93 positions. In Fiscal 2017, changes have included \$20.1 million in new needs and \$24.3 million in other adjustments, with 104 new full-time positions. Combined, these changes reconcile DYCD to its current budget of

\$1.07 billion for Fiscal 2016 and \$1.03 billion for Fiscal 2017. Headcount changes are reconciled to 6,293 in the current Fiscal 2016 Budget and 6,348 in Fiscal 2017.

Below is a summary of key funding changes by program area and source when comparing DYCD's Fiscal 2017 Executive Budget to its Fiscal 2016 Adopted Budget.

- **Changes by Program Area.** The Fiscal 2017 Executive Budget for CUNY reflects a \$36.9 million increase from Fiscal 2016 Adopted Budget. All of this increase is concentrated within the Community Colleges program area, Senior College funding from New York State remains flat at \$35 million. The Fiscal 2017 Executive Budget includes a \$43,000 decrease in City funds to Hunter Campus Schools in relation to supplies and materials (\$3,000) and other services and charges (\$40,000). The current Fiscal 2016 Budget sees an increase of \$12.2 million.
- **City Tax-Levy Increase.** The City-funded portion of CUNY's Fiscal 2017 Executive Budget reflects an increase of \$36.9 million from the Fiscal 2016 Adopted Budget. Of this, \$14.5 million represents an increase in the level of City funding between the Fiscal 2016 Adopted Budget level of \$702.5 million and the Fiscal 2017 Executive Budget level of \$717 million. This increase includes \$20.1 million in New Needs added in the Fiscal 2017 Executive Budget, detailed beginning on page 4, as well as \$18.3 million in City-funded Other Adjustments, outlined in Appendix 1.

It is also important to note that City Council discretionary funding has yet to be added to the University's budget. In Fiscal 2016, a total of \$24.5 million in Council discretionary funding was distributed through CUNY.

- **Non-City Funding.** For Fiscal 2017, total Non-City revenue increase by a net of \$20.4 million when compared to the Fiscal 2016 Adopted Budget, whereas the current modified budget for Fiscal 2016 shows growth of approximately \$63.7 million. \$12.6 million of the total \$14.6 million in new State funding represents an increase in per capita base aid to community colleges for full-time equivalent students in Fiscal 2017. The increase of \$100 brings the rate from \$2,597 per student to \$2,697 per student, representing the highest level of State support in this area since Fiscal 2009. Of a total increase of \$10.7 million in Other Categorical funds, \$9.7 million enhances services at the Educational Opportunity Centers (EOCs) at Borough of Manhattan Community College and Bronx Community College. The Fiscal 2017 Executive Budget includes no federal funding.

The \$1.9 million difference in Intracity revenue, as well as the \$55.7 million difference between the Fiscal 2016 Current Modified and Fiscal 2017 Executive Budget levels, is not uncommon. Since adoption of the Fiscal 2016 Budget, a total of \$13 million has been transferred to CUNY from other agencies to support student internships. Another \$42.7 million has been transferred to support a variety of other services provided to City agencies by CUNY, ranging from staff training to evaluation services. Intra-City payments are typically made mid-year once services are delivered.

- **Headcount Changes.** The Fiscal 2017 Executive Budget includes the addition of 93 positions across the seven CUNY community colleges. Of these positions, 43 will support the Borough of Manhattan Community College EOC, 37 will support the Bronx Community College EOC, seven will support the University's twelfth-grade expansion program, seven will support CUNY pilot Tutor Corps, and one will be reduced from the Algebra for All program.

New in the Executive Budget

CUNY's Fiscal 2017 Executive Budget includes \$20.1 million in new needs and \$3.2 million in energy savings. Each of these new needs is described in further detail below.

- **Tuition Adjustment.** The Fiscal 2017 Executive Budget recognizes an increase of \$11.3 million in tuition revenue. This increase reflects an anticipated increase in the total number of students who will enroll at CUNY community colleges in the coming academic year, and will bring total community college tuition revenue for Fiscal 2017 to \$386.3 million. The annual tuition rate for community colleges for the 2016-2017 academic year will remain at \$4,800.
- **Student Technology Fees Adjustment.** The Fiscal 2017 Executive Budget also recognizes an increase of \$5.5 million in revenue connected with student technology fees, increasing total technology fee revenue at the community colleges to \$17.5 million. Like the tuition adjustment, this reflects the anticipation of continued growth in student numbers at CUNY community colleges. Technology fees at both community and senior colleges is set at \$125 per semester for full-time students and \$62.50 for part-time students.
- **CUNY LINCT.** CUNY LINCT (Lessons in Navigating College Transition) to Success is a college access, transition and success program serving 3,000 students each year as they complete their senior year of high school and first year enrolled in associate's degree programs. Students served by LINCT are on track to graduate from high school, but underperform on traditional college-readiness benchmarks such as standardized entrance exams and are likely to require remedial courses if they attend college. The Fiscal 2017 Executive Budget includes an increase of \$1.4 million to reach an additional 2,000 students next year.
- **ASAP Increase.** The Fiscal 2017 Executive Budget adds \$1 million to purchase additional furniture and equipment, as well as fund additional rental space for Associated Studies in Associate Programs (ASAP). This operational support is in addition to the \$X million added in the Preliminary Budget. The Capital Plan also schedules \$7 million for build out of space for ASAP. This will bring total investment in ASAP for Fiscal 2017 to \$61.6 million.
- **CUNY Tutor Corps.** The Fiscal 2017 Executive Budget includes \$924,000 to pilot a corps of approximately 60 CUNY students in the math and science fields who will participate in a one-year fellowship in preparation for becoming highly-trained tutors and teaching assistants to City public school students. Through this pilot, the CUNY Tutor Corps will serve 30 schools, with two tutors assigned to each school. If the pilot proves successful, the CUNY Tutor Corps program will expand to serve 180 New York City public schools by Fiscal 2020. The high schools where the tutors will work have not yet been identified.

