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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

CITY UNIVERSITY OF NEW YORK

May 10, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- ☑ The City University of New York (CUNY) Fiscal 2014 Executive Budget totals $877.9 million, an increase of $33.1 million as compared to the Fiscal 2013 Adopted Budget. CUNY is funded almost entirely with State and City tax-levy funds.
- ☑ The Executive Budget includes $16.8 million in new needs for CUNY including $16.5 million for Operating Support and $300,000 for Hunter College. In addition, it includes a net change of $42.9 million in Other Adjustments.
- ☑ The Executive Budget recognizes $23 million in additional Tuition Revenue.
- ☑ The Executive Budget includes $16.1 million in State Operating Aid for the community colleges. This increase reflects an increase in the State's per full-time equivalent (FTE) student aid.
- ☑ The May 2013 Capital Commitment Plan for CUNY totals $460.3 million in Fiscal 2013-2017. For Fiscal 2013 alone, the Capital Commitment Plan totals $318.3 million including $8.2 million in non-City funds.

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City University of New York Overview

This report provides an overview of the City University of New York (CUNY)'s Fiscal 2014 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of CUNY's Capital Budget for Fiscal 2014-2019. Appendices 1-2 report the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget. For additional information on CUNY's Budget and its various programs, please refer to the "Prelim Report" available at: www.council.nyc.gov.

CUNY's Financial Plan Summary table provides an overview of CUNY's budget by program area, funding source and headcount.

Financial Summary

Dollars in Thousands	2012 Actual	2013 Adopted	2013 Exec. Plan	2014 Exec. Plan	*Difference 2013 - 2014
Spending					
Personal Services	$580,668	$576,600	$586,196	$574,665	($1,935)
Other Than Personal Services	210,508	268,196	281,851	303,212	35,016
Agency Total	**$791,176**	**$844,795**	**$868,048**	**$877,877**	**$33,081**
Budget by Program Area					
Community Colleges	$775,155	$794,067	$817,306	$826,841	$32,775
Hunter Campus Schools	16,021	15,729	15,741	16,036	307
Senior Colleges	$0	$35,000	$35,000	$35,000	$0
TOTAL	**$791,176**	**$844,795**	**$868,048**	**$877,877**	**$33,081**
Funding					
City Funds		$583,601	$583,241	$592,569	$8,969
Other Categorical		13,000	13,000	13,508	508
State		235,462	235,462	256,003	20,542
Federal - CD		0	547	0	0
Federal - Other		0	611	0	0
Intra-City		12,734	35,187	15,797	3,063
TOTAL		**$844,795**	**$868,048**	**$877,877**	**$33,081**
Positions					
Pedagogical Positions	1723	1687	1687	1756	69
Non-Pedagogical Positions	3362	3180	3180	3248	68
TOTAL	**5,085**	**4,867**	**4,867**	**5,004**	**137**

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 Executive Plan funding.*

CUNY's budget for Fiscal 2014 increased by $33.1 million to $877.9 million as compared to the Fiscal 2013 Adopted Budget of $844.7 million. The $33.1 million is reflected as an increase in Other Than Personal Services of $35.1 million and a slight decrease of $1.9 million in Personal Services. The growth is almost entirely in Community Colleges with an increase of $32.8 million from adoption. CUNY's headcount increased by 69 pedagogical positions and 68 non-pedagogical positions, for a total of 5,004 positions.

At the time of Adoption for Fiscal 2013, CUNY's projected budget for Fiscal 2014 of $811.3 million was $33.4 million less than the Fiscal 2013 Adopted budget. Since the Adopted Budget, there has been a $66.5 million increase which brings the budget to its current Fiscal 2014 level of $877.9 million. This increase reflects a $16.8 million increase in new needs and a net change of $49.7 million in other adjustments. (See appendix 2 for a list of budget actions since Adoption).

