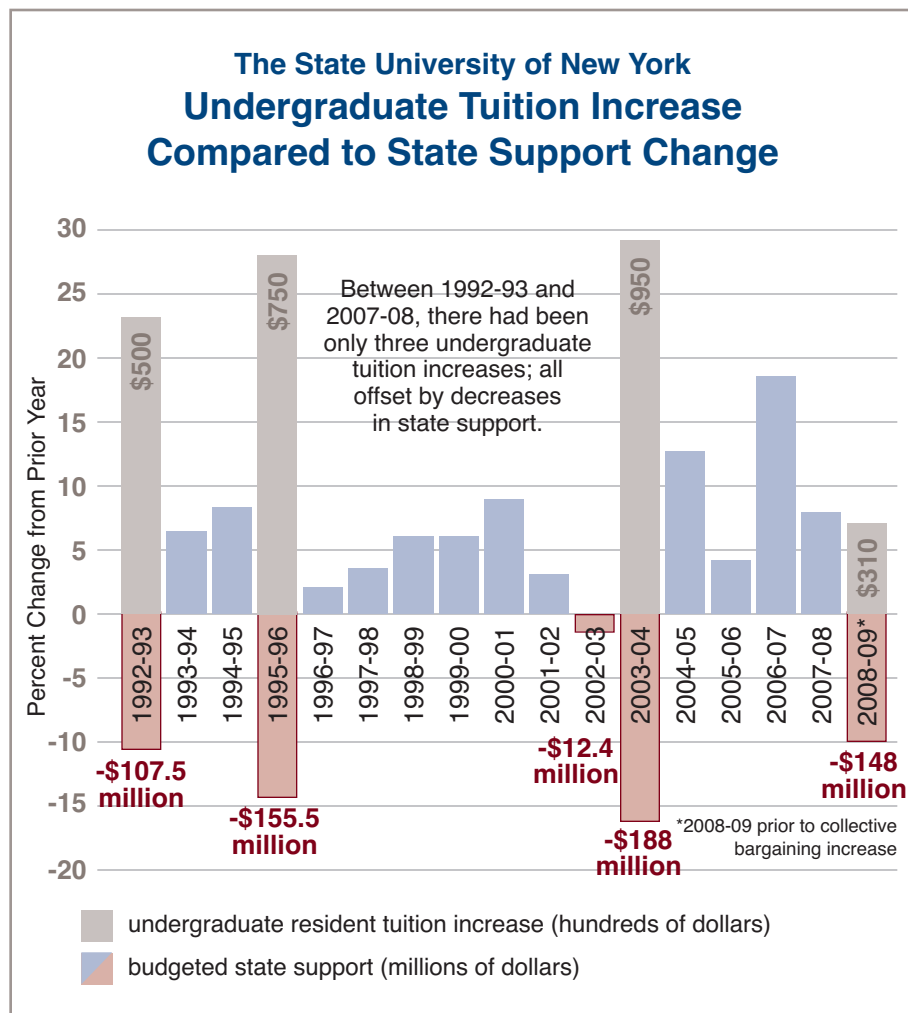


*“Two-thirds of voters oppose – including more than half who strongly oppose – using an increase in SUNY and CUNY tuition to help balance the budget, rather than improve higher education.”*

Siena New York Poll, December 17, 2008  
Siena Research Institute  
Siena College, Loudonville, NY



**Open Letter to the New York State Legislature**



THE STATE UNIVERSITY of NEW YORK

Office of the Board of Trustees

System Administration State University Plaza Albany, New York 12246

Almost 440,000 students and their families have chosen SUNY to obtain a top quality education.

SUNY has certainly borne more than its fair share in responding to New York's economic troubles. In the last year, SUNY has endured \$210 million in cuts. Our students are feeling these cuts through larger class sizes, elimination of courses critical to degree programs, and loss of full-time faculty due to hiring freezes. These cuts threaten SUNY's core mission: public access to a high quality education.

SUNY Board of Trustees responded to this crisis by raising tuition \$620, inclusive of an incremental \$310 increase this Spring. Out-of-state students will pay \$2,260 more (\$1,130 for Spring). These actions will generate \$68 million this fiscal year and an additional \$140 million next fiscal year. These funds are essential if SUNY is going to have any prospect of sustaining both quality and access.