CUNY Capital Program

Capital Commitment Plan

The Fiscal 2017 Executive Capital Commitment Plan includes \$481.7 million in Fiscal 2016-2020 for the City University of New York (including City and Non-City funds). This represents approximately 0.7 percent of the City's total \$67.1 billion Executive Plan for Fiscal 2016-2020. CUNY's Executive Commitment Plan for Fiscal 2016-2020 is three percent greater than the \$467.8 million scheduled in the Preliminary Commitment Plan, an increase of \$13.9 million. The increase includes \$7 million in Fiscal 2017 to build additional space across multiple

campuses to support ASAP programming, in correlation with the expansion of the program. It also includes \$5.7 in Fiscal 2016 to support renovation of Aaron Davis Hall at City College. The remainder of the increase is due to minor adjustments to existing projects and do not reflect any substantive changes to the capital commitment plan for the systems.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. For example, in Fiscal 2015, CUNY committed \$55 million, or 17.6 percent, of its annual capital plan. It is anticipated that a significant portion of CUNY's Fiscal 2016 Capital Plan will be rolled into Fiscal 2017, thus increasing the size of the Fiscal 2017-2020 Capital Plan.

CUNY 2016-2020 Capital Commitment Plan						
<i>Dollars in Thousands</i>						
	2016	2017	2018	2019	2020	Total
Preliminary Plan	\$236,696	\$87,515	\$49,961	\$70,355	\$23,265	\$467,792
Executive Plan	\$235,797	\$102,347	\$49,961	\$70,355	\$23,265	\$481,725
Change	(\$899)	\$14,832	\$0	\$0	\$0	\$13,933
Percentage Change	(0.38%)	16.95%	0.00%	0.00%	0.00%	2.98%

Source: OMB Fiscal 2017 Executive Capital Commitment Plan

CUNY Budget Issues

The Council's response to the Mayor's Fiscal 2017 Preliminary Budget featured youth services as a top priority, and included one proposal related directly to CUNY.

- **Baseline the City Council Merit-Based Scholarship Program.** The Council's Merit-Based Scholarship Program has offered scholarships of up to \$800 per year to eligible students at the Fashion Institute of Technology (FIT) and all CUNY colleges since Fiscal 2015. The purpose of this scholarship is to reward high-achieving graduates of New York City high schools who attend New York City public universities as first-year students within one year of their high school graduation. In the first two years of this scholarship's availability, nearly 28,000 City college students have received funds that can be applied toward tuition, textbooks or living expenses.

In its Fiscal 2017 Preliminary Budget Response, the Council called upon the Administration to baseline the Merit-Based Scholarship Program at \$17.5 million so as to ensure the availability of the scholarship for New York City high school students in years to come. However, this request has not been addressed within the Fiscal 2017 Executive Budget. Failure to secure these funds in Fiscal 2017 could affect more than 20,000 students attending CUNY and FIT next school year.

- **State Funding for Faculty and Staff Contracts.** In March 2013, the State University of New York (SUNY) reached a five-year contract settlement with United University Professions, the primary union representing faculty and staff across the university system's 64 campuses, retroactive to 2011 and including pay increases in the 2014-2015 and 2015-2016 academic years. CUNY and the two largest unions representing its employees, the Professional Staff Congress (PSC) and DC37, have yet to reach a similar agreement. As a result, more than 35,000 faculty and staff across the University's 24 campuses have been working for six, and in some cases eight, years with no contract and no salary increase.

In his Fiscal 2016-2017 State Executive Budget, Governor Cuomo threatened to reduce the State's contribution to CUNY senior colleges by \$485 million. Contingent upon this,

however, the State Executive Budget offered to address the inequity in faculty and staff support across New York public universities by offering \$240 million to support salary increases of four percent, retroactive to 2010. This was the first major acknowledgment by the State of the inequity experienced by staff of CUNY versus SUNY schools. The Fiscal 2016-2017 New York State Budget, adopted in April 2016, restores the \$485 million in operating funds, but fails to include resources to support the salary increases required to reach a contract agreement.

