



MEMORANDUM

November 15, 2017

TO: Members of the Board of Trustees

FROM: Kristina M. Johnson, Chancellor

SUBJECT: 2018/19 Operating Budget Request

Action Requested

The proposed resolution approves SUNY's 2018/19 Operating Budget Request to the State of New York.

Resolution

I recommend that the Board of Trustees adopt the following resolution:

Whereas the State University of New York recognizes that in order to provide the people of the State of New York with educational services of the highest quality, with the broadest possible access, and to fulfill its statutory mission, it must provide its students and institutions the ability to plan for affordability in both attendance and operations; and

Whereas the State University community understands that this perspective is shared by the Governor of the State of New York; and

Whereas the State University fully supports the Governor's vision to make government work better and smarter, and to operate more efficiently; and

Whereas the State University has implemented a wide-ranging series of efficiency initiatives, including strategic sourcing, information technology transformation, administrative alliances, and campus alliance networks to generate administrative savings in excess of \$100,000,000

that continue to grow and have been, and will continue to be, reinvested in instruction and student services; and

Whereas the State University's budget request reflects careful consideration of the necessary direct state tax support and revenue spending authority (appropriation) levels to continue to provide high-quality services; and

Whereas the 30 community colleges operating under the program of the State University of New York ensure open access to high quality postsecondary education, and contribute significantly to the development of an educated citizenry and skilled workforce; and

Whereas the SUNY campuses and colleges produce leading edge research in crucial areas, and play a critical role in their regional economies; and

Whereas the three SUNY teaching hospitals provide world-class medical care to their regions, produce leading edge research in health care and play a critical role in their regional economies; now, therefore, be it

Resolved that the State University will continue its efforts to turn administrative savings into reinvestment in education student support and research; and be it further

Resolved that the Board of Trustees shall request support from the State of New York in the amount of \$95,692,950 to fund settled, and non-settled, salary agreements, acknowledging that a source of funds to support an additional cost of \$98,140,471 related to retroactive salary payments be researched and discussed with the State of New York; and, be it further

Resolved that to support predictability and ongoing operations, legislation enacted in 2017/18 related to Predictable Tuition and State Maintenance of Effort should be continued, with limited adjustments related to border state tuition rates and the flexibility to respond to disasters as they arise; and, be it further

Resolved that the operations of the 30 SUNY community colleges have evolved past the volume driven model established in the early 1970's, and that a major change in approach is required to maintain State support for each college, recognize the cost of inflation, and to match the cost of high need / high cost programs, resulting in additional direct state tax support of \$18,850,335 on an academic basis, supplemented by legislative changes as provided in the document attached to this resolution; and, be it further

Resolved that to support and expand opportunities and student services already provided at the State University a total of approximately \$5,200,000 in direct state support be provided to support Educational Opportunity Program (EOP), \$1,600,000 for the Educational Opportunity Centers (EOC), \$500,000 for Small Business Development Centers (SBDC), and \$500,000 for the Cornell Veterinary College, as well as \$300,000 in federal funds for the EOC program; and, be it further

Resolved that in order to support the ongoing costs and mission of the five statutory and contract colleges of the State University—including the activities of the New York State College of Ceramics at Alfred University and those related to both the operations and land grant mission of Cornell University—the State University requests that the level of direct state tax support for these institutions be increased by approximately \$7,745,000, with an additional \$420,000 provided for the Cornell Cooperative Extension; and, be it further

Resolved that \$1,000,000 in direct state tax support be provided over a three-year period, to be matched by private dollars, to add two new community schools to the existing five such institutions within SUNY; and, be it further

Resolved that to address the concerns of SUNY students who did not earn a degree at the State University, but were left with outstanding debt, SUNY and the State of New York should partner to establish a program that would allow for these students to achieve their educational goals and realize some limited relief on their debt; and, be it further

Resolved that to ensure that SUNY remains competitive and innovative, ideas generated by our campuses, faculty, and

staff are properly supported, that the former Investment and Performance Fund be re-instated and enhanced in the 2018/19 Enacted State Budget and become a Competitive Innovation Fund, to be used to match funds from Industry and philanthropic organizations, and expanded to ensure eligibility to all SUNY institutions; and, be it further

Resolved that to ensure SUNY teaching hospitals continue to provide world-class medical care to their regions and continue their leading edge research in health care and important role in regional economies, the State University requests that direct State tax support be held equal to the 2016/17 level while providing relief from planned reimbursement to the State for debt service payments; and, be it further

Resolved that the State provide funds necessary to support specific general State charges expenses related, but not limited to, the Teachers Retirement System (TRS) and the Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF); and, be it further

Resolved that the appropriation level for the State University's Tuition Revenue Offset Fund be increased to reflect planned enrollment levels, campus supported plans for graduate and professional tuition rate plans, and to bring the University Centers into alignment in the area of non-resident undergraduate tuition; and, be it further

Resolved that appropriations for the State University's special revenue funds be set at the appropriate levels to cover general inflation and changes in activity; and, be it further

Resolved that the proposed operating budget request for State-operated and statutory colleges and the community colleges (copy on file with the Office of the Secretary), as described in this Resolution and the attached background materials, be, and hereby is, approved for the 2018/19 fiscal year, and the Chancellor, or designee, be, and hereby is, authorized to transmit such budget request to the Director of the Budget; and, be it further

Resolved that the State University requests all re-appropriations necessary for the following purposes be included in the 2018/19 Executive Budget: General Income Fund Reimbursable; Hospital Operations; University-wide Hospital activities; Special

Revenue Funds Federal (various student assistance programs); and Aid to Localities (legislative and other line item initiatives); and, be it further

Resolved that the State University's capital plan for Educational Facilities, Community Colleges, Residence Halls, and Hospitals, presented separately, be fully funded in order to support the ongoing operations of the State University system.

Background

The background and justification for the 2018/19 Operating Budget Request is set forth in the attached narrative.

Attachment

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STATE UNIVERSITY OF NEW YORK

2018/19 OPERATING AND CAPITAL BUDGET REQUEST

**State University of New York (SUNY)
2018/19 State Budget Request Summary**

Operating Budget Request: Additional Support

<p align="center">State-operated Campuses</p> <ul style="list-style-type: none"> • \$72.8M: Base Collective Bargaining Support <ul style="list-style-type: none"> ○ This proposal would provide additional Direct State Tax Support for the base costs of settled, and not yet settled, collectively bargained salary costs, including across the board, discretionary, and applicable longevity costs • \$ 30.0M: Enhanced Performance Improvement Fund for Competitive Innovation <ul style="list-style-type: none"> ○ This proposal will bring industry and private philanthropy matching dollars to New York State, to invest in innovative research, leading to next generation technologies and industries that will drive the economy. The requests asks the State to match funds successfully obtained by SUNY, from Industry and philanthropic organizations. <p align="center">Legislation Adjustments</p> <ul style="list-style-type: none"> • Continuation of 2017/18 Enacted Legislation <ul style="list-style-type: none"> ○ SUNY fully supports the continuation of the re-instated Maintenance of Effort (MOE) and Predictable Undergraduate Tuition Rate Plan, enacted by the State in 2017/18 • Potential Adjustments to Standing Legislation <ul style="list-style-type: none"> ○ To support the unique nature, as well as the expansive width and breadth, of the SUNY System, SUNY requests support from the State for the institution of a Border States tuition rate for those campuses that may be detrimentally impacted by in-state tuition rate plans offered by states bordering New York for New York Residents as well as flexibility for graduate tuition rates • Pairing Tuition Rates and Excelsior Recipients <ul style="list-style-type: none"> ○ To support the continued success of the 2017/18 Excelsior Scholarship Program, SUNY requests that the tuition rate charged to these students be tied to either the two- or four-year period in which they are required to graduate, versus the current full four-year frozen timeframe • New legislation for land leases, affiliation accounts, flexibility to respond to victims of national disasters, facilitating cost savings, provide for community college sponsor relief, and required transfers 	<p align="center">Community Colleges</p> <ul style="list-style-type: none"> • \$18.9M: Level Funding Formula Redesign <ul style="list-style-type: none"> ○ SUNY proposes a change in the way that the 30 SUNY Community Colleges are funded, providing for a solid operational base that will ensure that the students they serve have the resources they need to succeed ○ This relatively small investment would provide for A) a steady level of support from the State B) a recognition of the cost of doing business and serving the neediest students, and C) a fund for workforce development • \$1.0M: New Community School Grants <ul style="list-style-type: none"> ○ To be matched by private sources <p align="center">Hospitals</p> <ul style="list-style-type: none"> • \$22.9M: Base Collective Bargaining Support • \$36.1M: Debt Service Relief <p align="center">Additional Program Supports</p> <ul style="list-style-type: none"> • \$5.2M: EOP Expansion • \$1.9M: EOC / ATTAIN (Federal and State) • \$0.5M: SBDC • \$0.5M: Cornell Vet. <p align="center">Statutory Colleges</p> <ul style="list-style-type: none"> • \$6.3M: Cornell Univ. • \$1.9M: Alfred Ceramics <p align="center">Addressing Student Debt</p> <ul style="list-style-type: none"> • SUNY asks the State to partner with SUNY’s successful Re-Enroll Program to create a statewide program that would provide forgiveness of a percentage of the outstanding student loan debt for students who have withdrawn from college due to certain events, contingent upon those students finishing their degree in specific fields and pledging to remain in the State for a set period of time following graduation
<p align="center">Capital Budget Request: Additional Support</p>	
<p align="center">State-operated and Statutory Campuses</p> <ul style="list-style-type: none"> • \$800.0M 1-Year / \$4.0B 5-Year: <ul style="list-style-type: none"> ○ Critical Maintenance and Campus Priority Projects 	<p align="center">Teaching Hospitals</p> <ul style="list-style-type: none"> • \$600.0M 1-Year and 5-Years
<p align="center">Residence Halls</p> <ul style="list-style-type: none"> • \$50.0M: 1-Year / \$200.0M 5-Year: <ul style="list-style-type: none"> ○ Self-supported improvements 	<p align="center">Community Colleges</p> <ul style="list-style-type: none"> • \$99.8M 1-Year / \$296.5M 5-Year <ul style="list-style-type: none"> ○ State match
<p align="center">State-operated and Statutory Campuses / Residence Halls</p> <ul style="list-style-type: none"> • \$80.0M 1-Year / \$400.0M 5-Year: <ul style="list-style-type: none"> ○ Sustainable/Net Zero Buildings 	

2018/19

BUDGET REQUEST

The State University of New York (SUNY) presents the following request for Direct State Tax Support for the 2018/19 academic year. In addition, information is provided on the level of spending authority required by our State-operated campuses, teaching hospitals, and the Long Island Veterans Home (LIVH) to utilize their own self-generated revenue.

This request for Direct State Tax Support, a total of \$1.8B, or a \$232.6M / 14.6 percent increase over 2017/18 levels of Direct State Tax Support. Of the requested increase, \$35.0 million supports students directly, more than half could potentially be supported by one time State sources, or support could be provided over multiple fiscal periods; and \$30 million of the increase is dependent on SUNY being able to obtain private matching funds.

SUNY acknowledges the financial pressures felt by the State, as well as the current level of support provided to SUNY for its operations (both direct and indirect). However, the impact, reach, and mission of the SUNY System – both in New York State and across the globe – requires investment and attention. Following the Great Recession, SUNY finds itself in a situation wherein the indirect support provided by the State (for employee benefits, capital improvements, and other items) has continued to rise in time with the essential services provided by the System. However, the direct support, or the funding our institutions receive from the State to sustain critical investments and to operate on a day-to-day basis, has not returned to Pre-Recession, or even immediately Post-Recession, levels.

State University of New York (SUNY)				
Composition of Direct and Indirect State Tax Support				
Select Years				
Year	Direct State Tax Support¹	Indirect State Tax Support²	Total	Percent Direct
2007/08	\$1,462.6M	\$1,519.7M	\$2,982.3M	49.0 Percent
2009/10	\$1,326.8M	\$1,869.0M	\$3,195.8M	41.5 Percent
2017/18	\$1,177.0M	\$2,691.3M	\$3,868.3M	30.4 Percent

This direct support is vital to our operations. Operations that, even at static levels of direct support in recent years, has aided SUNY in producing over 700,000 graduates (with 75 percent (525,000) staying and working in New York State), 90 operational startups from the SUNY Technology Accelerator Fund, \$1.3 billion in research and 1,300 patients, and generating over \$20.0 billion³, in 2011 dollars, in economic impact on New York State's economy.