CUNY is funded almost entirely with City and State funds. City funds total $592.6 million in Fiscal 2014, an $8.97 million increase from the Fiscal 2013 Adopted Budget. The growth in City funds is attributed to a tuition increase. State funds total $256.0 million, a $20.5 million increase as compared to the Adopted Budget. The state funds increase stems mainly from an increase in State Operating Aid as well as an increase in funds for CUNY ASAP and the Job Linkage Program. (See appendix 1 for a list of budget actions changes in the Executive Plan)

NEW IN THE EXECUTIVE BUDGET

The Fiscal 2014 Executive Plan increased CUNY's budget by $59.7 million as compared to the Fiscal 2014 Preliminary Budget. This is due to $16.5 in New Needs and $42.9 in other adjustments.

☑ OPERATING SUPPORT

The Fiscal 2014 Executive Budget adjusted CUNY's City-funds budget upward by $16.5 million to ensure that it meets the Maintenance of Effort requirement (MOE). The MOE provision, passed in 1993 by the State, requires the City to maintain a minimum level of support for the community colleges. City support cannot fall below the previous year's funding level.

☑ TUITION AND ENROLLMENT ADJUSTMENT

The Fiscal 2014 Executive Budget identifies a Tuition adjustment of $23 million, implemented as part of the NYSUNY 2020 Challenge Grant Program which increases tuition by $300 per student. The action derives from New York State enacted legislation in June 2011 which permits CUNY to implement a tuition policy by increasing its tuition up to $300 annually for full-time undergraduate students for five years beginning with fall 2011.

☑ STATE OPERATING AID

The plan recognizes an additional $16.1 million in State Operating Aid for the community colleges. This increase reflects a $150 increase in the State's per full-time equivalent (FTE) student aid. The aid will account for $12.3 million of the growth.

☑ CUNY ASAP

The Fiscal 2014 Executive Budget includes baselined State funding of $1.7 million through to Fiscal 2017 for the CUNY Accelerated Study in Associate Program (ASAP) program. CUNY ASAP provides support to fast track associate degree seeking students.

☑ JOB LINKAGE PROGRAM

The plan includes $2 million in State funds for the Next Generation NY Job Linkage Program incentive funding for Fiscal 2014 through Fiscal 2017. The Job Linkage Program will be based on student success measures, including the number of on-time certificate and degree completions.

☑ CEO PROGRAM: CUNY PREP

For Fiscal 2014 only, the plan recognizes a $900,000 decrease in CUNY Prep, a Center for Economic Opportunity (CEO) program.

☑ HUNTER COLLEGE

The Fiscal 2014 Executive Budget recognizes a $300,000 in new needs for Hunter College.

CAPITAL PROGRAM

The May 2013 Capital Commitment Plan includes $460.3 million in Fiscal 2013-2017 for the City University of New York (including City and Non-City funds). This represents just about one percent of the City's total $44.5 billion May Plan for Fiscal 2013-2017. The agency's May Commitment Plan for Fiscal 2013-2017 is 2.7 percent more than the $448.3 scheduled in the January Commitment Plan, an increase of $12.0 million.

The majority of capital projects span multiple fiscal years, and it is, therefore, common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012, CUNY committed $70.1 million or 28.6 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Since adoption last June, the City's total Capital Commitment Plan for Fiscal 2013 has decreased from $17.9 billion in the September Capital Commitment Plan to $16.6 billion in the May Capital Commitment Plan, a decrease of $1.3 billion or 7.3 percent.

CUNY 2013-2016 Commitment Plan: Preliminary and Executive Budget
Dollars in Thousands

	FY13	FY14	FY15	FY16	FY17	Total FY13 – FY17
Prelim						
Total Capital Plan	$319,125	$86,808	$20,369	$18,952	$3,038	**$448,292**
Executive						
Total Capital Plan	$318,308	$99,626	$20,369	$18,952	$3,038	**$460,293**
Change						
Level	($817)	$12,818	$0	$0	$0	**$12,001**
Percentage	-0.26%	14.77%	0.00%	0.00%	0.00%	**2.68%**

MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

During the Fiscal 2013 adoption, an agreement with the Council and the Administration was made which stated that over four years they would together provide $71 million in funding for CUNY to match the balance of existing State funds available for Community Colleges. The $71 million will allow CUNY to access their state funds, allowing them to spend $142 million on projects at Community Colleges. The first allocation in FY13 totaled $17.5 million.

