



Vice Chancellor for Budget and Finance

230 W. 41st Street, 5th Floor
New York, NY 10036
tel: 646-746-4270
fax: 646-746-4279

July 1, 2014

TO: Senior College Presidents/Deans

FROM: Vice Chancellor Matthew Sapienza MS

SUBJECT: **2014-2015 Senior College Operating Budget Allocation**

I write to advise you of the FY2015 senior college operating budget allocation. The following provides an overview of the University's financial condition.

FY2015 State Adopted Financial Plan

The FY2015 State adopted Senior College Financial Plan totals \$2.258 billion, a net increase of \$104.3 million, or 4.8%, from the FY2014 plan. The enacted budget includes \$42.9 million in mandatory needs funding for fringe benefits. It also includes an additional \$0.6 million for SEEK. The enacted budget does not include funding for salary increments, energy and building rental cost increases or for new building needs.

The adopted budget raises the FY2015 revenue appropriation by \$60.8 million in order to provide full spending authority for the \$300 increase effective fall 2014. This includes \$8.4 million for TAP waivers. State law requires that CUNY cover the difference between tuition and the maximum TAP award for those students that receive TAP awards. The enacted budget increases the maximum TAP award by \$165 to \$5,165, thereby lowering the amount of CUNY's TAP waiver obligation by \$3.8 million. These additional funds will be used to offset partially new building needs.

FY2015 Compact Investment Plan – CUNY Master Plan

The revenue generated by the tuition increase will again be directed toward Compact Investment Plans. Continuing past practice, the investment plans will be aligned with the University's Master Plan, which includes the following broad missions and initiatives:

- Mission One: Academic Excellence
- Mission Two: Maintain Integrated University/Facilitate Articulation
- Mission Three: Expanding Access
- Mission Four: Remaining Responsive to the Urban Setting

- Student Financial Assistance Initiative

Colleges will continue to have flexibility to determine the best use of funds at the campuses and for aligning college priorities with the CUNY Master Plan. All programmatic distributions are at the discretion of the campuses. They may include funding of salary increments. Compact funding must cover the costs of the fringe benefits of personal service hires.

Compact Investment Plans must be developed in consultation with elected faculty and student representatives. Colleges will be required to outline the planned use of all Compact funds in their financial plans and to report on actual expenditures later in the year.

Mission One: Academic Excellence

Principal components of this category focus on full-time faculty, a dedication to the ongoing mission of the Decade of Science, the growth and enhancement of academic programs, an extensive library system, and the expansion of the use of academic technology.

Mission Two: Maintain Integrated University/Facilitate Articulation

This category includes those initiatives that help students acclimate to college life, overcome obstacles that might prevent or slow the time to graduation, and promote success after graduation. Specific programs include academic advising, career services, counseling, and athletics. Resources dedicated to implementing Pathways are incorporated in this mission.

Mission Three: Expanding Access

In keeping with the commitment to provide access to a quality education to a diverse New York population, the Master Plan focuses on several key areas, including college readiness, services for students with disabilities, veterans' services, and the Black Male Initiative. Funding dedicated to this mission may be directed toward individual college programs as well.

Mission Four: Remaining Responsive to the Urban Setting

This mission focuses on the University's role in contributing to the well-being of the City and State. Initiatives within this area center on workforce and economic development, educating teachers, expanding and enhancing healthcare education, and sustainability efforts. A significant resource that is essential to supporting these, and the programs of the other missions, is the University's facilities. Therefore, college plans to maintain and improve campus infrastructure should be included in mission four.

Student Financial Assistance Initiative

The University will continue the Student Financial Assistance Initiative at \$10 million. This allocation must be used to assist students whose matriculation is at risk because of the tuition

increase. Of the \$10 million, \$6.6 million will be directed toward assisting students at the senior colleges; \$3.4 million will be used at the community colleges. The University-wide student financial assistance initiative includes the following:

- assistance with the acquisition of text books - \$3.0 million;
- federal work study and student educational opportunity grants program enhancement (SEOG)- \$2.7 million;
- undergraduate tuition waivers - \$2.5 million;
- graduate tuition waivers - \$1.5 million; and
- veterans' support program - \$0.3 million.

