



**State University of New York (SUNY)
2021/22 Executive Budget Overview
January 19, 2021**

As discussed yesterday, Governor Cuomo released his Executive Budget for the 2021/22 fiscal year on January 19, 2021.

This fall, SUNY was informed to plan for reductions in the \$300M to \$400M range based on the fiscal situation of the State caused by the COVID-19 pandemic. However, the Executive Budget proposed approximately only \$69M reduction in direct state tax support, dependent on the receipt of \$6B in Federal Funds¹. We requested, and were granted, flexibility to manage any reduction as opposed to a one-size-fits all, across the board reduction. Of the \$69M, approximately \$46M is for the state operated, and \$22M is for the community colleges. For the community colleges, it is a one-time reduction. Moreover, the Executive Budget fully restores the 20 percent holdback to date, offset by noted reductions detailed below.

In addition, the Executive Budget includes many policies and programs we requested in the formal SUNY budget submission including:

- **Holding tuition assistance and opportunity programs harmless.** It was critical that we help students maintain their level of financial assistance to maintain access to higher education and avoid further enrollment decline. The Executive Budget holds State-funded financial aid programs administered through the Higher Education Services Corporation (HESC) such as the Tuition Assistance Program (TAP) and Excelsior Scholarship grants; Opportunity programs directly appropriated to SUNY such as Educational Opportunity Program (EOP) and Educational Opportunity Centers (EOC).
- **Extend a predictable funding plan for SUNY State-operated campuses.** The Executive budget provides that the Predictable Tuition and Maintenance of Effort (MOE) language, first enacted in 2017/18, will be extended through 2024/25. This will allow for a maximum \$200/per annum resident undergraduate tuition rate increase at the State-operated campuses while also ensuring that year-to-year State Tax Support (inclusive of benefits) will remain static.

¹ If Federal funding provided to NYS exceeds \$6B, State Tax withholdings could be partially or fully restored; if Federal funding provided to NYS is less than \$6B, reductions in State Tax support could revert to prior expected levels or greater.

- **Additional flexibility is also provided in setting tuition rate categories for Doctoral Degree granting institutions and for specific high demand certificate programs.**
 - The Executive Budget would provide for the creation of “flexible” tuition rate categories by aligning the State-operated campuses into three groups/sectors - the four University Centers, Other Doctoral Degree Granting Institutions, and then all other campuses to set a different rate of tuition for each degree type (Undergraduate, Graduate, PhD, Professional, etc.) for each group/sector.
 - Such differentiation cannot be more than 1.5 times the lowest value. For example, if a Resident Graduate Degree rate is \$10,000/annual at the Non-Doctoral Granting Campuses, it can be no higher than \$15,000 at any other group/sector.
 - SUNY is also authorized to create a new category of tuition for “high-demand” certificate programs, which could be lower than the standard rate of tuition. This is intended to be used to be more competitive with other course offering entities and allow SUNY to entice partners such as industry and the military. This is also available to the Community Colleges.
- **Streamline new education program approval.** Provides that public and private colleges and universities that meet certain standards may adopt a new curriculum or program of study without first seeking SED approval, as long as the adoption would not require a Master Plan Amendment or lead to professional licensure.
- **Procurement flexibility.** Extends various procurement flexibility provisions enacted in 2011, including provisions related to both higher education and hospital purchasing, for an additional five years through 2026. Would also establish new authority for SUNY to utilize the buying power of consortia to purchase services and technology.
- **Expansion of our new SUNY Online Training Center.** The Executive Budget calls for the expansion of the Center but details have yet to be provided.
- **Access to \$50M COVID recovery fund.** The Executive Budget has proposed a \$50M COVID-19 Relief Fund to be operated from the Department of Labor (DOL). SUNY will be eligible for awards and funding from this resource, but details are not yet available.
- **Received \$550M in capital.**
 - This reflects critical maintenance funding for 2021/22, the same level as provided in 2020/21, for the State-operated Campuses and Statutory Colleges.
 - The 2021/22 Executive Five-Year Capital Program & Financing Plan indicates that this level of funding will continue through 2025/26, for a total of \$2,750.0B over five-years.
 - Of the \$550M provided in 2021/22, \$153.4M is allocated to each State-operated/statutory campus and \$396.6M is provided in a lump sum for priority critical maintenance projects.
 - Use of the new appropriation is restricted to critical maintenance projects in existing facilities, although the language allows for in-kind replacement of smaller accessory and support structures when it is more economical to rebuild within the existing facility footprint.

