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**Report on the Fiscal 2024 Preliminary Plan
and the Fiscal 2023 Mayor's Management
Report for the**

City University of New York

March 14, 2023

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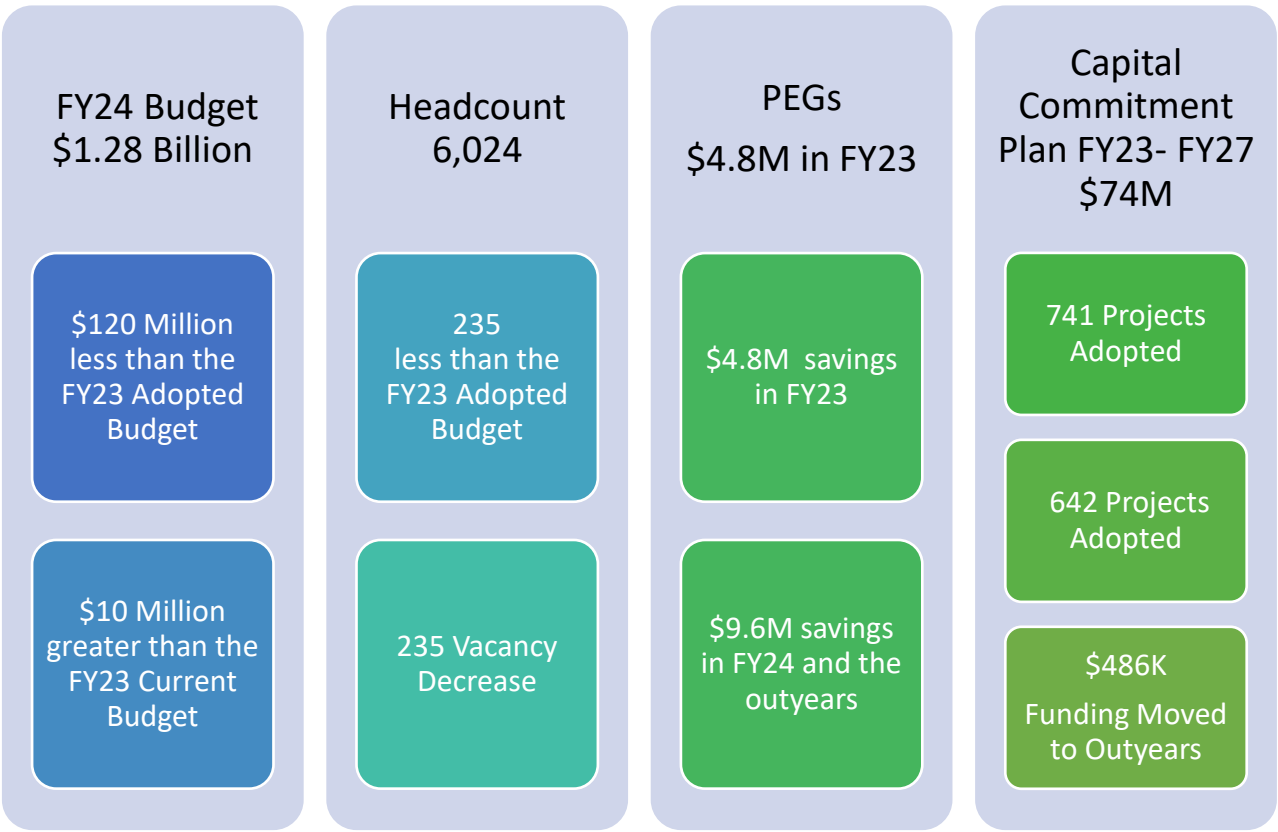
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City University of New York Fiscal 2024 Budget Snapshot



City University of New York Overview

The City University of New York (CUNY) provides higher education to more than 271,000 degree and non-degree seeking students and 228,000 adult and continuing education students. CUNY consists of 25 institutions: 11 senior colleges; seven community colleges; and seven honors, graduate, and professional colleges. These graduate, honors and professional schools offer more than 40 doctoral programs. CUNY enrolls students in over 1,900 academic programs, as well as adult and continuing education programs.

