



SYRACUSE UNIVERSITY

OFFICE OF GOVERNMENT AND COMMUNITY RELATIONS

2008-2009 New York State Public Budget Hearing,
Syracuse, New York
November 27, 2007

Comments on behalf of Syracuse University, delivered by Diana Napolitano
Government Relations Associate,
Office of Government and Community Relations

Budget Director Francis and distinguished members of the panel, good afternoon. On behalf of Syracuse University, thank you for the opportunity to comment on the impact of the New York State budget on our university's programs. As I will demonstrate, continued state funding will allow us to carry on our engagement with the community, contribute to high-tech economic development, and increase access to higher education for low-income and historically-underrepresented students.

[In the interests of time, I will be reading only portions of the testimony that you have in front of you.]

I. Community Engagement

When Chancellor Nancy Cantor joined Syracuse University in 2004, her priorities included urban revitalization, economic development and community engagement. The University would leverage its resources for the benefit of Central New York, working with our community partners. This vision is becoming reality through **the Connective Corridor and the Arts, Technology & Design Quarter**, which is a key component of the Near Westside Initiative.

For the past 50 years, the Interstate-81 overpass cutting through downtown has been our own "Iron Curtain", dividing University Hill from the rest of the city. To ameliorate its effects, the University and its many partners are developing a one-and-a-half-mile signature strip of cutting-edge cultural development. This 'Connective Corridor' will connect University Hill with downtown Syracuse proper, providing a wealth of opportunities for student learning and faculty scholarship—and making Syracuse a more vibrant city.

The Corridor will make investments in key locations to support historic landmarks, cultural institutions and private development in the city. It will showcase these assets and ignite a resurgence of economic development, tourism, and residential growth. New and imaginative lighting, public and interactive art, urban reforestation, and technology hot spots will be featured along the Corridor. Businesses will grow and public spaces will transform into vibrant social spaces on Syracuse's new urban playground – the Connective Corridor, demonstrating that campus and community are interdependent and can thrive together.

The western extension of the Connective Corridor, the new Arts, Technology & Design Quarter, will be an interdisciplinary creative community of residences and workspaces for artists, designers, technologists and innovators rising among former warehouse and commercial structures in three blocks of an economically challenged area. The Arts, Technology & Design Quarter is central to the economic revitalization and urban redevelopment strategy embodied in the Connective Corridor. It is modeled in part on the highly successful Artist Relocation Program in Paducah, Kentucky.

The Arts, Technology & Design Quarter is a project of The Near Westside Initiative, Inc., a nonprofit development corporation established by the Rosamund Gifford Foundation to revitalize Syracuse's Near Westside. It is composed of some of the region's most experienced development professionals; neighborhood residents; and business, educational and nonprofit leaders from Syracuse, including representatives from Syracuse University, the City of Syracuse, National Grid, and others.

While the Connective Corridor has attracted federal and private monies, and a significant investment of the University's own funds, time, and talent, Syracuse University calls upon the New York State budget to include the \$20 million as announced by the Governor in his City by City Plan and by the Assembly on October 25 of this year. Additionally, we ask that the \$2 million for the West Side Initiative that was also announced that day be included in the budget.

II. New York State High Tech Economic Development

A. Syracuse Center of Excellence

New York State, through Empire State Development and NYSTAR, has invested, and must continue to invest, in high-tech and economic development programs carried out at Syracuse University. In addition to training the workforce for the future and creating new jobs, a world-class research center like Syracuse University can provide both the physical and intellectual infrastructure necessary to help transform a region's economy. Such transformative research is taking place at the **Syracuse Center of Excellence in Environmental and Energy Systems** ("COE").

Nationally and globally, demand is growing for innovations in environmental and energy systems that improve human health, wellness, and security, and promote sustainable communities. Partners in the **Syracuse Center of Excellence** are responding—developing new products and services in the areas of clean and renewable energy, healthy indoor environments, and sustainable natural resources. Projects include developing biofuels, improving office environments' air quality, and brownfield redevelopment. In fact, the **Syracuse Center of Excellence** itself will be a leading-edge 'green building', situated on a notorious (but rehabilitated) brownfield in downtown Syracuse.