SUNY was created out of a commitment to opportunity and access, and designed to meet diverse needs across a vast geographic landscape. SUNY reflects both the land grant mission reborn and a reputation for embracing new thinking and brighter ideals. SUNY faculty and students are constantly seeking, generating, analyzing, and sending knowledge back into the world through becoming informed citizens, revitalizing communities, and producing experts who transform entire sectors of life.

¹ Includes direct support for State-operated Campuses and Community Colleges

² Includes indirect support for employee benefits and debt service for State-operated Campuses and Community Colleges

³ Based on June 2011 Rockefeller Institute of Government / UB Regional Institute study on "How SUNY Matters"

http://www.rockinst.org/pdf/education/2011-06-01-How_SUNY_Matters.pdf

SUNY's colleges and universities are proud to be State-supported or State-related, and SUNY graduates have been giving back and transforming the lives of local and global citizens since the System was established. Millions of SUNY alumni are working in their communities every day, changing and improving the world with exceptional contributions—whether defined as a medical breakthrough, a technological innovation, an inspirational piece of art, or the birth of a new business.

The budget, if enacted as proposed in this document, will put SUNY on a path to double its research within seven years, thus doubling its economic impact on the State and preparing New York for the future of an Artificial Intelligence enabled workforce. Further, this budget will stabilize the foundations upon which SUNY, the largest comprehensive public system of postsecondary education in the Nation, and support innovative ways to provide an educated and work-ready population, drive economic development, build a sustainable and resilient operational future, and generate the ideas and transformative initiatives that will help define New York State's future.

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Operating Budget Request

The 2018/19 request uses the 2017/18 Enacted Budget as a starting point, anticipating that the following particular items, as well as all other support received in 2015/16 and 2016/17⁴, will be continued and that all additional requests would be provided incrementally to this “base” level of support:

Information on SUNY’s 2018/19 operating budget request is summarized below for the entire SUNY System, and discussed in further detail in the following individual sections. A specific section on the capital request is also included. Please note that the funding levels needed for the State’s continued support of State-operated campus fringe benefit and debt service costs are not reflected, and are assumed to continue to be centrally managed and appropriated by the State as they are for the majority of state agencies.

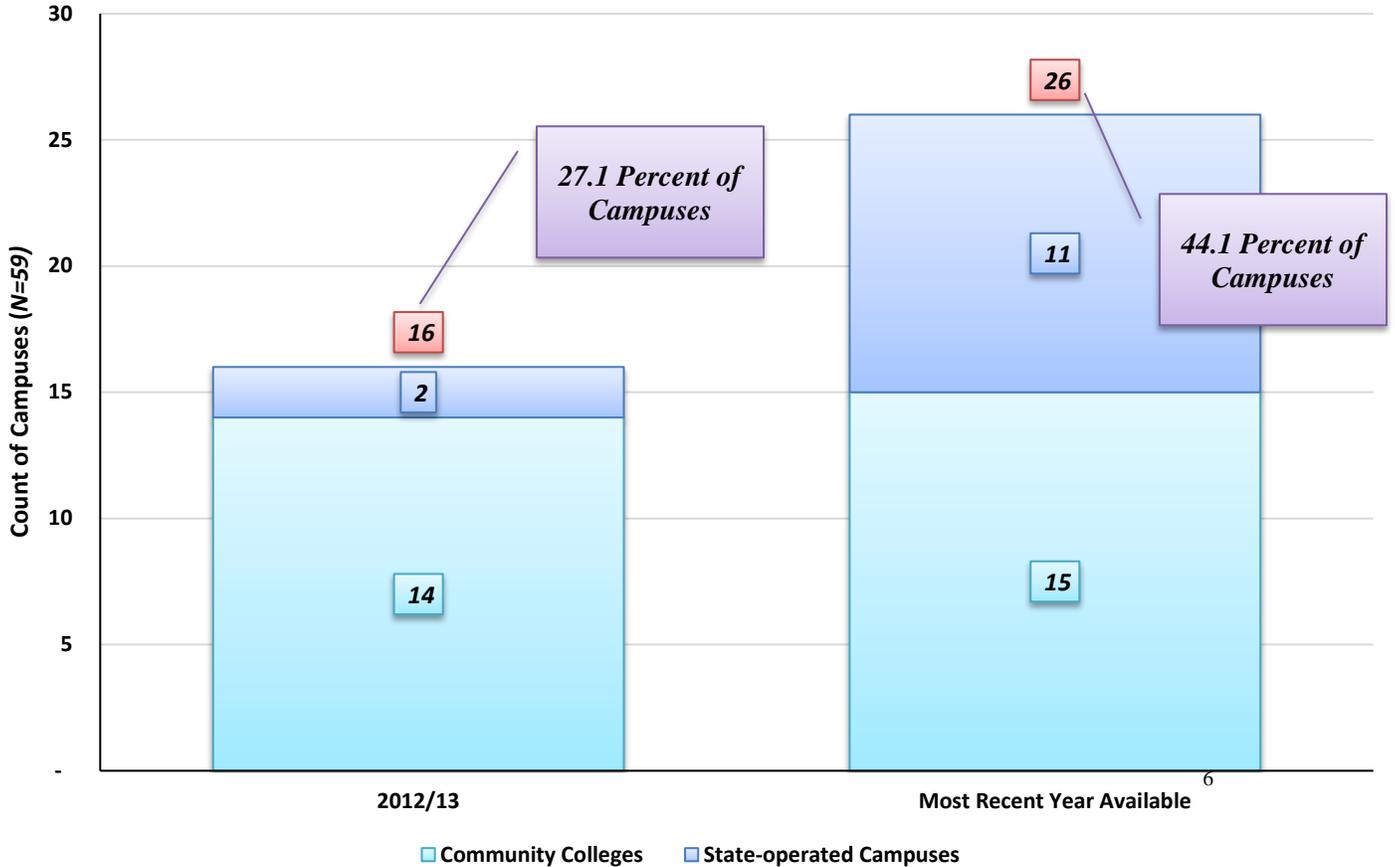
Area	2017/18 Enacted State Budget	Requests Associated with Monetary Settlements	New Investments	2018/19 SUNY Budget as Requested
State-operated Campuses	\$708.0	\$72.8	-	\$780.8
Statutory Campuses	133.8	-	8.2	142.0
Community Colleges	498.8	-	19.9	518.7
Hospitals and Other Health Related	78.6⁵	22.9	36.1	137.6
University-wide Programs	156.7	-	7.8	164.5
System-wide Activities	22.0	-	65.0	87.0
Grand Total	\$1,597.9	\$95.7	\$136.9	\$1,830.5

As New York State’s population demographics continue to shift, and more public and private institutions across the State compete for the same population of students, all while dealing with increased costs related to expanded needs for services and the growing demands of operations, many of our colleges are facing fiscal stress.

⁴ Reference is to Community School Grants that were first provided in these years

⁵ Reduced by \$9.3M from 2016/17 levels

State University of New York (SUNY)
Count: Campuses With Expenses Exceeding Revenue in Indicated Year
State-operated Campuses and Community Colleges Only



SUNY continues to work with our institutions to manage these pressures by increasing shared services, implementing operational efficiencies, and focusing on strategic sourcing to achieve a maximum amount of savings. However, the implementation of innovative corrective actions, and the restrictions on raising revenues through tuition or other charges, are outpaced by the continued cost challenges from not only within the State of New York, but from the federal government as well.

To aid in SUNY’s internal efforts to combat these issues, we ask the State to utilize its limited resources and make investments that will pay future dividends. For our State-operated campuses, this includes the critical component of utilizing a portion of existing extraordinary monetary settlements to partially offset the costs associated with collectively bargained salary contracts as well as continuing – or instituting – a protection from a return to the days of annual Direct State Tax Support reductions.

⁶ The “Most Recent Year Available” for Community Colleges is 2015/16 and 2016/17 for State-operated campuses

1. State-operated Campuses

2018/19 State University of New York (SUNY) Community College Request: Direct State Tax Support ⁷ (\$M)				
Area	2017/18 Enacted State Budget	Requests Associated with Monetary Settlements	Total Request	2018/19 SUNY Budget As Requested
Base Support	\$708.0	-	-	\$708.0
Base Collective Bargaining Support	-	72.8	72.8	72.8
Total	\$708.0	\$72.8	\$72.8	\$780.8

- **Direct Funding Related Actions**

- **\$708.0 million: Base Support (*Existing Support*)**

- Continue 2017/18 levels of Direct State Tax Support for all campuses and System Administration

- **\$72.8 million: Base Collective Bargaining Support (*Monetary Settlements*)**

- This proposal would provide support from the State of New York for the base costs of prospective and known Collective Bargaining Costs at the State-operated campuses
- This would include support for current across the board costs as well as discretionary and applicable longevity costs

In addition, the Board of Trustees would request that SUNY and the State work together to find an avenue to support an additional cost of \$71.3 million primarily related to retroactive Collective Bargaining costs. The impact from absorbing these costs on the current operational base would strain our campuses ability to provide the types of services and educational experience that our students require to complete their college experience within the intended amount of time

To provide context, absorbing the costs of 2016/17, 2017/18, and prospective 2018/19 salary costs entirely on the base of Direct State Tax support provided directly to the 29 State-operated campuses would require redistribution of approximately 25.0 percent⁸ of this funding

While SUNY recognizes that the State has assumed that all State entities will absorb these costs, SUNY's unique position as a true economic engine, producer of an educated workforce and a massive economic driver should serve as a basis to remove the University System from the broader category of State Operations. Furthermore, these costs could be obviated through the use of a portion of the \$155.0M in extraordinary monetary settlement funds currently held for unsettled bargaining units⁹

Alternatively, SUNY would welcome engaging with the State on a longer term "payment plan" that would allow for these costs to be reimbursed if funds become available due to potential changes in tax law on a State or Federal level

⁷ Please note that totals may not add due to rounding. Community School Grants re-appropriations not shown and are assumed to be continued

⁸ Exclusive of support for University-wide programs, Hospitals, Open Educational Resources, or Direct State Tax Support received by students for the Tuition Assistance Program (TAP) or the Excelsior Scholarship awards attending a State-operated institution

⁹ Pages 27 and 29, FY 2018 First Quarterly Update: State Financial Plan

- **Policy Related Actions**
 - **Continuation of Maintenance of Effort**
 - With only limited interruption since its 2011/12 Enactment, the “MOE” agreement between the State of New York and SUNY has protected the nation’s largest comprehensive public university system from a repeat of the massive reductions in direct support experienced during the Great Recession while ensuring that the State and Student investment is wisely utilized to support student success, economic and intellectual development, and programmatic advancement
 - SUNY requests the language passed in the 2017/18 Enacted Budget be continued and remain unchanged, with the possible exception of extending the protections provided by this important legislation to the annual investments made in our myriad programs such as the Educational Opportunity Program (EOP), Educational Opportunity Centers (EOCs), and the Small Business Development Centers (SBDC)
 - **Continuation of Predictable Tuition**
 - At the same time that the State provided the protections of the Maintenance of Effort, it also worked to break the “tuition roulette” cycle of student tuition increases that have plagued SUNY since tuition was first instituted in 1963
 - For the first time, students and families could finally plan for their college costs intelligently, operating off the multi-year plan passed by the SUNY Board of Trustees under the strictures provided in the NY-SUNY 2020 legislation
 - This benefit has continued almost unbroken since that time, and SUNY would request that intent of the program be continued unchanged, but possibly supplemented through additional tuition rate flexibility being provided to the SUNY Board of Trustees in the areas of setting specific “Border State” tuition rates to properly compete with our neighboring institutions and allowing for differing rates of graduate tuition
- Other potential areas of Direct State Tax Support investment that could benefit both the State-operated campuses and their students are included in the University-wide programs portion of this request

In addition, Attachment A reflects (in both the Special Revenue Funds – Other: section and the Fiduciary, Internal Service Funds section) the year-to-year spending authority needs of the State-operated campuses for dormitory operations, fee supported activities, and other academic program needs. Of particular interest:

- A year-to-year increase in tuition revenue related spending authority of \$22.0 million, related to anticipated enrollment changes at the State-operated campuses provided by these institutions as well as Year Two of the Long Term Tuition Plan to be passed by the Board of Trustees in November, 2017
- Re-appropriation of the 2017/18 “General Income Fund Reimbursable (“IFR”)” appropriation in order to ensure that existing contracts and operations continue without any impact to our students
- A \$15.0 million appropriation for the two-year “Stabilization” authority, which will allow SUNY campuses to expend prior year Investment Fund awards and support other multi-year activities

To aid in the operations of the State-operated campuses, Attachment C provides for requested policy and language changes, including a technical adjustment to the successful 2017/18 Excelsior Scholarship Program, required land lease legislation to facilitate Stony Brook University’s work with the Ronald McDonald House,

changes to procurement requirements to facilitate operations, and support for the continuation of 2017/18 legislation related to the Maintenance of Effort (MOE) and Predictable Tuition Plan through 2020/21.