Guidelines for the uses of these funds are in attachment I. Federal work study enhancement funding will be added to the University's existing federal work study program and distributed according to current procedures. Colleges should work with the University's Office of Student Financial Aid on the distribution of the supplemental federal SEOG funds. Veterans' support allocations may be used to provide tuition waivers to veteran-students or to fund other veterans' support needs at the campuses. If you need assistance in determining the best use of these funds, please contact the University Office of Veterans' Affairs.

Minority and Women Business Enterprises (MWBE)

New York State requires that 20% of agency discretionary non personal service budgets be expended using minority and women owned businesses. The FY2014 incentive fund will not be continued. However, colleges are required to maintain spending levels that are consistent with the State's 20% goal. For those colleges that do not maintain spending at that level, allocations will be reduced and redirected to colleges that continue to contribute to meeting the State requirement.

College spending will be monitored and we will provide quarterly updates on progress. In addition, the University will report publicly the status of each college in reaching the 20% goal.

Energy

Energy budgets for electricity, gas and steam will be maintained at FY2014 levels. FY2015 allocations are updated to include fuel oil and water and sewer (see Attachment II). Colleges will continue to have the opportunity to generate additional operating funds by achieving savings. Savings will remain with the campus; conversely, deficits, including those for fuel oil, must be funded within college budgets. Total energy budgets, with the exception of fuel oil, will not be provided on the tax levy certificate, rather funding adjustments for savings or shortfalls will be made on budget certificates during the year.

This allocation is final, with the exception of adjustments for new buildings. Colleges should be prepared to address any issues that arise during the year within existing budget levels.

Adjunct Replacements for Doctoral Fellows

As a result of changes to the University's policy on doctoral fellowship support, the teaching requirement for doctoral fellows in FY2015 will be reduced from four to two courses per year. This change will leave a gap in teaching power at the colleges, resulting in the need for additional adjuncts. The University is providing adjunct replacement funding, which is detailed in attachment III. FY2015 fellows per campus are based on the FY2014 distribution of fellows per campus. Funds will be provided on budget certificate #2.

University Wide Initiatives (UWI)

University –wide initiatives consist of items that are purchased centrally on behalf of the colleges. They include Strategic Technology Initiatives (STI), University Technology Initiatives (UTI) and other items such as electronic journal subscriptions and auto insurance. Purchases are made centrally throughout the year and college budgets are reduced towards the end of the year to cover the costs.

Beginning in FY2015, funding for total University wide initiatives will be reduced from college tax levy budgets in the initial allocation. These preliminary amounts will be equal to FY2014 actual costs. Adjustments will be made at the end of the year based on final actuals. In addition, colleges will have the opportunity to split certain costs (STIs) between tax levy and technology fees. A tax levy adjustment will be made to refund amounts that will be covered with tech fees. In addition the University Budget Office will process a tech fee revenue transfer from college accounts to a University IFR account. These funds will be used to offset UWI tax levy expenses.

Strategic Technology Initiatives (STI)

The Strategic Initiative Program, formerly known as Enterprise Technology Initiatives, will be expanded from its current level of \$3 million to \$5.9 million in FY2015 and \$7.5 million in

FY2016. This expansion, which was vetted and agreed to by the IT Steering Committee, will be funded with the increase in the technology fee and these funds will be transferred in FY2015 from senior college technology fee accounts to a University IFR account from which purchases will be made. In FY2016, community college technology fee funds will also be transferred from college accounts to a central IFR account at the beginning of the year.

The transfer amounts will be based on prior year enrollment levels. The FY2015 senior college transfer is based on FY2014 student enrollment and totals \$2.9 million. The amount will be recalculated in FY2016 using FY2015 data.

The original \$3 million of the STIs will continue to be paid for with a combination of tax levy and technology fee funds with the colleges determining their individual splits. The colleges will be asked to provide the tax levy/tech fee breakout once costs are final.