The **Syracuse Center of Excellence** is a very successful private-public partnership. It is structured as a federation of corporations, economic development organizations, and universities and research institutions. Syracuse University leads the federation's research component, coordinating the efforts of eleven other New York State universities and research institutes, including the College of Environmental Science & Forestry (ESF), SUNY Upstate Medical University, Cornell University, University of Rochester, and the University of Buffalo. There are also more than 60 corporate and business partners in the Center of Excellence. They include manufacturers, engineering firms, law practices, architects, business associations and utilities.

Some are: Carrier Corporation; Honeywell International; IBM; O'Brien & Gere; Sensis Corp.; Bond, Schoeneck & King PLLC; Ashley McGraw Architects; Manufacturers' Association of Central New York; Welch Allyn, Inc.; Xerox; and National Grid.

In 2001, New York State proposed the launching of six Centers of Excellence across the state. Beginning in FY 2006-2007, the state provided operating funds for all of the Centers of Excellence. The 2007-2008 state budget dedicated almost \$7.1 million (\$7.075 million) in total support for these operating costs. SU received almost \$1.2 million (\$1,179,166). There is real momentum at the **Syracuse Center of Excellence**—it has secured more than \$30 million in federal research funding and its partners have created four new products that are now on the market.

They are:

1. IsolationAir, developed by Air Innovations, Inc., in collaboration with SUNY Upstate Medical University. It converts standard hospital rooms into isolation rooms.
2. "Q" Air Terminal System, engineered by NuClimate Air Quality Systems, Inc. It improves the air quality in building ventilation systems and uses less energy than current systems.
3. OrthoSystems, Inc., in partnership with Syracuse University. It creates a real-time, switchable molecular sensor to detect harmful substances in drinking water.
4. Ultra-Fine Particle Counter, developed by Thermo Electron Corp. in collaboration with Clarkson University. It determines the concentrations of aerosol particles down to two nanometers in size.

This economic momentum from the increase in product development and research grants has led to the creation of new companies and scores of jobs in the region, including 102 positions related to the **Syracuse Center of Excellence**, recently added at local engineering firm O'Brien & Gere.

Therefore, Syracuse University asks that the 2008-2009 budget continue to provide **Syracuse Center of Excellence** operating funds.

B. The CASE CENTER

A second example of high tech economic development is Syracuse University's **New York State Center for Advanced Technology in Computer Applications and Software Engineering**, otherwise known as the "**CASE Center**." Funded by NYSTAR, the CASE center uses University resources to help businesses, from start-ups in its incubator to multinational corporations. Currently, the CASE Center is working with several local companies to develop products in a signature technology called **SAID (Sense, Analyze, Interpret, and Decide)**.

Since 1984, the CASE Center has carried out about 585 projects for 225 organizations. It has helped about 285 businesses, and created about 100 jobs. For FY 2006-2007, it received about \$1.3 million in state funding. We call upon the 2008-2009 budget to maintain total funding for the CAT program statewide at \$15 million, that is, about \$1 million for each Center across the state.

C. NYSTAR Science and Technology Law Center

In 2004, Syracuse University College of Law competed for and won the designation of The New York State Science & Technology Law Center. With cumulative state funding in excess of \$1 million, the Science & Technology Law Center has provided legal education, research, information and support services to more than thirty research centers throughout the State. In turn, those centers develop new technologies and seek to compete in the marketplace.

Under the direction of College of Law professor Theodore Hagelin, the Science & Technology Law Center works on about eight projects per academic year. The projects are managed by academic, professional and corporate partners in law, business, and technical disciplines, and are supported by interdisciplinary student research teams. As part of its mission of providing information and education, the Science & Technology Law Center publishes a monthly newsletter focusing on law, business, and government developments affecting technology commercialization. The newsletter reaches about 4,300 persons a month. The Science & Technology Law Center also prepares research reports of approximately 100-150 pages, which represent 2,000-3,000 hours of faculty and student research and analysis.

Two companies that have already benefited from the Science & Technology Law Center's expertise are in the Syracuse area. One is Wireless Grids Corp., a start-up company developing software that enables users to make effortless connections among computers, personal digital assistants, cellular telephones, and other electronic devices through a wireless grid. (Wireless Grids Corp. is also affiliated with the Syracuse University CASE Center, a technology business incubator, which I will talk about a little later on.)

