The City University of New York
An Overview of the Operating Budget

November 2016
An Overview of the CUNY Operating Budget

The Process
CUNY Budget Structure

- New York State provides funding for the senior colleges using line item appropriations. It includes line items for each senior college, central administration/shared services, IT, fringe benefits, building rentals, energy, and various University programs. Community college funding is provided as a lump sum based on a per FTE amount.

- New York City provides a lump sum budget for the University by units of appropriation in its adopted budget.

- Colleges receive an initial allocation of their annual budgets at the beginning of the academic year. Subsequent allocations are made during the year to adjust for revenue collections and to disburse additional funds.
The University submits an operating tax-levy budget request to the State and the City that is comprised of both the mandatory, or base-line, needs, and the programmatic request.

- The mandatory request includes contractual salary increases and also includes requests for rent, fringe benefits, and energy increases, and new building needs.

- The programmatic request is based on University Program initiatives outlined in the Master Plan and is developed by the University’s central leadership in consultation with various CUNY constituencies, including members of the Board of Trustees, College Presidents, and faculty and student representatives.
CUNY Budget Timetable

<table>
<thead>
<tr>
<th>July - September</th>
<th>October – December</th>
<th>January – March</th>
<th>April - June</th>
</tr>
</thead>
<tbody>
<tr>
<td>University consults with various constituencies, including college leadership, and faculty and student governance organizations, regarding groups’ budget priorities and concerns</td>
<td>Draft Budget Request is presented to the Board of Trustees Fiscal Affairs committee for review and consideration</td>
<td>State releases Executive Budget Recommendations</td>
<td>April 1 is State deadline for budget adoption</td>
</tr>
<tr>
<td>University prepares draft overview of Request and consults with Council of Presidents</td>
<td>Board hearing is held on draft Request</td>
<td>City releases Financial Plan and Preliminary Budget</td>
<td>April 26 is deadline for release of City Executive Budget recommendations</td>
</tr>
<tr>
<td></td>
<td>Full Board considers Budget Request at the October meeting</td>
<td>Testimony on impact of NYS Executive Budget recommendations before NYS Senate Finance and Assembly Ways and Means Committees</td>
<td>Testimony on impact of NYC Executive Budget before NYC Council Finance and Higher Education Committees</td>
</tr>
<tr>
<td></td>
<td>Board-approved Budget Request is formally transmitted to City and State Executive branches for consideration</td>
<td>Testimony on impact of NYC Financial Plan and Preliminary Budget before NYC Council Finance and Higher Education Committees and Borough Presidents</td>
<td>June 5 is deadline for adoption of City Budget</td>
</tr>
</tbody>
</table>
Budget Allocation Process

- Senior college budget allocations are issued following the adoption of the State budget. The allocation processes for the senior and community colleges differ significantly. At the senior colleges, incremental budgeting is used. The community college process is twofold and includes a zero-based enrollment-driven model and an incremental budgeting component. Both the senior and community colleges also receive lump sum allocations for University wide programs.

- **Senior College and University Management**
  - The senior college allocation starts with the base budget for each college and University Management. This is followed by the allocation of lump sums for various academic and student support programs. Additional allocations for University initiatives and other miscellaneous items are added throughout the year.
  
  - Items that are paid for centrally, such as fringe benefits, building rentals, and student financial aid, are not allocated to the colleges but expended centrally on their behalf.
Community Colleges

- Colleges receive a model based allocation and an incremental budget based allocation, plus lump sum amounts, the majority of which are determined by the Offices of Academic Affairs and Student Affairs. While the model determines 100% of the funding needs at the colleges, the actual model allocation that the colleges receive is discounted, because the overall appropriation is not sufficient to fund all priorities and 100% of the model.

- The community college allocation model is zero-based and enrollment-driven. It incorporates a 3-year weighted average of enrollment to develop the allocation for the following functions: teaching, instructional support, and base and per FTE funding for library, student services, general administration, and general institutional services. Teaching needs are determined using the instructional staff model, which generates these needs according to enrollment and student faculty ratios by discipline. Allocations for plant maintenance and operations, continuing education, and student aid are driven by college specific criterion.
Tuition Revenue Policy

- The tuition revenue budget is appropriated by the State to the senior colleges as a lump sum and by the City to the community colleges as part of the overall budget. Because tuition revenue represents a component of each college's budget, it is critical that colleges collect revenue at or above their established targets, in order for the University to expend its total budgetary appropriation.
College Financial Plans

- Once the allocations are issued, colleges are required to submit financial plans detailing the projected uses of their funds.

- Financial Plans must be developed in consultation with elected faculty and student representatives.

- It also includes a hiring plan showing annual changes in full-time positions by function.

- The College Financial Plan will also illustrate the multi-year impact on campus budgets from current year hiring and spending decisions.
Expenditure Monitoring

- Throughout the fiscal year, the Office of Budget and Finance monitors fiscal trends at the colleges, in order to ensure that spending patterns are in line with financial plans. Areas that are monitored include:
  - Expenditures
  - Revenues
  - Enrollment
  - Staffing

- Communication with college fiscal officers occurs throughout the year, both formally and informally.