Finally, while the authority is no longer provided to SUNY directly, the State University is also requesting that the State Tax funding managed centrally to support costs related to the Teacher Retirement System (TRS), Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), and other programs be appropriated at the appropriate levels to handle all forecasted costs for the 2018/19 academic year.

2. Community Colleges

2018/19 State University of New York (SUNY) Community College Request: Direct State Tax Support ¹⁰ (\$M)			
Area	2017/18 Enacted State Budget ¹¹	New Investment	2018/19 SUNY Budget As Requested
<i>Base Aid: Consistent Support¹² and Inflation</i>	\$473.1	0.9	\$474.0
<i>Base Aid: Workforce Development</i>	-	18.0	18.0
Total Base Aid	\$473.1	\$18.9	\$492.0
Rental Aid	11.6	-	11.6
Job Linkage	3.0	-	3.0
Apprentice SUNY	3.0	-	3.0
Child Care	2.1	-	2.1
Contract Courses	1.9	-	1.9
High Needs Program	1.7	-	1.7
New Community Schools Grants	-	1.0	1.0
GAP	1.5	-	1.5
Low Enrollment	0.9	-	0.9
Orange CC Bridges	0.1	-	0.1
Total	\$498.9	\$19.9	\$518.7

- **Policy and Direct Funding Related Actions**

- **\$492.0 million (Existing Support and New Investment)** to Support a Level Funding Formula Redesign¹³:

- This proposal would transform the way the SUNY Community Colleges are funded by the State of New York, becoming more reflective of the college going age population they serve as well as the essential workforce development role they serve.
 - The components of this level funding formula redesign would be as follows:
 - **\$473.1 million (Existing Support)** and **\$0.9 million (New Investment):** Consistent Support from NYS and Inflation
 - Existing Support:
 - Similar to the current State-operated campus funding approach, the 30 SUNY community colleges would be provided a set “base” of support from the State that would not vary on a year-to-year basis with enrollment changes
 - In addition, to provide for recognition of this level of base support, each college would be appropriated – by name – in annual enacted State budgets
 - New Investment: Inflation

¹⁰ Please note that totals may not add due to rounding. Community School Grants re-appropriations not shown and are assumed to be continued

¹¹ Figures shown on an academic year basis

¹² Also known as Base Operating Aid

¹³ Associated language changes provided as part of Attachment C

- Provide for an adjustment to the “base level” of support on an annual basis to reflect the changes in basic operational costs experienced by the colleges
- While this would be applied only to the State’s base support levels, the adjustments would still allow for at least this portion of the college’s operational support to be more representative of annual cost adjustments
- In addition, those colleges that serve an inordinate level of low-income students¹⁴ would receive an additional adjustment to their support.
- **\$18.0 million (New Investment):** Support for High Cost Programs
 - Provide for additional investment funding would be provided to the colleges in the form of matching awards to offset the financial impact of high need / high cost programs that meet the workforce needs of the State
 - This proposal follows over a year’s worth of work by the Presidents and Chief Financial Officers of the 30 Community Colleges operating under the program of the State University of New York along with representatives from System Administration and has been approved by every Community College President in the SUNY System
 - **\$1.0 million (New Investment)** to Support a New Round of Community School Grants:
 - Building on the 2015/16 and 2016/17 Enacted State Budgets, SUNY would request \$1.0 million for two new State funded Community School Grant awards, which would be supplemented through private sources, to reinvigorate the potential benefit of these grants across SUNY's expansive institutional footprint
- Other potential areas of Direct State Tax Support investment that could benefit both the Community College campuses and their students are included in the University-wide programs portion of this request

3. University-wide Programs

A full listing of current University-wide programs is included as Attachment B. However, the table below provides a summary of these programs by appropriated area and reflects a total of **\$7.8 million** in investment in our students:

2018/19 State University of New York (SUNY) University-wide Programs: Direct State Tax Support¹⁵			
<i>(\$M)</i>			
Area	2017/18 Enacted State Budget	New Investment¹⁶	2018/19 SUNY Budget As Requested
Opportunity and Diversity Programs	\$95.4	\$6.8	\$102.2
Strategic and System-wide Resources	48.5	1.0	49.5
Student Loans and Grants	12.7	-	12.7
Total	\$156.7	\$7.8	\$164.5

¹⁴ Defined, for this purpose, as those colleges having 15 percent or more of their enrollment comprised of students who meet the Educational Opportunity Program (EOP) income requirements, but do not receive EOP funding.

¹⁵ Please note that totals may not add due to rounding

¹⁶ Only Direct State Tax Support shown

- **Policy Related Actions:**
 - SUNY would request that the proposed language changes to specific programs outlined in Attachment C be accommodated in the 2018/19 Executive Budget and beyond to facilitate the efficient execution of the programs so adjusted.
 - In addition, the University would request that the existing Maintenance of Effort provision apply to not only the program funding levels themselves, but also include any incremental support associated with State negotiated salary increases.
- **Direct Funding Related Actions:**
 - SUNY proposes funding adjustments for the University-wide programs as follows:
 - **Opportunity and Diversity Programs:**
 - **\$5.2 million (New Investment)** for the Educational Opportunity Program (EOP):
 - This support would be comprised of two pieces:
 - \$4.1 million: To increase the amount of direct student aid that can be provided by the EOP program
 - \$1.1 million: To support the increased level of enrollment experienced by the EOP program
 - **\$1.6 million (New Investment, State) and \$0.3 million (New Investment, federal)** for the Educational Opportunity Centers (EOC) and ATTAIN Labs
 - This support would be a combination of Direct State Tax Support and Federal Funds as follows:
 - \$1.6 million (Direct State Tax Support) to offset lease escalations and contractual costs
 - EOCs do not charge for their services and therefore have no ability to generate their own revenue to handle increased costs
 - In addition, for those programs run by EOC in tandem with the outside entities like CUNY, the cost of employee benefits are not supported by the State and instead impact EOCs programmatic offerings
 - \$0.3 million (Federal Funding) to address staffing inequities at ATTAIN labs through the State
 - **Strategic Priorities and System-wide Resources:**
 - **\$0.5 million (New Investment)** to expand offerings to New York State businesses through the Small Business Development Centers (SBDC)
 - This new investment will aid the SBDC in continuing its work in the areas lined out below by aiding in the development of a technology professional development series:
 - **Technology:** SBDC has been focused on technology advisement, with the Entrepreneur in Residence (EIR), where SBDC Centers hire serial entrepreneurs with technology start-up experience, and our Accelerator Teams engaged across the State
 - **Cyber-Security:** SBDC recently developed the Cyber-Security workbook to address the major issue of Cyber-Security in small businesses in NY. This is largely an un-serviced need even in most of the nation where the focus has been on the financial industry and larger commercial or agency areas. Small business protection, in small and medium-sized firms, is

largely ignored and a recent Verizon study showed that the average loss in small businesses due to Cyber-attacks yields \$180,000 in losses and has grown to thousands of cases per year

- **\$0.5 million (New Investment):** to support the enrollment growth at the Cornell College of Veterinary Medicine
 - This support, additional to the \$0.5M already provided, would support the increased enrollment experienced by the expanded school. This support will come in the way of additional faculty and teaching support, student support, and held offset increased facility operating costs

4. Statutory Campuses

2018/19 State University of New York (SUNY) Statutory Colleges: Direct State Tax Support ¹⁷			
(\$M)			
Area	2017/18 Enacted State Budget	New Investment	2018/19 SUNY Budget As Requested
Cornell	\$121.2	\$5.9	\$127.1
Alfred Ceramics	8.1	1.9	10.0
Cornell Coop. Ext.	4.5	0.4	4.9
Total	\$133.8	\$8.2	\$142.0

- **Direct Funding Related Actions:**
 - **Cornell**
 - **\$2.4 million (New Investment)** to support salary and wage increases:
 - This proposal would support the anticipated salary program increases for faculty and staff for the 2018/19 academic year and aid in the recruitment and retention of high quality faculty
 - **\$1.0 million (New Investment)** to support advanced instrumentation for the plant sciences
 - This proposal would support the deployment of new equipment capable of fostering excellence in plant metabolomics
 - **\$0.5 million (New Investment)** to support accessory instruction costs
 - Support for the costs of New York State resident students who are enrolled at the Contract side of Cornell University to take any course within any college in Cornell University, offsetting the cost of the lower tuition charged to these students
 - **\$0.5 million (New Investment)** to support the Cornell Magnetic Resonance Imaging Facility (CMRIF) (Year One of Three)
 - This proposal would provide for seed grants to support scanning time and technical support for use of the Magnetic Resonance Imaging Facility by researchers at Cornell and other participating SUNY schools
 - **\$0.5 million (New Investment)** to support a Masters of Public Health (Year One of Two)
 - This proposal would support the launch of a new Masters of Public Health degree program until such time as it becomes self-supporting (currently estimated at Year Three)

¹⁷ Please note that totals may not add due to rounding

- Funds would be used for program start-up costs related to faculty hires and course development, including investment in digital learning components.
- **\$0.3 million (*New Investment*)** to support the Digital Countryside
 - This proposal would support the collaboration of the Cornell School of Industrial and Labor Relations (ILR), corporate and labor partners, and SUNY campuses to develop programs at local libraries to aid potential work seekers in finding employment by teaching people what is possible with their current skillset
- **\$0.3 million (*New Investment*)** to support the Mediation and Conflict Resolution Program
 - This proposal would allow Cornell's ILR school to partner with other SUNY colleges to create a campus-based, student-led conflict resolution and mediation program to resolve disputes in a more formal and structured manner
- **\$0.2 million (*New Investment*)** to support a projected utilities cost increase
 - This proposal would support anticipated rising fuel costs in 2018/19
- **\$0.1 million (*New Investment*)** to support Facilities Operations and Maintenance costs
 - This proposal would support a small inflationary adjustment for annual building custodial care, grounds care, and annual routine / planned / preventive maintenance expenses for the contract college facilities
- **Alfred Ceramics**
 - **\$1.9 million (*New Investment*) to support:**
 - Compensation adjustments:
 - Requested funds would aid Alfred Ceramics in remaining competitive with other employers by serving to address salary compression and basic cost of living adjustments
 - Start-up costs for off-site engineering degree completion programs in Corning and Rochester:
 - Requested funds would support degree completion programs in Corning, expanding offerings to include certain engineering programs
 - This is a joint enterprise with Monroe Community College to offer engineering degree completion programs to meet anticipated needs in the photonics hub that is being created in the Rochester Area
 - As part of this, Alfred Ceramics has been approached by Corning Incorporated to bring engineering degree completion programs to Corning Community
 - Recruitment and retention of faculty:
 - Requested funds would support the hiring of additional professors in glass and biomedical, both teaching and research oriented, reversing the issues of recent years related to attracting and retaining faculty due to better offers
 - Equipment costs for start-up packages:
 - Requested funds would support start-up packages for new faculty in glass and biomedical fields
- **Cornell Cooperative Extension**
 - **\$0.4 million (*New Investment*)** to expand the Harvest New York Initiative
 - This proposal would expand the current \$0.6M Harvest New York Program within the Cornell Cooperative Extension initiative to reach the entire State, far beyond its current Western and Northern New York service area

