

THE COUNCIL OF THE CITY OF NEW YORK

Speaker of the Council
Christine C. Quinn



Hon. Ydanis Rodriguez, Chair, Higher Education Committee

Hearing on the Mayor's Fiscal 2013 Preliminary Budget & the Fiscal 2012 Preliminary Mayor's Management Report

City University of New York

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City University of New York Overview

The City University of New York (CUNY) provides higher education to more than 259,000 degree-seeking students and over 262,000 adult and continuing education students. CUNY consists of eleven 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, the Sophie Davis School of Biomedical Education and the CUNY School of Public Health. CUNY plans to open a new community college in the fall of 2012. CUNY enrolls students in 1,420 academic programs, as well as adult and continuing education programs. CUNY also sponsors the Hunter Campus Schools.

Although CUNY is not a City agency, the City is responsible for supporting CUNY's six community colleges and the two-year programs offered by the senior colleges, which will be the focus of this report.

Fiscal 2013 Preliminary Budget Highlights

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Personal Services	\$568,820	\$510,509	\$555,981.	\$576,942	\$66,432
Other Than Personal Services	207,603	259,433	255,289	210,447	(48,985)
Agency Total	\$776,424	\$769,942	\$811,270	\$787,389	\$17,446

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

For Fiscal 2013, the February 2012 Financial Plan (the "Plan") includes \$787.4 million for CUNY, a \$17.4 million increase, as compared to CUNY's Adopted Budget for Fiscal 2012. As shown in the table above, CUNY's personal services ("PS") budget would rise by \$66.4 million next year, while the other than personal services ("OTPS") budget would drop by \$49 million.

- **Tuition Adjustment:** The Plan recognizes \$20 million in additional tuition revenue beginning in Fiscal 2012. The projected increase is associated with a \$300 tuition increase.
- **Maintenance of Effort:** CUNY's City funds budget for the community colleges in Fiscal 2013 is \$250.5 million, which is less than \$7 million below the level of support required upon adoption of the budget.
- **Young Men's Initiative:** The Plan includes \$ 2.25 million to support three Young Men's Initiative ("YMI") programs at CUNY.

- **City Council Initiatives.** The City Council added \$3.35 million to support a variety of initiatives at CUNY during Fiscal 2012. These funds were not baselined and are therefore not included in the Fiscal 2013 Preliminary Budget. The Table below lists the Fiscal 2012 City Council Initiatives at CUNY.

Fiscal 2012 Council Changes at Adoption	
<i>Dollars in Thousands</i>	
Community Colleges	
Black Male Initiative	\$2,250
Center for Puerto Rican Studies	250
CUNY Nursing Program	500
Dominican Studies Institute	250
Murphy Institute Center for Worker Education	100
TOTAL	\$3,350

CUNY Financial Summary

<i>Dollars in Thousands</i>	2011	2012	2012	2013	*Difference
	Actual	Adopted	Feb. Plan	Feb. Plan	2012 - 2013
Budget by Program Area					
Community Colleges	\$754,557	\$719,307	\$760,584	\$736,753	\$17,446
Educational Aid	6,000	N/A	N/A	N/A	N/A
Hunter Campus Schools	15,895	15,687	15,737	15,687	0
Senior Colleges	0	35,000	35,000	35,000	0
TOTAL	\$776,452	\$769,993	\$811,321	\$787,440	\$17,446
Funding					
City Funds	N/A	\$532,029	\$552,577	\$547,321	\$15,292
Other Categorical	N/A	12,516	12,516	13,000	484
State	N/A	211,629	213,589	213,534	1,906
Federal – CD	N/A	964	964	868	(96)
Federal – Other	N/A	0	0	0	0
Intra-City	N/A	12,856	31,694	12,717	(140)
TOTAL	\$776,452	\$769,993	\$811,340	\$787,440	\$17,446
Positions					
Pedagogical Positions	1,674	1,590	1,647	1,687	97
Non-Pedagogical Positions	3,180	3,150	3,180	3,180	30
TOTAL	4,854	4,740	4,827	4,867	127

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.*

CUNY's expense budget consists of four program areas, each of which corresponds to a unit of appropriation (U/A) or a U/A pair. The program areas are: Community Colleges (U/A 001-OTPS and U/A 002-PS); Educational Aid (U/A 005 - OTPS); Hunter Campus Schools (U/A 003-OTPS and U/A 004-PS); and Senior Colleges (U/A 012-OTPS). The City is required to share in the support of CUNY's community colleges and it is in this program area where the bulk of the budget support is scheduled. The Community Colleges Budget is discussed in the next section of this report.

