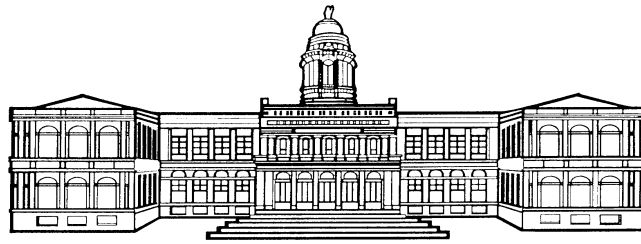


# New York City Council



## BUDGET NOTE

Finance Division

November 2008

**Hon. Christine C. Quinn**  
Speaker

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

**Preston Niblack**, Director  
**Jeffrey Rodus**, First Deputy  
Director

### ***CITY UNIVERSITY OF NEW YORK (042)***

The City University of New York (CUNY) provides higher education to more than 232,000 degree-seeking students and over 270,000 adult and continuing education students. CUNY consists of 23 institutions: 11 senior colleges, six community colleges, the William E. Macaulay Honors College at CUNY, the Graduate School and University Center, the CUNY Graduate School of Journalism, the CUNY School of Law, the CUNY School of Professional Studies and the Sophie Davis School of Biomedical Education, and is planning to open a school of public health. CUNY enrolls students in more than 1,300 academic programs, as well as adult and continuing education programs. Courses are taught by approximately 6,559 full-time faculty and 8,891 part-time faculty, and an additional 1,044 instructors of continuing education programs. In Fiscal 2008, CUNY granted 8,207 graduate and professional degrees, 15,959 baccalaureate degrees, 9,909 associate degrees, 267 certificates and 403 advanced certificates.

#### *AGENCY FUNDING OVERVIEW (in \$000s)*

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$456,276	\$450,153	\$413,737	\$404,218
Other Categorical	\$2,839	\$2,840	\$2,839	\$2,839
Capital IFA	\$0	\$0	\$0	\$0
State	\$210,983	\$210,983	\$210,983	\$210,983
Community Development	\$0	\$0	\$0	\$0
Federal-Other	\$0	\$0	\$0	\$0
Intra-City	\$13,042	\$31,532	\$13,023	\$13,699
<b>Total</b>	<b>\$683,140</b>	<b>\$695,508</b>	<b>\$640,582</b>	<b>\$631,739</b>

## Fiscal 2009 November Plan Action Analysis

In September, the Mayor's Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency's City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City's budget gap by either reducing an agency's City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>				
		<b>Fiscal 2009 Adopted Budget and Forecast</b>	<b>Fiscal 2009 November Plan PEGs</b>	<b>PEG as percentage of Adopted Budget and Forecast</b>
	Fiscal 2009	232,914*	(6,123)	-2.6%
	Fiscal 2010	190,375*	(9,519)	-5.0%

\* These numbers reflect total City tax-levy support for the community colleges.

<i>NOVEMBER PLAN ACTIONS (\$000)</i>						
Description \$(000)	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the Adopted Plan</b>	456,276	226,864	683,140	413,737	226,845	640,582
<b>PEGs</b>						
University-Wide Initiative	(2,500)	0	(2,500)	0	0	0
<b>Community College Reductions</b>						
General Administration	(182)	0	(182)	(546)	0	(546)
Maintenance & Operations	(383)	0	(383)	(1,206)	0	(1,206)
General Institutional Services	(524)	0	(524)	(1,771)	0	(1,771)
External & Public Services	(80)	0	(80)	(192)	0	(192)
Student Services	(310)	0	(310)	(1,156)	0	(1,156)
Library/Organized Activities	(62)	0	(62)	(296)	0	(296)
Institutional & Departmental Research	(1,082)	0	(1,082)	(4,352)	0	(4,352)
Civic Justice Corps	(1,000)	0	(1,000)	0	0	0
<b>Total PEGs</b>	<b>(6,123)</b>	<b>0</b>	<b>(6,123)</b>	<b>(9,519)</b>	<b>0</b>	<b>(9,519)</b>
<b>Other Adjustments</b>						
Miscellaneous	0	18,489	18,489	0	677	677
<b>Total Other Adjustments</b>	<b>0</b>	<b>18,489</b>	<b>18,489</b>	<b>0</b>	<b>677</b>	<b>677</b>
<b>Total November Plan Budget Changes</b>	<b>(6,123)</b>	<b>18,489</b>	<b>12,366</b>	<b>(9,519)</b>	<b>677</b>	<b>(8,842)</b>
<b>Agency Budget as per the November Plan</b>	<b>450,153</b>	<b>245,353</b>	<b>695,506</b>	<b>404,218</b>	<b>227,522</b>	<b>631,740</b>