- A majority of CUNY's capital funds focuses of critical maintenance and repair projects. Specifically, this funding will allow for phase III of the replacement of a terra cotta façade at La Guardia Community College.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

	FY 2013			FY 2014		
Dollars in Thousands	**City**	**Non-City**	**Total**	**City**	**Non-City**	**Total**
CUNY Budget as of the Preliminary 2014 Plan	**583,815**	**$281,339**	**$865,154**	**553,441**	**$264,704**	**$818,145**
New Needs						
Operating Support	$0	$0	$0	$16,547	$0	$16,547
Hunter College	0	0	0	300	0	300
TOTAL, New Needs	**$0**	**$0**	**$0**	**$16,847**	**$0**	**$16,847**
Other Adjustments						
CEO Prog. CUNY Prep	$0	$0	$0	($900)	$0	($900)
College Discovery Adjustment	0	0	0	0	27	27
CUNY ASAP	0	0	0	0	1,730	1,730
Tuition and Enrollment Adjustment	0	0	0	23,000	0	23,000
YMI Jobs PLUS and YMI Youthwrap	0	679	679	0	0	0
State Aid Rental Adjustment	0	0	0	0	701	701
Job Linkage Program	0	0	0	0	2,000	2,000
State Operating Aid	0	0	0	0	16,084	16,084
Heat, Light & Power and Fuel	(579)	0	(579)	(689)	0	(689)
Lease Adjustment	0	0	0	870	0	870
Adult Lit. Ex Offender Program	0	32	32	0	0	0
Member Items	5	0	5	0	0	0
PlaNYC Energy Project	0	470	470	0	0	0
Various Intra-City Adjustments	0	2,285	2,285	0	63	63
TOTAL, Other Adjustments	**($574)**	**$3,466**	**$2,892**	**$22,281**	**$20,605**	**$42,886**
TOTAL, All Changes	**($574)**	**$3,466**	**$2,892**	**$39,128**	**$20,605**	**$59,733**
CUNY Budget as of the Executive 2014 Plan	**$583,241**	**$284,805**	**$868,046**	**592,569**	**$285,309**	**$877,878**

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, FEBRUARY AND EXECUTIVE PLANS

	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted FY 2013 Plan	**$583,600**	**$261,196**	**$844,796**	**549,645**	**$261,704**	**$811,349**
New Needs						
Operating Support	$0	$0	$0	$16,547	$0	$16,547
Hunter College	0	0	0	300	0	300
TOTAL, New Needs	**$0**	**$0**	**$0**	**$16,847**	**$0**	**$16,847**
Other Adjustments						
CEO Programs	$0	$0	$0	$5,375	$0	$5,375
PlaNYC Programs	0	1,170	1,170	0	0	0
CUNY ASAP	0	0	0	0	1,730	1,730
Member Item Reallocation	220	0	220	0	0	0
Fed Aid Category A/B Claims	0	611	611	0	0	0
Tuition and Enrollment Adjustments	0	0	0	23,000	0	23,000
YMI	0	679	679	0	0	0
State Aid Rental Adjustment	0	0	0	0	701	701
HIP Rate Adjustment	0	0	0	(2,479)	0	(2,479)
College Discovery Adjustment	0	0	0	0	27	27
State Operating Aid	0	0	0	0	16,084	16,084
Heat, Light & Power and Fuel	(579)	0	(579)	(689)	0	(689)
Lease Adjustment	0	0	0	870	0	870
Adult Lit. Ex Offender Program	0	548	548	0	0	0
Job Linkage Program	0	0	0	0	2,000	2,000
Intern Programs	0	2,137	2,137	0	0	0
Various Intra-City Adjustments	0	18,464	18,464	0	3,063	3,063
TOTAL, Other Adjustments	**($359)**	**$23,609**	**$23,250**	**$26,077**	**$23,605**	**$49,682**
TOTAL, All Changes	**($359)**	**$23,609**	**$23,250**	**$42,924**	**$23,605**	**$66,529**
Agency Budget as of the Executive FY 2014 Plan	**$583,241**	**$284,805**	**$868,046**	**$592,569**	**$285,309**	**$877,878**