

UUP Analysis of the Governor's 2018-19 Executive Budget Proposal

Pursuant to the State Constitution, Governor Andrew Cuomo has released his 2018-19 Executive Budget proposal. The following is a preliminary analysis of those portions of the Executive Budget proposal of particular interest to UUP. The proposed budget for Higher Education is largely flat, showing little change overall from 2017-18 funding levels. However, there are notable exceptions to this general picture. Of particular note is the elimination of the State operating subsidy to the SUNY hospitals.

SUNY State-Operated Campuses

The 2018-19 Executive Budget proposal provides \$729 million in State support for SUNY state-operated campuses and System Administration. This is same level of funding that was provided in the 2017-18 Enacted State Budget. Individual campus allocations are also unchanged from those provided in the 2017-18 Enacted State Budget.

University Wide Programs

The Executive Budget provides \$141 million in State support for university-wide programs. This reflects a \$15.2 million decrease in funding from 2017-18 enacted budget levels. This cut removes “legislative adds” to various programs areas that were included in the 2017-18 Enacted State Budget as follows:

Educational Opportunity Program (EOP)

EOP funding is reduced by \$5.3 million, since the Executive Budget eliminates the \$5.3 million added by the legislature last year, leaving a total of \$26.8 million in funding for this program.

Educational Opportunity Centers (EOC's) and ATTAIN Labs

Funding for EOC's is reduced by \$5 million and funding for the ATTAIN Labs is reduced by \$2 million, leaving a total of \$55 million.

Other reductions include: \$1.5 million from the Small Business Development Centers; \$0.6 million from Graduate Diversity Fellowships; and \$0.3 million from Mental Health Services.

SUNY Investment and Performance Fund

The Executive Budget continues to set aside \$18 million in state aid to be allocated to state-operated campuses pursuant to an approved plan of the Board of Trustees. In prior years, this money was set aside for performance-based initiatives, but it appears that it would not be used that way going forward. The 2018-19 budget language states that a portion of these funds may be used to support new classroom faculty.

SUNY Open Educational Resources Funding

The Executive Budget allocates \$4 million in State to support the expansion of Open Educational Resources at state-operated and community colleges.

SUNY State-Operated Campuses - Capital Funding

The Executive Budget provides \$350 million in critical maintenance funding for state-operated

campuses. This reflects a reduction of \$200 million from the \$550 million that was provided in the 2017-18 Enacted State Budget.

SUNY Hospitals

The Executive Budget eliminates the \$78.6 million state operating subsidy for the three SUNY hospitals. This elimination of the operating subsidy is replaced with a \$78.6 million capital appropriation (see below SUNY Hospitals Capital Funds).

SUNY Hospitals - Capital Funding

A total of \$255.8 million is allocated for capital costs, subject to a plan developed by SUNY and approved by the director of the budget. \$100 million is provided for new capital projects: \$50 million for SUNY Upstate and \$50 million for Stony Brook. \$77.3 million is provided to help offset reductions in Disproportionate Share Hospital (DSH) payments: \$40.8 million for Upstate and \$36.5 million for Stony Brook. \$78.6 million is not allocated between the three hospitals and is provided in lieu of the State operating subsidy.

As part of a 2014 re-appropriation for the Capital Restructuring Financing Program, \$75 million is being sub-allocated to SUNY to be used for project costs stemming from the Ambulatory Care Integration Project that was awarded to Upstate University pursuant to a request for applications.

SUNY Community College Base Aid

The Executive Budget maintains the state base aid per FTE student. However, the overall base aid amount is reduced by approximately \$19 million due to a reduction in enrollment. Rental aid for leased space is maintained at last year's level for a total of \$11.6 million. Graduate Achievement and Placement program (GAP) funding, which was \$1.5 million last year, is eliminated in this year's proposal.

Funding for high-need programs (\$1.69 million), contract courses (\$1.88 million) and low enrollment colleges (\$940,000) are maintained at last year's levels. Funding for child care centers is reduced by \$1.1 million for a total of \$1 million. The Executive Budget provides \$3 million in funding for the SUNY Apprenticeship Program.

SUNY Community College - Capital Funding

The Executive Budget allocates \$38.6 million in capital funding to provide the State 50% share for capital projects at SUNY Community Colleges.

SUNY Stabilization Fund

A \$15 million appropriation is included to cover services and expenses at various campuses.

CUNY Senior College State Funding

Under the Executive Budget proposal, funding for these campuses remains flat at \$547 million.

CUNY Capital Funding

The Executive Budget provides \$284 million for CUNY Senior Colleges and provides \$48.4 million for CUNY Community Colleges.

Language regarding the sale of buildings, adopted pursuant to the 2017-18 Enacted Budget, is once again included. The language states that up to \$60 million in funding from the sale of CUNY property may be used to support senior college expenses.

CUNY Set-Aside Funding

The Executive Budget continues to set aside \$12 million in state aid to institutions to be allocated to senior colleges per an approved plan of the Board of Trustees. In prior years, this money was set aside for performance-based initiatives. The budget language states that a portion of these funds are to be used to support new classroom faculty.

