



TO: SUNY University Faculty Senate
FROM: SUNY University Faculty Senate Executive Committee
RE: New Deal for SUNY and CUNY
DATE: 181st Winter Plenary, January 17-19, 2019
LOCATION: SUNY Cobleskill
RESOLUTION #: 181-03-01 - UNANIMOUSLY
VOTE TALLY: FOR: 37; Against: 0; ABSTAIN: 5

RATIONALE:

WHEREAS the State University of New York (SUNY) and the City University of New York (CUNY), like other public higher education systems across the nation, in fulfilling their core academic missions, transform students' lives and life chances and serve their state as foundations for democracy, platforms for civic engagement, engines of economic development, pathways to the middle class, magnets for population growth, and generators for creativity and innovation¹; and

WHEREAS SUNY's and CUNY's successes before, during, and after the Great Recession have not been matched to the greatest extent possible by New York State with commensurate public investments of State tax dollars in their core operating budgets, due to the financial pressures of the State and the increased costs of indirect benefits to the University Systems²; and

WHEREAS the funding of the core operating budgets for SUNY and CUNY has instead increasingly relied over the last decade on tuition and fees, which—while New York's neediest students have been protected due to the generous Tuition Assistance Program (TAP), SUNY/CUNY Supplemental TAP Awards, and the first-in-the-nation Excelsior Scholarship Program—has exacerbated both financial pressure on students and their families and the student-debt crisis in New York, despite SUNY and CUNY having among the lowest tuition and fees in the nation; and

WHEREAS New York State has recognized the need for a basic maintenance of effort for SUNY's four-year colleges and universities, but it has not done so for its health science centers;

WHEREAS New York State has consistently and repeatedly recognized the need to increase annual per-student investments in its two-year community colleges—with limited benefit to the SUNY sector—but it has not done so for its four-year colleges and universities or its health science centers³;

WHEREAS in December 2018 the Governor vetoed the enhanced maintenance of effort (MOE) bill (S.7259-A [LaValle]/A.10620 [Glick]), which was passed by the Legislature with near-unanimous support, indicating in his veto message that this issue "should be addressed within the context of the annual budget negotiations"; and

WHEREAS the 2020 Executive Budget proposal does not include sustained state funding for mandatory operating cost increases—such as utilities, building rentals, equipment and supplies, ongoing collective bargaining costs, and tuition increases that widen the TAP gap—which will continue to be borne by SUNY and CUNY rather than New York State, unless the Legislature acts; and

WHEREAS the Legislature and Governor have an historic opportunity and responsibility during this budget process to make New York State a national leader in sustainably and equitably funding its public university systems⁴;

RESOLUTION:

THEREFORE BE IT RESOLVED that the SUNY University Faculty Senate thanks all members of the New York State Legislature for their near-unanimous support of enhanced MOE, affirms that we stand ready to work with any and all of them to ensure that the state contributes its fair share to SUNY and CUNY's core operating budgets and truly supports and advances our core academic missions through the regular budget process in 2019, and urges them to send a veto-proof enhanced MOE bill to the Governor within the first 100 days of the new session; and

FURTHER BE IT RESOLVED that the SUNY University Faculty Senate calls on all friends of SUNY to contact Governor Cuomo before March 15, 2019, at <https://www.governor.ny.gov/content/governor-contact-form>, and, as fellow citizens or residents of New York and/or supporters of public higher education, urge him, in the spirit of FDR, to strike a new deal for SUNY and CUNY by agreeing to incorporate enhanced MOE provisions into an Enacted Budget that truly supports and advances our core academic missions; and

FURTHER BE IT RESOLVED that the SUNY University Faculty Senate thanks the President of the SUNY University Faculty Senate, the Chair of the CUNY University Faculty Senate, the Presidents of United University Professions and the Professional Staff Congress/CUNY, the Chancellors of SUNY and CUNY, and the Chairmen of the SUNY and CUNY Boards of Trustees for their steadfast commitment to sustainable and equitable funding for public higher education in New York and requests that they individually and collectively urge members of the New York State Legislature and Governor Cuomo to strike a new deal for SUNY and CUNY by incorporating enhanced MOE provisions into an Enacted Budget that truly supports and advances our core academic missions; and

FINALLY BE IT RESOLVED that the SUNY University Faculty Senate calls on all Senators to share this resolution with their campus governance bodies and work with their Campus Governance Leader and others to pass campus governance body resolutions aligned with ours, which include encouragement of all students, alumni, donors, and current and former workers at their institution to reach out to the Governor and their representatives in the New York State Legislature and, as fellow citizens or residents of New York and/or supporters of public higher education, urge them to strike a new deal for SUNY and CUNY by incorporating enhanced MOE provisions into an Enacted Budget that truly supports and advances our core academic missions.

