

Fiscal 2009 Executive Budget Hearings

City University of New York (Capital)

May 2008

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Charles Barron, Chair
Committee on Higher Education*

*Preston Niblack, Director
Finance Division*

New York City Council Finance Division

Preston Niblack
Director

Jeffrey Rodus
Deputy Director

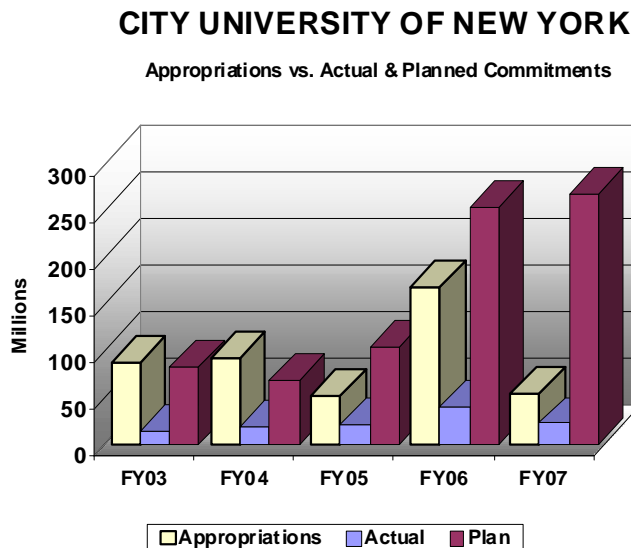
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Agency Overview

Incorporated in 1961, the City University of New York (CUNY) is the largest municipal university system and the third largest public university system in the nation. A 17-member Board of Trustees governs CUNY; the university is a conglomeration of senior colleges (ten), community colleges (six), a graduate center, a technical college, a law school, an affiliated medical school and CUNY-sponsored Hunter Campus Schools. Nearly 232,000 students are currently enrolled at the City University in degree credit courses. In addition, approximately 250,000 individuals are enrolled in adult and continuing education programs. While New York State assumes 100 percent responsibility for capital funding and operation of all senior colleges and the schools for advanced studies, the City of New York and the State of New York split the financial responsibility equally (50 percent each) for capital funding of the University's six community colleges and Medgar Evers College.



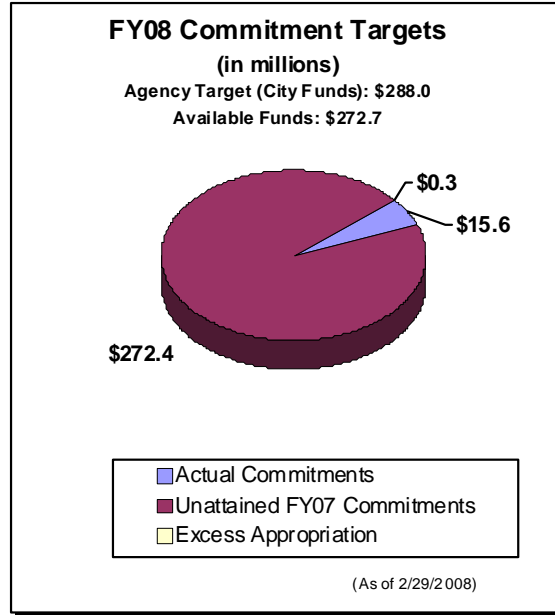
The major elements of CUNY's Capital Program are health and safety concerns, facility preservation, increasing accessibility for persons with disabilities, acquisitions, rehabilitations and additions, new construction, asbestos removal, energy conservation, preservation of electrical/mechanical systems and the purchase and installation of computers and other equipment for instructional and administrative purposes. These capital projects come from approved college master plans and from ongoing condition assessments of the existing building stock. The City now funds its share of the University's large construction projects through its Capital Plan. In the past, the City and the State funded these projects through the Dormitory Authority.

Fiscal 2009 Executive Capital Budget

Current Budget Summary

The May 2008 Capital Commitment Plan includes \$211.0 million in Fiscals 2009-2012 for the City University of New York (including City and Non-City funds). This represents less than one percent of the City's total \$43.1 billion Executive Plan for Fiscals 2009-2012. The agency's May Commitment Plan for Fiscals 2009 - 2012 is 24 percent more than the \$170.1 million in the January Commitment Plan, an increase of \$40.8 million. Some of the significant changes are:

- **Academic Building I at Medgar Evers College** - \$20.4 million was added to Fiscal 2009 for the completion of Academic Building I.
- **North Instructional Building Bronx Community College** - \$5.4 million was added in Fiscal 2009 for capital improvements to the Bronx Community College's North Instructional Building.
- **Hunter College** - \$4.9 million was added into Fiscal 2009 for the replacement of boilers and the removal of asbestos.