This report offers an overview of CUNY’s Fiscal 2024 Preliminary Financial Plan, the Fiscal 2023 Preliminary Mayor’s Management Report (PMMR), the Capital Commitment Plan and the Ten-Year Capital Strategy.

City University of New York Financial Plan Overview

CUNY’s Fiscal 2024 Preliminary Plan totals \$1.27 billion including \$927 million for personal services (PS) to support 6,212 full-time staff at its community colleges and Hunter Campus Schools, and \$349.3 million for other than personal services (OTPS). This represents 1.2 percent of the City’s total Fiscal 2024 Preliminary Plan of \$102.7 billion. CUNY’s Fiscal 2024 Capital Commitment Plan totals \$74 million over five years, and its Ten-Year Capital Strategy totals \$1.0 billion.

Financial Summary

CUNY's Fiscal 2024 budget of \$1.27 billion is \$169 million less than the Fiscal 2023 Adopted Budget. The Preliminary Plan for Fiscal 2024 includes minimal budget adjustments and no new needs. CUNY's budget is divided into three program areas: CUNY Senior Colleges, Community Colleges, Hunter Campus Schools. Funding for Senior Colleges is unchanged in Fiscal 2024 from the Fiscal 2023 Adopted Budget. The Fiscal 2024 budget for Hunter Campus Schools is \$23 million, a slight increase of \$2.6 million (6.5 percent) when compared to the Adopted Budget of Fiscal 2023. The budget for Community Colleges in Fiscal 2024 is \$1.2 billion which represents a 5.3 percent decrease of \$171 million. See Appendix A for a complete list of actions since Adoption.

Due to the Vacancy Reduction Plan, 156 vacant positions were eliminated in each year between Fiscal 2024 and Fiscal 2027. The headcount reductions result in \$4.8 million in PEGs in Fiscal 2023 and \$9.6 million in savings for each of the outyears of the Plan period. Community Colleges will be the most impacted by headcount reductions, ranging from teacher positions to institutional supports.

Table 1: CUNY Financial Summary						
<i>Dollars in Thousands</i>						
	FY21	FY22	FY23	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY23	FY24	FY23-FY24
Spending						
Personal Services	\$836,497	\$831,767	\$942,004	\$927,587	\$927,255	(\$14,749)
Other Than Personal Services	322,937	399,954	502,627	563,296	349,334	(153,292)
TOTAL	\$1,159,434	\$1,231,721	\$1,444,630	\$1,490,883	\$1,276,589	(\$168,041)
Budget by Program Area						
Community Colleges	\$1,136,026	\$1,207,697	\$1,389,235	\$1,434,287	\$1,218,583	(\$170,652)
Hunter Campus Schools	23,408	24,024	20,396	21,597	23,006	2,610,423
Senior Colleges	0	0	35,000	35,000	35,000	0
TOTAL	\$1,159,434	\$1,231,721	\$1,444,630	\$1,490,883	\$1,276,589	(\$168,041)
Funding						
City Funds			\$1,030,944	\$1,016,103	\$962,484	(\$68,460)
Other Categorical			14,077	14,077	14,077	0
State			276,110	276,110	276,110	0
Federal -Other			77,119	78,770	1,313	(75,806)
Intra City			46,381	105,824	22,605	(23,775)
TOTAL	\$1,159,434	\$1,231,721	\$1,444,630	\$1,490,883	\$1,276,589	(\$168,041)
Budgeted Headcount						
Full-Time Positions – Non-Ped.	1,674	1,636	1,946	1,746	1,735	(211)
Full-Time Positions – Pedagogical	4,404	4,267	4,313	4,293	4,289	(24)
TOTAL	6,078	5,903	6,259	6,039	6,024	(235)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

Changes in U.A

Hunter Campus Schools PS & OTPS. Hunter Campus Schools budget includes \$1.4 million for OTPS and \$21.6 million for CUNY's PS costs, which is \$2.6 million greater than the amount allotted for Fiscal 2023 at Adoption. The largest portion of Hunter Campus Schools is for fringe benefits for \$6.42 million: \$1.58 million for FICA, \$3.72 million for health insurance, and \$1.18 million for salaries, wages, and benefits. Altogether, there was an increase of nearly \$2.5 million for Fringe Benefits in the Preliminary Budget compared to the Adopted 2023 Budget.