- **\$20.0K (New Investment)** to meet the needs of the Cornell Cooperative Extension funding formula:
 - This proposal reflects a minor adjustment related to the established Cornell Cooperative Extension funding formula, reflected in Section 224 of County Law

5. State University of New York Teaching Hospitals, Long Island Veterans Home (LIVH), and Other Healthcare Related Activity

2018/19 State University of New York (SUNY) Hospitals/Health: Direct State Tax Support¹⁸					
<i>(\$M)</i>					
Area	2017/18 Enacted State Budget	Requests Associated with Monetary Settlements	Requests Associated with Model Adjustment	Total Request	2018/19 SUNY Budget As Requested
Operating Support	\$78.6	-	-	-	\$78.6
Targeted Support: Base Collective Bargaining Support	-	22.9	-	22.9	22.9
Targeted Support: Debt Service Relief	-	-	36.1	36.1	36.1
Total	\$78.6	\$22.9	\$36.1	\$59.0	\$137.6

- **Policy Related Actions**
 - The SUNY Teaching Hospitals, much like many providers of health care, are facing a new reality based upon recent actions by the federal government, as well as self-imposed fiscal actions by State government
 - As the State itself moves to address these concerns, it is essential that the SUNY Hospitals, and SUNY writ large, is represented at these conversations to help in identifying future strategic plans to mitigate the impact of recent changes to Disproportionate Share (DSH) reimbursements
 - Other, procedural, policy and language related changes are provided in Attachment C, including adjusted “Sweeps and Transfers” language to facilitate more efficient employee benefit payments, and the creation of a new Affiliation Escrow Account for Stony Brook Hospital’s prospective work with Eastern Long Island Hospital
- **Direct Funding Related Actions:**
 - **59.0million (New Investment)** for Targeted Support
 - SUNY's three teaching hospitals have, since 2000/01, operated under a slowly fracturing financial structure that relied on the hospitals themselves, the federal government, and the State of New York to effectively treat the people of the State
 - Under hospital reform in the early 2000s, the three SUNY Teaching Hospitals were required to pay the costs of their own fringe benefits as well as reimburse the State for payment of debt service costs on capital improvements. In return, the State pledged to provide an “operating subsidy” (generated by formula) that was intended to offset some of the costs the Teaching Hospitals incurred due to their State-related status.

¹⁸ Please note that totals may not add due to rounding

- This formula has not been followed in many years, and while the hospitals have managed to continue operations, the lack of both sustained investment in their day-to-day activities and the availability of ultimately repaid borrowing authority have had an impact
- Therefore, SUNY is requesting that the State provide funding for Health and Hospital Related activities as follows:
 - \$36.1 million to support the costs of repayment to the State of New York for bonded capital improvements
 - \$22.9 million to fund the costs of salary agreements
 - Similar to the request in the State-operated campus section of this request, the Board of Trustees would request that SUNY and the State work together to identify an alternative source of funding to support an estimated \$26.8 million in primarily retroactive salary agreement costs at the three Teaching Hospitals and the Long Island Veterans Home
 - **\$78.6 million (Continued Support)** for Hospital Operations

Attachment A (the Special Revenue Funds- Hospitals and other Healthcare Related Activities section) reflects requested year-to-year self-generated revenue spending authority for the three teaching hospitals, as well as for LIVH, for the 2018/19 academic year. Areas of interest include:

- A \$48.6 million year-to-year increase in spending authority in the Hospital Operating Account, reflecting the appropriation value needed to support the expenditure of new Direct State Tax Support for Collectively Bargained Contracts
 - This smaller increase is possible due to the request, provided for on Attachment C, to adjust the way that the three teaching hospitals pay New York State entities for their fringe benefit costs, moving from an expenditure basis (which would require expenditure authority) to a transfer item in the annual “Sweeps and Transfers” portion of the Enacted State Budget
- A \$1.8 million year-to-year increase in spending authority for the Long Island Veterans Home, tied primarily to new salary costs and allowing for the expenditure of additionally requested Direct State Tax Support

6. System-wide Activities

2018/19 State University of New York (SUNY) System-wide Activities¹⁹			
<i>(\$M)</i>			
Area	2017/18 Enacted State Budget	Requested Additional Funds	2018/19 SUNY Budget As Requested
Addressing Student Debt	-	\$35.0 ²⁰	\$35.0
Enhanced Performance Improvement Fund for Competitive Innovation	18.0	30.0	48.0
Open Educational Resources	4.0	-	4.0
Total	\$22.0	\$65.0	\$87.0

¹⁹ Please note that totals may not add due to rounding

²⁰ While Direct State Tax Support is currently requested, the possibility of utilizing bond proceeds to pay for this initiative should be explored

- **Policy and Direct Funding Related Actions**

- **\$35.0 million (New Investment in Students)** Addressing Student Debt

- This proposal would provide for funding not directly for the SUNY system, but instead to those students who, through either personal crisis, financial struggles, or other influence outside their control were forced to withdraw from their postsecondary degree pursuits without said degree.

State University of New York (SUNY) Brief History of Withdrawn Matriculated Students With Outstanding Debt Fall 2012 to Spring 2016									
		Fall 2012	Spring 2013	Fall 2013	Spring 2014	Fall 2014	Spring 2015	Fall 2015	Spring 2016
State- operated	Withdrawn Students	1,442	1,235	1,425	1,113	1,471	1,223	1,385	1,193
	Average Debt	\$11,650	\$13,360	\$13,263	\$13,926	\$14,004	\$14,881	\$13,502	\$15,675
	Total Debt	\$16.8M	\$16.5M	\$18.9M	\$15.5M	\$20.6M	\$18.2M	\$18.7M	\$18.7M
Community Colleges	Withdrawn Students	3,390	3,291	3,497	3,368	3,323	3,223	2,992	2,746
	Average Debt	\$5,133	\$5,621	\$5,347	\$6,087	\$5,928	\$6,236	\$5,247	\$6,154
	Total Debt	\$17.4M	\$18.5M	\$18.7M	\$20.5M	\$19.7M	\$20.1M	\$15.7M	\$16.9M
Total	Withdrawn Students	4,832	4,526	4,922	4,481	4,794	4,446	4,377	3,939
	Average Debt	\$7,078	\$7,733	\$7,639	\$8,034	\$8,406	\$8,614	\$7,859	\$9,038
	Total Debt	\$34.2M	\$35.0M	\$37.6M	\$36.0M	\$40.3M	\$38.3M	\$34.4M	\$35.6M

- More than 7,000 students per year are estimated to generate over \$70.0M in outstanding debt (or \$10,000 a student on average)
 - Therefore, SUNY proposes that the University System and the State of New York create a statewide program that allows for a forgiveness of a portion of these student's outstanding debt, contingent upon the student returning to a SUNY institution and completing their degree in specific fields and pledging to remain in the State for a set period of time following graduation
- **\$30.0 million (New Investment)** for Enhanced Performance Improvement Fund for Competitive Innovation
 - This Enhanced Performance Improvement Fund will become the Competitive Innovation Fund, building on the \$18.0 million already provided by the State, SUNY will use this \$48.0 million dollar fund to commit and attract up to \$52.0 million of industry and private philanthropy matching dollars to New York State. In addition, SUNY requests that the language surrounding this appropriation be adjusted to allow inclusion of the 30 Community Colleges. SUNY will utilize these funds to build on its world-class research in areas that are VITAL to the future of the State of New York. Namely artificial intelligence, cognitive computing and cyber security, critical energy and environmental infrastructure, disaster preparedness and recovery, healthcare, just in time learning and innovation and entrepreneurship across the State.
 - To do this, SUNY proposes to establish the Excelsior Engagement Scholars with the steady Direct State Tax Support of \$18.0 million supplemented by the additionally requested \$30.0 million, which will be entirely contingent upon support from industry and private philanthropy, to hire 300 of the most outstanding entrepreneurial faculty

per year for the next five years in the following targeted cross disciplinary areas of State and national importance:

1. Artificial Intelligence applied to cognitive computing, pain management, just in time learning and behavioral, and social science;
 2. Sustainable Critical Infrastructure with special emphasis on reducing our energy use, and greenhouse gas emissions, predicting and preparing for natural and manmade disasters and recovery;
 3. Innovation and Entrepreneurship across the 64 campuses in all fields of applied and new knowledge building on the fact that many of the regional economic development centers are chaired by SUNY academic leaders;
 4. Integrative healthcare delivery in the communities SUNY serves focused on the highest quality care at the lowest cost; affordable, high quality education with access and strong supporting services for all.
- **\$4.0 million (*Continued Support*)** to provide for the continued successes related to the development, execution, and deployment of Open Educational Resources (OER) at SUNY institutions to help keep student classroom costs low

Other

- **Administration of the State's Voluntary Defined Contribution (VDC) Program**
 - While no new incremental funding is requested, SUNY is proposing that the **\$0.5 million** in Direct State Tax appropriated in both 2016/17 and 2017/18 ultimately be provided for workforce needs and travel related to SUNY's administration of this program on behalf of the State, as well as the continuance of these funds in the 2018/19 budget

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2018/19
CAPITAL BUDGET REQUEST

2018/19

CAPITAL BUDGET REQUEST

The Capital Budget Request focuses on student success, achievement, and overall wellbeing by investing in the physical environment necessary to provide students with an excellent college education. Modern and well-designed buildings and classrooms are essential to achieving the high performing learning environments necessary for today’s students and future generations to succeed. Evolving methods of teaching and learning, based in technology, require investment in state-of-the art buildings to support the education and career advancement of hundreds of thousands of current and future students, solidifying the intellectual capacity of the State. Also, campuses that are physically appealing, pleasing and modern enhance SUNY’s national recognition as a premier educational institution.

Program	2018/19 1-Year Request	5-Year Request	Appropriation Type
Educational Facilities			
• Base Critical Maintenance	\$550.0	\$2,750.0	Bonded
• Additional Amount for 21 st Century Strategic Needs	<u>250.0</u> 800.0	<u>1,250.0</u> 4,000.0	
SUNY-Wide – Sustainable/Net Zero Buildings	80.0	400.0	Bonded
Hospitals	600.0	600.0	Bonded
Residence Hall	50.0	250.0	Hard Dollar, Self-Pay
Community Colleges – State Share	<u>99.8</u>	<u>296.5</u>	Bonded, 50% State Share
Total	\$1,629.8	\$5,546.5	

- ✓ Request includes reappropriations totaling \$3.3 billion in support of all four programs.
- ✓ Hospital request does *not* include a new appropriation need of \$77.3 million to replenish Upstate Medical University Hospital (\$40.8 million) and Stony Brook Medical Center (\$36.5 million) for prior year capital appropriations that may be utilized to maximize Disproportionate Share Hospital (DSH) reimbursement.
- ✓ A \$100 million appropriation to support campus-funded capital projects is also requested.