The Science & Technology Law Center has also assisted NorthEast Surplus & Materials LLC, of Syracuse. It recycles 'e-waste', that is, obsolete computers and electronic devices. NorthEast is a member of the South Side Entrepreneurial Connect Project, an offshoot of the Martin J. Whitman School of Management's Falcone Center for Entrepreneurship at Syracuse University.

In 2006-2007, the Science & Technology Law Center received \$350,000 in the budget. Syracuse University urges you to continue funding this program.

D. Other NYSTAR-funded projects

Syracuse University has also been able to participate in the NYSTAR Faculty development program, for which the University received \$4 million in 2006-2007. We ask that funding for this key program continue.

III. Access to Higher Education

Syracuse University is dedicated to improving access to higher education for economically and educationally disadvantaged students and students from underrepresented minorities. We participate in these statewide programs: the Higher Education Opportunity Program (HEOP), the Science and Technology Entry Program (STEP), the Collegiate Science and Technology Entry Program (C-STEP), and the Liberty Partnership Program.

Altogether, last year, Syracuse University received more than \$2 million in state funds for these programs—to which we happily contribute our own funds (\$5.5 million for HEOP alone). It is imperative that the state continue to fund these valuable access programs.

A. HEOP

HEOP provides funds for special testing, counseling, tutoring, remedial courses, and financial assistance for academically motivated students underprepared for college because of lack of opportunity.

- HEOP benefits underrepresented students. 78% of SU's HEOP students are African-Americans, Hispanic/Latinos, or Native Americans.

- HEOP is effective. Despite their educational disadvantage, 57.7% of all HEOP students complete their degree programs in six years compared to 55.9% of all enrolled students statewide. Up to 27% of HEOP students go on to earn graduate or professional degrees and enter into the job market.
- Statewide, HEOP only serves approximately 15% of the students who are eligible for the program.
- At least 80% of HEOP graduates stay, work, and pay taxes in New York State.
- At Syracuse University, HEOP programs benefited 299 New York State residents in FY 06-07.
- Independent colleges and universities are strongly committed to the success of this program. For FY 06-07, Syracuse University provided more than \$5.5 million to its HEOP program, an increase of approximately \$509,000 over the prior fiscal year and nearly five times the amount received in state funding.

B. STEP and C-STEP

STEP and C-STEP prepare students for professional or pre-professional study in scientific, technical, and health-related fields including math and science. They assist underrepresented minority or economically disadvantaged students in elementary, secondary, and post-secondary levels.

- In 2006-2007, 61% of C-STEP undergraduate students at Syracuse University had a grade point average of 3.0 (B) or better, and 97% had a GPA of 2.0 (C) or better.
- C-STEP has been at Syracuse University since 1987 and has graduated more than 560 students.
- For FY 06-07, Syracuse University's STEP program received \$349,946 in State funds and assisted 100 students. The C-STEP program received \$350,000 and assisted 140 students.

C. The Liberty Partnership Program (LPP)

The Liberty Partnership Program (LPP) was established in 1988 to help at-risk students to complete high school and attend college. Funds are provided to colleges, universities, and not-for-profit organizations, which cooperate with local school districts to provide academic and personal support.

- Syracuse University is part of the Syracuse Area Liberty Partnerships Consortium, along with Onondaga Community College, and Le Moyne College. Together, these institutes of higher education work with the Syracuse City School District, providing comprehensive support for 700 middle and high school students.
- LPP utilizes a holistic approach to accomplish its mission that includes special classes and tutorial services; counseling; career and college exploration activities; mentoring; and a variety of enrichment activities. These services are offered at all four city high schools and ten middle schools.

- For FY 06-07, Syracuse's Liberty Partnership Program received \$216,687 in State funds and assisted 220 students.

IV. Other Aid

Syracuse University requests that the state continue to fund two very important aid programs, the Tuition Assistance Program ("TAP") and the "Direct Institutional Aid program" (Bundy Aid). Through these programs, more students from New York State are able to avail themselves of the benefits of higher education, for a brighter and more productive future.