Community Colleges OTPS. The Preliminary Plan includes \$313 million for Community Colleges OTPS in Fiscal 2024. This is a \$153.3 million decrease (32.9 percent) from the Fiscal 2023 Adopted Budget. This decrease is primarily the result of a \$134.5 million reduction for supplies and materials and a

reduction of \$19.4 million for other services and charges in CUNY's Fiscal 2024 budget from the Adopted Fiscal 2023 budget.

Community College PS. The Preliminary Plan for Community Colleges PS includes \$905.6 million in Fiscal 2024. This is a \$17.3 million decrease when compared to the Fiscal 2023 Adopted Budget.

Revenue Sources

City Funds

CUNY's budget for Fiscal 2024 is primarily funded (75.4 percent) with City funds totaling \$962.5 million. This is \$68.5 million less than the amount of city funding in the Adopted Fiscal 2023 budget.

The majority of city funds in CUNY's budget are for the Community Colleges. Community Colleges city funding is \$941.3 million for Fiscal 2024 in the Preliminary Plan, \$53.7 million less than in the Adopted Budget for Fiscal 2023.

Federal-Other funds

The CUNY 2023 Adopted Budget included \$77.1 million from the CARES Act for Community Colleges. However, these were one-time funds, and the Preliminary Financial Plan does not include any CARES funding in Fiscal. The Financial Plan includes an additional \$1.3 million for Community Colleges from the Cure Violence IE Award.

Intra-City

CUNY's Intra-City funding in the Fiscal 2024 Preliminary Plan is \$23.7 million less than the Adopted Fiscal 2023 budget of \$46.3 million for other services/ fees.

State. CUNY's Fiscal 2024 budget includes \$276.1 million of funding provided by the State. This total is unchanged from the amount of State funding provided in the Fiscal 2023 budget.

The State Executive Budget's increase of \$94 million in recurring operating funds and over \$600 million in capital investment into CUNY are welcomed investments. This year's State funding remains unchanged from FY23. The State Executive Budget maintains a 100 percent funding floor for community colleges and maintains flat per student funding. Additional budget language states that up to 20 percent of the aid shall be payable subject to a plan developed by the City University of New York and approved by the director of budget.

To encourage the growth of new early college high schools and Pathways in Technology Early College High School (P- TECH) programs across the state, the Executive Budget includes \$20 million in grant funding. New funding will prioritize support to students in high-need school districts, with programs focused on computer science and computer and software engineering.

To create a robust high school to college-workforce pipeline, the Governor's budget includes \$10 million over two years in competitive funding for school districts, Boards of Cooperative Educational Services (BOCES), and community colleges to develop strategic workforce plans that promote job readiness in their local economies. Awards will be made in every region of the state.

Fiscal 2024 Preliminary Budget Changes

Program to Eliminate the Gap (PEG)

The citywide vacancy reduction plan required agencies to eliminate half of their current vacant positions. CUNY's vacancy reduction plan includes the elimination of 156 positions in each year of the

financial plan period. These reductions produced \$4.8 million of savings in Fiscal 2023, and baselined savings of \$9.5 million in each year between Fiscals 2025 and 2027.

While funding is decreasing, costs (collective bargaining, inflation, pandemic costs) are increasing creating a structural deficit for the University. Twenty-five colleges reduced their budgets since Fiscal 2023, and they have implemented a hiring freeze. It has also been reported that most campuses will have to cut their programming and activity expenses by approximately 5 to 6 percent in Fiscal 2024.

Other Adjustments

CCNY R&D Project: City College of New York Research and Development (CCNY R&D) project received \$500,000 via Intra-City funds. These funds will support the varying research studies conducted throughout the year. The mission of The Office of Research Development (ORD) is to help expanding the research portfolio, seeking external funding opportunities, facilitating research team development, training researchers with modern tools, and assisting research teams in proposal development.