The 2021/22 Executive Budget proposal provides SUNY with a relatively strong position from which to work from during negotiations. We will need, however, to continue to work diligently to continue to constrain costs, manage our workforce, ensure the ability of our students to attend in an affordable and safe manner, and join in advocating that the Federal government provide additional aid to the New York State to manage the impact of COVID-19 and the longstanding inequities in Federal funding and State contribution.

OPERATING DETAIL

The 2021/22 Executive Budget largely reflects “Approved” 2020/21 Enacted Budget² levels of support and appropriation authority, with some adjustments as described below.

State-operated Campuses, University-wide and System-wide Programs, System Administration, and Statutory Colleges

- *Direct and Indirect State Tax Support: \$2,797.2M (-\$104.3M)*
 - Indirect Support:
 - \$1,829.4M: Employee Benefits (-\$55.4M)
 - Direct Support
 - 708M: Direct State Tax support for State-operated campuses / System Admin. (*No Change*)
 - 154.8M: Direct State Tax support for University-wide Programs (-\$2.5M)
 - 129.3M: Direct State Tax support for Statutory Colleges³ (*No Change*)
 - 18M: To be allocated according to a plan by the Board of Trustees (*No Change*)
 - 4M: Open Educational Resources (OER) (*No Change*)
 - (46.4M): Operating Support Reduction⁴ (-\$46.4M)
- *Tuition Revenue Spending Authority: (No Change)*
 - \$1,922.7M: Tuition Spending Authority (which includes “Pooled Offset”) for State-operated campuses
 - This amount was held flat at 2020/21 levels due to sufficient undistributed tuition authority resulting from an accounting adjustment related to the way institutionally funded scholarships are processed. This amount should be enough to accommodate increases to resident undergraduate tuition rates and increases to other tuition rates if ultimately decided upon.

² The 2021/22 Executive Budget incorporates changes to 2019/20 and 2020/21 Academic Year Direct State Tax Support levels. This document refers to the initial Budget approved in April 2020 as the “Approved 2020/21 Enacted” and to the modified budget released 1/19/2021 as “Revised 2020/21 Enacted”. The narrative portions of this summary compare the 2021/22 Executive Budget against the Approved 2020/21 Enacted with the tables illustrating the comparisons against both the Approved and Revised values.

³ Additional reduction to the Cornell Cooperative Extension program in the Revised 2020/21 Enacted and 2021/22 Executive Budget of \$0.2M

⁴ Five percent (\$46.4M) reduction to be allocated across State-operated campuses, Statutory Colleges, University-wide Programs, and System Administration.

State University of New York (SUNY) Direct State Tax Support plus Academic Enterprise and Dormitory Appropriation Authority – Operational Activity									
\$ M	Approved 2020/21 Enacted	Revised 2020/21 Enacted	2021/22 Executive	2020/21 Approved vs. Revised Enacted		2021/22 Executive vs. Approved 2020/21 Enacted		2021/22 Executive vs. Revised 2020/21 Enacted	
				\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Direct State Tax Support									
State-operated Campuses	\$694.2	\$694.2	\$694.2	-	-	-	-	-	-
University-wide Program Funding	157.3	157.3	154.8	-	-	(2.5)	(1.6%)	(2.5)	(1.6%)
Statutory Colleges ³	129.3	129.3	129.3	-	-	-	-	-	-
Investment and Performance Fund	18.0	18.0	18.0	-	-	-	-	-	-
System Administration	13.8	13.8	13.8	-	-	-	-	-	-
Open Educational Resources (OER)	4.0	4.0	4.0	-	-	-	-	-	-
Aggregate reduction to be allocated ⁴	0.0	(46.4)	(46.4)	(46.4)	N/A	(46.4)	N/A	-	-
Total Direct State Tax Support	\$1,016.6	\$970.2	\$967.7	(\$46.4)	(4.6%)	(\$48.9)	(4.8%)	(\$2.5)	(0.3%)
Spending / Appropriation Authority									
Tuition Revenue Spending Authority ⁵	\$1,922.7	\$1,922.7	\$1,922.7	-	-	-	-	-	-
Other Spending Authority ⁶	1,348.1	1,348.1	1,348.1	-	-	-	-	-	-
Total Spending Authority	\$3,270.8	\$3,270.8	\$3,270.8	-	-	-	-	-	-
Grand Total	\$4,287.4	\$4,241.0	\$4,238.5	(\$46.4)	(1.1%)	(\$48.9)	(1.1%)	(\$2.5)	(0.1%)

