

NEWS RELEASE

For immediate release: October 22, 2019

For more information: Blair Horner 518 436-0876, bhorner@nypirg.org

NYPIRG ESTIMATES TUITION PRICE TAG FOR SUNY 2020: STUDENTS PAY \$2.5 BILLION IN ADDITIONAL PUBLIC COLLEGE TUITION PAYMENTS

FINANCIAL AID PROGRAMS SUCH AS THE TUITION ASSISTANCE PROGRAM "OFFSET" AN ESTIMATED \$1 BILLION IN TUITION CHARGES FROM THE STATE

ESTIMATES UNDERMINE CLAIM THAT NEW TUITION HIKES FROM "SUNY 2020" LAW WOULD BE USED FOR ENHANCED STUDENT SERVICES; EVIDENCE POINTS TO USING STUDENT TUITION TO FILL BUDGET HOLES

(Albany, N.Y.) New York State has charged public college students nearly \$4 billion more as a result of scheduled tuition hikes at the State University of New York and City University of New York. Even when considering additional assistance provided by the Tuition Assistance Program (TAP) and the new Excelsior Scholarship program, students have paid \$2.5 billion in additional tuition.

The added tuition dollars have added up over an approximate 9-year period resulting from passage of the "SUNY 2020" law first enacted in 2011 and actions by local governments impacting community college costs. (See attached table for 4-year and 2-year public colleges.) This year's tuition increases will drive that number even higher.

In 2011, Governor Cuomo and the State Legislature passed NY SUNY 2020, a multi-part higher education bill which, among other things, increased tuition annually at SUNY and CUNY.¹ At the time of first passage, Governor Cuomo and state lawmakers promised to use the additional tuition dollars to enhance student services, including but not limited to; academic mentoring, counseling and advising. The tuition dollars were not intended to backfill budget holes but rather enhance student's education.

An important provision of SUNY 2020 was the "maintenance of effort," which stipulated that the legislature would not reduce SUNY's or CUNY's general operating funds in following budgets. This was to ensure that increased tuition would not be offset by decreased state support. However, the "maintenance of effort" provision excludes certain mandatory, predictable cost increases. Actions by the legislature to amend this underscores that the SUNY2020 law does not keep whole the systems' general operating funds, consistent with the law's stated intention.

During the years reviewed by this analysis, the state's all funds budget increased by over $26\%^2$ – more than enough to have allowed for increased state support for public colleges and universities, and to offset the growing tuition burden placed on public college students and their families.

¹ State University of New York, see https://www.suny.edu/invest/our-ask/rational-tuition/.

² Citizens Budget Commission, "NYS Trends During the Cuomo Administration," Fiscal years 2011-2019, October 18, 2018, https://cbcny.org/research/nys-trends-during-cuomo-administration.

NYPIRG Page 2

Anecdotal evidence buttresses the claim that tuition dollars are being used to fill budget shortfalls resulting from stagnant state support. Most notably, the Legislature has repeatedly approved legislation to change the "SUNY 2020" law to boost state support to fill shortfalls. While improvements in student services are hard to quantify, the most recent federal data available shows at best a very modest increase in full-time instructional staff.

In addition, reports from the campuses themselves provide additional evidence of a continuing and deepening New York State fiscal shortfall for basic year over year additional costs at SUNY and CUNY.

According to SUNY New Paltz Vice President for Administration and Finance, revenues are not keeping pace with necessary increases in expenditure. One factor among others cited was no increases in direct state support since 2012. In response to an anticipated \$5 million budget deficit, in 2018 SUNY New Paltz implemented a 90-day hiring freeze for faculty positions vacated through attrition or retirement.³ CUNY Baruch College's President released a statement that they expected a \$5 million budget shortfall for Fiscal Year 2019 and are implementing across the board department budget cuts and vacancy-control measures.⁴ CUNY Lehman College's President has outlined strategies to overcome the college's structural deficit of \$4 million for this year alone.⁵

As a result of budget shortfalls, Binghamton University cut their library budget and administering a hiring freeze on all staff positions aside from Adjuncts and Teaching Assistants.⁶ The university is not replacing two retiring faculty members in the Department of Art and Design and put a temporary suspension on the graphic design minor.⁷ Stony Brook University has enacted a hiring freeze as well, citing an \$18.5 million budget shortfall, and are eliminating their undergraduate pharmacology program.⁸

The erosion of state support and the creation of growing funding gaps is translating into an erosion of student services and quality of education. Students have experienced firsthand difficulty in getting into the classes they need to graduate, limited services such as library hours, and advisement gaps across the CUNY and SUNY system. The consequences have been especially troubling for students interested in graduating on time.

