

Fiscal 2009 Preliminary Budget Hearings

City University of New York (Capital)

March 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*

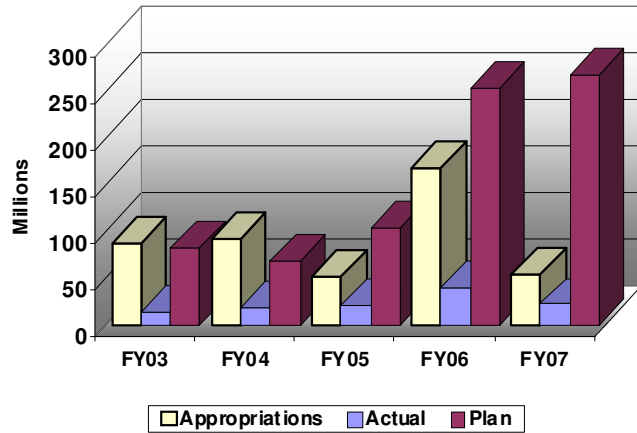
*James Caras, Acting Director
Finance Division*

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 223,000 students are currently enrolled at the City University in degree credit courses. In addition, approximately 252,000 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.

CITY UNIVERSITY OF NEW YORK

Appropriations vs. Actual & Planned Commitments



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.

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Current Budget Summary

The January 2008 Capital Commitment Plan includes \$468.2 million in Fiscals 2008-2011 for the City University of New York (including City and Non-City funds). This represents less than one percent of the City's total \$52.5 billion January Plan for Fiscals 2008-2011. The agency's January Commitment Plan for Fiscals 2008 - 2011 is 8.5 percent more than the \$430.1 million in the September Commitment Plan, an increase of \$38.1 million. Some of the significant changes are:

- Academic Building I at Medgar Evers College - \$11.4 million was added to Fiscal 2009 for the completion of Academic Building I. In addition to these new funds, \$20.6 million was advanced from the out-years to Fiscal 2009 in order to fully fund the project.
- Bronx Community College - \$6 million was added in Fiscal 2009 for capital improvements to the Bronx Community College's North Instructional Building.
- Borough of Manhattan Community College - Fiterman Hall - \$20.8 million was advanced into Fiscal Year 2010 from fiscal year 2011.

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 from \$288 million to \$298.1 million, an increase of \$10.1 million or 3.5 percent.

Currently, CUNY's appropriations total \$273.8 million in city-funds for Fiscal 2008. These appropriations are to be used to finance CUNY's \$283.7 million city-funded Fiscal 2008 capital commitment program. The agency has \$9.9 million or 3.6 percent less than it needs to meet its entire capital commitment program for the current fiscal year.

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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 Adopted Four-Year Capital Plan is shown below:

ADOPTED CAPITAL BUDGET – SEPTEMBER 2007					
(\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	288	43	3.5	73.4	407.9
NON-CITY	10.0	0.4	0.3	11.7	22.4
TOTAL	298	43.4	3.8	85.1	430.3

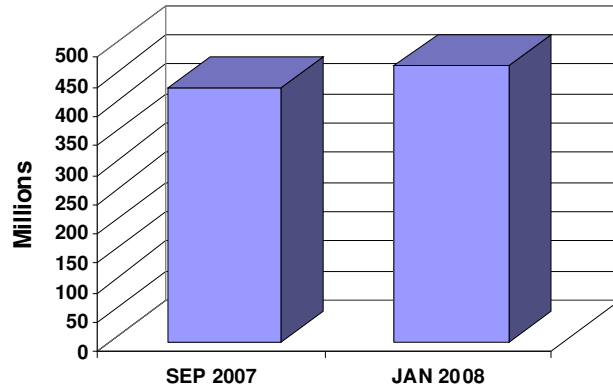
The Preliminary Four-Year Capital Plan is shown below:

PRELIMINARY CAPITAL PLAN – JANUARY 2008					
(\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	298.1	94.3	24.2	29.3	445.9
NON-CITY	9.4	1.0	0.2	11.7	22.3
TOTAL	307.5	95.3	24.4	41	468.2

PRELIMINARY BUDGET HIGHLIGHTS:

- The Preliminary 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:

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September 2007 vs. January 2008
CAPITAL COMMITMENT PLANS



- 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.

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- The State Executive Budget recommended \$260 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. This increase consists of:
 - \$250 million that has been allocated in a lump sum amount for new and existing projects. This funding has not yet been assigned to individual projects.
 - \$10 million is set aside for project management and minor reconstruction.

- 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.