CUNY Open Educational Resources (OER)

Funding in the amount of \$4 million within the CUNY Senior College Operating Account is set aside to expand the Open Educational Resource Initiative to help reduce and/or eliminate the costs of textbooks for students. This funding will require CUNY to expand the existing Open Education Resources targeting high-enrollment courses.

CUNY Community College Base Aid

The Executive Budget maintains base aid per FTE student at last year's level. However, the overall base aid amount is decreased by approximately \$6 million due to a reduction in FTE's. Rental aid for leased space is maintained at last year's funding level of \$8.9 million. Funding for contract courses/workforce development is maintained at last year's level of \$1.9 million. Funding for ASAP (Accelerated Study in Associate Programs) is eliminated in the Executive Budget proposal. Funding for child care centers is reduced by \$902,000 for a total of \$813,000.

Joseph Murphy Institute

The Executive Budget reduces the 2017-18 legislative add by \$1.5 million and provides funding for the Murphy Institute in the amount of \$2 million. According to supporting budget documents, the Murphy Institute will become the CUNY School of Labor and Urban Studies.

Food Pantries

While the governor, in his State of the State Address, announced \$1 million to support food pantries at CUNY and SUNY, this funding has not been appropriated in the Executive Budget.

Tuition Assistance Program (TAP)

The Executive Budget decreases funding for this program by approximately \$12.7 million for a total of \$1.09 billion. This funding includes TAP, the Excelsior Scholarship Program, DREAM Act and the Enhanced Tuition Award Program. The reduction is due to estimated enrollments changes of TAP eligible students, primarily at the community college level, offset by increased funding for Excelsior.

Excelsior Scholarship Program – Second Year Phase-In

The 2018-19 proposed budget increases State support for Excelsior by an additional \$24 million for a total of 118.4 million.

Pursuant to the 2017-18 Enacted Budget, the Excelsior Scholarship Program will expand in 2018-19 to include families with a maximum income of \$110,000, up from \$100,000 in 2017-18. Once fully implemented in 2019-20, the maximum income will be \$125,000.

According to budget documents, the fully implemented Excelsior Scholarship and other State tuition assistance programs (combined with other sources of tuition assistance) will allow approximately 53% of full-time in-state SUNY and CUNY students to attend college tuition free.

Tuition Assistance to Part-Time Students

Funding for this program is maintained at last year's level of \$14.4 million.

Part-Time Scholarship Program

The Executive Budget maintains funding at \$3.1 million to support the Part-Time Scholarship Program enacted in last year's budget.

Enhanced Tuition Award Program (E-TAP)

The Executive Budget sets aside \$22.9 million for the second phase of E-TAP. Under this program, participating private colleges are required to match up to the maximum award of \$3,000 and freeze student tuition for the duration of the award.

DREAM Act

The Executive Budget includes the DREAM Act, which provides undocumented immigrant students with access to state financial assistance to help cover tuition costs for higher education. The Executive Budget includes \$27 million within TAP to fund the DREAM Act.

Student Debt

The Executive Budget includes language to create a student loan ombudsman at the department of financial services (DFS); requires all colleges to provide students with estimates of incurred student loans and payoff amounts on an annual basis; authorizes the DFS to license and regulate student loan servicers (as a way to create accountability and provide consumers with some protections); and prohibits the suspension of professional licenses of individuals behind or in default on their student loans.

Inspector General Oversight of SUNY and CUNY

The Executive Budget expands the Inspector General's oversight to include nonprofit organizations and foundations affiliated with SUNY and CUNY. The State Inspector General would also have the authority to investigate complaints of corruption, fraud, criminal activity, conflicts of interests or abuse within covered entities, including SUNY and CUNY.

SUNY and CUNY Foundation Financial Controls

Legislation accompanying the budget would require SUNY and CUNY affiliated foundations or non-profit organizations to adopt financial control policies which would be overseen by the State Inspector General.

Graduate Level Reporting – Teacher and Educational Leader Programs

The Executive Budget includes language to require graduate level teacher and educational leader programs to report to the state education department, data regarding demographics and completion of students registered in such programs.

Early College High Schools

The Executive Budget provides \$9 million to expand College High School programs targeting the skills students will need for advanced STEM careers. This proposal will give priority to programs that serve students in schools with graduation rates below the state average and that are not currently engaged in a school-wide turnaround plan. Students entering this program receive both a high school diploma and an Associate's Degree, at no cost to the student or their family.

Liberty Partnership Program

The Executive Budget reduces funding for this SED-administered higher education drop-out prevention program by \$3 million for a total of \$15.3 million.

Science and Technology Entry Program (STEP)

STEP funding is reduced by \$2.6 million for a total of \$13.1 million.

Medicare Part B Premiums and Income Related Monthly Adjustment Amounts (IRMAA) for NYSHIP Retirees

The Executive Budget amends Section 167-a of the civil service law to do the following:

- Cap the State reimbursement of Medicare Part B premiums at \$134.00 per month for all NYSHIP retirees with Medicare primary insurance; and
- Eliminate the current State reimbursement of the IRMAA premiums for higher-income retirees.

These changes would affect both state retirees and retirees from school districts and local governments which participate in the NYSHIP Empire Plan. As the cost of Medicare Part B increases each year, retirees will incur additional out-of-pocket health care costs. Eliminating the IRMAA reimbursement would impact higher income retirees immediately.