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## **VI. Revenue Sources: Government Appropriation**

**Both the state and city governments have decreased their appropriations since 1980, and although some of this funding may have been redirected to other beneficial programs such as financial aid, CUNY still remains low compared to peers in terms of the proportion of its current funds provided by government appropriations.**

### **Key Findings**

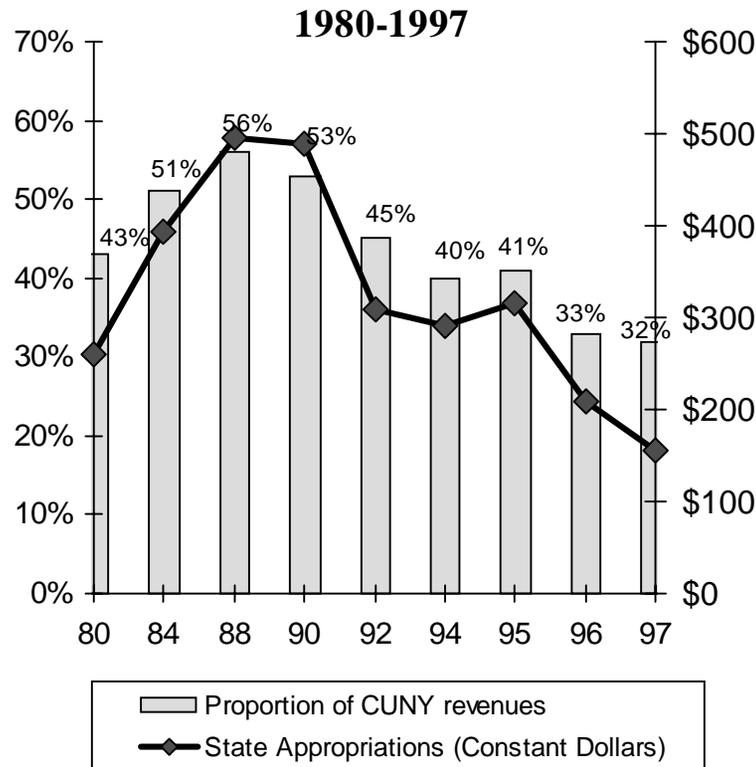
- State funding for CUNY has declined since 1980, both in constant dollars and in the proportion of CUNY's budget that is funded by the state.
- City funding, both in constant dollars and as a proportion of total revenues, has also decreased since 1980. In recent years, actual dollars have remained flat due to a "maintenance of effort" agreement with the state, which directs the city to provide at least the same dollar level as it has given in previous years.
- In comparison to its peer institutions, the university receives a smaller proportion of total revenues from government appropriations. Some of the SUNY peer campuses also fall at the low end of this category, suggesting that New York's funding decreases have impacted both of the state's major systems of higher education.
- The state's declining institutional appropriation is offset somewhat by increased funding of student financial aid, which CUNY receives by enrolling students who qualify for the state's Tuition Assistance Program (TAP).

*The decline in government appropriations has been extremely difficult for the university, particularly the senior colleges. In many cases, this has contributed to an overall decline in the resources devoted to the educational mission.*

**Since 1980, New York State's constant dollar appropriation for CUNY has decreased by 40% and the proportion of CUNY's budget it funds has decreased by 11% (see Figure 31). This decrease has been accompanied by a corresponding but not equal increase in financial aid funding.**

*Figure 31*

**Change in State Direct Appropriation  
(Constant Dollars) and Proportion of  
CUNY Revenues (in millions)**



Source: CUNY

- The proportion of CUNY revenues represented by state appropriations was 32% in 1997, after reaching a high of 56% in 1988 (see Figure 31). These data reflect a conscious decision in New York to shift higher education funding from direct institutional support to student financial aid.
- In 1977, only 16% of New York State's appropriations were allocated to financial aid. That proportion had increased to 23% in 1997 (see Appendix C).
- In combination, whereas New York ranks 39th out of 50 states in terms of per capita institutional funding, it ranks first in per capita student financial aid funding.