CITI Program: The CITI Program received an additional \$218,792 of intra-city funds in the current year for a training program that prevents researchers from unintentionally harming human subjects during studies. This a training that every qualitative researcher must take before conducting interviews and focus groups. The Collaborative Institutional Training Initiative (CITI Program) is dedicated to serving the training needs of colleges and universities, healthcare institutions, technology and research organizations, and governmental agencies, as they foster integrity and professional advancement of their learners.

City Council Member Items Reallocation. The Preliminary Plan includes an additional \$891,125 for Community Colleges for City Council Member Items Reallocation. These funds will support Community College programs in their supplies, materials, and contractual services.

I/C CUNY Edge. An additional \$5.2 million was allocated in Fiscal 2023 only for CUNY Edge. This program provides services to CUNY students such as individualized academic, personal, and career planning support.

Heat, Light and Power. The Preliminary Plan includes an increase of \$1.82 million for Heat, Light and Power in community colleges and in Hunter Campus schools.

I/C CUNY FY23. The Preliminary Plan includes an additional \$11.9 million for Community Colleges HRA/CUNY ESL programs in the current year. These funds are allocated for supplies and materials, contractual services and training employees.

Headcount

As a result of the Vacancy Reduction Plan CUNY's headcount was reduced by 156 for each fiscal year of the Plan period. CUNY's Fiscal 2024 full-time civilian headcount is 1,735, this is a headcount decrease of 211 positions compared to the Adopted Plan of Fiscal 2023. CUNY's Fiscal 2024 full-time pedagogical headcount is 4,289, 24 less than budgeted for Fiscal 2023 in the Adopted Budget.

Council Initiatives

The City Council continued to support citywide education programs by adding \$32.7 million in discretionary funding to CUNY's Preliminary budget for Fiscal 2023. City Council Higher Education Initiatives fund a range of programs geared to support child care, food deserts, LGBTQ services and

pathways towards careers in the sciences. In addition to CUNY, some Initiative providers receive funding through DYCD, DOE, and others. Across the two agencies, CUNY's Education Initiative funding totals \$23.3 million in Fiscal 2023. The Council also added \$9.4 million in non-education discretionary awards to CUNY's Fiscal 2023 budget. The table below presents a summary of CUNY's Initiative discretionary funding added to DOE and DYCD's budgets in Fiscal 2023, as well as non-education related discretionary funding added to CUNY's budget in Fiscal 2023. The Fiscal 2024 Budget does not account for Council-funded initiatives included in Fiscal 2023.

Table 2: FY24 Council Initiative Funding in CUNY's Budget	
FY24 Council Initiative Funding in CUNY Budget	
<i>Dollars in Thousands</i>	
A Greener NYC	\$10
AAPIC Community Support	150
Access to Healthy Food and Nutritional Education	875
Adult Literacy Initiative	465
Anti-Poverty	45
Boroughwide Needs Initiative	19
Care Workers For Our Future	400
Community Land Trust	20
Community Safety and Victim Services	10
Create New Technology Incubators	1,400
Creative Arts Team	400
Cultural After-School Adventure (CASA)	60
Cultural Immigrant Initiative	195
CUNY Childcare Expansion	600
CUNY Citizenship NOW! Program	3,100
CUNY Diversity Incubator	500
CUNY Research Institutes	4,500
CUNY School of Labor and Urban Studies (SLU)	1,200
Digital Inclusion and Literacy Initiative	20
Ending the Epidemic	60
Food Pantries	16
Hate Crime Prevention Initiative	50
Immigrant Opportunities Initiative	24
LGBT Community Services	900
Mental Health Services for Vulnerable Populations	50
Peter F. Vallone Academic Scholarship	15,753
Worker Cooperative Business Development Initiative	172
Veterans Community Development	180
City Wide Initiatives	\$74
Local	\$617
Speaker's Initiative	\$937
Subtotals	\$1,628
TOTAL	\$32,803

Capital Plan Overview

This section will provide an overview of the Preliminary Ten-Year Strategy, Capital Budget and Commitment Plan for City University of Education.