Additionally, the supports needed to develop academically have been in ever shorter supply, as swelling student numbers increases demand for services. According to a CUNY survey, over a third of CUNY students reported not being able to register for a course they needed for their major. Of those students, half couldn't register because there were not enough seats available.⁹

³ The New Paltz Oracle, "Budget Cuts Costs on SUNY New Paltz Campus," November 8, 2018, https://oracle.newpaltz.edu/budget-cuts-costs-on-suny-new-paltz-campus/.

⁴ Baruch College, Message from the President, FY19 Budget Reduction, July 9, 2018,

⁵ CUNY Lehman College, Momentum from President Daniel Lemon, http://lehman.edu/lehman-today/president-lemons/momentum-09-24-19.html, accessed October 21, 2019.

⁶ Pipe Dream, "Running Low on Revenue Binghamton University Struggles to Cover Employee Raises," November 26, 2018, https://www.bupipedream.com/news/101083/running-low-on-revenue-binghamton-university-struggles-to-cover-employee-raises/.

⁷ Pipe Dream, Kerr, Jake, "Department of Art and Design to Temporarily Suspend Graphic Design Minor," November 26, 2018, https://www.bupipedream.com/news/101025/department-of-art-and-design-to-temporarily-suspend-graphic-design-minor/.

⁸ The Statesman, Liebson, Rebecca, "College of Arts and Sciences Cuts Undergraduate Pharmacology Program," February 25, 2018, https://www.sbstatesman.com/2018/02/25/college-of-arts-and-sciences-cuts-undergraduate-pharmacology-program/.

⁹ City University of New York, "2016 Student Experience Survey A survey of CUNY undergraduate students," http://www2.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/oira/institutional/surveys/2016 SES Highlights Updated 10112016.pdf.

NYPIRG Page 3

NYPIRG urges the Governor and Legislature to:

- Freeze all tuition rates at senior and community colleges and ultimately move to a free CUNY and SUNY.
- Enhance funding for CUNY and SUNY by closing the "TAP Gap" and include mandatory costs in its base funding equation through an enhanced "maintenance of effort."
- Enhance financial aid programs like TAP and the Excelsior Scholarship, so that they are available during winter and summer sessions, expanded for use beyond covering tuition, and provided for incarcerated individuals and graduate students.
- Expand funding for student services and opportunity programs such as CUNY's Accelerated Study in Associate Programs (ASAP) which is a model for free public college, addressing the all-in costs of higher education.

ESTIMATED ADDITIONAL TUITION REVENUES GENERATED BY SUNY2020 AND LOCAL GOVERNMENTAL DECISIONS

Academic	4-Year Public Colleges	2-Year CUNY Colleges	2-Year SUNY Colleges
year			
2011-12	76,682,400	17,324,100	26,492,944
2012-13	153,476,400	34,057,200	42,073,128
2013-14	230,885,100	52,143,300	55,887,544
2014-15	312,176,400	71,318,400	68,817,038
2015-16	391,251,000	89,476,500	85,525,409
2016-17	393,852,000	92,753,900	100,256,875
2017-18	456,965,100	93,262,660	112,119,958
2018-19	515,642,900	91,330,320	132,097,567
TOTAL	2,530,931,300	541,666,380	623,270,463

Sources and How We Calculated Our Estimates. We relied on various data sources to come up with our estimated costs. These sources are from both the state and federal governments. In addition, in the instances in which the data was incomplete for an academic year, we relied on the previous year's numbers (e.g. enrollments) in order to complete our calculations. We did not include tuition revenues generated during summer, winter, or other non-traditional sessions. We did not include tuition revenues generated by students attending part-time during any part of the academic year. We did not include revenues from tuition increases for the current academic year, that data was not readily available. It is safe to assume that our estimate above will increase once the current academic year's information become available, and if tuition revenues generated by part-time students and students attending public college during summer, winter, and non-traditional sessions were accessible and included.

