



9. Higher Education

The Executive Budget strengthens the ability of New York's public system of higher education to excel both academically and as an economic engine. New strategic investments will yield further academic gains, create employment opportunities, and connect graduates to jobs.

Overview

Each year, New York State's higher education institutions educate nearly 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 403,000 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 328,000 students. In addition, 541,000 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 160,000 (14 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 16 scholarship and award programs. Together these programs provide more than \$1 billion in financial aid to over 343,000 students. HESC also partners with the Office of the State Comptroller in

administering the College Choice Tuition Savings program.

Higher Education: Developing a Modern Workforce

In 2011, Governor Cuomo signed groundbreaking legislation implementing the NYSUNY 2020 Challenge Grant Program. This act 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. These modest tuition rates maintain the affordability of New York's public colleges and universities, and the predictability enables families to plan for college expenses.

Coupled with the NYSUNY 2020 commitment to provide a consistent level of State General Fund

support, the rational tuition policy makes it possible for the public university systems to add faculty, reduce class sizes, expand program offerings, and improve academic performance.

NYSUNY 2020 also maintains 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.

Beyond establishing a stable system of State and tuition support, NYSUNY 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 in 2013, a game-changing

strategy to create tax-free communities affiliated with our public and private universities, and bring new economic investment to New York, especially Upstate. The program offers businesses that locate or expand in New York the opportunity to operate completely tax-free for ten years on or near eligible campuses. This unique marriage between public and private entities will drive economic growth and foster innovative collaboration. Businesses that partner with these institutions will benefit from access to industry experts and advanced research laboratories. The colleges and universities benefit from the innovation-driven public-private partnerships that create new opportunities for students and researchers. To date, a total of 55 businesses have been approved for START-UP NY participation and are projected to create over 2,100 net new jobs and over \$98 million in investment.

Another significant enhancement to our higher education system in 2013 was Governor Cuomo's Next Generation NY Job Linkage Program. This innovative program connects degrees 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. The Governor's initiative also provides \$5 million in incentive funding to reward community colleges based on the success of their students in job placement and academic performance.

In 2014, Governor Cuomo made 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.

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	AFY 2015 (millions)	AFY 2016 (millions)	Change	
			Dollars (millions)	Percent
Higher Education	3,337	3,395	58	1.7
SUNY Operating Support	980	987	7	0.7
CUNY Operating Support	527	537	10	1.9
Community Colleges	705	701	(4)	(0.6)
SUNY Hospital Subsidy*	88	69	(19)	(21.6)
HESC Grants and Scholarships	1,037	1,101	64	6.2

* Returns to the FY 2014 funding level after accounting for non-recurring aid included in the FY 2015 Enacted Budget.

2015-16 Strategic Investments in Higher Education

The Executive Budget makes several new strategic investments in higher education to leverage greater academic achievement and economic development, with particular focus on improving the value of higher education.

To foster a culture of excellence, the Budget will begin to shift the basis of funding from enrollment to performance by having SUNY and CUNY colleges complete performance improvement plans that will serve as the basis for performance funding allocations in future years. These plans will establish ambitious goals to improve student outcomes and drive new initiatives to make experiential learning a requirement for graduation, create a Master Researcher Program,

and reward START-UP NY success with performance bonuses for college presidents.

The Executive Budget modernizes our community college system by establishing regional planning councils to ensure that the colleges within each economic development region are working together along with stakeholders from other State agencies, local governments and business and industry. In addition, a new Community College Community Schools program will be launched to provide our most disadvantaged students the tools and support they need to persist and graduate.

The Budget will also streamline the approval process for new programs and degrees to ensure SUNY and CUNY can respond quickly to employer demands and adapt their curriculum and degree programs to meet the needs of growth sectors.

In addressing the financial burden of college, the Executive Budget will create 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. A new *Get on Your Feet Loan Forgiveness Program* will 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.

The Budget will support the advancement of undocumented immigrants by enabling them to apply for State college tuition assistance under a new DREAM Act initiative.

To build upon the success of the Challenge Grants, the Executive Budget includes \$110 million to launch another round of NYSUNY 2020 and NYCUNY 2020. In addition, the Budget includes capital resources to build a new School of Pharmacy at SUNY Binghamton.

Finally, consistent with the provisions of the NYSUNY 2020 Challenge Grant Program, the Budget provides on-going General Fund operating support for SUNY and CUNY colleges and accommodates 2015-16 tuition increases by providing \$155 million in additional spending authority for SUNY and \$61 million for CUNY.

