

## Higher Education Services Corporation, New York State

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### Mission

The Higher Education Services Corporation (HESC) provides centralized processing of student financial aid programs. HESC administers the State's Excelsior Scholarship, the Tuition Assistance Program (TAP), the Federal Family Education Loan Program and other State and Federal aid programs.

### Organization and Staffing

HESC is governed by a Board of Trustees comprised of fifteen members. Ten members are appointed by the Governor and confirmed by the Senate, the remaining five members serve in an ex-officio capacity and consist of the SED Commissioner, SUNY Chancellor, CUNY Chancellor, SUNY Student Assembly President, and Chair of the CUNY Student Senate. Daily operations are managed by HESC's President and senior administrative staff.

### Budget Highlights

The FY 2019 Executive Budget recommends \$1.2 billion in All Funds support for HESC and projects a workforce of 190 consistent with FY 2018 levels.

The FY 2019 appropriation level represents a \$21 million net decrease from the previous year reflecting estimated enrollment changes in various student financial aid programs offset by an increase in the Excelsior Scholarship.

Last year, building on the State's already generous tuition assistance, New York launched the groundbreaking Excelsior Scholarship to provide tuition-free college for middle class families. The FY 2019 Executive Budget launches the second phase of the Excelsior Free Tuition Program. For the 2018-19 academic year, the Excelsior Scholarship income eligibility threshold will increase, allowing New Yorkers with household incomes up to \$110,000 to be eligible. To continue this landmark program, the Budget includes \$118 million to support an estimated 27,000 students in the Excelsior program.

The FY 2019 Executive Budget includes legislation to launch the DREAM Act, opening the doors of higher education to thousands of New Yorkers. Since 2002, undocumented students qualify for in-state tuition at SUNY and CUNY if they graduated from a New York high school or received a GED in the state. Yet, each year, many talented students who graduate from New York high schools remain unable to fulfill their potential simply because they cannot afford the tuition and lack access to tuition assistance to help pay for school. The DREAM Act will give undocumented students access to the Tuition Assistance Program, as well as state-administered scholarships.

The FY 2019 Executive Budget also continues funding for the Get On Your Feet Loan Forgiveness Program, which provides 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.

The FY 2019 Executive Budget also advances a comprehensive plan to combat exploding student debt which includes: creating a Student Loan Ombudsman at the Department of Financial Services; requiring all colleges annually provide students with estimated amounts incurred for student loans; enacting sweeping protections for students including ensuring that no student loan servicers or debt consultants can mislead a borrower or engage in any predatory act or practice that may harm the borrower; and prohibiting the suspension of professional licenses of individuals behind or in default on their student loans.

For more information on this agency's budget recommendations located in the Executive Budget Briefing Book, click on the following link:

### Program Highlights

#### *Excelsior Scholarship*

Last year, New York launched the groundbreaking Excelsior Scholarship to provide tuition-free college for middle class families. The first-of-its-kind program covers tuition at New York's public colleges and universities for families making up to \$125,000 a year, when fully phased in. Along with other sources of tuition assistance, including the generous New York State Tuition Assistance Program, the Excelsior Scholarship will allow approximately 53 percent of full-time SUNY and CUNY in-state students, or more than 210,000 New York residents, to attend college tuition-free when fully phased in.

#### *New York State Tuition Assistance Program (TAP)*

**NYS DOB | FY2019 Executive Budget | Agency Appropriations**

TAP is one of the largest need-based grant programs in the nation, and the cornerstone of New York’s student financial aid programs. In 2016-17, more than 336,000 New Yorkers attending college were awarded more than \$917 million in TAP funds to help pay their college tuition costs – with an average annual award of \$3,320 per recipient.

**Targeted Scholarship, Loan Forgiveness and Award Programs**

During 2016-17, HESC-administered State scholarship and loan forgiveness programs provided tens of thousands of students with targeted awards towards their pursuit of a college education, with over \$63 million going to support the college costs of more than 37,000 students. The Get on Your Feet Loan Forgiveness Program provides 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.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available FY 2018</b>	<b>Appropriations Recommended FY 2019</b>	<b>Change From FY 2018</b>	<b>Reappropriations Recommended FY 2019</b>
State Operations	64,156,000	61,742,000	(2,414,000)	9,180,000
Aid To Localities	1,199,579,000	1,180,945,000	(18,634,000)	2,935,000
<b>Total</b>	<b>1,263,735,000</b>	<b>1,242,687,000</b>	<b>(21,048,000)</b>	<b>12,115,000</b>

**ALL FUND TYPES  
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM  
FILLED ANNUAL SALARIED POSITIONS**

<b>Program</b>	<b>FY 2018 Estimated FTEs 03/31/18</b>	<b>FY 2019 Estimated FTEs 03/31/19</b>	<b>FTE Change</b>
Administration			
Special Revenue Funds - Other	190	190	0
<b>Total</b>	<b>190</b>	<b>190</b>	<b>0</b>

**STATE OPERATIONS  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS  
(dollars)**

<b>Fund Type</b>	<b>Available FY 2018</b>	<b>Recommended FY 2019</b>	<b>Change</b>
Special Revenue Funds - Federal	3,500,000	3,500,000	0
Special Revenue Funds - Other	60,656,000	58,242,000	(2,414,000)
<b>Total</b>	<b>64,156,000</b>	<b>61,742,000</b>	<b>(2,414,000)</b>

NYS DOB | FY 2019 Executive Budget | Agency Appropriations  
**STATE OPERATIONS**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
(dollars)

Program	Available FY 2018	Recommended FY 2019	Change
Administration			
Special Revenue Funds - Other	60,656,000	58,242,000	(2,414,000)
Student Grant and Award Programs			
Special Revenue Funds - Federal	3,500,000	3,500,000	0
<b>Total</b>	<b>64,156,000</b>	<b>61,742,000</b>	<b>(2,414,000)</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND**  
**SUMMARY OF APPROPRIATIONS AND CHANGES**  
**FY 2019 RECOMMENDED**  
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	58,242,000	(2,414,000)	13,740,000	(1,494,000)
Student Grant and Award Programs	3,500,000	0	0	0
<b>Total</b>	<b>61,742,000</b>	<b>(2,414,000)</b>	<b>13,740,000</b>	<b>(1,494,000)</b>

Program	Nonpersonal Service	
	Amount	Change
Administration	44,502,000	(920,000)
Student Grant and Award Programs	3,500,000	0
<b>Total</b>	<b>48,002,000</b>	<b>(920,000)</b>

**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE**  
**APPROPRIATIONS**  
(dollars)

Fund Type	Available FY 2018	Recommended FY 2019	Change
General Fund	1,198,579,000	1,179,945,000	(18,634,000)
Special Revenue Funds - Other	1,000,000	1,000,000	0
<b>Total</b>	<b>1,199,579,000</b>	<b>1,180,945,000</b>	<b>(18,634,000)</b>

**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
(dollars)

Program	Available FY 2018	Recommended FY 2019	Change
Student Grant and Award Programs			
General Fund	1,198,579,000	1,179,945,000	(18,634,000)
Special Revenue Funds - Other	1,000,000	1,000,000	0

NYS DOB | FY2019 Executive Budget | Agency Appropriations

<b>Total</b>	<b>1,199,579,000</b>	<b>1,180,945,000</b>	<b>(18,634,000)</b>
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Note: Most recent estimates as of 01/16/2018