



Division of
the Budget

HIGHER EDUCATION

The Executive Budget provides a **\$143 million** increase in funding for higher education in New York, bringing total support to nearly **\$7.6 billion.**



An increase of

\$1.6 BILLION

since 2012.

The Excelsior Scholarship **income eligibility threshold increases** for the 2019-2020 academic year

TO \$125,000



210,000

or approximately

55%

of full-time students will attend SUNY and CUNY **tuition-free.**



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



PROTECT STUDENT LOAN BORROWERS

New reforms will alleviate the crushing burden of student loans, including stronger consumer protection standards and **transparency for the student loan industry.**



KEEPING TUITION PREDICTABLE AND AFFORDABLE



Average tuition and fees at New York's public four-year colleges are **20 percent less** than the national average and **lower than 40 other states.**

Budget Highlights

\$7.6 Billion for Higher Education. The Executive Budget provides a \$143 million increase in funding for higher education in New York, bringing total support to \$7.6 billion – an increase of \$1.6 billion or 27 percent since FY 2012.

Launch the Third Phase of the Excelsior Free Tuition Program. The Excelsior Scholarship income eligibility threshold increases for the 2019-20 academic year to include New Yorkers with household incomes up to \$125,000.

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

Protect Student Loan Borrowers. A series of new reforms will alleviate the crushing burden of student loans, including stronger consumer protection standards and transparency for the student loan industry.

Hold For-Profit Colleges Accountable. Governor Cuomo is proposing to fill the gap created by the absence of federal regulations by holding for-profit schools accountable and protecting students that attend for-profit schools in New York.

The FY 2020 Executive Budget expands access to higher education and strengthens student protections by launching the third phase of the Excelsior free tuition program, establishing the DREAM Act, holding for-profit colleges accountable in the absence of Federal leadership, and advancing sweeping protections for student loan borrowers. The Budget provides record overall funding for the State's institutes of higher education and includes strategic investments that will help New Yorkers develop the tools and skills they need in the 21st century economy.

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 410,000 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 nearly 309,000 students. In addition, 517,000 students attend the more than 100 private colleges and universities across the State. Over the past 10 years, enrollment at New York's public and private higher education institutions has increased by 68,000 (6 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 Excelsior Scholarship, the Tuition Assistance Program (TAP), the Aid for Part Time Study program, and 26 other scholarship and loan forgiveness programs. Together, these programs provide financial aid to approximately 400,000 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.

Expanding Access to Higher Education

Under Governor Cuomo's leadership, New York is leading the nation in expanding access to a quality and affordable college education.

Funding for higher education has increased by \$1.6 billion since 2012 (27 percent) from \$6.0 billion to \$7.6 billion in the FY 2020 Executive Budget. This investment includes \$1.2 billion for strategic programs to make college more affordable and encourage the best and brightest students to build their future in New York.

The average tuition at the State's four-year public institutions is currently lower than 40 other states, and New York State has been aggressively reducing financial barriers to college. In 2011, the State enacted Governor Cuomo's plan to end decades of unpredictable and sudden tuition hikes with a rational tuition system that limits SUNY and CUNY tuition increases. In 2015, Governor Cuomo created the Get On Your Feet Student Loan Forgiveness Program to provide up to two years of student loan payments for recent college graduates.

In 2017, 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 first-of-its-kind program covers tuition at New York's public colleges and universities for families making up to \$125,000 a year, ensuring that more than 55 percent of full-time SUNY and CUNY in-state students can go to school tuition-free.

SUNY and CUNY campuses have received significant support for their capital assets. Since FY 2012, the State has provided over \$10 billion in capital appropriations to maintain and improve campus facilities, including \$800 million to enhance the learning structures and facilitate new innovations through the SUNY and CUNY 2020 programs.

These investments serve as a key driver of the New York State economic engine. SUNY's annual economic impact in New York State is \$28.6 billion, a 27 percent growth in overall state economic impact since 2008. CUNY is recognized as a national

Performance Profile

Improving Access to a College Education. Along with other sources of tuition assistance, including the generous New York State Tuition Assistance Program, the Excelsior Scholarship will allow approximately 55 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 after this year.

Keeping Tuition Predictable and Affordable. New York's predictable tuition plan has kept public college tuition affordable. Average tuition and fees at New York's public four-year colleges are among the lowest in the nation – \$2,040 or 20 percent less than the national average and lower than 40 other states.

Improving On-Time Graduation. On-time completion is a cornerstone of the Excelsior Scholarship, helping to alleviate the crushing burden of student debt. Since 2016, SUNY and CUNY have experienced a notable increase in the percentage of full-time freshmen taking 15 credits or more in their first semester, the amount necessary to graduate on-time. CUNY increased from 31 percent to 43 percent, while SUNY increased from 58 percent to 62 percent.

leader in social mobility, helping generations of low-income, underserved and immigrant students succeed.

Table 10: Summary of Higher Education Spending (General Fund)

Category	Academic FY 2018 (millions)	Academic FY 2019 (millions)	Change	
			Dollars (millions)	Percent
SUNY State-Operated Campuses (a)	2,977	3,009	32	1.1
CUNY Senior Colleges (a)	1,324	1,365	41	3.1
SUNY and CUNY Debt Service	1,218	1,268	50	4.1
HESC Financial Aid Programs	1,090	1,157	67	6.1
Community Colleges (b)	741	713	(28)	(3.8)
SED Programs (c)	128	109	(19)	(14.8)
General Fund Total	7,478	7,621	143	1.9

(a) Includes funding for campus operations and employee fringe benefits.