As reflected in the table above, the Education Aid U/A has been removed from the Expense Budget. This U/A was used solely for City Council appropriations for the Peter Vallone Scholarship, which was not funded in Fiscal 2012, nor in the out years. The Senior College UA is used by CUNY to pre-fund senior college expenses funded by the State due to the different funding cycles of the City and the State. Funding budgeted in the Hunter Campus Schools U/As are appropriated to provide for the education of all preschool, elementary and secondary students who attend the Hunter Campus elementary and high schools. These schools are comprehensive educational schools for gifted children sponsored by CUNY's Hunter College.

Community Colleges

Funds budgeted in the community colleges U/As are appropriated to provide education and support services at the six community colleges: Borough of Manhattan Community College; Bronx Community College; Hostos Community College; Kingsborough Community College; LaGuardia Community College; and Queensborough Community College. In addition to the degree programs, these schools also provide special programs including adult literacy, college discovery, adult continuing education, pre-freshmen summer basic skills and state-funded categorical programs.

<i>Dollars in Thousands</i>	2011 Actual	2012 Adopted	2012 Feb. Plan	2013 Feb. Plan	*Difference 2012 - 2013
Spending					
Personal Services	\$553,744	\$495,753	\$541,224	\$562,185	\$66,432
Other Than Personal Services	200,812	223,554	219,360	174,568	(48,986)
TOTAL	\$754,557	\$719,307	\$760,584	\$736,753	\$17,446
Funding					
City Funds	N/A	\$518,152	\$538,650	\$533,444	\$15,292
Other Categorical	N/A	12,506	12,506	12,990	484
State	N/A	174,829	176,789	176,734	1,906
Federal – CD	N/A	964	964	868	(96)
Federal – Other	N/A	0	0	0	0
Intra-City	N/A	12,856	31,694	12,717	(140)
TOTAL	\$754,557	\$719,307	\$760,603	\$736,753	\$17,446

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan Funding.

Budget Actions

- Tuition Increase.** The City University of New York increased undergraduate resident tuition by \$300 at both the senior and community colleges this school year, which reflects a 6.2 percent and 9.1 percent increase, respectively. All other tuition rates, including those for non-resident, per credit, and graduate students were increased proportionally.

In accordance with legislation enacted by the State on a rational tuition policy for CUNY, last November, the University's Board of Trustees voted to approve a five-year tuition plan. For Fiscal 2012 through Fiscal 2016, CUNY plans to increase undergraduate resident tuition by \$300 annually. For Fiscal 2013, this represents a 5.85 percent increase at the senior colleges, and an 8.3 percent increase at the community colleges. As in Fiscal 2012, all other rates will be increased proportionally. The November 2011 Plan adjusted the revenue estimate for community college tuition by \$20 million a year beginning in Fiscal 2012. CUNY estimates that an increase imposed in September 2012 would produce an additional \$23 million per year in tuition revenue.