The City's Ten-Year Strategy totals \$159.3 billion (all funds), which is \$25.6 billion larger than the \$133.7 billion Fiscal 2022-2031 Ten-Year Capital Strategy. Higher Education Ten-Year Capital Strategy totals \$1.01 billion, or .63 percent of the City's total Strategy.

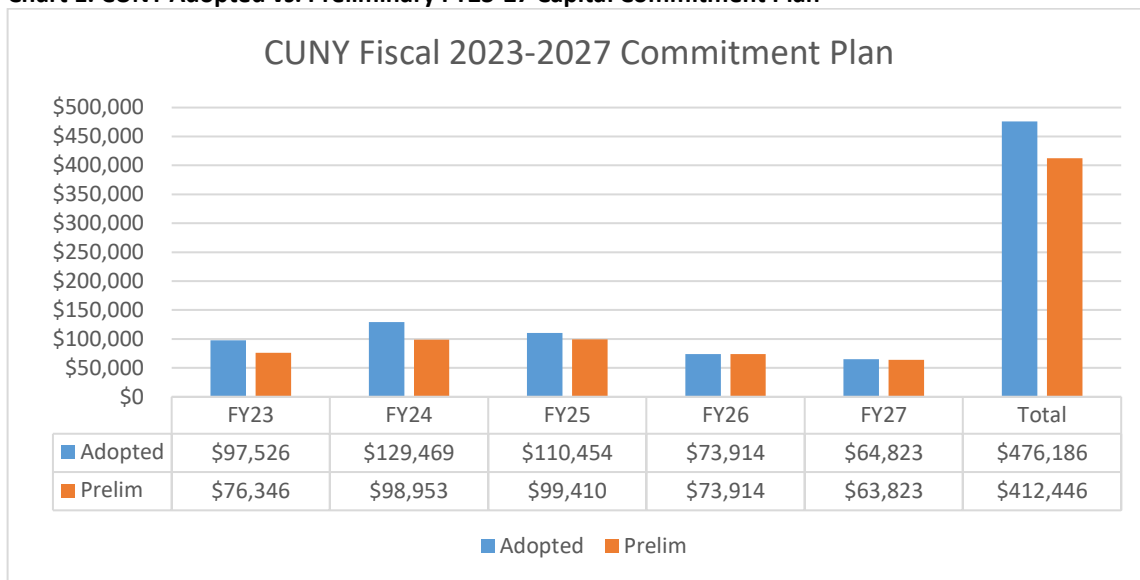
Each agency's Ten-Year Capital Strategy is broken down into Ten-Year Plan Categories which summarize the types of capital work that make up the agency's capital program. The chart below presents City University of New York Ten-Year Strategy distributed among these categories.

Preliminary Capital Commitment Plan for Fiscal 2023 to Fiscal 2027

The Fiscal 2024 Preliminary Capital Commitment Plan includes \$412.4 million in Fiscal 2023-2027 for the City University of New York (including City and Non-City funds) spread out over 32 budget lines and 597 project IDs. This represents less than one percent of the City's total \$96.5 billion Preliminary Capital Commitment Plan for Fiscal 2023-2027. The agency's Preliminary Commitment Plan for Fiscal 2023-2027 is 13.4 percent less than the \$476.2 million scheduled in the Adopted Capital Commitment Plan, a decrease of \$63.7 million.

Since the majority of capital projects span multiple fiscal years, it is common for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2022, the City University of New York committed \$118 million or 18.9 percent of its annual capital plan. Therefore, it is assumed that a portion of the agency's Fiscal 2023 Capital Plan will be rolled into Fiscal 2024, thus increasing the size of the Fiscal 2024-2027 Capital Plan.

Chart 1. CUNY Adopted vs. Preliminary FY23-27 Capital Commitment Plan



Budget Issues and Concerns

Debilitating effects of vacancy reductions to CUNY. Although CUNY's PEGS include the elimination only of vacant positions, not filling vacancies can be harmful, impacting classroom instruction. Without appropriate faculty many courses may not be able to be provided, while those classes that are will have a greater number of students. Reductions to non-pedagogical staff will still have an effect on students. Advisors and financial staff provide assistance for students as they navigate their way through their college years. These and other key positions could be affected if CUNY's PEGS are carried out.

