
XVI. Key Observations and Suggestions

CUNY's allocation strategies should support the University's unique mix of colleges, programs, and student characteristics, without compromising the academic status of the senior colleges.

- A fundamental struggle for CUNY has been to provide enough resources to maintain the quality of its flagship senior colleges, while still being responsive to the needs of the rapidly growing community colleges.
- The current funding situation puts continuing pressure upon CUNY to raise tuition, limiting its advantage as a public institution to attract the highest quality students, encouraging the university to institute policies that maximize the ability of prospective students to qualify for student aid, compromising academic standards, and risking setting tuition at a level that negatively impacts enrollments.
- The significant decline in constant dollars in both state and city appropriations has greatly impacted the University's purchasing power and position relative to peer institutions. Decreasing government appropriations have created an increased reliance on tuition accompanied by dramatic tuition hikes. This funding situation has contributed to decreasing enrollments at CUNY's senior colleges, leading in turn to an overall decrease in available funds and lower expenditures per FTE in comparison to the national and peer averages. Senior colleges still allocate a greater portion of their funds to academic mission than do their peers, yet because of CUNY's financial situation, their academic mission expenditures per FTE still fall below their peers, hampering their ability to compete effectively.

Changes in the sources and amounts of total revenue have constrained an already limited allocation process. As a result CUNY leadership should re-examine resource allocations to programs and institutions.

- Although colleges and universities nationally have seen expenditures for academic support and administrative services increase over the past two decades, this diversion of funds should undergo continuous examination. Institutions that have initiated programs to reallocate resources internally have emphasized reversal of this trend. A much better understanding is needed of the reason for the differences among CUNY's colleges in these support expenditures, and opportunities need to be identified for improving administrative processes to reduce expenditures. The Board of Trustees, central administration, and the colleges should work collectively to assure that academic support and administrative services expenditures are consistent with campus strategic direction and priorities.
- Increased reliance upon tuition has also put additional pressure on the university's resource allocation process, which sometimes reallocates tuition revenues from schools with increasing enrollment in order to help schools with stagnant or declining enrollment. This process becomes particularly difficult in an environment of overall declining resources.

Universities nationally are developing new ways to generate revenue. To do so effectively, necessary infrastructure should be developed.

- Success in generating “other” revenues through contracts and grants and private fund raising is extremely variable across the CUNY colleges. To realize their fullest potential in generating these additional revenues, University-wide policies, incentives, and infrastructure will be required.
- While many colleges have made efforts to bring in development staff over the past two years, the university must do much more to increase revenue in this area. This will be critical for the university to supplement declining state and city support with sources beyond tuition revenue and public contracts.
- Securing additional capital funding for resource constrained campuses will depend on CUNY’s ability to put forward clear and well-organized proposals, as well as sort through the city funding that has been allocated, but not yet spent. By better demonstrating its ability to manage both projects and funding, CUNY may better position itself to increase capital funding from the city.
- CUNY should establish policies that reward -- and do not penalize -- individual colleges that reduce administration costs or generate additional support through fundraising and other appropriate revenue enhancement programs.