In addition, the Predictable Tuition Plan and Maintenance of Effort (MOE) included in the 2020/21 Enacted Budget was extended through 2024/25; with resident undergraduate tuition rate increases held at a maximum of \$200 per annum over that time. In addition, flexibility has been provided to set separate categories of tuition rates – within certain ranges – across defined sectors of the State-operated Campuses (University Centers, Other Doctoral Granting, and all Other Campuses) as well as the authority to set a new category of tuition rate for high demand certificate programs that will allow SUNY to be reactive to industry and other entity interests.

⁵ Part of the “Core Operations” Budget. Includes \$110.7M in “Pooled Offset” authority.

⁶ Includes authority to operate fee-supported activities, residence halls, and miscellaneous activities outside core operations.

Outside of the lump sum reduction number noted, the Executive Budget also reflects an approximately \$2.5M decrease from 2020/21 Enacted Budget levels of support for specific University-wide programs as follows:

- (\$0.7M): Small Business Development Centers
- (\$0.6M): Graduate Diversity Fellowships
- (\$0.5M): Mental Health Services / Tele-Counseling Network
- (\$0.4M): Office of Diversity, Equity, and Inclusion / Hispanic Leadership Institute
- (\$0.3M): Cornell Veterinary College
- (\$0.1M): Benjamin Center
- **(\$2.5M): Total**

These are programs that are legislative adds and this reduction is not atypical. However, we will advocate for these programs to be restored, particularly the mental health, diversity, and small business programs.

Finally, the State's multi-year Financial Plan indicates that required unionized across the board salary increases (CSEA, UUP, others) will continue to be delayed until 2022/2023.

Hospitals and Health Related Activities:

- Spending authority for the Health and Hospital Funds were increased to the full amount included SUNY's submission.
- No relief was provided for hospital debt service repayment to the State.
- Language is included in the Executive Budget that would reduce the capital rate add-on for inpatient services and would discontinue State-funded Indigent Care Pool (ICP) payments to public hospitals.

State University of New York (SUNY) Hospital and Health Related Spring Authority									
\$ M	Approved 2020/21 Enacted	Revised 2020/21 Enacted	2021/22 Executive	2020/21 Approved vs. Revised Enacted		2021/22 Executive vs. Approved 2020/21 Enacted		2021/22 Executive vs. Revised 2020/21 Enacted	
				\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Hospital Operating Spending Authority	\$3,194.5	\$3,194.5	\$3,444.2	-	-	\$249.7	7.8%	\$249.7	7.8%
Hospital Sponsored Program Activities	100.0	100.0	100.0	-	-	-	-	-	-
Long Island Veterans Home	53.4	53.4	55.0	-	-	1.6	3.0%	1.6	3.0%
Grand Total	\$3,347.9	\$3,347.9	\$3,599.2	-	-	\$251.3	7.5%	\$251.3	7.5%

Community Colleges:

The Executive Budget reflects intent that impacts the 2019/20, 2020/21 and 2021/22 Academic Years. Regarding 2019/20, DOB has indicated the 20 percent hold back from June 2020 will be released in March 2021. For the 2020/21 fiscal year, the funds held back to date will also be released, but the 2020/21 Budget has been revised with a one-time reduction to Base Operating Aid of approximately \$147/Funded Full-Time Equivalent (FTE), or from \$2,947 to \$2,800 per (FTE) and reductions will need to be realized by 3/31/2021. This rate has been restored to 2019/20 levels for the 2021/22 fiscal year to \$2,947.

Additionally, DOB has expressed a willingness to engage in conversations regarding amending the funding formula for 2020/21 to help in allocating the previously stated reductions, to maximize Federal dollars flowing separately into the colleges.

Language was also included allowing for a separate category of tuition rate for high demand certificate programs. Upon approval by the Chancellor and the SUNY Board of Trustees, this rate may be set lower than standard rates of tuition and is expected to be leveraged to engage in more competitive enrollment opportunities with industry and other areas, such as the military. This does not apply universally to all certificate programs.