## PEGs

- Community College Reduction.** The Fiscal 2009 November Plan proposes a total reduction of \$2.6 million in Fiscal 2009 and \$9.5 million in Fiscal 2010 for the community colleges. In total, three full-time equivalent positions would be eliminated in Fiscal 2009 and 39 full-time equivalent positions would be eliminated in Fiscal 2010, if this funding is not restored. All positions will be eliminated through attrition. Please refer to the chart below for the potential impact of these reductions in Fiscal 2009 and Fiscal 2010.

PEG	FY09 Reduction	FY09 Headcount*	FY10 Reduction	FY10 Headcount*
<b>General Administration</b>	(\$182,000)	0	(\$546,000)	(2)
<b>Maintenance &amp; Operations</b>	(\$383,000)	(2)	(\$1,206,000)	(13)
<b>General Institutional Services</b>	(\$524,000)	(1)	(\$1,771,000)	(12)
<b>External &amp; Public Services</b>	(\$80,000)	0	(\$192,000)	0
<b>Student Services</b>	(\$310,000)	0	(\$1,156,000)	(4)
<b>Library/Organized Activities</b>	(\$62,000)	0	(\$296,000)	(1)
<b>Institutional &amp; Departmental Research</b>	(\$1,082,000)	0	(\$4,352,000)	(7)
<b>Totals:</b>	<b>(\$2,623,000)</b>	<b>(3)</b>	<b>(\$9,519,000)</b>	<b>(39)</b>

\*These numbers represent losses in full-time equivalent positions.

- City Council Initiative Cut within the University-wide Reduction Program.** The Fiscal 2009 November Plan proposes a decrease to CUNY's budget by \$2.5 million in Fiscal 2009 only. This decrease reflects a reduction of \$250,000 to the City Council initiative, Jobs To Build On, a reduction of \$100,000 to the John Jay Certification program, a City Council program that was baselined in Fiscal 2004, and an additional \$2.1 million in reductions to centralized administration costs.
- Civic Justice Corps.** The Fiscal 2009 November Plan has a reduction to the Civic Justice Corps program of \$1 million in Fiscal 2009 only due to the program's late start.

## Capital Budget

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. 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.

**FY09 Executive Capital Plan vs. FY09 Adopted Capital Budget (in \$000s)**

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>Total</b>
May	109,864	24,245	29,265	4,735	4,872	172,981
Sept	265,283	648	3,454	0	47,553	316,938
Variance	155,419	-23,597	-25,811	-4,735	42,681	143,957

As part of the formulization of the FY09 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from FY09-12. The funds pushed-out from these four years could roll into the fifth year of the plan, FY13. As such, even with the inevitable roll of projects from FY08 which had yet to be committed, the FY09-13 plan is significantly less than the plan presented in May 2008.

The City University of New York FY09-13 Adopted Capital Plan is \$143.0 million greater than the Executive Capital Plan released in May. When taking into account the \$169.4 million of uncommitted projects rolled from FY08 the increase of \$143.0 million is actually a decrease of \$25.4 million over the five years of the plan.

**Capital Plan Highlights**

The Administration has committed \$139 million to the demolition and construction of the Borough of Manhattan Community College’s Fiterman Hall. With this funding commitment, Fiterman Hall is scheduled to be completed by 2012.

**State Issues and Highlights**

The Governor proposes a total mid-year reduction towards higher education of \$115 million in 2008-2009 and \$233 million in 2009-2010. These reductions would allow an increase in CUNY resident undergraduate tuition by 15% or \$600 with a partial increase in Spring 2009 and the full increase in effect the following academic year. In addition, the State proposes reducing aid to the community colleges by 10% or \$270, which equates to an average of \$2,405 per student. However, the legislation would take in consideration the effect of reduced aid to smaller community colleges in matching the reduced aid to the number of full-time equivalent students. The total state base operating aid support for community colleges would be \$580 million.

With the State proposing a tuition increase, the State would increase funding for the Tuition Assistance Program by \$17 million in 2008-2009 and \$44 million in 2009-2010.

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