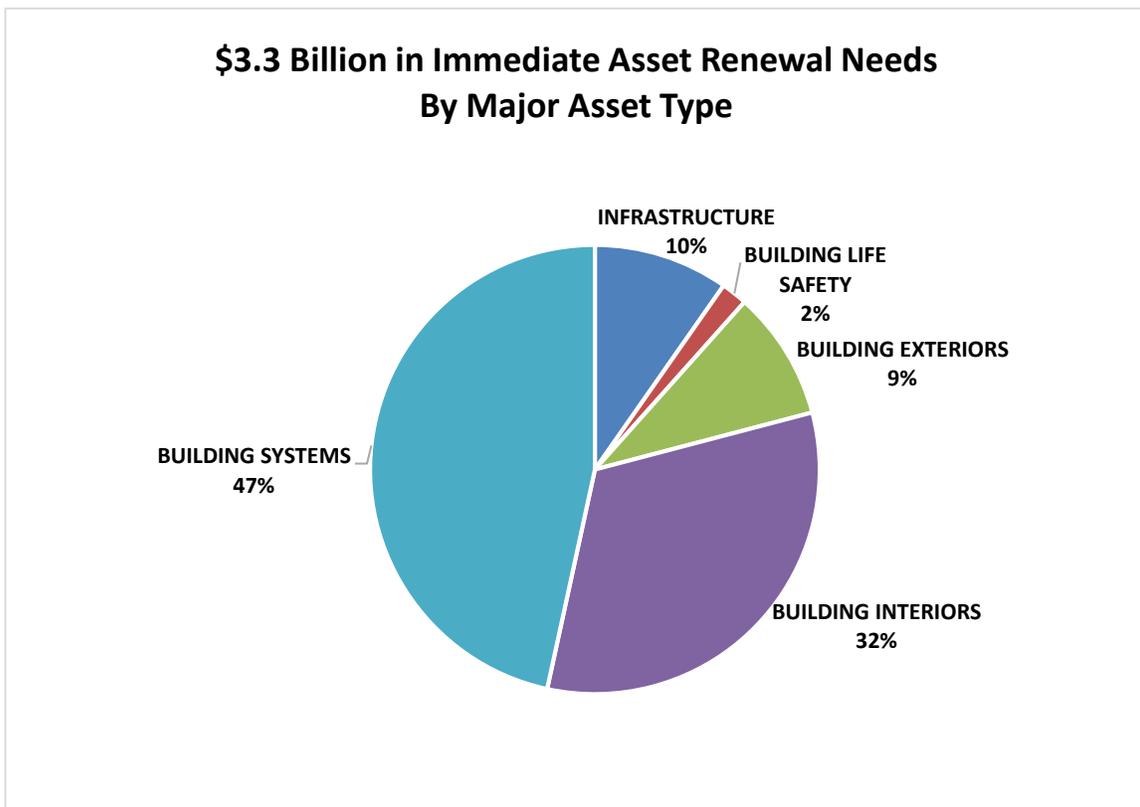
1. Educational Facilities

SUNY’s State-operated campuses account for 40 percent of all state-owned assets, with more than 1,800 academic buildings covering 62 million gross square feet. Nearly half of these buildings were constructed between 1965 and 1975, and the average age of all academic buildings is 47 years. An aging physical plant of this size requires continuous investment to address ongoing maintenance needs, achieve a good state of repair, ensure student safety, modernize facilities and provide state-of-the-art technology.

- **\$4.0 billion** over five years provides an annual investment of \$800 million, and reflects a net increase of \$250 million over the planned annual level of \$550 million for critical maintenance currently included in the State’s Five-Year Capital Program and Financing Plan (through 2021/22).

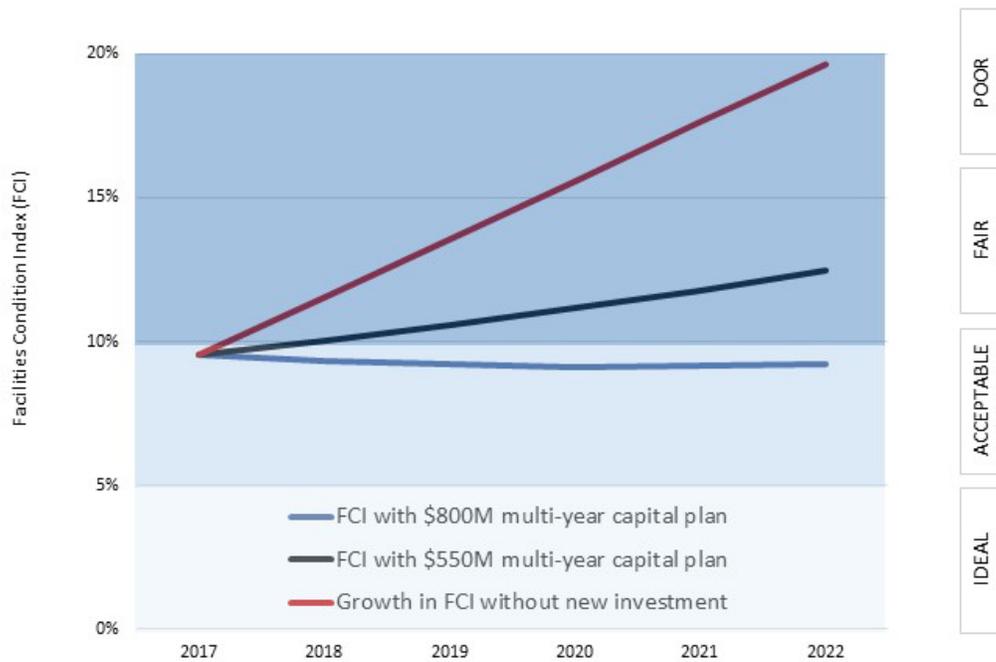
While the \$550 million provided in 2017/18, as well as the plan to continue this level of funding in the future, is certainly appreciated, this level of investment is simply not sufficient to keep SUNY's vast physical plant in a state of good repair. Increasing the planned level of annual investment to \$800 million is necessary to address immediate asset renewal needs, renovate aging academic facilities to support growing programs, expand SUNY's research capabilities, and continue to demonstrate exemplary stewardship of 40 percent of the State's building assets. Justification for this increased level of investment is supported by enrollment data and facility renewal needs.

- A new life cycle model implemented over the past year now provides real-time information on the condition of over 42,000 building component and infrastructure assets. System-wide, the model indicates assets totaling \$3.3 billion in value are in need of immediate renewal, with ongoing average annual asset renewal needs of \$800 million thereafter. Of the \$3.3 billion in immediate asset renewal needs, 80 percent of immediate needs reflect outdated, energy-inefficient building systems (mechanical, electrical, plumbing, heating and cooling) and outdated building interiors.



- An investment of \$800 million annually, or \$4.0 billion over five years, would enable SUNY to maintain its current Facility Condition Index (FCI) at 9.5 percent, an industry benchmark which considers the cumulative immediate asset renewal need (\$3.3 billion) as a percentage of total current replacement value of all assets (\$34.7 billion). While SUNY's current FCI of 9.5 percent is above the industry standard of 5 percent, it is within an acceptable range. However, without additional investment, the FCI will quickly rise to over 10 percent, indicating that the overall condition of SUNY's assets are either fair or poor. The following chart below demonstrates the resulting increase to the FCI if there was no investment in SUNY's educational facilities program, as compared to the State's planned annual investment level of \$550 million (growing to 12.5 percent in five years), and the requested investment of \$800 million annually (maintaining FCI at 9.5 percent).

**Annual Investment of \$800 Million
Necessary to Maintain Overall Condition of SUNY's Facilities**



- **Of the \$4 billion requested** over five years, \$1.0 billion would enable SUNY to advance projects based on 21st century strategic needs, which would include major building rehabilitations, or to a lesser extent, new construction. While increased funding for critical maintenance continues to be SUNY’s highest capital priority, additional investment that provides flexibility to address other strategic priorities would, in most cases, address asset renewal needs related to building systems and interiors that make up 80 percent of immediate renewal needs, expedite the modernization of existing facilities to support growing programs and enhance student access and achieve recruitment and retention goals. More specifically, investment is necessary to:
 - Upgrade laboratories, classrooms and libraries to meet evolving standards of teaching and learning, and facilitate the expansion of research and applied learning opportunities;
 - Promote student success by renovating or expanding facilities to provide collaborative learning environments and co-locating student academic support services; and
 - Enhance student recruitment and retention by investing in facilities and spaces that support the total student experience, such as student activity spaces, student unions, as well as athletic and recreational facilities.
- Examples of full building renovations that could be advanced and expeditiously completed with additional funding include:
 - Stony Brook University – Rehabilitation of Chemistry Research Labs, Phase I
 - Originally constructed in 1973 with only minor partial interior renovations since completion
 - Most building systems and building interior assets are in poor condition and the current mechanical system no longer supports all the fume hoods in the building.
 - Renovation is essential to provide modern laboratories and teaching space for growing program and research

- University at Buffalo – Rehabilitation of Cooke/Hochstetter for Sciences, One Floor
 - Originally constructed in 1977 with only minor systems replacements.
 - Overall the building is in poor condition, and modernization of classrooms and labs are necessary to support growing programs, including biology
- SUNY Oneonta – Rehabilitation of Alumni Hall for Business and Economics
 - Originally constructed in 1960 as a library and retrofitted as an office building in the mid-1970's. Some minor renovations and building systems upgrades have taken place since that time
 - Full renovation is necessary to facilitate the relocation of the rapidly growing School of Business and Economics into Alumni Hall
- SUNY Geneseo – Renovate Sturges Hall for Communications & History
 - Originally constructed in 1938, this historic building in the heart of the campus, is in need of major upgrades to building systems, exterior doors, windows and masonry repairs, as well as building interiors
 - Full renovation is necessary for the relocation of the Communications and History Departments to facilitate future building renovations, such as Milne Library, that are consistent with the campus Facilities Master Plan
- SUNY Farmingdale – Construct School of Applied Social Sciences
 - As proposed in the campus Facilities Master Plan as a high priority, construction of a new academic building is needed to accommodate growing student enrollment.
 - The building has been fully designed and is need of additional funding for construction
 - There has been a 46 percent growth in the academic programs that will be located in this new building. Failure to construct this building will impact student access.

2. SUNY-Wide – SUNY Network of Resilient and Sustainable Net Zero Facilities

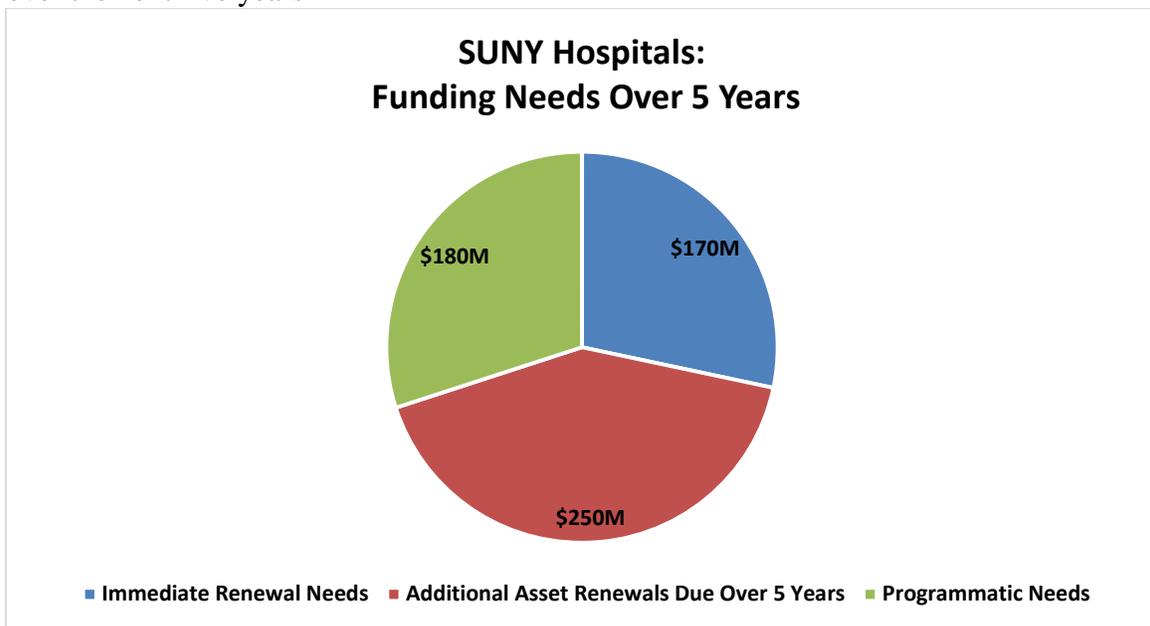
- **\$400 million**, or \$80 million annually over five years, is requested to supplement planned capital projects to support deep energy retrofits of existing SUNY campus facilities and to pilot the development of microgrids at select SUNY campus facilities. Eligible projects would incorporate innovative new products and technology solutions not yet widely available. The goal is to reduce energy consumption, reduce greenhouse gases and lower carbon footprint
- The infusion of \$800 million annually, as requested for the Educational Facilities Capital Program, and the additional investment requested of \$80 million for deep energy retrofits of existing facilities and the construction of net zero facilities for both educational, hospital, and residence hall facilities would produce significant energy savings for SUNY's State-operated campuses and statutory colleges. Since 2007, all new SUNY buildings and major rehabilitation projects have been designed and built to a LEED Silver standard and capital investments have been targeted to upgrading and replacing energy inefficient buildings, building systems and infrastructure. These investments have contributed to SUNY's ability to reduce its total energy cost by 20 percent over the past decade. SUNY could do even more. By augmenting SUNY's capital program by \$400 million largely dedicated to deep energy retrofits of buildings, SUNY could reduce its total energy costs by millions of dollars.
- This level of investment will the opportunity for SUNY to utilize cutting edge technologies in planned building renovations and new facilities to further promote resiliency and sustainable facilities. Examples of the enhancements that could be supported by this additional support include:
 - Maximizing opportunities for passive solar heating and cooling, such as incorporating sun shading and natural ventilation into building designs;
 - Incorporating high efficiency systems such as triple glazed windows, and enhanced wall and roof insulation in new and renovated building envelopes;

- Upgrading aging building systems with higher energy efficient systems, such as high efficiency magnetic bearing chillers or natural gas fired condensing boilers, and installing energy management control systems; and
- Maximizing the potential to utilize renewable energy in building projects, such as solar arrays, wind generation, and geothermal wells to reduce reliance on fossil fuels, thus reducing SUNY’s carbon footprint.