The Governor's Executive Budget has proposed taking away, in reduced operating aid, almost all the funds represented by the tuition increase. They intend to take 90% this year and 80% next year. Instead of tuition being used for campus-based educational purposes, a nearly equivalent sum would end up being swept into the state's general fund to reduce the deficit. This violates SUNY's compact with its students and their families. Simply put, it is wrong.

SUNY needs investment and it needs to be freed to compete. SUNY continues to be the most over-regulated public university system in the nation. It is hamstrung by a labyrinthine web of regulatory constraints. Although it is subject to annual audits, both internal and external, it still must secure pre-audit approvals for many of its most basic functions; it can't leverage the revenue generating potential of its assets; it can't enter into public/private partnerships that create jobs.

Our students deserve a rational, incremental, and predictable source of revenue to enhance academic quality. At its meeting in November, the SUNY Board adopted a rational tuition policy. Going forward, students and their families will be able to project and plan for transparent, small increases in tuition. The SUNY Student Assembly, representing all 64 campuses, voted to support a rational tuition plan.

It is time to rethink SUNY's place in our economy, in the state's strategic response to our budget crisis and in giving substance to our promise of opportunity for all.

Sincerely,

Carl T. Hayden  
Chairman, Board of Trustees

H. Carl McCall  
Chairman, Finance Committee

**The State University of New York  
The Smart Investment**



2009-10 Budget Request

In a time of unprecedented challenges facing New York State the State University of New York (SUNY), the nation's largest comprehensive public university system, stands ready to play a key role in the State's economic recovery. SUNY is uniquely positioned for this important task because of its statutory academic, research and public service mission: affordable, high quality education to all who seek higher education in New York State; the University's presence in all corners of the State; and the University's role as a driver of economic development and provider of cutting edge research. New York State is experiencing unparalleled difficulties, however New York's prosperity, as slated in the New York State Commission on Higher Education's final report, "depends on preserving and enhancing . . . the vitality of our institutions of higher education."

## Pillar One Rational Tuition Policy



A rational tuition policy would enable State University students and their families to plan for education costs through completion of their degree program. The policy would also generate a predictable level of funding for campuses to invest in academic quality initiatives and allow for the delivery of services that result in economic development for their host communities. The SUNY Student Assembly, representing all 64 State University campuses, voted to support a rational tuition plan and the resulting investment in access and academic quality.

### SUNY requests:

- A multi-year, rational tuition plan tied to the Higher Education Price Index (HEPI).
- Appropriation authority to spend the Spring '09 (\$68 million) and Fall '09 (\$140 million) tuition revenue resulting from the in-state (\$320 Spring / \$620 Fall) and out-of-state (\$1,130 Spring / \$2,260 Fall) tuition increases adopted and implemented by the SUNY Board of Trustees.
- 100% of the revenue from student tuition must be used for its intended purpose to allow campuses to protect and, where possible, expand the University's ability to deliver a broadly accessible and high quality education for all students.

## Pillar Three Management and Operational Reforms and Efficiencies (MORE)



MORE would provide SUNY with administrative and regulatory relief in its day-to-day operations and allow it to institute greater operational efficiencies and respond to the growing needs of the residents, businesses and governments in their host communities.

### SUNY requests:

- Control of income from tuition, fees and other university revenue. Although these revenues are basically user fees and collected for specific purposes, the state treats them as state revenue, allocated by the Division of Budget (and pre-audited by the state comptroller), that are subject to use for non-educational purposes.
- Implement post-audit accounting practices for expenditures, instead of pre- and post-audit.
- Ease of bureaucratic red tape in procurements and contracts, and the use of internal management rules and systems, consistent with sound business practices and state finance law.
- Authority to establish a personnel system parallel to the state civil service system for classified personnel.
- Capital construction flexibility for more cost-effective and efficient methods of delivery in the management of more than \$4 billion in construction projects.