Finally, similar to the University-wide Program area, some Community College specific programs have been adjusted for 2021/22 as follows:

2021/22 proposed funding for the following programs remains flat on a year-to-year basis:

- \$ 3.0M: NY Job Linkage
- 3.0M: Apprentice SUNY
- 1.9M: Contract Courses / Workforce Development
- 1.7M: High Needs Programs
- 0.9M: Low Enrollment Schools
- **\$10.5M: Total**

The following programs have been reduced or eliminated in the 2021/22 Executive Budget:

- 1.1M: Child Care (Leaves \$1.0M in support) (Reduced)
- 0.6M: Rental Aid (Reduced)
- 0.1M: Orange County CC Bridges Program (Eliminated)
- **\$1.8M: Total**

State University of New York (SUNY) Community Colleges									
\$ M	Approved 2020/21 Enacted	Revised 2020/21 Enacted	2021/22 Executive	2020/21 Approved vs. Revised Enacted		2021/22 Executive vs. Approved 2020/21 Enacted		2021/22 Executive vs. Revised 2020/21 Enacted	
				\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Base Operating Aid ⁷	\$431.2	\$409.6	\$398.2	\$-21.6	-5.0%	\$-33.0	-7.7%	\$-11.4 ⁸	-2.8%
Rental Aid	11.6	11.0	11.0	-0.6	-5.0%	-0.6	-5.0%	-	-
NY Job Linkage	3.0	3.0	3.0	-	-	-	-	-	-
Apprentice SUNY	3.0	3.0	3.0	-	-	-	-	-	-
Child Care	2.1	2.1	1.0	-	-	-1.1	-52.3%	-1.1	-52.3%
Contract Courses	1.9	1.9	1.9	-	-	-	-	-	-
High Needs Program	1.7	1.7	1.7	-	-	-	-	-	-
Low Enrollment Funding	0.9	0.9	0.9	-	-	-	-	-	-
Orange County Bridges Program	0.1	0.1	0.0	-	-	-0.1	-100.0%	-0.1	-100.0%
Grand Total	\$455.5	\$433.4	\$420.7	\$-22.2	-4.9%	\$-34.8	-7.6%	\$-12.6	-2.9%

CAPITAL BUDGET

The 2021/22 Executive Budget does not provide new appropriations for the requested Digital Transformation Project, but does recommend new capital appropriations for:

State-operated/Statutory Colleges – Educational Facilities

\$550M in critical maintenance funding for 2021/22, the same level as provided in 2020/21. The 2021/22 Executive Five-Year Capital Program & Financing Plan indicates that this level of funding will continue through 2025/26, for a total of \$2,750.0B over five-years. Of the \$550.0M provided in 2021/22, \$153.4M is allocated to each State-operated/statutory campus and \$396.6M is provided in a lump sum for priority critical maintenance projects.

- As was done in the past three years, the \$396.6M lump sum is to be allocated for high priority critical maintenance projects, with the highest priority given to projects that address life and safety concerns, core infrastructure in need of replacement that, if not addressed, could disrupt campus operations, and upgrade buildings and infrastructure to meet current building codes and regulations, such as ADA.

⁷ 2020/21 Enacted has been revised to \$2,800/FTE and savings will need to be realized by 3/31/2021. Meanwhile 2021/22 Executive Budgets hold Base Operating Aid per FTE to prior year levels at \$2,947/FTE

⁸ Reduction due to current enrollment figures, subject to change

- Use of the new appropriation is restricted to critical maintenance projects in existing facilities, although the language allows for in-kind replacement of smaller accessory and support structures when it is more economical to rebuild within the existing facility footprint.
- The appropriations for 2022/23 and thereafter are not included in the Executive Budget and would be subject to the approval of the Legislature each year.

State-operated – Residence Halls. Consistent with SUNY’s capital budget request, \$75M is provided for the pay-as-you-go portion of the residence hall program, with an additional \$75M planned over the next four years, for a five-year total of \$375M.

Hospitals. \$150M in new capital support for projects at each of the three teaching hospitals - Downstate University Hospital, Upstate University Hospital, and Stony Brook University Hospital, \$50M for each hospital. The 2021/22 Executive Five-Year Capital & Financing Plan does not reflect any planned funding in subsequent years.