Rise in Tuition Costs. CUNY is considering increasing resident undergraduate tuition rates by as much as three percent. Additional revenue generated by these increases would be used to support student access for programs such as CUNY Reconnect Navigators who assist students returning to CUNY, student services, and research and discovery. The State estimates that the tuition increase will

generate an additional \$31 million of revenue for CUNY. Tuition increases are in opposition to CUNY's standards towards providing affordable or debt free higher education. There are a number of reasons why CUNY may need to increase their tuition including declining enrollment, larger class sizes, and decreasing federal and state aid.

Restoring funding to Affinity schools. CUNY K-16 receives \$965,057 annually through the "Affinity" contract with DOE. These funds support four full-time staff and portions of an additional five staff (K16 leadership, administration and early college educators who are also grant-funded) who ensure that the NYC DOE Principals and faculty at the nineteen CUNY Early Colleges have ongoing professional development and curricular support to implement the unique early college models.

CUNY Early College is responsible for 19 early college schools that serve over 10,000 students. K16 provides guidance, project management, and financial resources to create and maintain early college schools, which are categorized into four models 6 to 12; 9 to 12; 9 to 13 and P-TECH. Others like the ECI model was designed to serve low-income youth, first-generation college-goers, English language learners, and other groups that have been historically underrepresented in higher education. These programs have had great success in reaching students and preparing them for the rigors of college and of their potential careers. However, funding for these programs has not been restored. Efforts must be made to provide consistent funding for CUNY's Affinity schools. Without baseline funding, Affinity schools will have to scramble for support when student needs are ever growing.

Appendix

A. Contract Budget

CUNY Fiscal 2023 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY23 Adopted	Number of Contracts	FY24 Current	Number of Contracts
Cleaning Services	\$1,711	4	\$1,711	4
Contractual Services - General	5,051	3	5,051	3
Data Processing Equipment Maintenance	986	13	986	13
Day Care Of Children	710	6	710	6
Maintenance and Operation of Infrastructure	304	3	304	3
Maintenance and Repairs - General	8,050	10	8,050	10
Maintenance and Repairs - Motor Vehicle Equip	11	2	11	2
Office Equipment Maintenance	1,132	11	1,132	11
Printing Services	1,751	7	1,757	7
Prof. Services - Accounting Services	23	1	23	1
Prof. Services - Computer Services	582	1	582	1
Prof. Services - Engineering and Architectural Services	0	1	0	1
Prof. Services - Other	132	1	132	1
Security Services	2,372	6	2,372	6
Telecommunications Maintenance	30	4	30	4
Temporary Services	55	1	55	1
Training Program for City Employees	3,053	2	3,053	2
Transportation Services	86	1	86	1
TOTAL	\$26,040	77	\$26,046	77

B. Program Areas

Community Colleges						
<i>Dollars in Thousands</i>						
	FY21 Actuals	FY22 Actuals	FY23 Adopted	Preliminary Plan		*Difference
				FY23	FY24	FY23-FY24
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$400,907	\$397,859	\$424,985	\$392,409	\$423,613	(\$1,372)
Full-Time Salaried - Civilian	93,192	90,186	111,833	162,290	95,396	(16,437)
Overtime - Civilian	2,749	6,663	3,597	2,866	3,597	0
Additional Gross Pay	6,652	9,650	4,798	4,616	4,798	0
Unsalaries	131,971	126,941	146,356	114,742	146,356	0
P.S. Other	(58)	(55)	0	0	0	0
Fringe Benefits	178,563	178,977	231,415	231,645	231,865	450
Subtotal	\$813,976	\$810,221	\$922,984	\$908,568	\$905,625	(\$17,359)
Other Than Personal Services						
Contractual Services	\$19,687	\$34,966	\$24,312	\$31,610	\$24,312	\$0
Contractual Services - Professional Services	309	1,031	737	2,888	737	0
Contractual Services - Social Services	994	1,256	710	814	710	0
Supplies & Materials	7,291	11,090	179,553	127,423	45,016	(134,537)
Fixed & Misc. Charges	35,770	35,982	38,307	37,750	37,807	(500)
Other Services & Charges	236,650	289,555	198,093	295,705	178,733	(19,360)
Property & Equipment	21,350	23,597	24,538	29,528	25,643	1,105
Subtotal	\$322,050	\$397,476	\$466,250	\$525,718	\$312,958	(\$153,292)
TOTAL	\$1,136,026	\$1,207,697	\$1,389,235	\$1,434,287	\$1,218,583	(\$170,652)