- **Center for Economic Opportunity:** The Plan includes \$6.975 for CEO programs. These programs are typically funded on a year-by-year basis.
- **Young Men's Initiative:** \$2 million added for Fiscal 2013. Total YMI funding in CUNY's budget is \$1.75 million in Fiscal 2012 and \$2.25 million in Fiscal 2013. Next year CUNY will operate the following YMI programs:
 - **GED Peer Mentoring Program:** CUNY and the DOE's Office of Adult Education will implement IMPACT (Improving MY Progress At College Today), which has a GED alumni network and a peer-to-peer mentoring program. The goal is to increase the students' GED enrollment and pass rates and help them in their college transition and retention rates. The target population will be 400 young men ages 16-24 and the program started in January of 2012. The Fiscal 2013 Preliminary Budget includes \$250,000 in City funds.
 - **Male Leadership Institute for Early Care and Education:** In order to attract young men to the field of early care and education, CUNY has created the Male Leadership Institute for Early Care and Education to train 48 young men. The program will take place over 15 weeks with a cohort of up to 12 young men paired with professors and professionals at the Early Child and Education centers. The young men will also have access to CUNY's Career Development Services Center and will earn six college credits. The program will cost \$655,000 in CTL in Fiscal 2013.
 - **NYC Justice Corps:** Funded at \$2 million in CTL for Fiscal 2013, this program will serve 300 young adults ages 18-24 who are on probation, parole, recently discharged from the NYC jail system or NYS prison, or currently or recently enrolled in an alternative-to-incarceration program. The NYC Justice Corps will work with the community to keep them out of the criminal justice systems by providing them with internships, jobs and educational opportunities.

Maintenance of Effort

The Maintenance of Effort (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. In Fiscal 2011 the MOE level was \$257.1 million. City support for the six community colleges in the Adopted Fiscal 2012 Budget was \$257.3 million. The MOE requirement therefore requires the City to adopt a budget for Fiscal 2013 that is at least as high. As it now stands, the Plan includes \$250.5 million in City funds.

The MOE only applies to the level of city support provided to CUNY through the community colleges units of appropriation. It does not cover additional City funds that pay for discretionary programs and services such as the Black Male Initiative and the CEO programs.

Pursuant to an agreement forged last year, the Administration agreed to meet the MOE requirement for Fiscal 2012 at Adoption. The Adopted Fiscal 2012 Budget included a \$20.2

million increase for college operating support for Fiscal 2012 and \$17 million for Fiscal 2013. Furthermore, the Administration agreed to meet its MOE budget level for the community colleges for Fiscal 2013. Given the agreement, it is expected that City support will increase by the time the Fiscal 2013 Budget is adopted.

CUNY Capital Program

The February 2012 Capital Commitment Plan includes \$293.9 million in Fiscal 2012-2015 for the City University of New York (including City and Non-City funds). This represents less than one percent of the City's total \$35.07 billion Preliminary Plan for Fiscal 2012-2015. The agency's Preliminary Commitment Plan for Fiscal 2012-2015 is slightly lower than one percent less than the \$296.7 million scheduled in the September Commitment Plan, a decrease of \$2.8 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 2011 the City University of New York committed \$58.5 million or 21.2 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2012 Capital Plan will be rolled into Fiscal 2013, thus increasing the size of the Fiscal 2013-2016 Capital Plan. Since adoption last June, the total Capital Commitment Plan for Fiscal 2013 has increased from \$7.35 billion to \$8.69 billion, an increase of \$1.33 billion or 24.9 percent.