BACKGROUND:

1. According to a November 2018 Rockefeller Institute report, SUNY's economic impact is \$28.6 billion (\$6.83 billion in Long Island, \$4.37 billion in Western NY, \$3.94 billion in Central NY, \$3.43 billion in the Capitol Region, \$2.98 billion in the Southern Tier, \$2.53 billion in New York City, \$1.6 billion in the Hudson Valley, \$1.32 billion in the Finger Lakes, \$.82 billion in the Mohawk Valley, and \$.78 billion in the North Country); every dollar invested in SUNY returns \$8.17; and 78 percent of SUNY's 633,000 bachelor's degree graduates in 2006 worked in New York two years after graduation and 64 percent remained in the state eight years later.

According to higher education scholars Walter McMahon and Christopher Newfield, decision-makers consistently underestimate higher education's private non-market goods (on one's health, longevity, happiness, human capital, working conditions, job type and benefits, control over consumption, savings, and family size, and children's education and cognitive development), indirect private market benefits, nonmarket private benefits (both direct and indirect), and social goods (both direct and indirect), leading to an overemphasis on the "personal monetary benefit of a college degree," although this is really "only about one-third" of its "overall value" (Newfield 71).

2. Direct State tax support to SUNY has plummeted from \$1.33 billion in 2007-2008 to \$708 million in 2018-2019—a decrease of nearly 50 percent, or about a third of its core operating budget—while per-student funding for the senior colleges in CUNY has declined by 18 percent over the same period. Tuition revenue has nearly doubled to \$1.92 billion over this same period. The percentage of tuition revenue supporting the core operating budget of SUNY has increased from about 42% in 2007-2008 to approximately 73% in 2018-2019. Indirect State tax support to SUNY, which primarily covers benefits and debt service, has increased by \$876 million between 2009-2010 and 2018-2019.

The current agreement regarding basic maintenance of effort (MOE) was intended to shield the four-year colleges in SUNY and CUNY from year-to-year cuts and fluctuating budgets, but in practice has created a ceiling rather than a floor for state funding. This is because it does not address the following issues:

- The Tuition Assistance Program (TAP) tuition credit—which requires SUNY and CUNY to credit students for any difference between tuition and the maximum TAP award—has resulted in a “TAP gap” that has rapidly expanded from under \$20 million in 2012 to nearly \$130 million in 2018.
- With the implementation of the predictable tuition plan in 2011, tuition increases were supposed to be used to support investments in teaching faculty, instruction initiatives for on-time completion, and closing the TAP gap, yet in practice they have resulted in students and their families paying more for less—they now cover near 75 percent of the operating costs of the state’s four-year public colleges and universities, even as students encounter larger class sizes, limited course offerings, delays in graduation, a smaller proportion of full-time, tenure-track faculty, and, at several SUNY colleges and universities, the prospect of reductions or eliminations of degree programs.
- With the Excelsior Scholarship’s income limit rising to \$125,000, additional state funding would be needed to serve the expected increase in enrollment at SUNY and CUNY colleges and universities.
- Should the Governor’s DACA proposal be enacted, additional state funding would be needed to serve the expected increase in enrollment at SUNY and CUNY colleges and universities.

3. This decline in Direct State tax support is stressing many campuses in SUNY and CUNY. According to December 2018 testimony by United University Professions President Frederick Kowal, SUNY Comprehensive Colleges Buffalo State, Fredonia, New Paltz, and Plattsburgh are facing significant structural deficits, as are Binghamton University and Stony Brook University. Reliable sources indicate that two-thirds of SUNY’s four-year colleges and universities are or will soon be facing significant structural deficits and exhausted strategic reserves.

4. The Democratic Party controls every statewide political office and branch of state government in New York for the first time since 2011, after an election cycle in which college-educated voters accelerated their migration away from the Republican Party.

SOURCES AND REFERENCES

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Cuomo, Andrew, “Veto Message - No. 356,” 28 December 2018.

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Newfield, Christopher, *The Great Mistake: How We Wrecked Public Universities and How We Can Fix Them* (Baltimore: Johns Hopkins UP, 2016)

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