<i>Dollars in Thousands</i>	FY21	FY22	FY23	Preliminary Plan		*Difference
	Actuals	Actuals	Adopted	FY23	FY24	FY23-FY24
Funding						
City Funds			\$1,012,359	\$997,422	\$941,288	(\$71,070)
Federal - Other			77,119	77,664	1,313	(75,806)
Intra City			46,381	105,824	22,605	(23,775)
Other Categorical			14,067	14,067	14,067	0
State			239,310	239,310	239,310	0
TOTAL	\$1,136,026	\$1,207,697	\$1,389,235	\$1,434,287	\$1,218,583	(\$170,652)
Budgeted Headcount						
Full-Time Positions – Pedagogical	4,260	4,129	4,173	4,153	4,149	(24)
Full-Time Positions – Non-Ped.	1,645	1,608	1,865	1,665	1,654	(211)
TOTAL	5,905	5,737	6,038	5,818	5,803	(235)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

Hunter Campus Schools						
<i>Dollars in Thousands</i>						
	FY21	FY22	FY23	Preliminary Plan		*Difference
	Actuals	Actuals	Adopted	FY23	FY24	Actuals
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$13,586	\$11,979	\$12,138	\$12,113	\$12,266	\$128
Full-Time Salaried - Civilian	1,519	1,602	1,502	1,502	1,502	0
Overtime - Civilian	24	62	50	50	50	0
Additional Gross Pay	1,588	1,574	419	419	419	0
Unsalaries	1,088	1,326	899	899	899	0
Fringe	4,716	5,004	4,010	4,035	6,492	2,483
Subtotal	\$22,521	\$21,546	\$19,019	\$19,019	\$21,630	\$2,610
Other Than Personal Services						
Contractual Services	\$146	\$1,462	\$287	\$1,031	\$287	\$0
Supplies & Materials	207	262	540	366	540	0
Other Services & Charges	482	732	486	634	486	0
Property & Equipment	51	23	64	546	64	0
Subtotal	\$887	\$2,478	\$1,376	\$2,578	\$1,376	\$0
TOTAL	\$23,408	\$24,024	\$20,396	\$21,597	\$23,006	\$2,610
Funding						
City Funds			\$18,585	\$18,681	\$21,196	\$2,610
Federal - Other			0	1,106	0	0
Other Categorical			10	10	10	0
State			1,800	1,800	1,800	0
TOTAL	\$23,408	\$24,024	\$20,396	\$21,597	\$23,006	\$2,610
Budgeted Headcount						
Full-Time Positions - Pedagogical	144	138	140	140	140	0
Full-Time Positions - Civilian	29	28	81	81	81	0
TOTAL	173	166	221	221	221	0

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Preliminary Budget.

Senior Colleges						
<i>Dollars in Thousands</i>						
	FY21 Actuals	FY22 Actuals	FY23 Adopted	Preliminary Plan		*Difference Actuals
				FY23	FY24	
Spending						
Other Than Personal Services						
Fixed and Miscellaneous Charges	\$0	0	\$35,000	\$35,000	\$35,000	\$0
TOTAL	\$0	\$0	\$35,000	\$35,000	\$35,000	\$0
Funding						
State	\$0	\$0	\$35,000	\$35,000	\$35,000	\$0
TOTAL	\$0	\$0	\$35,000	\$35,000	\$35,000	\$0

**The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Preliminary Budget.*