

Higher Education

*State University of New York
City University of New York
State University Construction Fund
Higher Education Services Corporation*

I. Overview

Each year, New York State's higher education institutions educate more than 1.3 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 nearly 400,000 full- and part-time students with an array of undergraduate, graduate degree, and first professional educational opportunities. SUNY and CUNY also support 36 community colleges, serving more than 330,000 students. In addition, more than 540,000 students attend one of the more than 100 private colleges and universities across New York State.

To help students obtain a college education, the Higher Education Service Corporation (HESC) provides financial aid services. HESC administers and guarantees student loans made under the Federal Family Education Loan (FFEL) program, and oversees State-funded aid programs, including the Tuition Assistance Program (TAP), the New York Higher Education Loan Program (NYHELPS), the Aid for Part Time Study (APTS) program, and 16 scholarship and award programs. HESC also partners with the Office of the State Comptroller in administering the College Choice Tuition Savings Program.

II. History/Context

The nearly \$12 billion of new capital project funding provided to SUNY and CUNY since 2003-04 has supported state-of-the-art improvements and renovations at these institutions' vast infrastructure of campuses. Improvements to research facilities, dormitories, classroom space and other buildings represent important investments in communities that have helped create jobs throughout New York State.

III. Proposed 2011-12 Budget Actions

The Executive Budget's General Fund support for SUNY and CUNY senior colleges represents gap-closing actions worth \$185.5 million — \$115.4 million for SUNY and \$70.1 million for CUNY.

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Additionally, the Executive Budget includes \$135 million in gap-closing actions (\$167 million on a full annual basis) reflecting the elimination of the subsidy for SUNY's three teaching hospitals. The subsidy accounts for approximately 8 percent of overall SUNY hospital revenue.

The Executive Budget includes legislation that would enable SUNY and CUNY to streamline their procurement processes, and provide SUNY with greater flexibility to engage in public-private partnerships (CUNY already has flexibility in this area). These reforms, with continuing efforts by the universities to generate efficiencies through administrative consolidation, program redesign, and workforce concessions, will help the campuses and hospitals design management strategies that maintain their core missions in the face of declining State support.

A total of \$46.3 million of gap-closing actions is achieved by reducing Base Operating Aid for SUNY and CUNY Community Colleges by \$226 per student, or 10 percent, from \$2,260 per student to \$2,034. Because of projected community college enrollment increases, year-to-year support would decline 5.9 percent from 2010-11 levels.

The budget also extends the one-year reductions to TAP enacted in 2010-11, which would provide gap-closing values in 2011-12 of \$30.8 million. Overall funding for TAP would increase by \$19.0 million, or 2.3 percent, from 2010-11 levels on an All Funds basis due to enrollment growth.

IV. Summary of Spending (General Funds)*

Category	2010-11 (\$ in millions)	2011-12 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Higher Education	3,018	2,938	(80)	(2.7)
SUNY	1,515	1,377	(138)	(9.1)
CUNY	707	670	(37)	(5.2)
HESC	796	891	95	11.9

* Excludes directly appropriated fringe benefit funding and includes comparability adjustment for SUNY hospitals.

V. Major Initiatives

Gap-closing Actions

Proposal	2011-12 (\$ in millions)	2012-13 (\$ in millions)
Reduce Support for SUNY/CUNY Senior Colleges	170	170
Reduce Support for SUNY Statutory Colleges at Cornell and Alfred Universities	15	15
Reduce Base Aid for SUNY/CUNY Community Colleges	46	46
Eliminate SUNY Hospital Subsidy	135	167
Reduce Spending Authority for Long Island Veterans' Home	5	5
Maintain Current Formulas for Allocating TAP Awards	31	45
Extend Loan Forgiveness and Scholarship Programs for Nurses and Physicians	(8)	(4)
Other Higher Education Reductions	6	6
Total	400	450

- Reduce Support for SUNY/CUNY Senior Colleges.** The Executive Budget reduces General Fund support for SUNY and CUNY senior colleges by \$170.1 million (\$100 million and \$70.1 million, respectively). After this reduction, General Fund support would total \$832.3 million for SUNY and \$509.4 million for CUNY. *(2011-12 Value: \$170.1 million; 2012-13 Value: \$170.1 million)*
- Reduce Support for SUNY Statutory Colleges at Cornell and Alfred universities.** State support is provided through SUNY to five statutory colleges, including four colleges at Cornell University and the College of Ceramics at Alfred University. In addition, the State provides support for Cornell's land grant mission. The Executive Budget reduces total support by \$15.4 million. After this reduction, \$78.9 million would be provided for Cornell's statutory colleges, \$42.1 million for the land grant program, and \$8.1 million for the College of Ceramics. This represents a year-to-year reduction of 10 percent. *(2011-12 Value: \$15.4 million; 2012-13 Value: \$15.4 million)*
- Reduce Base Aid for SUNY/CUNY Community Colleges.** The Executive Budget reduces SUNY and CUNY community college base aid by 10 percent, or \$226 per full-time equivalent (FTE) student, from \$2,260 to \$2,034 per FTE. After this reduction, General Fund support would total \$427.8 million for SUNY and \$172.5 million for CUNY. *(2011-12 Value: \$46.3 million; 2012-13 Value: \$46.3 million)*

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- **Eliminate SUNY Hospital Subsidy.** The Executive Budget eliminates General Fund support for the three SUNY teaching hospitals in Brooklyn, Stony Brook, and Syracuse, which represents approximately 8 percent of total hospital operating revenue. *(2011-12 Value: \$134.8 million; 2012-13 Value: \$166.9 million)*
- **Reduce Spending Authority for Long Island Veterans' Home:** The Executive Budget assumes a \$4.7 million reduction, or 10 percent, in operating spending for Long Island Veterans' Home, and the transfer of these savings to the State treasury. *(2011-12 Value: \$4.7 million; 2012-13 Value: \$4.7 million)*
- **Maintain Current Formulas for Allocating TAP Awards.** The Executive Budget essentially maintains current policies for TAP enacted in 2010-11 in order to reduce projected growth in the program. These policies include continuing the current maximum TAP award for students enrolled in certain two-year degree granting programs, requiring private pension and annuity income not subject to State taxes to be included determining TAP award eligibility, increasing the academic standards for continued TAP award eligibility and others. *(2011-12 Value: \$30.8 million; 2012-13 Value: \$45.1 million)*
- **Extend Loan Forgiveness and Scholarship Programs for Nurses and Physicians.** The Executive Budget extends the Physician Loan Forgiveness Program, the McGee Nursing Faculty Scholarship Program and the Nursing Faculty Loan Forgiveness Program. These programs provide benefits to nurses who agree to serve as educators in nursing programs and to physicians who agree to practice in areas with physician shortages. *(2011-12 Value: \$7.7 million; 2012-13 Value: \$4.2 million)*
- **Other Higher Education Reductions.** The Executive Budget reflects spending re-estimates for NYHELPS. *(2011-12 Value: \$6.0 million; 2012-13 Value: \$6.0 million)*