2012-2015 Commitment Plan: Adopted and Preliminary Budget

Dollars in Thousands

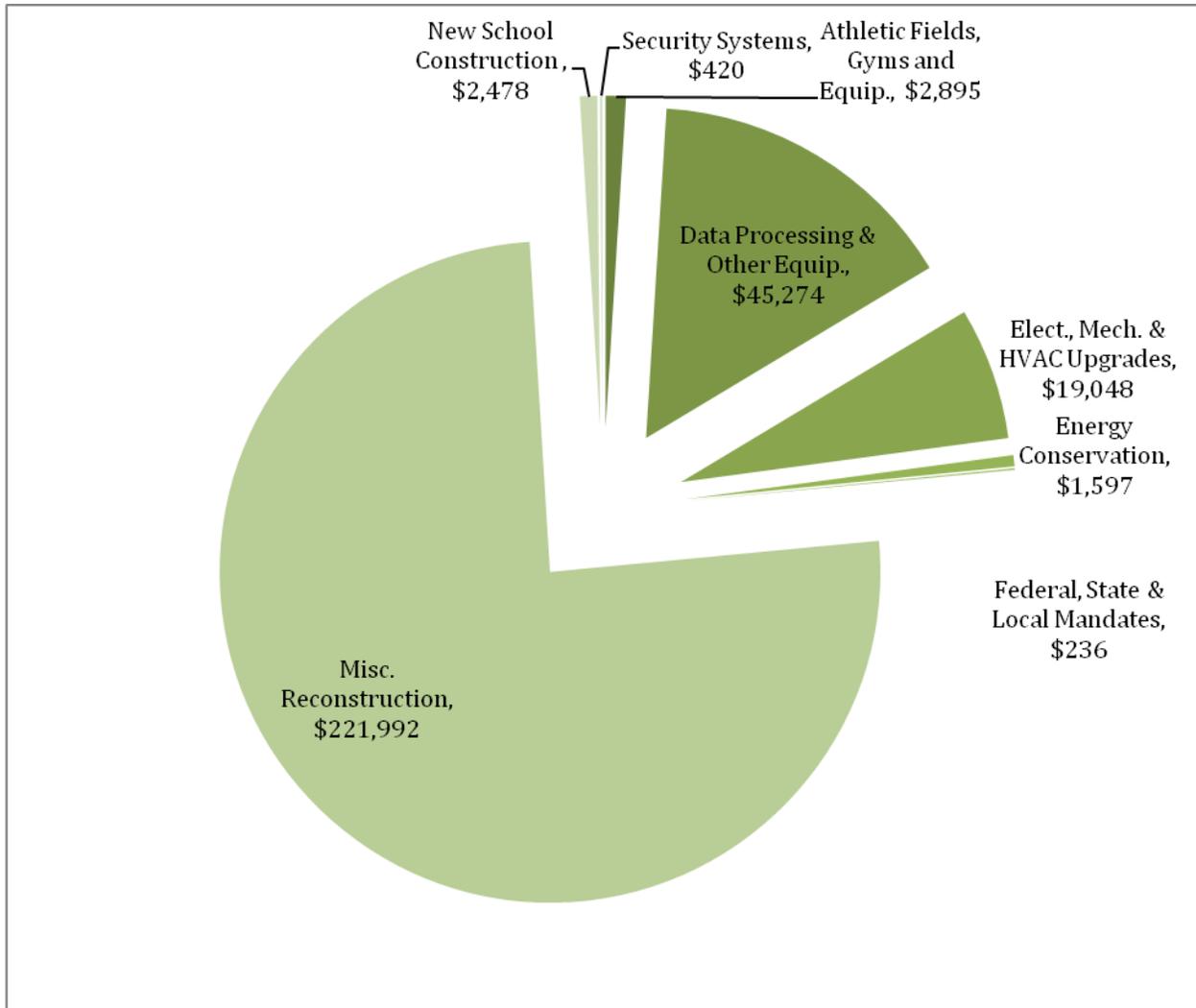
	FY12	FY13	FY14	FY15	Total
Adopted					
Total Capital Plan	\$246,710	\$44,375	\$2,783	\$2,869	\$296,737
Prelim					
Total Capital Plan	\$244,302	\$43,986	\$2,783	\$2,869	\$293,940
Change					
Level	(\$2,408)	(\$389)	\$0	\$0	(\$2,797)
Percentage	-0.98%	-0.88%	0.00%	0.00%	-0.94%

CUNY's February 2012 Commitment Plan includes a wide array of projects. As shown in the following chart, most of CUNY's capital program is focused on critical maintenance and repair projects. Not included in the City's Capital Budget are matching funds for \$71 million of projects that the State has appropriated funds for. Without a match from the City these State funds cannot be spent. Given the scope, diversity and age of CUNY's capital portfolio, foregoing \$71 million in capital support should not be considered.

