

Higher Education

Overview

The Executive Budget maintains a strong commitment to operate world-class colleges and universities with a rational and predictable system of State and tuition funding, new capital investments to spur economic development, a new emphasis on preparing students for the workforce at community colleges, and an action plan to enhance the role of New York State's public university systems in meeting the educational needs of our children.

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 over 404,000 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 more than 326,000 students. In addition, more than 547,000 students attend one of 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 more than 178,000 (16 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 system.

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 15 scholarship and award programs. Together these programs provide close to \$1 billion in financial aid to over 350,000 students. HESC also partners with the Office of the State Comptroller in administering the College Choice Tuition Savings program.

A Renewed Commitment to Higher Education

In 2011, Governor Cuomo signed landmark legislation to implement the NYSUNY 2020 Challenge Grant Program. This act overhauled New York State's system of higher education by instituting a rational and predictable tuition plan, a commitment to maintain State financial support, a competitive grant program to leverage the economic power of the State's university system, and assistance to make college affordable for students with limited income.

The rational and predictable tuition policy allows each SUNY and CUNY campus to raise tuition by \$300 per year for five years, replacing an era of unpredictable and sometimes extreme tuition increases. In the past, these large tuition increases usually happened when the State's economy was struggling, which

meant increases came at the worst time for New York's students and their families, many of whom were already stretching to pay for college. The recent tuition plan prevents such unpredictable tuition hikes from occurring.

This tuition policy, coupled with the NYSUNY 2020 commitment to maintain the State's General Fund support at prior-year levels, enables the public university systems to add more faculty, decrease class sizes, increase course offerings, and improve academic performance and graduation rates.

NYSUNY 2020 positions New York's public universities to become a leading catalyst for regionally-focused economic development while maintaining affordability and improving academic quality for all students. Phase I of the program invested a total of \$140 million for capital projects at the four university centers – Albany, Binghamton, Buffalo, and Stony Brook. This funding helps the State's major public universities invest in and strengthen academic programs, while demonstrating that New York is open for business. Phase II of NYSUNY 2020 provided an additional \$60 million in competitive capital grants for SUNY campuses.

Finally, NYSUNY 2020 maintains higher education affordability by augmenting the State's TAP program. Using a portion of the additional tuition revenue, students attending SUNY state operated colleges and CUNY senior colleges receiving TAP awards will also receive financial aid in the form of tuition credits ensuring students with limited economic resources continue to have access to educational opportunities.

Summary of Spending (General Fund)

Category	AFY 2012 (\$ in millions)	AFY 2013 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Higher Education	3,224	3,214	(10)	(0.3)
SUNY Operating Budget	969	969	0	0
CUNY Operating Budget	525	525	0	0
Community Colleges	651	652	1	0.2
SUNY Hospital Subsidy*	88	60	(28)	(31.8)
HESC Grants and Scholarships	991	1,008	17	1.7

* Returns to the 2011-12 funding level after accounting for non-recurring aid included in the 2012-13 Enacted Budget.

Proposed 2013-14 Budget Actions to Implement the Governor's State of the State and Other Initiatives

Consistent with the provisions in the NYSUNY 2020 Challenge Grant Program, the Executive Budget maintains General Fund operating support for SUNY and CUNY colleges at prior-year levels and accommodates authorized 2013-14 tuition increases by providing \$106 million in additional spending authority for SUNY and \$61 million for CUNY.

The Executive Budget also includes \$110 million for a third round of NYSUNY 2020 grants and a new NYCUNY 2020 program. Projects will be selected in a competitive manner based on economic impact, advancement of academic goals, innovation, and collaboration.

To ensure students are prepared for the jobs of today and tomorrow, the Executive Budget changes the approach to funding community college workforce and vocational programs. Instead of funding based solely on enrollment, in order to receive State support for these programs, community colleges will be

expected to partner with local employers and the Regional Economic Development Councils to identify job training needs. In addition, new funding will be provided to community colleges based on performance in measures of student success, including job placement. This new \$5 million investment, combined with the net impact of unrelated enrollment changes, results in a \$1 million year-to-year increase in community college support.

SUNY and CUNY will also begin to implement an action plan recommended by the *New NY Education Reform Commission* to raise the quality of education provided to our children in public schools. In particular, the university systems will play key roles in strengthening the admissions and curriculum requirements for teacher and principal preparation programs.

The Budget continues the TAP and scholarship programs administered by HESC. A \$17 million increase in spending for these programs largely reflects higher TAP payments from continued tuition increases at SUNY and CUNY community colleges.

Major Initiatives

- **Create the Next Generation College Linkage Program.** The Executive Budget makes two changes to the current enrollment-based system of funding community colleges for workforce and vocational programs. The changes will serve to refocus college workforce and vocational programs on training students to succeed in today's high-skills economy. First, in order to qualify for State funding, community college workforce and vocational programs will be offered in partnership with employers and be focused on high-demand jobs that need to be filled now. Using guidance from the Department of Labor, and working with the Regional Councils, community colleges will help the workforce prepare for the future. Second, the Executive Budget includes \$5 million in new performance-based funding to reward community colleges that enable students to find or advance in good-paying jobs in their chosen occupation, provide training for careers that are in demand by employers in their region, and help students graduate on time with an industry-recognized degree or certificate.
- **Another Round of NYSUNY 2020 and a New NYCUNY 2020.** The Executive Budget includes \$55 million for a third round of NYSUNY 2020 grants and \$55 million for a new NYCUNY 2020 grant program. This \$110 million in new funding will offer additional grants for two- and four-year colleges and universities within both the SUNY and CUNY systems. Projects will be selected in a competitive manner based on economic impact, advancement of academic goals, innovation and collaboration. These programs will continue Governor Cuomo's place-based regional economic development initiative, linking the knowledge and innovation of higher education to regional economic revitalization through large and small businesses.
- **Improve the Quality of Teachers and Principals.** During 2013-14, both SUNY and CUNY will play key roles in implementing an action plan to improve the quality of New York's education system as recommended by the *New NY Education Reform Commission*. The university systems will help improve the quality of the next generation of teachers and principals by increasing admission requirements for entry into SUNY and CUNY teacher preparation programs and by strengthening the education training curriculum.