Preliminary Lump Sum Allocations

The Office of Academic Affairs provides lump sum allocations for the following initiatives: Centers and Institutes, College Now, Coordinated Undergraduate Education (CUE), Language Immersion Program, SEEK, and Testing. The Office of Student Development provides lump sum allocations for Child Care and Services for the Disabled. Colleges are expected to utilize these dollars according to individual program guidelines.

The lump sum allocations are under review and will be allocated shortly. At that time, we will issue a revised allocation.

Summary of Allocation

The table below summarizes the FY2015 initial allocation and provides an estimated total tax levy budget. Please note that the projected total senior college budgets do not include the lump sums, other allocations typically provided during the year, or college resources that reside in the Graduate Center's budget, such as the graduate teaching fellows and writing fellows. The FY2015 base budget column represents the carryover condition from last year's Initial Allocation.

Table I – Total Tax Levy Operating Budget
(\$ in 000s)

	FY2014 Base Budget	Base Budget Adjustments	FY2015 Base Budget	Compact Funding	Self- Financing Components	University- wide Initiatives	Initial Tax Levy Allocation	Projected Additional Resources	Projected Funding for Centrally Expended Accounts	Projected Total Tax- Levy Budget ⁴
Baruch	\$110,945	\$8,779	\$119,723	\$7,514	(\$1,497)	(\$1,007)	\$124,733	\$2,252	\$58,966	\$185,951
Brooklyn	\$113,615	(\$1,321)	\$112,294	\$4,791	(\$1,113)	(\$1,032)	\$114,941	\$2,081	\$64,326	\$181,348
City	\$130,368	\$2,759	\$133,126	\$6,430	(\$2,406)	(\$1,180)	\$135,971	\$2,168	\$73,930	\$212,068
Hunter	\$147,720	\$7,690	\$155,410	\$9,522	(\$2,422)	(\$1,348)	\$161,162	\$3,324	\$85,271	\$249,757
John Jay	\$86,380	\$2,115	\$88,496	\$4,633	(\$899)	(\$686)	\$91,544	\$1,777	\$55,016	\$148,337
Lehman	\$79,963	\$2,042	\$82,005	\$3,520	(\$550)	(\$728)	\$84,247	\$1,398	\$43,711	\$129,356
Medgar Evers	\$48,411	(\$1,287)	\$47,124	\$1,391	(\$148)	(\$380)	\$47,987	\$599	\$24,645	\$73,230
NYCCT	\$75,197	\$5,095	\$80,292	\$3,934	(\$389)	(\$722)	\$83,114	\$1,933	\$45,642	\$130,689
Queens	\$120,464	(\$6,665)	\$113,799	\$6,675	(\$1,612)	(\$1,168)	\$117,693	\$2,957	\$68,714	\$189,365
Staten Island	\$83,744	\$3,114	\$86,858	\$3,991	(\$569)	(\$932)	\$89,347	\$1,779	\$44,315	\$135,442
York	\$47,205	\$2,164	\$49,369	\$2,098	(\$200)	(\$475)	\$50,792	\$745	\$26,787	\$78,324
Graduate Center	\$97,633	\$5,984	\$103,617	\$687	(\$528)	(\$418)	\$103,358	\$361	\$56,326	\$160,045
Law School	\$15,975	\$1,007	\$16,982	\$389	(\$86)	(\$72)	\$17,213	\$111	\$6,675	\$23,999
School of Journalism	\$4,446	\$664	\$5,110	\$168	(\$55)	(\$19)	\$5,205	\$29	\$1,918	\$7,152
SPS	\$7,996	\$2,387	\$10,383	\$457	(\$24)	(\$102)	\$10,714	\$129	\$4,141	\$14,984
Total	\$1,170,062	\$34,526	\$1,204,588	\$56,200	(\$12,500)	(\$10,267)	\$1,238,021	\$21,644	\$660,382	\$1,920,046

¹ Equals the FY2014 allocation. A final adjustment will be made at year end.

² Includes collective bargaining items such as adjunct extra hour, sabbaticals, untenured faculty release time based on FY2014 allocations at FY2014 levels.

³ Includes estimated costs for fringe benefits, building rentals, and student financial aid based on FY2013 expenditures. It also includes UWI and Energy amounts.

⁴ Projected total does not include lump sums or other items typically distributed during the year.