Major Initiatives

- **Shift Funding from Enrollment to Performance.** To promote student success and institutional excellence, the Budget will begin the process of shifting State support from an enrollment driven formula to one that bases a portion of State aid on performance targets. As a requirement to receive 10 percent of State support, SUNY and CUNY colleges will develop performance improvement plans to serve as the basis for performance funding allocations in future years. These plans will include goals to improve access, completion rates, academic and post-graduation success, research potential and community engagement. These plans will also drive new initiatives to: make experiential learning a requirement for graduation; create a Master Researcher Program that pays bonuses to successful professors who generate the most impactful research, development, and commercialization opportunities; and reward START-UP NY success with performance bonuses for college presidents who provide proven leadership resulting in commercialization of research. The Executive Budget includes \$30 million in new incentive funding to reward colleges who complete approved performance improvement plans.
- **Align Community Colleges within the Economic Development Regions.** The Executive Budget will create nine regional planning councils ensuring that the 29 community colleges outside New York City

cooperate with their neighboring colleges within the nine economic development regions of the State, and that the colleges, along with stakeholders from other State agencies, local government and business and industry in a region are working together. This initiative will limit competition by colleges for students within a region, better align education and training program offerings to regional economic development goals and activities, and improve student outcomes.

- **Create Community College Community Schools.** The Executive Budget includes \$2.5 million that will allow five community colleges to participate in a community schools initiative. This program will bring healthcare to campus, assist students with transportation, provide additional resources for child/elder care, and augment existing academic and career development supports. Community colleges serve some of the State's most disadvantaged students and communities, and are more likely than four-year institutions to attract part-time and nontraditional students who are trying to balance, work, family, and other obligations with their education. Through the community schools initiative, students will have the tools and supports they need, both in and out of the classroom, to persist and graduate.
- **Streamline New Education Program Approval to Meet Workforce Needs.** To ensure responsiveness to the rapidly evolving skills that

employers require of their employees, the Budget will streamline the process to approve programs and degrees at SUNY and CUNY. This change is will enable New York to better compete in the Global Economy.

- **Achieve Efficiencies Through Back Office Consolidation.** New York State operates and finances two distinct university systems – SUNY and CUNY. The Budget will begin to reduce higher education administrative costs by having these systems develop a back office consolidation plan to combine human resources, financial management, information technology services and other administrative functions.
- **Make the Dream of Higher Education Available to All.** The Executive Budget will support 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. An Education Tax Credit will also be available once the DREAM Act is enacted.
- **Enact the Get on Your Feet Loan Forgiveness Program.** The Budget will allow New York residents who graduate from college and continue to live in the State to pay nothing on their federal student loans for the first two years out of school if their income is not high enough to cover their student debt without posing a

significant financial hardship. For students who attend colleges in New York State and continue to live in the State following graduation, participate in the new federal Pay As You Earn (PAYE) income-based loan repayment program and earn less than \$50,000 annually, New York State will cover 100 percent of their student loan payments for two years so they are not overwhelmed with debt repayments while they are working to get launched in the job market.

- **Standardize Financial Aid Letters.** Recognizing that the rising cost of college and sub-optimal student outcomes make college choice more critical than ever, the Budget will create a standard financial aid award letter for colleges and universities to use to provide data regarding institutional performance in the areas of student access, degree completion and post-graduation success. With this information, students and their families will know the total cost of an education, how much aid they will receive and how much needs to be repaid. They will also be able to see how well other students have done once they graduated from the college they are considering.
- **Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** The Budget includes \$110 million for a new round of NYSUNY 2020 and NYCUNY 2020 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. Priority will be given to plans that: use technology, including but not limited to the expansion of on-line learning, to improve academic success and job opportunities for students; leverage economic and academic opportunities through the START-UP NY program; and provide experiential learning opportunities that connect students to the workforce. This strategic investment will continue the Governor's initiative to make our university systems into incubators of academic excellence and economic growth.

- **Establish a School of Pharmacy at Binghamton University.** The 2014-15 Enacted Budget provided \$10 million to begin the design and construction of a new School of Pharmacy at Binghamton University. The Executive Budget includes \$50 million to complete construction of the School. This initiative will help Binghamton continue to build its stature as a premier research university, expand enrollment, create jobs, increase economic activity in the Southern Tier, and help meet health care workforce needs in the State.