

8. HIGHER EDUCATION

The FY 2017 Executive Budget strengthens the ability of New York’s public system of higher education to excel academically and act as an economic engine. A renewed NYSUNY 2020 program and new strategic investments will yield further academic gains, create employment opportunities, and connect graduates to jobs. The Budget also realigns financial support for CUNY senior colleges commensurate with its governance structure.

Overview

Each year, New York State’s higher education institutions educate over 1.2 million students. The State University of New York (SUNY) and the City University of New York (CUNY) administer 47 four-year colleges and graduate schools that provide 396,000 full- and part-time students with an array of undergraduate, graduate, and first professional educational opportunities. SUNY and CUNY also support 37 community colleges, serving 333,000 students. In

addition, 532,000 students attend the more than 100 private colleges and universities across the State. Over the past 10 years, total enrollment at New York's institutions of higher education has increased by 127,000 (11 percent).

The State University Construction Fund (SUCF), City University Construction Fund (CUCF), and the Dormitory Authority of the State of New York (DASNY) administer and oversee a capital program for over 3,000 academic, research, hospital, dormitory, and multi-use facilities, which make up the physical infrastructure of the university systems.

To help students obtain and afford a college education, the Higher Education Services Corporation (HESC) provides students and families with various types of financial aid services. HESC oversees numerous State-funded aid programs, including the Tuition Assistance Program (TAP), the Aid for Part Time Study program, and 18 scholarship and award programs. Together these programs provide more than \$1 billion in financial aid to over 360,000 students. HESC also partners with the Office of the State Comptroller in administering the College Choice Tuition Savings program.

The State Education Department administers over \$100 million in funding for higher education including opportunity programs that help support the success of disadvantaged students and aid to private colleges.

Higher Education: Developing a Modern Workforce

SUNY/CUNY Senior Colleges

In 2011, Governor Cuomo signed groundbreaking legislation implementing the NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program. This five-year program, which is scheduled to end on July 1, 2016, strengthened New York State's system of higher education by introducing a rational and predictable tuition plan, a commitment to maintain State financial support, a competitive grant program making our State universities incubators of academic excellence and economic growth, and assistance to make college affordable for students with limited income.

The rational tuition policy replaced an era of unpredictable and sometimes extreme tuition increases by allowing each SUNY and CUNY campus to raise tuition by \$300 per year for five years. The program

enabled families to plan for college expenses, while making it possible for the public university systems to add faculty, reduce class sizes, expand program offerings, and improve academic performance.

NYSUNY 2020 and NYCUNY 2020 also maintain higher education affordability by augmenting the State's TAP program. Using a portion of the additional tuition revenue, students who receive TAP awards and attend SUNY State-operated colleges or CUNY senior colleges also receive financial aid in the form of tuition credits ensuring students with limited economic resources continue to have access to educational opportunities.

In addition, NYSUNY 2020 and NYCUNY 2020 launched a competition-based challenge grant program. This program has made New York's public universities incubators of academic excellence and economic growth at the center of the State's regionally based economic revitalization strategy. These grants leverage State capital funding to incentivize bottom-up, individualized, long-term economic development plans on campuses and their surrounding communities.

Governor Cuomo built upon these initiatives by launching START-UP NY, the groundbreaking initiative established in 2013 to transform SUNY and private

college and university campuses and communities across the State into tax-free zones. This program is attracting new businesses and encouraging existing businesses to expand. To date, a total of 155 businesses have been approved for START-UP NY participation and are projected to create over 4,200 net new jobs and nearly \$221 million in investment.

In 2015, to promote student success and institutional excellence, the Governor began the process of shifting State support from an enrollment-driven formula to one that bases a portion of state aid on performance. SUNY and CUNY received \$30 million in new investment and performance funds allocated to campuses based on their performance improvement plans that identify and implement best practices from around the systems. These plans include goals to improve outcomes in student access, completion, and post-graduation success.