3. Hospitals

Hospitals are capital intensive operations requiring very complex building systems to provide safe, quality care. Capital investment is crucial to ensure that the three SUNY teaching hospitals can sustain their \$2.7 billion operation, which include 1,680 licensed beds, more than 265,000 emergency room visits, and more than one billion outpatient visits every year

- **\$600 million** over five years to support the vital long-term planning and capital funding needs of SUNY’s three teaching hospitals.
- SUNY is currently partnering with the Department of Health on developing a transformation plan for the University Hospital of Brooklyn. Any additional capital necessary to implement that transformation plan is not included in this request.
- The graph below depicts the capital investment needs that the \$600 million request would address over the next five years



- Recognizing that critical maintenance projects are essential to ensuring patient safety and vital to the continuing operations of the hospitals, SUNY hospitals must be incentivized to address their critical infrastructure needs. New life cycle modeling data indicates that there is an immediate investment need of \$170 million across the three hospitals to replace aging assets, and an ongoing annual need of \$55 million. Therefore, a waiver from the current debt service obligation is requested, particularly for critical maintenance projects, as these critical infrastructure and utility investments do not generate additional revenues
- Due to the continuously evolving health care sector, hospital capital needs will be reviewed annually, with additional amounts to support essential projects requested as necessary

4. Residence Halls

Currently, there are approximately 500 residence halls supported through SUNY's Residence Hall program that include 72,000 beds, of which 95 percent are currently occupied

- **\$250 million** in hard dollar (pay-as-you-go) funding for five years is requested to support small maintenance and repair projects. The Residence Hall program was restructured in 2013/14 to eliminate the need for future capital bonded appropriations, with future debt issuances eliminated from the State debt cap calculations
- While the bond-financed portion of this self-supporting program, financed by student room rents, is no longer subject to the annual State budget process, the existing bond limit of \$944 million established for the program is sufficient to meet the \$477 million issued through 2017, as well as the additional bond issuances totaling \$467 million estimated to be needed over the next three State fiscal years

5. Community Colleges

The SUNY Community Colleges ensure open access to high quality postsecondary education by offering comprehensive learning opportunities ranging from transfer and career degrees to programs customized to serve specific individual, community, business and economic development needs. To meet their missions, the community colleges offer constantly evolving programs and services, which requires modern facilities and technology.

The State supports half of the capital costs for community college capital projects, with the other half funded through the local sponsor to maintain and upgrade more than 500 buildings covering nearly 20 million gross square feet. This year's capital request represents a continued multi-level strategic effort to ensure that facilities are in good working condition, and that the colleges have appropriate academic facilities and student services space. Each college performs long-range master planning for facilities and evaluates annual capital activities based upon building conditions and operational needs in coordination with local funding resources which fund 50 percent of project costs.

- **\$99.8 million** is the current request for 2018/19, which represents the 50 percent State share of projects identified and planned by the community colleges. Local sponsors must commit to provide local matching funds and provide necessary documentation prior to projects being considered for inclusion in the State budget
- Figures represented indicate estimated request as of October 31, 2017 as some of the colleges are still working to obtain local sponsor funding support
- There is potential the request may change after the colleges submit their final requests for 2018/19. The Community College Capital Request will be finalized by December 15, 2017 after final decisions are made on affordability and prioritization by the colleges and their respective sponsors.
- Currently 24 colleges are requesting funds to advance \$63.9 million for 61 critical maintenance/safety and infrastructure projects and \$35.9 million for 7 projects related to new academic program needs
- An additional \$200 million will be needed over the subsequent four-years of the five-year capital plan to support long-term plans which address critical maintenance, health and safety needs, as well as renovations and several new facilities that incorporate changing academic needs. Funding for future projects will be contingent on the college securing local support from the sponsor

Requested Capital Language Changes

- Redirect \$44 million for three appropriations originally provided in 2006/07, 2007/08 and 2008/09 for a new Academic Research Building at the SUNY College of Environmental Science and Forestry (SUNY ESF) to support the renovation and potential addition to either Marshall Hall or Illick Hall. This would provide ESF with the unspent balance from these appropriations of \$34 million to update much needed laboratory, research and teaching space. The original appropriations supported the design of a new academic research building adjacent to Illick Hall, but because of delays in the project and subsequent failure to obtain the necessary approvals, the project was not bid for construction as planned in January 2017. With construction escalation costs that have accrued over the past year, sufficient funding is no longer available to advance the project as designed. As an alternative, the campus seeks to utilize the remaining funding to renovate Marshall Hall, thereby creating the surge space necessary to sequence the future renovation of Illick Hall
- Provide authorization for the State University Construction Fund to utilize the Construction Manager-at-Risk and the Design-Build procurement methods to expedite project delivery, thereby reducing costs and producing administrative efficiencies. These methods are particularly effective in reducing the cost of construction by leveraging the knowledge, expertise and creativity of the contracting world to find innovative ways to build more efficiently. Contracts using these methods continue to follow all rules and regulations related to prevailing wages and MWBE goals. Both methodologies are particularly effective for development of innovation related to the goal of building net zero facilities which are critical to meeting the overall greenhouse gas reduction goals

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State University of New York (SUNY)

2018/19 Requested Direct State Tax Support and Revenue Authority Values Versus 2017/18 Enacted State Budget

Ranked High to Low by 2018/19 Requested Values Within Each Section

Area	2017/18 Enacted Budget	2018/19 Budget As Requested	Change	
			\$	%
Direct State Tax Support:				
State-operated Campuses, System Administration Tax Dollar Support	\$ 707,998,900	\$ 780,814,169	\$ 72,815,269	10.3%
Community Colleges	498,841,823	518,692,158	19,850,335	4.0%
University-wide Programs	156,671,600	164,471,600	7,800,000	5.0%
Hospital Support	78,564,000	137,172,884 *	58,608,884	74.6%
Statutory Colleges	129,319,800	137,064,800 **	7,745,000	6.0%
Addressing Student Debt	-	35,000,000 ***	35,000,000	N/A
Competitive Innovation Fund (CIF)	18,000,000	48,000,000	30,000,000	166.7%
Cornell Cooperative Extension	4,520,000	4,940,000	420,000	9.3%
Open Educational Resources (OER)	4,000,000	4,000,000	-	0.0%
Long Island Veterans' Home	-	387,361	387,361	N/A
Subtotal Direct State Tax Support	\$ 1,597,916,123	\$ 1,830,542,972	\$ 232,626,849	14.6%
Special Revenue Funds – Other:				
Tuition Revenue Offset Appropriation	\$ 1,900,789,800	\$ 1,922,663,800	\$ 21,874,000	1.2%
General Income Fund Reimbursable	837,800,000	837,800,000	-	0.0%
Residence Hall Operations	343,400,000	343,400,000	-	0.0%
State University Tuition Reimbursable Account	151,900,000	151,900,000	-	0.0%
Total Special Revenue Funds - Other	\$ 3,233,889,800	\$ 3,255,763,800	\$ 21,874,000	0.7%
Special Revenue Funds - Hospitals and other Healthcare Related Activities:				
Hospital Operations	\$ 2,697,800,000	\$ 2,746,374,891	\$ 48,574,891	1.8%
Hospital IFR	100,000,000	100,000,000	-	0.0%
Long Island Veterans' Home	49,945,000	51,718,000	1,773,000	3.5%
Special Revenue Funds – Hospitals	\$ 2,847,745,000	\$ 2,898,092,891	\$ 50,347,891	1.8%
Special Revenue – Federal:				
Pell Grants	\$ 375,000,000	\$ 375,000,000	\$ -	0.0%
Teach Grants	20,000,000	20,000,000	-	0.0%
College Work Study	13,000,000	13,000,000	-	0.0%
Supplemental Educational Opportunity Grants	7,000,000	7,000,000	-	0.0%
Scholarship for Disadvantaged Students	500,000	500,000	-	0.0%
Iraq and Afghanistan Service Grant	100,000	100,000	-	0.0%
Special Revenue – Federal	\$ 415,600,000	\$ 415,600,000	\$ -	0.0%
Fiduciary and Internal Service Funds				
Fiduciary Funds - Student Loans	34,000,000	34,000,000	-	0.0%
Internal Service Funds - Banking Services	24,300,000	24,300,000	-	0.0%
Total Special Revenue, Fiduciary, Internal Services	\$ 58,300,000	\$ 58,300,000	\$ -	0.0%
Total	\$ 8,153,450,923	\$ 8,458,299,663	\$ 304,848,740	3.7%

* Direct State Tax Support Transfer shown and reflected in Attachment C. However, transfer from Hospital to General Fund for 2018/19 AY Debt Service could simply be removed if reimbursement is waived

** Does not include \$500K increase for Veterinary College located in University-wide programs area

*** Would be support to returning students, not SUNY

Note: Does not reflect requested re-appropriations of 2017/18 General IFR authority or changes needed if Sweeps and Transfers Language not accepted

State University of New York (SUNY)

University-wide Programs

Sorted Highest to Lowest By 2018/19 Individual Appropriated "Program" Within Each Section. Sections Shown as Appropriated