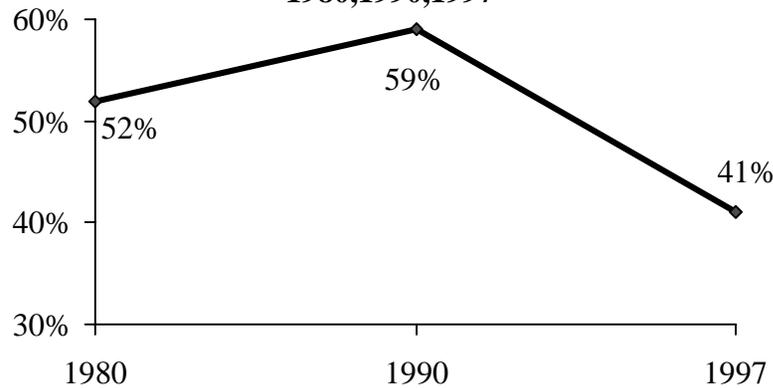
*Table 8*

|                   | State Appropriations (000's) |          |
|-------------------|------------------------------|----------|
|                   | Actual                       | Constant |
| 1980              | \$ 258,595                   | 258,595  |
| 1990              | \$ 758,743                   | 489,727  |
| 1997              | \$ 592,094                   | 154,704  |
| 1980-1997 % Chang | 129%                         | -40%     |

**The increase in state funding for the Tuition Assistance Program (TAP) has not compensated for the decline in direct institutional support through appropriations.**

*Figure 32*

**Proportion of CUNY Revenues Funded through State Support: Appropriations, TAP and Research Support 1980,1990,1997**



- New York state has increased its TAP aid to CUNY. In 1980, 16% of state support to CUNY came in the form of TAP, while in 1997 that percentage increased to 18% (see Table 9).
- However, the increase in TAP was not sufficient to compensate for the loss in appropriations dollars. Total state support provided 11% less of CUNY's total revenues in 1997 than in 1980 (see Figure 32).
- Between 1980 and 1997, TAP increased 175%, while tuition at the senior colleges rose 246% and 170% at the community colleges (see Appendix C).
- As a result, TAP funded 23% of total tuition revenue in 1997, whereas it funded 33% of total tuition revenue in 1980 (see Appendix C).

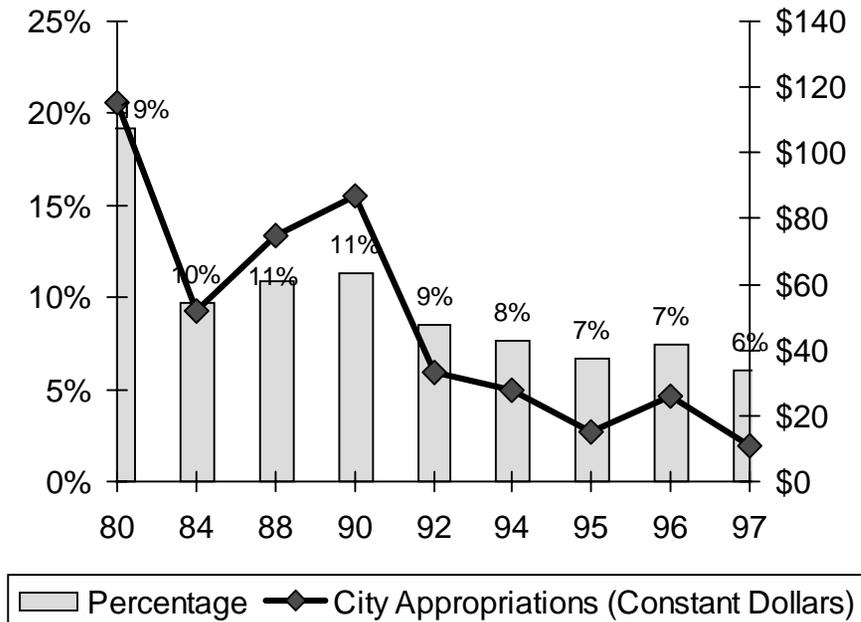
**Table 9**  
**State Support\* in Actual Dollars(\$ in millions) -- 1980,1990,1997**