Community Colleges. \$14.6M as a “lump sum appropriation”, considered to represent the State’s 50 percent funding share for 29 projects at 15 community colleges that received local sponsor support.

Other Items of Interest

- The capital budget also provides an appropriation of \$192.5M to allow for the transfer of operating expenses of facilities department at the State-operated campuses. No State support is provided, instead, the State’s expense is reimbursed by a transfer of cash balances from several SUNY operating accounts.
- The Executive Budget recommends reauthorization of prior year appropriations, totaling \$4B.

**State University of New York (SUNY)
2021/22 Executive Budget
SUNY Capital
(\$M)**

<u>Program</u>	<u>2021/22 Request</u>	<u>2021/22 Executive Budget</u>	<u>Variance</u>	<u>Funding Source</u>
SUNY-Wide				
- SUNY-Wide Digital Transformation Project	\$163.0	\$0.0	(\$163.0)	Bonded Capital (State Supported)
Educational Facilities				
- Base Critical Maintenance	650.0	550.0	(\$100.0)	Bonded Capital (State Supported)
Hospitals				
- Critical Maintenance & Strategic Needs	150.0	150.0	0.0	Bonded Capital (Hospital Supported)
Residence Halls				
- Pay-as-you-go Capital	75.0	75.0	0.0	Residence Hall Revenues
Community Colleges				
- 50% State Share	14.6	14.6	0.0	Bonded Capital (State Supported)
Total	\$1,052.6	\$789.6	(\$263.0)	

OTHER POLICY ITEMS OF NOTE

Student Financial Aid Disruptions. Implements legislation to hold harmless students who were unable to complete academic requirements needed to maintain financial aid eligibility because their enrollment was disrupted by coronavirus. The Budget extends financial aid award duration limits for those students who, because of the pandemic, were unable to maintain satisfactory academic progress due to illness, course closure, or other special circumstances.

Excelsior Tuition Rates. Amends the calculation of the Excelsior aid amount by extending academic year 2016/17 levels for an additional two years (through 2022/23), and providing that after such period the levels would reset annually thereafter to existing rates.

Reducing the Capital Rate Add-On and Eliminating the State-funded Indigent Care Pool (ICP) payments. Language is included in the Executive Budget that would reduce the capital rate add-on for inpatient services by five percent and would discontinue State-funded Indigent Care Pool (ICP) payments to public hospitals.

Interstate Licensure with Contiguous States and States in the Northeast Region. Language is advanced that would seek to expand telehealth services and create a program with contiguous states and the Northeast Region to support telehealth access.

Discontinuation of the Empire Clinical Research Investigator Program (ECRIP) and Phases Out the Stem Cell and Spinal Research Programs. Sunsets the current programs as of 4/1/2021 and eliminates the granting of new awards.

Extension of the New York Army, Air National Guard, and Naval Militia Tuition Benefit Program. Language is advanced that would extend this program for an additional five years. The RIRP program provides a direct payment of college tuition for an eligible service member matriculated and enrolled at least half-time (minimum of two courses per semester) at a two or four-year college or university in New York State, up to the amount of tuition charged by a college or university in the State University of New York system.

Consolidation of Centers of Excellence into the Centers for Advanced Technology Program. Language is advanced that would eliminate the Centers of Excellence by April 1, 2023 and designate currently funded Centers of Excellence for a period of two years with their designation changed to "Temporary" Centers for Advanced Technology, with the chance to become full Centers for Advanced Technology

Expansion of the Dormitory Authority of the State of New York (DASNY) design and construction and loan services to not-for-profits and school districts. Would extend this service from DASNY to not-for-profits and school districts for projects in excess of \$5.0M for design and construction, and the loan program to these entities in general.

Autonomous Vehicle Technology. Establishes a new Interagency Group on Autonomous Vehicle Technology, comprised of the SUNY Chancellor, the DOT Commissioner, the DMV Commissioner, the Director of the Thruway Authority, and the Director of the State Police, to coordinate all State policy with regard to autonomous vehicle technology.

Offshore Wind Training Institute. The State is investing \$20 million in a new Offshore Wind Training Institute housed at SUNY Stony Brook and Farmingdale State College.

Priority admission for nursing program. Beginning in Fall 2021, SUNY and CUNY will implement priority admission to nursing programs so 40,000 nurses and nursing candidates can meet the baccalaureate credentials under the “BSN in 10” law.