A. NEW YORK STATE TUITION ASSISTANCE PROGRAM (TAP)

The Tuition Assistance Program (TAP) is vitally important to Syracuse University in meeting enrollment targets and increasing student diversity. It is a state entitlement program providing financial aid to eligible, full-time New York State resident students, based on a sliding income scale. The program enables thousands of New York State residents to become full-time students at a college of their choice in New York State.

- The myth that independent colleges and universities are a haven for the wealthy is false. Overall, 78% of Syracuse students receive some form of financial aid based on demonstrated need.
- New York State is SU's primary source of students. Although Syracuse enrolls students from all 50 states and more than 90 countries, approximately 41% of Syracuse's full-time, undergraduate students are from New York State.
- TAP support is a major influence in enabling these students to attend Syracuse. In 2006-2007, 3,369 Syracuse University students qualified for a total of more than \$7.8 million in TAP funding.
- TAP operates as a major factor in increasing student diversity. 16.7% of our full-time students enrolled for Fall 2005 on main campus were African-American, Latino-American or Asian American.
- The annual maximum TAP award is \$5,000, which covers only 17.35% of tuition for students who choose Syracuse University, compared to a maximum of 100% of tuition in 2006-2007 at public universities.
- The current maximum TAP award for graduate students is \$550. The income eligibility ceiling varies from \$5,666-\$20,000 Net Taxable Income, based on the student's financial independence and other factors.
- For FY 06-07, financial aid (\$154 million) accounts for about 20% of Syracuse's annual budget; this is the second-highest percentage of expenditures, after salaries.

B. DIRECT INSTITUTIONAL AID FOR INDEPENDENT HIGHER EDUCATION ("Bundy Aid" Program)

The Direct Institutional Aid program ("Bundy Aid") was established in 1968 to encourage an effective partnership between public and independent higher education within New York State.

The program provides direct unrestricted payments to independent colleges and universities each year, based on degrees actually conferred on students. The program is outcome-based, accountable and cost-effective.

- New York has 100-plus independent colleges and universities, more than any other state in the nation.
- Together, the independent colleges and universities are a tremendous private economic resource for New York State. Each year, they make combined direct expenditures of \$34.9 billion and have an estimated economic impact of \$41.4 billion. They employ more than 139,000 New Yorkers, with a payroll of \$15.3 billion; spend more than \$2.1 billion on research, and sponsor 500 research centers and institutes that are available to businesses and the community.
- Independent colleges and universities combined enroll 300,000 New York residents and award 59% of all baccalaureate degrees, 74% of master's and 81% of all doctoral and first professional degrees in the state.
- The independent sector grants more bachelor's degrees to African-American and Hispanic students than either SUNY or CUNY.
- Students who attend independent sector, four-year colleges and universities are poorer than their counterparts at State University, four-year campuses. In 2003-2004 (the latest year for which data are available), 31% of New Yorkers attending SUNY four-year campuses come from families that earn less than \$40,000 annually. In comparison, that percentage for independent-sector, four-year campuses is 32%.

While SU's share of state Bundy Aid funding has dropped from \$1.8 million in state funding to \$1.6 million in recent years, SU has continuously increased its financial contributions to continue implementing this vital program.

- For FY 06-07, Direct Institutional Aid was funded at 27 % of the statutory formula.
- In FY 05-06, SU spent \$163.0 million on student financial aid, while at the same time only receiving \$1.6 million from the State in Bundy aid.

V. Higher Education Facilities Capital Match Program

In the 2007-2008 budget, \$150 million was appropriated for this valuable program. Syracuse University had applied to it to support the construction of a new residence hall on campus. Unfortunately, the Capital Match Program has been stalled for the past year and a half. We ask for the Department of Budget's help in moving it forward.

VI. Conclusion

Ladies and gentlemen of the panel, thank you for taking the time to listen to the public as you develop next year's budget. We hope that Syracuse University's comments will help you understand the wide range of programs that not only do our students depend upon and benefit from, but also how the University is vital to the cultural and economic fabric of our community. I invite you to contact our office at 315-443-3919 if you need further information on anything I have mentioned here today.

Thank you.