

The FY 2018 Executive Budget will help alleviate the crushing burden of student debt while enabling thousands of bright young students to realize their dream of higher education through a groundbreaking initiative to make New York's public colleges tuition-free for middle-class families. The Budget also includes several strategic investments that will strengthen the ability of New York's colleges and universities to excel academically and act as an economic engine for their regions.

Overview

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 more than 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 over 324,000 students. In addition, nearly 520,000 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 103,000 (9 percent).

The State University Construction Fund (SUCF), City University Construction Fund (CUCF), and the Dormitory Authority of the State of New York (DASNY) administer 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.

The Higher Education Services Corporation (HESC) is New York State's student financial aid agency and a national leader in helping make college affordable for New York residents. HESC oversees numerous State-funded financial aid programs, including the Tuition Assistance Program (TAP), the Aid for Part Time Study program, and 18 scholarship and loan forgiveness programs. Together, these programs provide financial aid to more than 373,000 students. HESC also partners with the Office of the State Comptroller in administering the College Choice Tuition Savings program.

The State Education Department administers funding for higher education, including opportunity programs that help support the success of disadvantaged students and aid private colleges.

Budget Highlights

Over \$7 Billion for Higher Education. The Executive Budget increases support for higher education by 5.4 percent. The State already provides over \$7 billion in total support for higher education in New York – an increase of \$1 billion since FY 2012.

Make SUNY and CUNY Tuition-Free for Middle-Class Families. Governor Cuomo proposes making college tuition-free for New York's middle-class families at all SUNY and CUNY two- and four-year colleges.

Pass the DREAM Act. The DREAM Act would open the doors of higher education to thousands of undocumented students, an investment in New York's future.

Renew Predictable Tuition Plan for SUNY and CUNY. Predictable funding for CUNY and SUNY protects students from tuition spikes that have occurred in the past and provides our public colleges with additional resources.

Performance Profile

New York's Affordable Higher Education. The NYSUNY 2020 and NYCUNY 2020 program, established in 2011, has kept tuition increases low and predictable. In 2016, average tuition and fees at New York's public four-year colleges were \$7,710, or 20 percent less than the national average and lower than 38 other states.

A Growing Student Body. Over the past 10 years, total enrollment at New York's institutions of higher education has increased by 103,000 (9 percent).

Higher Education: A Path to Opportunity

Under the leadership of Governor Cuomo, New York State provides more than \$7 billion in total support for colleges and universities—an increase of \$1 billion since 2012. This investment includes \$5 billion for SUNY state-operated campuses and CUNY senior colleges, and more than \$750 million for community colleges. New York State also provides over \$1 billion in financial assistance to students through the Tuition Assistance Program, various scholarships and loan forgiveness programs.

New York's support for public higher education, including local funding, is significantly higher than most other states—an average of \$8,830 per student in Fiscal Year 2015, 27 percent above the national average and more than 45 other states.

New York State is also reigning in college costs: average tuition and fees at the State's four-year public institutions were \$7,710 in 2016, 20 percent less than the national average and lower than 38 other states.

Governor Cuomo has championed financial assistance and debt relief for New York students. For many of New York's students, the subsidy of the Tuition Assistance Program—with additional support from the Federal Pell Grant—means that tuition is fully covered. The Governor's Get On Your Feet Loan Forgiveness Program—the nation's only state-sponsored need-based loan forgiveness program—provides up to 24 months of Federal student loan debt relief to recent college graduates, regardless of degree or profession.

In 2011, Governor Cuomo established the NYSUNY 2020 and NYCUNY 2020 program to keep tuition increases low and predictable, while providing additional resources to New York's public colleges and universities. NYSUNY 2020 and NYCUNY 2020 fixed an unpredictable tuition rollercoaster that prevented students and their families from being able to plan for the full cost of their education and ended the days of drastic tuition spikes. As a result of this program, New York's public four-year resident tuition rates remain the lowest in the northeast and in the lowest quartile nationally. This legislation also allowed campuses to better plan and leverage the State's investments for student success.

Through NYSUNY 2020 and NYCUNY 2020, Governor Cuomo has made significant strategic investments in New York's public college systems by providing a consistent level of annual State funding, as well as \$580 million in competitive capital grants to make SUNY and CUNY incubators of academic excellence and economic growth. These grants leverage State capital funding to incentivize bottom-up, individualized, long-term economic development plans on campuses and their surrounding communities.

Table 9: Summary of Spending (General Fund)

Category	Academic FY 2017 (millions)	Academic FY 2018 (millions)	Change	
			Dollars (millions)	Percent
SUNY State-Operated Campuses*	2,691	2,844	153	5.7
CUNY Senior Colleges*	1,239	1,269	30	2.5
SUNY and CUNY Debt Service	1,156	1,258	102	8.8
HESC Financial Aid Programs	1,022	1,174	152	14.9
Community Colleges**	751	731	(21)	(2.7)
SED Programs***	124	109	(15)	(12.1)
SUNY Hospitals Subsidy***	88	69	(19)	(-21.6)
General Fund Total	\$7,071	\$7,454	\$383	5.4

*Includes funding for campus operations and employee fringe benefits.