Community Colleges

Several recent initiatives have combined to help modernize our community college system. In 2013, the Next Generation NY Job Linkage Program was

established to connect students to careers by having community colleges partner with regional employers to provide students with improved opportunities for post-graduation employment in a field related to their education. This initiative provides \$5 million in incentive funding to reward community colleges based on the success of their students in job placement and academic performance.

To further align community college offerings with regional needs, in 2015 SUNY created regional planning councils to ensure that community colleges collaborate with neighboring colleges as well as stakeholders from state agencies, local governments and business. In addition, a new Community College Community Schools program was launched to provide our most disadvantaged students the tools and support they need to persevere and graduate.

Making College More Affordable

Governor Cuomo has made several strategic investments to make college more affordable and to encourage the best and brightest students to build their future in New York State and help to fill critical jobs. For

the first time in 14 years, New York State increased the maximum TAP award, from \$5,000 to \$5,165.

The Governor also created a new scholarship program for the top 10 percent of students in each high school. These students receive full tuition scholarships to any SUNY or CUNY college or university if they pursue a Science, Technology, Engineering and Math (STEM) career and work in New York for five years.

The FY 2016 Budget included the new *Get on Your Feet Loan Forgiveness Program* to provide Federal student loan relief to New York residents who graduate from college and continue to live in the state for the first two years out of school if their income is not high enough to cover their student debt burden without significant financial hardship. Recognizing that the rising cost of college and sub-optimal student outcomes make college choice more critical than ever, New York created a standard financial aid award letter for colleges and universities to provide students and their families with information on the total costs of education and the success of other students after graduation.

Finally, both SUNY and CUNY have played key roles in implementing the New NY Education Reform Commission's recommended action plan to improve the

quality of New York’s education system. In particular, the university systems have taken action to raise admission requirements and strengthen the curriculum for teacher preparation programs.

Summary of Spending (General Fund)

Category	Academic FY 2016 (millions)	Academic FY 2017 (millions)	Change	
			Dollars (millions)	Percent
SUNY State-Operated Campuses*	2,646	2,676	30	1.1
CUNY Senior Colleges*	1,217	1,232	15	1.2
SUNY and CUNY Debt Service	1,187	1,188	1	0.1
HESC Financial Aid Programs	1,066	1,134	68	6.4
Community Colleges	735	729	(6)	(0.8)
SED Programs	106	106	0	0
SUNY Hospitals Subsidy**	88	69	(19)	(21.2)
Subtotal	7,045	7,134	89	1.3
NYC Share of CUNY Senior Colleges	0	(485)	(485)	--
CUNY Retroactive Salary Increases	0	240	240	--
General Fund Total	7,045	6,889	(156)	(2.2)

*Includes funding for campus operations and employee fringe benefits.

**Returns to the FY 2016 Executive Budget funding level.

Strategic Investments in Higher Education

The Executive Budget renews the NYSUNY 2020 and NYCUNY 2020 program for another five-year period and makes strategic investments including \$30 million to implement SUNY and CUNY performance improvement plans, creation of a \$15 million Clean Energy Workforce Opportunity Program to develop a new clean-tech workforce development program on SUNY campuses, and \$110 million for another round of NYSUNY 2020 and NYCUNY 2020 capital challenge grants.

In a continued effort to modernize our community college system, the Executive Budget establishes a new Apprentice SUNY: NY State Advanced Manufacturing Apprenticeship Program for community colleges to develop one of the largest statewide public/private partnership apprenticeship programs in the country. The Budget also expands the Community College Community Schools program to provide more support services to ensure student success, and supports the advancement of undocumented immigrants by enabling them to apply for State college tuition assistance under a DREAM Act initiative.

Finally, the Executive Budget will rationalize funding for CUNY senior colleges by having the City of New York pay a share of financial support that aligns with the City's participation in the governance of CUNY.