(b) Decrease is largely attributable to changes in enrollment.

(c) Decrease reflects the expiration of one-time appropriations.

Proposed FY 2020 Budget Actions

Building on the successes of programs that provide students with a path to an affordable quality college education, the Executive Budget proposes several strategic investments to ensure all of New York's aspiring students can go to college and achieve their dreams.

- Launch the Third Phase of the Excelsior Free Tuition Program.** In 2017, Governor Cuomo created the historic Excelsior Scholarship, a first-in-the-nation program that provides free tuition at New York's public colleges and universities for middle class families. In FY 2020, the Excelsior Scholarship will enter the third and final year of a three-year phase-in. For the 2019-20 academic year, the Excelsior Scholarship income eligibility threshold will increase, allowing New Yorkers with household incomes up to \$125,000 to be eligible. To continue this landmark program, the Budget includes \$119 million to support free tuition for an estimated 30,000 students. Along with other sources of tuition assistance, the Excelsior Scholarship and State tuition assistance programs will allow approximately 55 percent of full-time SUNY and CUNY in-state students, or more than 210,000 New York residents, to attend college tuition-free.
- Pass the DREAM Act.** The Executive Budget includes legislation to implement the Senator Jose R. Peralta 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 Excelsior Scholarship, the Tuition Assistance Program, as well as

other state-administered scholarships. A \$27 million FY 2020 investment in young immigrants' futures is an investment in New York's future.

- **Protect Student Loan Borrowers.** Governor Cuomo has been a leading voice in protecting access to higher education and a champion for increasing protections for the approximately 2.8 million student loan borrowers in New York. Those 2.8 million borrowers have tens of billions of dollars in outstanding student loan debt, which is serviced by about 30 student loan servicers. These servicers, however, are neither licensed nor regulated in New York, even though the student loan servicer industry has repeatedly been cause for serious consumer protection concerns. A 2016 Federal Consumer Financial Protection Board report identified extremely problematic conduct by the industry resulting in a very high number of complaints from borrowers. Exacerbating the problem, the Trump administration has been systematically rolling back student protections established by the Obama administration, and recently went so far as to shutter the Federal office tasked with investigating student loan abuses. This leaves recent graduates and the careers they are beginning more vulnerable than ever.

Through the Executive Budget, Governor Cuomo is advancing sweeping protections by requiring that companies servicing student loans held by New Yorkers to obtain a state license and meet standards consistent with the laws and regulations governing other significant lending products. The new statute will also ensure that no student loan servicers can mislead a borrower or engage in any predatory act or practice, misapply payments, provide credit reporting agencies with inaccurate information, or any other practices that may harm the borrower.

- **Hold For-Profit Colleges Accountable in Absence of Federal Leadership.** The State is committed to expanding access to higher education and combatting student debt across all sectors of colleges and universities. The challenge of student debt is disproportionately high at for-profit colleges, where schools can be more influenced by profit motives than the best interests of their students and helping them achieve a degree. Unfortunately, bowing to pressure from for-profit colleges, the current Federal administration is expected to eliminate regulations designed to ensure minimum performance standards are met by for-profit colleges. Governor Cuomo is proposing to fill the gap created by the absence of Federal regulations by holding for-profit schools accountable and protecting the 33,000 students attending degree-granting for-profit schools and the 180,000 students in non-degree granting proprietary schools in New York.

The For-Profit College Accountability Act in the Executive Budget will:

- Require for-profit schools to report their funding sources and demonstrate that they are not receiving more than 80 percent of their revenue from taxpayers, including Federal grants, loans and TAP. That threshold, which is lower than the Federal government's 90 percent maximum, aims to reduce reliance on taxpayer dollars.

- Require that for profit schools spend at least 50 percent of their revenues on instruction and learning as opposed to recruiting, marketing, and advertising to ensure these institutions are putting the interests of their students first.
- Require that schools report the salaries of the college presidents and senior leadership, as well as any salary incentives and bonuses, to ensure the administration is putting its students ahead of the financial interests of the school leadership.
- Prohibit any school leadership from serving on an accreditation board of an organization responsible for oversight of the for-profit college to avert potential conflicts of interest.
- **Launch Family Empowerment Community College Program.** New York State is a national leader in ensuring pay equity between genders. However, women in the State of New York continue to be impacted by the gender wage gap, especially women of color and single mothers. Public policy efforts have often focused on breaking through the “glass ceiling”—but the majority of working women are “stuck to the floor” in low wage jobs with little opportunity for advancement. To close the gender wage gap and neutralize the “sticky floor,” Governor Cuomo will launch a pilot program providing customized supports for single parents attending SUNY and CUNY community college campuses. This innovative program will support 400 parents a year for three years. Participants will receive on-campus childcare, intensive personalized advisement, educational supports including tutoring, career counseling and assistance in transitioning to a 4-year school. These comprehensive systems of support will ensure that single parents are able to access higher education opportunities and help move themselves and their children out of poverty.