As of February 29, 2008 CUNY has only committed \$15.6 million, 5.2 percent, of its \$298.1 million Fiscal 2008 Plan. Over the past five years CUNY has only committed an average of 18.3 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since Adoption last June, the Capital Commitment Plan for Fiscal 2008 has increased by \$10.1 million from \$288 million to \$298.1 million in the Executive Capital Plan.

Fiscal 2009 Executive Capital Budget

The City University of New York's capital commitment history for the previous five years is shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	14	18	20	39	21.9
NON-CITY	4	1	0	1	1
TOTAL	18	19	20	40	22

The Preliminary Four-Year Capital Plan is shown below:

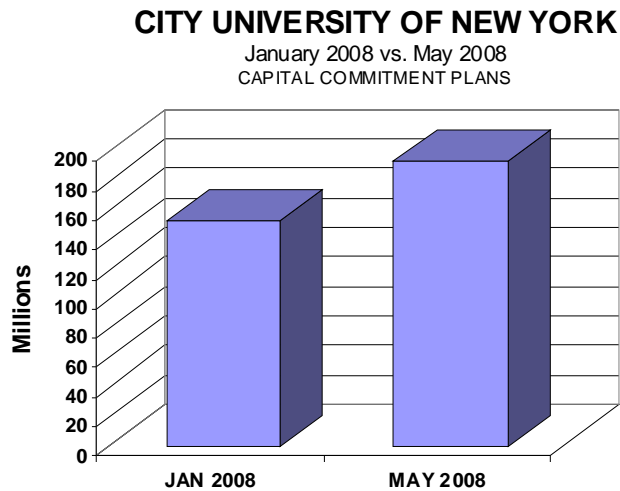
PRELIMINARY CAPITAL BUDGET – JANUARY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	94.3	24.2	29.3	4.7	152.5
NON-CITY	1.0	.2	11.7	4.7	17.6
TOTAL	95.3	24.4	41	9.5	170.2

The Executive Four-Year Capital Plan is shown below:

EXECUTIVE CAPITAL PLAN – MAY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	135.1	24.2	29.3	4.7	193.4
NON-CITY	1.0	.2	11.7	4.7	17.6
TOTAL	136.1	24.2	41	9.5	211.0

PRELIMINARY BUDGET HIGHLIGHTS/ISSUES:

- The Executive Capital Budget continues to include the multi-year capital improvement plan that was appropriated three years ago for the Community Colleges and Medgar Evers College. This 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 re-appropriated multi-year capital budget for the Community Colleges and Medgar Evers College includes funding for:



- Ongoing CUNY-wide programs such as health, 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;
 - Infrastructure work at Bronx CC, Kingsborough CC, and Queensborough CC;
 - Infrastructure and programmatic improvements at BMCC, Hostos CC and LaGuardia CC;
 - Minor reconstruction projects for the Community Colleges and Medgar Evers College.
- The State splits funding for the Community Colleges with the City in a 50% matching scenario where the State will only make its funds available to the level that the City's has placed in its Executive Budget. Due to the timing of the budgets, the State's budget has been adopted prior to the completion of the City's Executive Budget. The State Adopted Budget contains \$209.7 million in new funds for the Fiscal 2008/09 to 2013/14 University Five-Year Capital Improvement Plan for the Community Colleges and Medgar Evers College while the City's new funds added in the Executive Budget total \$30.7 million. The Community Colleges and Medgar Evers stand to leave \$179 million in State funds on the table due to this disparity in funding levels between the State and City. Some of the most critical projects that lack matching funds are:

- \$88.8 million in unmatched State funding allocated to CUNY-wide Community College capital improvements.
- \$78.7 million in unmatched State funding for the replacement of Fiterman Hall at the Borough of Manhattan Community College, which includes \$20 million in existing funds that were not advanced into Fiscal 2009 from Fiscal 2010 as requested.

The shortfalls in the City's contribution to these and other critical projects is very disturbing as the administration has voiced its concern over the current size of the Capital Budget and has proposed stretching the Capital Plan from a four-year program to a five-year program. This could mean a movement of funding from the current fiscal years to the out years of the capital plan jeopardizing even more State funding matches beginning as soon as the September 2008 Commitment Plan.

- Medgar Evers College has the unique and unenviable distinction of being the only four-year college at CUNY classified as a two-year college for capital budget purposes. When the State Legislature returned Medgar Evers to four-year college status in 1994, it did not change its capital status as a community college. That means that all capital spending is supposed to be shared by the City and the State. The City has repeatedly requested that the State take over 100 percent of the capital costs of Medgar Evers. This would equalize Medgar Evers with the other CUNY senior colleges that already receive 100 percent reimbursement of capital costs from the State. The State Assembly has repeatedly introduced legislation to achieve this takeover but at this time no action has been taken.