Program	2017/18 Enacted	2018/19 Requested	Change	
			\$	%
Student Grants and Loans				
Graduate Diversity Fellowships	\$ 6,639,300	\$ 6,639,300	\$ -	0.0%
Various Student Loans: Match	3,114,100	3,114,100	-	0.0%
State University Student Tuition Assistance (SUSTA)	1,570,700	1,570,700	-	0.0%
Empire State Diversity Honor Scholarships	621,900	621,900	-	0.0%
Services for Students with Disabilities	544,100	544,100	-	0.0%
Maritime Appointments Program	239,600	239,600	-	0.0%
Subtotal: Student Grants and Loans	\$ 12,729,700	\$ 12,729,700	\$ -	0.0%
Opportunity and Diversity Programs				
Educational Opportunity Centers (EOC)	60,036,300	\$ 61,636,300	\$ 1,600,000	2.7%
Educational Opportunity Program (EOP)	32,170,000	37,370,000	5,200,000	16.2%
Advanced Technology Training and Information Networking (ATTAIN)	2,000,000	2,000,000	-	0.0%
Office of Diversity, Equity, and Inclusion / Hispanic Leadership Inst.	591,400	591,400	-	0.0%
Faculty Diversity Program	422,000	422,000	-	0.0%
Native American Program	215,200	215,200	-	0.0%
Subtotal: Opportunity and Diversity Programs	\$ 95,434,900	\$ 102,234,900	\$ 6,800,000	7.1%
Strategic Priorities and System-wide Resources				
Empire Innovation Program	\$ 9,497,400	\$ 9,497,400	\$ -	0.0%
Educational Technology and Library Services	5,081,600	5,081,600	-	0.0%
System-Wide IT Services	4,764,400	4,764,400	-	0.0%
Academic Equipment Replacement	4,373,200	4,373,200	-	0.0%
Small Business Development Centers (SBDC)	3,473,200	3,973,200	500,000	14.4%
High Needs Program	3,164,300	3,164,300	-	0.0%
Teacher Education and Support	2,050,000	2,050,000	-	0.0%
Nanoscale Science and Engineering	1,928,600	1,928,600	-	0.0%
SUNY and the World	1,800,000	1,800,000	-	0.0%
Strategic Partnership for Industrial Resurgence (SPIR)	1,747,400	1,747,400	-	0.0%
High Needs Program: Nursing	1,663,600	1,663,600	-	0.0%
Innovative Instruction and Academic Excellence	1,607,700	1,607,700	-	0.0%
Child Care	1,567,800	1,567,800	-	0.0%
Rockefeller Institute of Government	1,104,200	1,104,200	-	0.0%
Cornell Veterinary College	500,000	1,000,000	500,000	100.0%
Charter Schools	848,600	848,600	-	0.0%
SUNY Polytechnic Staffing and Research Faculty	500,000	500,000	-	0.0%
Seamless Education Pipeline	435,600	435,600	-	0.0%
Sea Grant Institute	411,800	411,800	-	0.0%
SUNY Leadership Institute	360,400	360,400	-	0.0%
Library Conservation and Preservation	350,000	350,000	-	0.0%
Mental Health Services	300,000	300,000	-	0.0%
Energy Smart and Healthier NY	279,300	279,300	-	0.0%
Cord Blood Center	205,600	205,600	-	0.0%
SUNY Multimedia Services	118,500	118,500	-	0.0%
Community College Employee Tuition Reimbursement	116,700	116,700	-	0.0%
Benjamin Center	100,000	100,000	-	0.0%
American Chestnut Research & Restoration Project	100,000	100,000	-	0.0%
Student Assembly	57,100	57,100	-	0.0%
Subtotal: Strategic Priorities and System-wide Resources	\$ 48,507,000	\$ 49,507,000	\$ 1,000,000	2.1%
Grand Total: University-wide Programs	\$ 156,671,600	\$ 164,471,600	\$ 7,800,000	5.0%

**State University of New York (SUNY)
Requested Adjustments / Requests for New Legislation**

- **Adjustments to 2017/18 Enacted “Sweeps and Transfers” for SUNY 2018/19 Budget Request**
 - *Transfers related to, in addition to other items:*
 - *Direct State Tax Support for State-operated Campuses, Statutory Campuses, System Administration, the Competitive Innovation Fund (CIF), and Open Educational Resources (OER)*
 - *Direct State Tax Support for SUNY Hospitals and the Long Island Veterans Home*
 - *Transfers of funds between the SUNY Hospitals to Civil Service and the Office of the State Comptroller (OSC) to facilitate employee benefit payments*
- **New language required to effectuate specific components of the 2018/19 Budget Request**
 - *Appropriation Changes*
 - *Community College Funding Model Redesign Related Changes as follows:*
 - *New appropriation language to individually line out each community college and their related level of support from the State of New York*
 - *Adjustments to Standing Appropriations for Certain University-wide Programs*
 - *Non-Appropriation Language Additions:*
 - *Land Lease legislation for Stony Brook University*
 - *To facilitate the prospective interactions between the campus and the Ronald McDonald House*
 - *Creation of a New Escrow Account for Stony Brook Hospital*
 - *To facilitate the prospective affiliation of Stony Brook Hospital and Eastern Long Island Hospital (ELI)*
- **Requests for Technical Adjustments and Support for Existing Legislation**
 - *Technical Changes:*
 - *Pairing the time that tuition rates are held flat for Excelsior recipients with the students receiving the benefit*
 - *Permitting SUNY to be more efficient in responding to victims of disasters*
 - *Support for Existing Legislation:*
 - *Maintenance of Effort (MOE) for State-operated Campuses, Statutory Campuses, System Administration, University-wide Programs, CIF, and OER,*
 - *Predicable Tuition at the State-operated Campuses, with suggested adjustments to facilitate operations*

State University of New York (SUNY)
Adjustments to 2017/18 Sweeps and Transfers Bill
(A3009C / S2009C) Chapter 59 of the Laws of 2017
for the 2018/19 SUNY Budget Request
Red Denotes New Language, ~~Strikethrough~~ Denotes Deletions

Adjustments Related to SUNY Budget Request Items

- Item:** 10. \$44,000,000 from the state university income fund, state university hospitals income reimbursable account (22656) to the general fund for hospital debt service for the period April 1, 2018 through March 31, 2019.
- Reason for Adjustment:** *Date changes and adjustments for total planned debt costs*
- Item:** **XX. \$36,118,564 from the general fund to state university income fund, state university hospitals income reimbursable account (22656) to support reimbursement to the State of New York for hospital debt service costs for the period July 1, 2018 through June 30, 2019.**
- Reason for Adjustment:** *To provide for Direct State Tax support for projected 2018/19 hospital debt service reimbursements.*
- Item:** § 9. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, ~~up to \$101,054,320~~ from the general fund to the state university income fund, state university hospitals income reimbursable account (22656) during the period July 1, 2018 through June 30, 2019 to reflect ongoing state subsidy of SUNY hospitals and to pay costs attributable to the SUNY hospitals' state agency status
- Reason for Adjustment:** *Adjusted for support requested under the 2018/19 SUNY Budget Request*
- Item:** **§ XX. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget \$387,361 from the general fund to the state university income fund, long island veterans' home account (22652) during the period July 1, 2018 through June 30, 2019 to reflect support for collectively bargained salary costs.**
- Reason for Adjustment:** *Adjusted for support requested under the 2018/19 SUNY Budget Request*
- Item:** § 10. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, ~~up to \$1,134,350,569~~ from the general fund to the state university income fund, state university general revenue offset

account (22655) during the period of July 1, 2018 through June 30, 2019 to support operations at the state university.

Reason for Adjustment: *Adjusted for support requested under the 2018/19 SUNY Budget Request*

Item: § 12. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the state university chancellor or his or her designee, up \$55 **126,000,000** from the state university income fund, state university hospitals income reimbursable account (22656), for services and expenses of hospital operations and capital expenditures at the state university hospitals; and the state university income fund, Long Island veterans' home account (22652) to the state university capital projects fund (32400) on or before June 30, 2019.

Reason for Adjustment: *Adjusted to support transfer of funds from Upstate Medical to support a reimbursable eligible Delivery System Reform Incentive Payment (DSRIP) Program capital project initiative.*

Item: § 11-a. Notwithstanding any law to the contrary, and in accordance with section 4 of the state financial law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, ~~up to~~ \$20,000,000 from the general fund to the state university income fund, state university general revenue offset account (22655) during the period of July 1, 2018 to June 30, 2018 to support operations at the state university in accordance with the maintenance of effort pursuant to clause (v) of subparagraph (4) of paragraph h of subdivision 2 of section 355 of the education law.

Reason for Adjustment: *Adjusted for dates and to ensure proper value is transferred. It is expected that the amount will be adjusted as appropriate for Excelsior Scholarship recipient projections developed by the Division of the Budget (DOB) and SUNY.*

Item: **§ XX. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget and consultation with the Chancellor of the State University of New York an amount up to \$360,000,000 from the state university income fund, state university hospitals income reimbursable account (22656) to appropriate accounts at the State of New York Department of Civil Service and the Office of the State Comptroller during the period July 1, 2018 through June 30, 2019 to reflect payment of costs related to employee health benefits, pension, and workers compensation.**

Reason for Adjustment: *Adjusted for technical changes posited by the 2018/19 SUNY Budget Request*

Adjustments Related to Dates Only

- Item:** § 6. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget and upon consultation with the state university chancellor or his or her designee, on or before March 31, 2019, up to \$16,000,000 from the state university income fund general revenue account (22653) to the state general fund for debt service costs related to campus supported capital project costs for the NY-SUNY 2020 challenge grant program at the University at Buffalo.
- Item:** § 7. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget and upon consultation with the state university chancellor or his or her designee, on or before March 31, 2019, up to \$6,500,000 from the state university income fund general revenue account (22653) to the state general fund for debt service costs related to campus supported capital project costs for the NY-SUNY 2020 challenge grant program at the University at Albany.
- Item:** § 8. Notwithstanding any law to the contrary, the state university chancellor or his or her designee is authorized and directed to transfer estimated tuition revenue balances from the state university collection fund (61000) to the state university income fund, state university general revenue offset account (22655) on or before March 31, 2019.
- Item:** § 13. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the comptroller, after consultation with the state university chancellor or his or her designee, is hereby authorized and directed to transfer moneys, in the first instance, from the state university collection fund, Stony Brook hospital collection account (61006), Brooklyn hospital collection account (61007), and Syracuse hospital collection account (61008) to the state university income fund, state university hospitals income reimbursable account (22656) in the event insufficient funds are available in the state university income fund, state university hospitals income reimbursable account (22656) to permit the full transfer of moneys authorized for transfer, to the general fund for payment of debt service related to the SUNY hospitals. Notwithstanding any law to the contrary, the comptroller is also hereby authorized and directed, after consultation with the state university chancellor or his or her designee, to transfer moneys from the state university income fund to the state university income fund, state university hospitals income reimbursable account (22656) in the event insufficient funds are available in the state university income fund, state university hospitals income reimbursable account (22656) to pay hospital operating costs or to permit the full transfer of moneys authorized for transfer, to the general fund for payment of debt service related to the SUNY hospitals on or before March 31, 2019.

Eliminated as No Longer Required

Item: ~~§ 11. Notwithstanding any law to the contrary, and in accordance with section 4 of the state financial law, the comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, up to \$100,000 from the general fund to the state university income fund, state university general revenue offset account (22655) during the period of April 1, 2017 through June 30, 2017 to support operations at the state university.~~

Unchanged

Item: 9. \$8,318,000 from the general fund to the state university income fund, state university income offset account (22654), for the state's share of repayment of the STIP loan.

Item: § 5. Notwithstanding any law to the contrary, upon the direction of the director of the budget and upon requisition by the state university of New York, the dormitory authority of the state of New York is directed to transfer, up to \$22,000,000 in revenues generated from the sale of notes or bonds, the state university income fund general revenue account (22653) for reimbursement of bondable equipment for further transfer to the state's general fund.

Item: § 14. Notwithstanding any law to the contrary, upon the direction of the director of the budget and the chancellor of the state university of New York or his or her designee, and in accordance with section 4 of the state finance law, the comptroller is hereby authorized and directed to transfer monies from the state university dormitory income fund (40350) to the state university residence hall rehabilitation fund (30100), and from the state university residence hall rehabilitation fund (30100) to the state university dormitory income fund (40350), in an amount not to exceed \$80 million from each fund.

Item: 8. \$41,930,000 from the miscellaneous special revenue fund, state university dormitory income reimbursable account (21937).

Item: 9. \$830,000 from the miscellaneous special revenue fund, long island veterans' home account (22652).

Item: 10. \$5,379,000 from the miscellaneous special revenue fund, state university general income reimbursable account (22653).

Item: 11. \$112,556,000 from the miscellaneous special revenue fund, state university revenue offset account (22655).

Item: 12. \$557,000 from the miscellaneous special revenue fund, state university of New York tuition reimbursement account (22659).

State University of New York (SUNY)
Appropriation Language Requirements for Community College Funding Formula Redesign

Notwithstanding any law, rule, regulation, or practice to the contrary, funding for community colleges for the college fiscal year 2018-19 as provided under this appropriation shall represent amounts per college not less than that provided in the college fiscal year 2017-18 or the three year average of 2017-18, 2016-17, and 2015-16, whichever is higher, adjusted for inflationary impact as represented by the most recently available higher education price index (HEPI) and further adjusted by one-half of this inflationary value for those colleges that serve a disproportionate share of low income students as defined by the board of trustees of the state university of New York. Provided, however, that local sponsors may use funds contained in reserves for excess student revenue for operating support of a community college program even though said expenditures may cause expenses and student revenues to exceed one-third of the college's net operating costs for the college fiscal year 2018-19 provided that such funds do not cause the college's revenues from the local sponsor's contributions in aggregate to be less than the comparable amounts for the previous community college fiscal year and further provided that pursuant to standards and regulations of the state university trustees and the city university trustees for the college fiscal year 2018-19, community colleges may increase tuition and fees above that allowable under current education law if such standards and regulations require that in order to exceed the tuition limit education law, local sponsor contributions either in the aggregate or for each full-time equivalent student shall be no less than the comparable amounts for the previous community college fiscal year.