- **Murphy Institute Transition.** The Joseph S. Murphy Institute for Worker Education and Labor Studies offers higher education programs for working adults and union members, and serves as a resource center to labor, academic and community leaders working with labor and urban issues. Currently housed within the CUNY School of Professional Studies, the Murphy Institute has appealed to establish its own separate school within the CUNY system. CUNY administration has indicated that it has no arguments against this move, which will require approval by the CUNY Board of Trustees. In anticipation of approval by the Board, CUNY is currently in the process of identifying a senior college campus to house the new school. While an operating budget for a new school has yet to be confirmed, the transition from an institute to a school should have no impact on City expenditures.

Appendix 1: CUNY Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
CUNY Budget as of the Adopted 2016 Budget	\$702,509	\$290,693	\$993,202	\$694,422	\$286,950	\$981,372
New Needs - Prelim. 2017						
Algebra for All	\$0	\$0	\$0	\$538	\$0	\$538
ASAP Building Rentals	0	0	0	3,000	0	3,000
College Visits	169	0	169	1,202	0	1,202
Rental Aid	0	0	0	181	0	181
Subtotal, New Needs	\$169	\$0	\$169	\$4,921	\$0	\$4,921
Other Adjustments - Prelim. 2017						
Carpenters, Cement Masons, Mechanics, Maint. Workers	\$496	\$0	\$496	\$533	\$0	\$533
CEO Program Directors	0	0	0	180	0	180
Civic Justice Corps	0	0	0	1,400	0	1,400
CUNY Intracity Internship Programs	0	12,406	12,406	0	0	0
CUNY YMI Jobs Plus	0	108	108	0	0	0
DACA/DAPA Legal Services	0	4,014	4,014	0	0	0
Efficiency Savings	0	0	0	(3,000)	0	(3,000)
HRO Housing Recovery Program	0	441	441	0	0	0
LaGuardia Rent	(2,300)	0	(2,300)	(2,300)	0	(2,300)
Member Item Reallocations	15	0	15	0	0	0
Miscellaneous November Intracity Transfers	0	15,216	15,216	0	0	0
Miscellaneous January Intracity Transfers	0	8,379	8,379	0	0	0
Paycheck Plus Demonstration	145	0	145	2,298	0	2,298
Tuition & Fee Collections	11,314	0	11,314	0	0	0
Tech Fee Collections	5,486	0	5,486	0	0	0
Workforce Institute IC FY16	0	7,803	7,803	0	0	0
YMI Ad Campaign	400	0	400	300	0	0
Subtotal, Other Adjustments	\$15,556	\$48,367	\$63,923	(\$589)	\$0	(\$889)
TOTAL, All Changes Prelim. 2017	\$15,725	\$48,367	\$64,092	\$4,332	\$0	\$4,032
CUNY Budget as of the Preliminary 2017 Budget	\$718,234	\$339,060	\$1,057,294	\$698,754	\$286,950	\$8,953
New Needs - Exec. 2017						
12th Grade Expansion Program	\$0	\$0	\$0	\$1,408	\$0	\$1,408
ASAP Expansion	0	0	0	1,000		1,000
CUNY Tutor Corps	0	0	0	924	0	924
Tech Fees Adjustment	0	0	0	5,486	0	5,486
Tuition Adjustment	0	0	0	11,314	0	11,314
Subtotal, New Needs	\$0	\$0	\$0	\$20,132	\$0	\$20,132
Other Adjustments - Exec. 2017						
Bronx EOC	\$0	\$3,866	\$3,866	\$0	\$3,962	\$3,962
CEO Program Directors	75	0	75	0	0	0
College Discovery Adjustment	0	0	0	0	225	225
Community Schools	0	0	0	0	500	500
CUNY Apprentice Program	0	0	0	0	2,000	2,000
CUNY Intracity Internship Programs	0	593	593	0	1,071	1,071
Fee Waivers	0	0	0	1,000	0	1,000
Heat, Light and Power	(3,853)	0	(3,853)	(3,214)	0	(3,214)
High Pressure Plant Tenders	106	0	106	158	0	158
Job Center	0	0	0	0	(750)	(750)
Locksmiths, Painters, Plasterers	197	0	197	279	0	279
Manhattan EOC	0	5,661	5,661	0	5,803	5,803
Member Item Reallocations	25	0	25	0	0	0
Miscellaneous April Intracity Transfers	0	5,232	5,232	0	(3)	(3)
NYC Men Teach Paid Media	400	0	400	100	0	100

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Paycheck Plus Demonstration	(\$76)	\$0	(\$76)	(\$345)	\$0	(\$345)
SEWB Rate Adjustment	0	0	0	0	716	716
Solar NYC	0	0	0	187	0	187
State Base Operating Aid	0	0	0	0	12,612	12,612
Subtotal, Other Adjustments	(\$3,126)	\$15,352	\$12,226	(\$1,835)	\$26,136	\$24,301
TOTAL, All Changes - Exec. 2017	(\$3,126)	\$15,352	\$12,226	\$18,297	\$26,136	\$44,433
CUNY Budget as of the Fiscal 2017 Executive Plan	\$715,106	\$354,412	\$1,069,521	\$717,051	\$313,086	\$1,030,139

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