CUNY Preliminary Capital Commitment Plan by Category

All Funds

(Dollars in 000s)



Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
CUNY Budget as of June 2011 Plan	\$532,029	\$237,965	\$769,993	\$518,630	\$238,214	\$756,844
New Needs						
Young Men's Initiative	\$0	\$0	\$0	\$2,000	\$0	\$2,000
TOTAL, New Needs	\$0	\$0	\$0	\$2,000	\$0	\$2,000
Other Adjustments						
CEO Programs	\$0	\$0	\$0	\$6,975	\$0	\$6,975
Intern Programs	0	2,570	2,570	0	0	0
PlaNYC Programs	0	2,042	2,042	0	0	0
Member Item Reallocation	548	0	548	0	0	0
MOU with CUNY	19	0	19	0	0	0
Tuition Adjustment	20,000	0	20,000	20,000	0	20,000
YMI	0	950	950	250	0	250
State Aid Rental Adjustment	0	1,906	1,906	0	1,906	1,906
HIP Rate Adjustment	0	0	0	-534	0	-534
Other Adjustments	0	13,312	13,312	0	0	0
TOTAL, Other Adjustments	\$20,567	\$20,780	\$41,347	\$26,691	\$1,906	\$28,597
TOTAL, All Changes	\$20,567	\$20,780	\$41,347	\$28,691	\$1,906	\$30,597
Agency Budget as of February 2012 Plan	\$552,596	\$258,745	\$811,341	\$547,321	\$240,120	\$787,441

Appendix B: CUNY Preliminary Fiscal 2013 Contract Budget

Contract Category	Number of Contracts	Fiscal 2013 Budget	% of CUNY Total	% of City Total
Contractual Services General	3	\$3,137	24.38%	0.69%
Telecommunications Maintenance	4	221	1.72%	0.37%
Maint& Rep Motor Vehicle Equipment	2	21	0.16%	0.15%
Maint& Rep General	10	1,641	12.75%	1.39%
Office Equipment Maintenance	11	552	4.29%	3.95%
Data Processing Equipment	13	706	5.49%	0.43%
Printing Contracts	7	642	4.99%	2.09%
Security Services	6	2,010	15.62%	2.50%
Cleaning Services	4	1,487	11.56%	4.36%
Day Care of Children	6	673	5.23%	0.11%
Training Prgm City Employees	2	1,457	11.32%	9.75%
Maint & Oper of Infrastructure	3	320	2.49%	0.22%
Prof Services Other	1	0	0.00%	0.00%
Preliminary Budget Total	72	\$12,867	100.00%	0.12%

Appendix C: Fiscal 2012 PMMR Performance Measures for CUNY

Performance Statistics	Actual			4-Month Actual	
	FY 09	FY 10	FY 11	FY11	FY 12
High school students participating in college preparation program "Now"	40,870	28,017	27,122	N/A	N/A
Mean SAT score of enrolled freshman in baccalaureate programs	1,050	1,084	1,100	N/A	N/A
Baccalaureate degree seeking students admitted who enroll (%)	51.70%	49.60%	46.10%	N/A	N/A
Honors college student enrollment	1,220	1,352	1,417	N/A	N/A
One-year (fall-to-fall) retention rate of full-time first-time freshmen enrolled in a baccalaureate program at a CUNY college	84.70%	85.00%	85.90%	N/A	N/A
One-year (fall-to-fall) retention rate of full-time first-time freshmen enrolled in an associate program at a CUNY community college	66.10%	66.70%	68.00%	N/A	N/A
Six-year graduation rate of full-time first-time freshmen seeking a baccalaureate degree at a CUNY college	49.60%	50.60%	N/A	N/A	N/A
Six-year graduation rate of full-time first-time freshmen seeking an associate degree at a CUNY community college	28.50%	27.60%	N/A	N/A	N/A
Students passing the New York State Teacher Certification Examination (%)	97%	98%	97%	N/A	N/A
Students passing the National Council Licensure Examination for Registered Nurse (%) (CY2000-2004)	86.50%	85.40%	85.50%	N/A	N/A
Instructional hours delivered by full-time faculty (Fall) - Community colleges (%)	43.30%	45.60%	44.30%	N/A	N/A
Senior Colleges (%)	41.80%	43.30%	41.90%	N/A	N/A
Enrollment of first-time freshmen in CUNY community colleges	15,269	17,220	17,512	N/A	N/A
Number of students transferring to a CUNY baccalaureate program within two years of leaving a CUNY associate program	5,989	6,754	7,311	N/A	N/A