<u>4-Year Public College Tuition:</u> Our estimates are based on the following calculation: For SUNY, we relied on full-time enrollments obtained from the New York State Education Department. The data was obtained at https://data.ny.gov/Education/Headcount-Enrollment-by-Student-Level-and-Student-/4fyc-bf8i/data.

We used enrollments numbers for full-time students attending during the Fall semester and assumed that the Spring enrollments were similar. We did not include revenues generated by students attending summer session or other non-traditional sessions. For our SUNY estimate, we multiplied the number of FTE in the Fall semester by the amount of the tuition increase that year. Each year's tuition increase was added to previous year's increases. As you see on the chart above, the total amount increases each year due to the cumulative impact of previous tuition increases.

For CUNY, the information was obtained from the CUNY Office of Institutional Research and Assessment and was obtained at

http://www.cuny.edu/irdatabook/rpts2_AY_current/ENRL_0001_UGGR_FTPT.rpt.pdf and http://www.cuny.edu/irdatabook/rpts2_AY_current/ENRL_0019_UGGR_FTPT_HIST.rpt.pdf.

The calculations were done in the same manner as the SUNY 4-Year Public College Tuition method described above.

- <u>2-Year CUNY College Tuition</u>: Using the methods and sources described for CUNY above, we estimated the amount raised by increasing tuition for full-time equivalent students.
- <u>2-Year SUNY College Tuition</u>: SUNY's community college system is more decentralized. We relied on the National Center for Education Statistics (a federal agency) to obtain the data necessary to calculate our estimates. We relied on its "Integrated Postsecondary Education Data System." Using the option to

NYPIRG Tuition Analysis, Page 2

"compare institutions," we obtained student population and tuition data used to do the calculations. The data was obtained at https://nces.ed.gov/ipeds/use-the-data. Since each institution increased tuition differently, we reviewed each community college's tuition increases and full-time student population over the academic years 2011-12 through 2018-19.

Relying on different data sources can make comparisons difficult, but it is reasonable to assume that New York State has charged public college students and their families nearly \$4 billion more to attend institutions of higher education as a result of the SUNY2020 program as well as funding decisions by local communities which impact community college costs.

However, in order to grasp a more accurate estimate of the "out of pocket" financial impacts students and their families have felt, we also examined increases in large financial aid programs which offset the aggregate cost impact.

<u>Financial Aid Programs.</u> There are myriad financial aid programs available to New York State public college students. Some of these programs offer assistance for tuition, others go beyond that. It is difficult to estimate how much these programs help offset the costs of increased tuition driven by SUNY 2020 – and actions by local governments.

The state's biggest resources for college students looking to offset the cost of tuition is the Tuition Assistance Program (TAP). TAP is an entitlement program, one that relies on income to establish the amount of financial assistance. We examined TAP expenditures contained in the Higher Education Services Corporation Annual Reports (see: Annual Reports 2018-18 and 2012-13). Financial aid from TAP can only be used for tuition expenses.

In those documents, we examined increased TAP expenditures during the years of rising tuition and assumed that increases in expenditures was driven by the additional tuition costs at SUNY and CUNY. Adding those additional expenditures during the period of SUNY2020, we estimated that the TAP program disbursed nearly \$900 million in awards (adding up the additional TAP disbursements for both SUNY and CUNY, 4-year and 2-year colleges, totaled \$880,276,000).

The other big financial assistance program is offered by the federal government, Pell Grants. Pell can be used for college expenses beyond tuition alone. Therefore, the program's tuition offset is difficult to tabulate.

According to the National Center for Education Statistics, over the past decade roughly 40 percent of New York public college students received a Pell Grant award. The Pell Grant program allows recipients to use it for costs *outside* of tuition – although it can be used for tuition as well. For the purposes of this analysis, we did not include Pell Grants. Notably, the College Board data shows a nationwide decline in the financial benefit from Pell Grants due to rising public college tuition.¹⁰

The state's Excelsior Scholarship program offers tangible benefits to those who receive it, but in the aggregate, its impact is relatively small.

 $^{^{10} \} College \ Board, \ \underline{https://research.collegeboard.org/trends/student-aid/figures-tables/pell-grants-recipients-maximum-pell-and-average-pell.}$