## Pillar Two Building Public-Private Partnerships



An expanded land use policy would unleash the spirit of innovation on SUNY's 64 diverse campuses and allow them to use their capital assets to foster new public-private partnerships and enhance opportunities to expand entrepreneurial activities that could generate several million dollars annually for SUNY campuses. Such revenue would provide additional resources to invest in strengthening academic quality and ensure access. In a time of rising costs and declining state support, the University must become entrepreneurial and more self-sufficient. The City University of New York already has such authority.

### SUNY requests:

- Statutory authority to lease and sell its capital assets, consistent with state laws and policies, and be exempted from state provisions for the disposal of surplus property.
- Authority to maximize use of its assets in areas such as public-private partnerships that promote commercial and community-based activities, natural resources, land use, and rental income.
- Expanded use of campus capital facilities to generate needed revenue to advance SUNY.

## Pillar Four Essential State Support



To serve the interests of New York, SUNY needs an appropriate level of state support, including mandatory costs, such as contractual salary increases, energy expenses, expanded enrollment funding, as well as support for initiatives such as recruitment of world-class research faculty and the training of critical, high need jobs.

### SUNY requests:

- State support of \$153.6 million for state-operated campuses for base level costs for negotiated salaries, increased enrollment of students and energy costs.
- \$10 million to support the recruitment of faculty and researchers, and to expand training for critical, high needs jobs in areas such as nursing and technology.
- Adequately fund SUNY's three hospitals to allow them to continue to provide critical health care to all New Yorkers, regardless of their ability to pay for such services, and to educate the many doctors, nurses and technicians who serve the local communities.
- Fully fund community college enrollment and provide a \$100 increase in base-aid to cover increases in cost for negotiated collective bargaining agreements, increased healthcare and energy costs, and additional full-time faculty.

## SUNY's position on the 2009-10 Executive Budget Proposal and Deficit Reduction Plan

### Tuition

**Appropriate** for campus use 100% of the tuition revenue adopted by the SUNY Board of Trustees. This means not sweeping 90% of tuition revenue in the 2008-09 Deficit Reduction Plan (\$68 million) and not sweeping 80% in the 2009-10 budget (\$54 million).

**Adopt** the rational tuition policy, based on the Higher Education Price Index, implemented by the SUNY Board of Trustees to allow for transparent, small increases in tuition to allow students and parents to plan for their educational costs and to allow the University to invest in academic quality initiatives.

### Budget

**Oppose** the \$40 million sweep of campus-based (IFR) revenues. Such revenues include student user fees for technology and campus services, facility rentals, and entrepreneurial partnerships.

**Oppose** the 10% tithing (tax) of federal grants competitively awarded SUNY faculty researchers. This \$7.9 million enables campuses to support faculty research including graduate student stipends, research equipment and technology transfer and commercialization.

**Oppose** the elimination and reduction of University-wide programs such as the Student Assembly, SUNY Maritime Cadet Appointments, Nanoscale Science & Engineering programs, The Levin Institute and faculty diversity initiatives.

### Hospitals

**Restore** the \$25.4 million decrease in the state subsidy to fund operating cost differentials such as hospital staff salaries and benefits.

**Fund** \$38.3 million in 2008-09 negotiated contractual agreements entered into by the Governor.

### Community Colleges

**Restore** the reduction in base-aid of \$270 per FTE for FY08-09 (\$11 million) and for FY09-10 (\$34.7 million) and eliminate the "sliding scale" that apportions this decrease.

### Flexibility

**Support** the proposed Article VII bills that contain administrative flexibility items such as: post-audit of expenditures; access to OGS centralized contracts for affiliated campus organizations, health care facilities ability to enter into manage care networks, cost effective construction fund delivery methods and bond threshold increases.

**Provide** SUNY with land use flexibility to allow for the maximization of University assets to pursue entrepreneurial activities such as: expanding public/private partnerships to promote commercial and community based activities; maximizing utilization of natural resources, using SUNY land in creative ways such as producing bio-mass fuels, co-generation facilities, or developing solar and wind farms.

### Capital Projects

**Support** the Executive Budget addition of \$550 million in critical maintenance for state-operated campuses and \$42.9 million for community college projects.

**Provide** an additional \$250k in self-supporting SUNY Greening Initiatives to allow campuses to access state bond proceeds to build sustainable energy and green buildings.