



ISSUES FACING NEW YORK CITY’S AGENCIES: CITY UNIVERSITY OF NEW YORK

Overview

The City University of New York (CUNY) is the nation’s largest public urban university. In 25 colleges spread across the City’s five boroughs, it serves roughly 275,000 students and awards 55,000 degrees each year. Before the pandemic, the City provided 16.7 percent of CUNY’s total budget (an increase from 11.5 percent ten years earlier) while the State provided 42.5 percent. Because tuition makes up less than one-fifth of total revenues, CUNY relies on City and State grants and aid appropriations, which could be endangered by unforeseen economic volatility impacting government revenues.

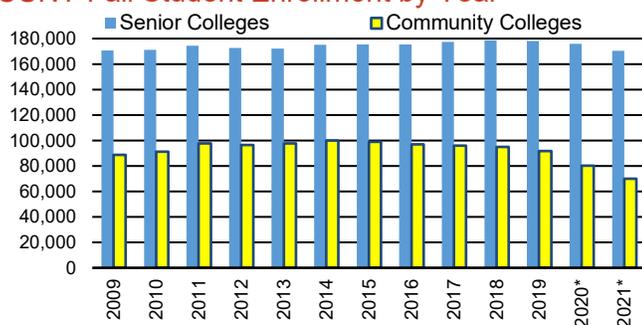
Pandemic Impact on Agency Operations

The pandemic has disrupted the provision of services to students and precipitated declines in enrollment at CUNY, as in most education systems. CUNY received more than \$1.5 billion in federal aid across three federal relief packages to mitigate the impacts of the pandemic, including a minimum of \$634 million which must be provided directly to students. Only \$386 million of the total remains to be allocated in fiscal years 2022 and 2023.

ISSUES FACING THE AGENCY

- Falling Enrollment:** CUNY reports that Fall 2020 enrollment was 5.1 percent lower than in Fall 2019, reflecting the impact of the pandemic. At the CUNY community colleges, enrollment fell by 12.5 percent in Fall 2020 and by an estimated 10 percent more in Fall 2021, according to preliminary numbers (see Figure 1). CUNY is one of the major economic mobility engines in the New York City region, and the decline in student enrollment may have lingering impacts on the City’s social fabric and economy. CUNY will use \$132 million in emergency federal funding in FY 2022 to cover projected revenue losses, but only plans to replace \$70 million of lost revenue with such funds in FY 2023.
- Increasing Reliance on Non-Operating Revenues:** Over the past ten years, CUNY’s total budget (excluding capital and endowment revenues) has grown by almost 53 percent. Over the same period, revenues from tuition and fees have grown by just 16 percent (see Figure 2). The difference has been made up largely by increasing non-operating support funds from the State and the City, which have grown by 25.5 and 79.5 percent, respectively. Last year, the CUNY system placed significant reliance on emergency financial aid, which supplied more than one-quarter of its total revenues, but this aid is not expected to recur and will need to be replaced with additional State or City aid to balance the budget in future years.
- Economic Disruption Among Students:** Even before the pandemic, two-fifths of CUNY students earned less than \$20,000 per year and nearly half were first-generation college students; one in ten was a parent or single parent caring for a child. CUNY reports that in 2020 more than 40 percent of students lost their jobs. CUNY plans to spend \$60 million in emergency federal relief funds on student support and retention in FYs 2022 and 2023.

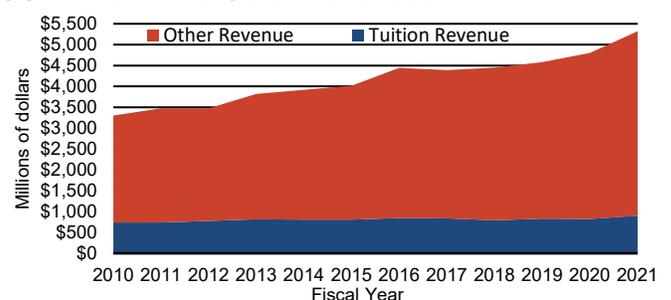
FIGURE 1
CUNY Fall Student Enrollment by Year



Sources: City University of New York; OSC analysis

*CUNY Estimate

FIGURE 2
CUNY Tuition vs Other Revenues



Sources: City University of New York; OSC analysis
Note: Excludes capital and endowment revenues.