Major Initiatives

- **Renew NYSUNY 2020 and NYCUNY 2020.** To maintain an affordable and stable system of funding New York's public university systems, the Budget extends the NYSUNY 2020 and NYCUNY 2020 program for an additional five years. A new rational tuition plan will allow SUNY and CUNY to increase the New York resident tuition rate up to \$300 per year, provided they demonstrate considerable efforts to reduce spending and justify tuition increases based on inflationary indices. Additional revenue generated by a tuition increase would be used to support investments in faculty, instruction and tuition credits for TAP-eligible students. The renewed NYSUNY 2020 plan also continues the Governor's commitment to provide a consistent level of support for SUNY and CUNY. In addition, the Budget includes \$110 million for a new round of NYSUNY 2020 and NYCUNY 2020 capital challenge grants, \$55 million for each university system. Funding will continue to be awarded through a bottom-up competitive process by which campuses develop plans for improving academic outcomes, finding efficiencies, and promoting innovation and economic development.

- **Expand SUNY and CUNY Performance Initiatives.** The Budget continues the process of shifting state support from an enrollment-driven formula to one that bases a portion of State aid on performance. SUNY and CUNY will receive a new investment of \$30 million to implement campus performance improvement plans that identify and implement best practices from around the systems to improve outcomes in student access, completion, and post-graduation success. The Executive Budget also includes \$5 million for the Next Generation NY Job Linkage Incentive Fund.
- **Establish a Clean Energy Workforce Opportunity Program.** The Budget builds SUNY's capacity to educate the next generation of green energy workers. The \$15 million Clean Energy Workforce Opportunity Program will enable SUNY to work with clean energy companies to develop a new jobs training and certification program that will make New York a leader in clean tech workforce development. The funding will be used to hire new faculty and purchase cutting-edge equipment that will be used in these new academic programs.
- **Create Apprentice SUNY: NY State Advanced Manufacturing Apprenticeship Program.** To meet the growing need for a skilled workforce, the Budget provides funding for New York's community colleges to develop one of the largest statewide public/private partnership apprenticeship programs in the country, generating thousands of new employment opportunities for community college graduates.

In partnership with NYSDOL, this new \$5 million program will leverage the resources and capacity of the community colleges by building on the infrastructure developed with the \$15 million USDOL Trade Adjustment Assistance Community College and Career Training grant awarded in 2013. Apprentice SUNY will help 2,000 students receive classroom and practical training through new registered apprenticeships linked to degrees that provide new participants with paid on-the-job skills training, a degree or certificate, a portable, national industry-recognized credential and a full-time job upon graduation.

- **Expand Community College Community Schools.** To help more students and their families have the support they need to reach their educational goals, the Budget includes \$1.5 million to provide three additional Community College Community Schools grants. This program, which began in 2015, helps community colleges to address student needs such as child and elder care, transportation, health care services, family counseling, and employment assistance.
- **Make the Dream of Higher Education Available to All.** The Executive Budget supports the advancement of undocumented immigrants by enabling them to apply for State college tuition assistance under a DREAM Act. This initiative continues the State's tradition of welcoming immigrants and honoring their contribution to our culture and economy.
- **Realign Funding and Governance for CUNY Senior Colleges.** The Budget adjusts financial

responsibility for CUNY senior colleges to better align with CUNY governance. New York City's share of public support for CUNY senior colleges is only two percent, yet the City controls 30 percent of appointments to the CUNY Board of Trustees. This governance and funding structure dates back to a time when New York City was experiencing a fiscal crisis and was unable to support CUNY senior colleges. As New York City is no longer in a fiscal crisis – it ended 2015 with a multi-billion dollar surplus and billions in reserves – the Budget resumes the practice of sharing CUNY senior college expenses with the City. Commensurate with the percentage of CUNY appointments, the Budget requires that the City of New York assume a 30 percent share of CUNY senior college net operating and debt service expenses, totaling \$485 million in the 2016-17 City fiscal year.

Enactment of this cost sharing arrangement will enable the State to provide \$240 million from the General Fund to CUNY to support retroactive salary increases needed to ensure fair and affordable agreements with CUNY's labor unions.