**Decrease in funding largely attributable to enrollment declines at SUNY.

***Returns to the FY 2017 Executive Budget appropriation level.

Strategic Investments in Higher Education

Building on the success of the Governor's record in providing students with a path to an affordable and quality college education, the Executive Budget proposes a groundbreaking free-tuition program for middle-class families, as well as several other strategic investments to ensure all students in New York have the opportunity to achieve their goals, regardless of financial circumstances. These investments will strengthen the ability of New York's colleges and universities to excel both academically and as economic engines.

Major Initiatives

- **Make SUNY and CUNY Tuition-Free for Middle-Class Families through Excelsior Scholarships.** Governor Cuomo proposes making college tuition-free for New York's middle-class families at all SUNY and CUNY two- and four-year colleges. New York's tuition-free college degree program, the Excelsior Scholarship, is the first of its kind in the nation and will help alleviate the crushing burden of student debt while enabling thousands of students to realize their dream of higher education. As a college education is increasingly necessary to succeed in the 21st century workplace, the Excelsior Scholarship program will ensure all of New York's students have access to a quality education and the skills they need to succeed in the global economy. Tuition-free college would begin immediately for

students of families making up to \$100,000 annually, and phase in over the next two years to those making \$125,000 annually. To qualify for an Excelsior Scholarship, students in both community college and four-year colleges who are residents of New York State must be on track to complete their degree in only two or four years, depending on the program. Once fully phased in, the program is estimated to cost \$163 million per year.

- **Pass the DREAM Act.** The Executive Budget includes legislation to enact 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. An investment in young immigrants' futures is an investment in New York's future.
- **Renew a Predictable Tuition Plan for SUNY and CUNY.** The Budget renews a predictable funding plan for CUNY and SUNY that will both protect students from tuition spikes that have occurred in the past and provide our public colleges with additional resources to invest in college affordability and student success. This plan limits increases in the resident tuition rate at SUNY and CUNY to no more than \$250 a year for the next five years. The revenue generated from any tuition increase will be reinvested to support faculty, instruction, initiatives to improve student success and completion, and tuition credits for TAP-eligible students.
- **Strengthen Higher Education Infrastructure.** To further advance SUNY and CUNY partnerships for economic development, Governor Cuomo proposes investing \$110 million for a new round of the NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program. Established in 2011, this program incentivizes bottom-up, individualized, long-term economic development plans on SUNY and CUNY campuses that include public-private partnerships to benefit the campuses and surrounding communities.
- **Align REDCs and Community College Regional Councils.** To better align existing higher education and training programs with Regional Economic Development Council (REDC) goals, Governor Cuomo proposes launching an industry-driven partnership between REDCs and Community College Regional Councils. These partnerships will spur workforce development programs to meet the needs of local employers in emerging industries. To ensure that Career and Technical Education (CTE) opportunities are integrated into workforce development planning and partnerships, the Governor will appoint two CTE leaders to each Community College Regional Council. This effort will improve the talent pipeline, and create stronger career pathways in New York State by combining the best education, training workforce, and business assets in the region.

- **Use CUNY Foundation Resources to Benefit Students.** Foundations and organizations affiliated with CUNY manage over a billion dollars intended to benefit students and the University. However, a recent interim report of the State Inspector General, as part of an ongoing investigation into CUNY's management practices, identified numerous examples of financial waste and abuse. This included expenditures for questionable activities by CUNY's affiliated not-for-profit foundations. The Budget implements a series of ethical reforms to the governance and oversight of these organizations and redirects \$35 million from CUNY foundations to fund tuition assistance initiatives.
- **Refocus State Support for Private Colleges.** The Executive Budget will refocus State aid to New York's independent colleges and universities to help leverage college affordability and make strategic investments. Under a program popularly referred to as Bundy Aid, the State currently provides unrestricted financial support to more than 100 independent postsecondary institutions located in New York State. To encourage these colleges to rein in tuition costs, the Executive Budget will pay Bundy Aid only to colleges with tuition increases below \$500 or the Higher Education Price Index, whichever is greater. Any savings from this change will be reinvested to help fund a new competitive round of the Higher Education Capital Matching Grants program, which supports strategic investments at independent colleges to improve academic programs, enhance student life or provide economic development benefits to the college community.
- **Make Colleges Accountable for Exorbitant Tuition Rates.** To make colleges accountable for exorbitant tuition costs, the Executive Budget will only offer the Tuition Assistance Program to colleges that maintain increases in tuition rates below \$500 or the Higher Education Price Index, whichever is greater. This will not impact any current students.