|                            | 1980         |             | 1990         |             | 1997         |             |
|----------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| <b>Total State Support</b> | <b>\$315</b> | <b>100%</b> | <b>\$839</b> | <b>100%</b> | <b>\$766</b> | <b>100%</b> |
| Appropriations             | \$259        | 82%         | \$759        | 90%         | \$592        | 77%         |
| TAP                        | \$50         | 16%         | \$50         | 6%          | \$137        | 18%         |
| Research Funding           | \$6          | 2%          | \$30         | 4%          | \$37         | 5%          |

\*Research support data was unavailable for FY80. The figure given represents research support in 1982.

**The city's appropriations for CUNY have taken an even more dramatic turn downward, comprising 19% of the budget in 1980 and 6% in 1997 (see Figure 33).**

**Figure 33**  
**City Appropriation and Percentage of CUNY Revenues 1980-1997**



Source: CUNY

- In actual dollars, New York City funding has gone from \$114 million in 1980 to \$118 million in 1997; in constant dollars city funding has decreased by 90% (see Table 10).
- Over the last few years the city has sustained a constant level of funding dollars in accord with the "maintenance of effort" agreement with the state.
- Unlike state appropriations, institutional funding by the city has not shifted to other programs, rendering the loss of dollars an absolute loss for CUNY.

**Table 10**

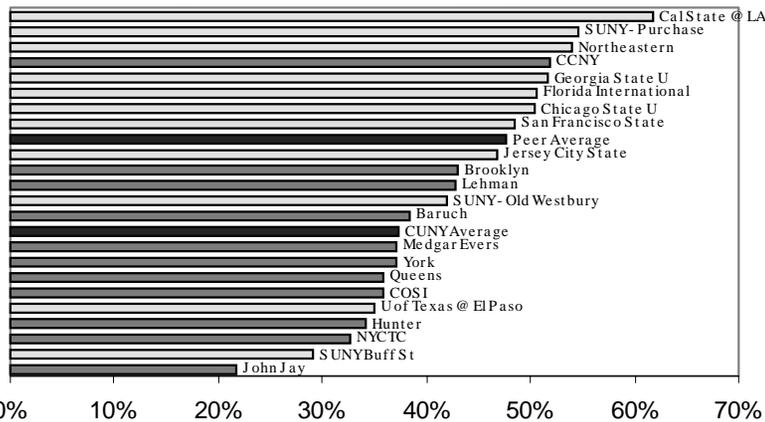
| City Appropriations (000's) |            |          |
|-----------------------------|------------|----------|
|                             | Actual     | Constant |
| 1980                        | \$ 114,599 | 114,599  |
| 1990                        | \$ 161,667 | 87,051   |
| 1997                        | \$ 118,895 | 11,019   |
| 1980-1997 % Chang           | 4%         | -90%     |

**While the decrease in government funding is not unique to New York, CUNY still receives a lower proportion of its total revenues from the government when compared to peers (see Figures 34 & 35).**

- This imbalance is especially apparent at the senior colleges, where appropriations constitute almost 20% less of total revenues than at peers (see Appendix D).
- Two SUNY campuses within that peer group have similar levels of appropriation as the CUNY colleges, indicating that the situation may be less of a CUNY issue and more of a state issue.
- The dramatic variation within the senior colleges (e.g., government appropriations fund 22% of John Jay's budget and 52% of City College's budget) is the result of the current resource allocation process, which does not always link enrollment growth or decline to a campus' funding allocation (see Appendix D).

**Figure 34  
Senior Colleges**

Proportion of Revenue from Appropriations



Source: IPEDS 1997 Data

**Figure 35  
Community Colleges**

Proportion of Revenues from Appropriations