For payment to the community colleges operating under the program of the state university of New York according to the following:

Adirondack...	8,021,258
Broome...	14,102,400
Cayuga...	7,673,484
Clinton...	3,213,389
Columbia-Greene...	3,385,272
Corning...	7,612,741
Dutchess...	18,595,087
Erie...	30,609,313
Fashion Institute...	25,576,295
Finger Lakes...	12,351,142
Fulton-Montgomery...	5,168,628
Genesee...	11,307,235
Herkimer...	6,635,152
Hudson Valley...	23,351,076
Jamestown...	8,829,326
Jefferson...	7,563,385
Mohawk Valley...	14,012,856
Monroe...	35,216,860
Nassau...	47,693,593
Niagara...	12,535,087
North Country...	3,173,815
Onondaga...	22,077,840
Orange County...	13,296,646
Rockland	17,168,035
Schenectady...	9,411,753

Attachment C

Suffolk...	52,357,575
Sullivan...	3,093,371
Tompkins-Cortland...	10,239,997
Ulster...	5,805,230
<u>Westchester...</u>	<u>33,827,047</u>
Subtotal – College Support...	473,905,158

Notwithstanding any law, rule, regulation, or practice to the contrary the funding made available by this appropriation shall be available for distribution to community colleges operating under the program of the state university of New York upon certification by chancellor of the state university of New York, or designee, that such colleges have a preponderance of costs associated with high need / high cost programs that are in excess of revenues generated by students attending these programs . . . \$18,000,000

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State University of New York (SUNY)

Changes to Specific University-wide Program Appropriations to Allow for More Efficient Operations

Educational Opportunity Programs:

Changes below (**RED** denotes new language) would remove time and resource consuming steps that require SUNY to engage in a contract process with its own community colleges to meet the needs of the program. As these colleges are the only entity that can perform the work needed to fulfill the program (i.e., serve SUNY students), this extra step is not needed and merely detrimentally impacts SUNY students.

- Educational opportunity programs, for services and expenses to expand opportunities in institutions of higher learning for the educationally and economically disadvantaged in accordance with chapter 917 of the laws of 1970, for educational opportunity programs on state university campuses, a summer program and educational opportunity programs in state university community colleges. **A portion of the funds herein appropriated may be transferred to the general fund-local assistance account of the state university of New York to accomplish the purposes of this appropriation and to make payments to community colleges**
- For additional services and expenses of educational opportunity programs. **A portion of the funds herein appropriated may be transferred to the general fund-local assistance account of the state university of New York to accomplish the purposes of this appropriation and to make payments to community colleges**

Educational Opportunity Centers:

Changes below (**RED** denotes new language) would remove time and resource consuming steps that require SUNY to engage in a contract process with its own community colleges to meet the needs of the program. As these colleges are the only entity that can perform the work needed to fulfill the program (i.e., serve SUNY students), this extra step is not needed and merely detrimentally impacts SUNY students and operations. Contracts with CUNY or other, independent, Universities will still be facilitated through the normal contract process.

- For services and expenses related to the operation of educational opportunity centers and their outreach programs including, but not limited to, necessary programs, services, and financial assistance, for educationally and economically disadvantaged adults, recipients of federal temporary assistance to needy families (TANF) and out-of-school youth who have attained the age of 16 years. \$4,500,000 of this appropriation shall be used for the services and expenses related to the operation of the ATTAIN lab program. For the purpose of this appropriation, the term "economically disadvantaged" shall be defined as set forth in regulations promulgated by the state university. **A portion of the funds herein appropriated may be transferred to the general fund-local assistance account of the state university of New York to accomplish the purposes of this appropriation and to make payments to community colleges**
- For additional services and expenses of educational opportunity centers. **A portion of the funds herein appropriated may be transferred to the general fund-local assistance account of the state university of New York to accomplish the purposes of this appropriation and to make payments to community colleges**

Small Business Development Centers:

Changes below (**RED** denotes new language) would remove time and resource consuming steps that require SUNY to engage in a contract process with its own community colleges to meet the needs of the program. As these colleges are the only entity that can perform the work needed to fulfill the program (i.e., serve SUNY students), this extra step is not needed and merely detrimentally impacts SUNY operations. Contracts with CUNY or other, independent, Universities will still be facilitated through the normal contract process.

- For services and expenses of the small business development centers. **A portion of the funds herein appropriated may be transferred to the general fund-local assistance account of the state university of New York to accomplish the purposes of this appropriation and to make payments to community colleges**

Foster Youth Funding Provided Through the State Education Department:

Changes below (**RED** denotes new language) would remove time and resource consuming steps that require SUNY to engage in a contract process with its own community colleges to meet the needs of the program. As these colleges are the only entity that can perform the work needed to fulfill the program (i.e., serve SUNY students), this extra step is not needed and merely detrimentally impacts SUNY students.

- For services and expenses of a foster youth initiative to ensure support is available through current postsecondary opportunity programs at public and independent institutions for foster youth including summer transition programs, and to provide foster youth with financial aid outreach, counseling services, and direct financial support. A portion of these funds may be suballocated to other state departments, agencies, the State University of New York, and the City University of New York. **Notwithstanding any law, rule, regulation, or practice to the contrary, funds provided to the State University of New York may be utilized to support State-operated Campuses, Statutory Colleges, or Community Colleges as appropriate.**
- For additional services and expenses of a foster youth initiative to ensure support is available through current post-secondary opportunity programs at public and independent institutions for foster youth including summer transition programs, and to provide foster youth with financial aid outreach, counseling services, and direct financial support. A portion of these funds may be suballocated to other state departments, agencies, the State University of New York, and the City University of New York **Notwithstanding any law, rule, regulation, or practice to the contrary, funds provided to the State University of New York may be utilized to support State-operated Campuses, Statutory Colleges, or Community Colleges as appropriate.**

System Administration, Competitive Investment Fund, and Open Educational Resources:

Changes below (**RED** denotes new language) would support the 2018/19 Operating Budget Request

- For services and expenses for system administration, including minority and women business enterprise contracting and purchasing and the internal and independent audit programs
- Provided further, \$18,000,000 of this appropriation shall be made available for services and expenses of state operated campuses **and community colleges** to be distributed according to a plan approved by the state university board of trustees **and provided further that an amount of up to \$30,000,000 will be**

provided to supplement said plan upon receipt of matching funds from private industry or philanthropic resources for this purpose.

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The People of the State of New York, represented in Senate and Assembly, do enact as follows:

§1. Legislative findings. The legislature finds that the state university of New York at Stony Brook ("University") is in need of additional facilities to fulfill its legislatively mandated mission of research, education, and provision of health care services. Specifically, Ronald McDonald House of Long Island, Inc. has offered to construct, maintain and operate a "Ronald McDonald House" to support the operations of Stony Brook University Hospital's Children's Hospital. Furthermore, such activity will promote the provision of quality pediatric health care services to the surrounding community.

The legislature further finds that granting the trustees of the State University of New York the authority and power to lease and otherwise contract to make available grounds and facilities of the campus of the State University of New York at Stony Brook will ensure such activity will promote the provision of quality pediatric health care services to the surrounding community.

§2. Notwithstanding any other law to the contrary, the state university trustees are hereby authorized and empowered, without any public bidding, to lease and otherwise contract to make available to Ronald McDonald House of Long Island, Inc. (the "Ground Lessee") a portion of the lands of the University not to exceed 2 acres to be located southeast of Stony Brook University Hospital for the purpose of constructing, maintaining and operating a Ronald McDonald House to support the provision of quality pediatric health care to the surrounding communities and the missions of the State University of New York. Such lease or contract shall be for a period not exceeding 50 years without any fee simple conveyance and otherwise upon terms and conditions determined by such trustees, subject to the approval of the director of the division of the budget, the attorney general and the state comptroller. In the event that the real property that is the subject of such lease or contract shall cease to be used for the purpose described in this act, such lease or contract shall immediately terminate and the real property and any improvements thereon shall revert to the State University of New York. Any lease or contract entered into pursuant to this act shall provide that the real property that is the subject of such lease or contract and any improvements thereon shall revert to the State University of New York on the expiration of such contract or lease.

§3. Any contract or lease entered into pursuant to this act shall be deemed to be a state contract for purposes of article 15-A of the executive law, and any contractor, subcontractor, lessee or sublessee entering into such contract or lease for the construction, demolition, reconstruction, excavation, rehabilitation, repair, renovation, alteration or improvement authorized pursuant to this act shall be deemed a state agency for the purposes of article 15-A of the executive law and subject to the provisions of such article.

§4. Notwithstanding any general, special or local law or judicial decision to the contrary, all work performed on a project authorized by this act where all or any portion thereof involves a lease or agreement for construction, demolition, reconstruction, excavation, rehabilitation, repair, renovation, alteration or improvement shall be deemed public work and shall be subject to and performed in accordance with the provisions of article 8 of the labor law to the same extent and in the same manner as a contract of the state, and compliance with all the provisions of article 8 of the labor law shall be required of any lessee, sublessee, contractor or subcontractor on the project, including the enforcement of prevailing wage requirements by the fiscal officer as defined in paragraph e of subdivision 5 of section 220 of the labor law to the same extent as a contract of the state.

§5. Notwithstanding any law to the contrary, all rights or benefits, including terms and conditions of employment, and protection of civil service and collective bargaining status of all employees of the state university of New York affected by the provisions of this act, shall be preserved and protected. Employees in any newly created positions within the State University of New York shall be considered public employees for all purposes of article fourteen of the civil service law.

§6. Any contract or lease awarded or entered into by the Ground Lessee, and parties contracting or entering into a lease with the Ground Lessee for construction, reconstruction, renovation, rehabilitation, improvement or expansion authorized pursuant to this act, for any single construction project exceeding ten million dollars in the aggregate, for which more than twenty-five percent of such aggregate amount is to be paid from appropriations furnished by the State of New York or the State University of New York shall be undertaken pursuant to a project labor agreement, as defined in subdivision 1 or section two hundred twenty-two of the labor law, provided that a study done by or for the contracting entity determines that a project labor agreement will benefit such construction, reconstruction, renovation, rehabilitation, improvement or expansion through reduced risk of delay, potential cost savings or potential reduction in the risk of labor unrest in light of any pertinent local history thereof. For purposes of applying the dollar thresholds set forth in this section, the term “single construction project” shall mean any construction, reconstruction, renovation, rehabilitation, improvement or expansion activity associated with one or more buildings, structures or improvements, including all directly related infrastructure and site work in contemplation thereof, that are functionally interdependent.

§7. Without limiting the determination of the terms and conditions of such contracts or leases, such terms and conditions may provide for leasing, subleasing, construction, reconstruction, rehabilitation, improvement, operation and management of and provision of services and assistance and the granting of licenses, easements and other arrangements with regard to such grounds and facilities by the Ground Lessee, and parties contracting with the Ground Lessee, and, in connection with such activities, the obtaining of funding or financing, whether public or private, unsecured or secured (including, but not limited to, secured by leasehold mortgages and assignments of rents and leases), by the Ground Lessee and parties contracting with the Ground Lessee for the purposes of completing the project described in this act.

§8. Such lease shall include an indemnity provision whereby the lessee or sublessee promises to indemnify, hold harmless and defend the lessor against all claims, suits, actions, and liability to all persons on the leased premises, including tenant, tenant’s agents, contractors, subcontractors, employees, customers, guests, licensees, invitees and members of the public, for damage to any such person’s property, whether real or personal, or for personal injuries arising out of tenant’s use or occupation of the demised premises.

§9. Any contracts entered into pursuant to this act between the Ground Lessee and parties contracting with the Ground Lessee shall be awarded by a competitive process. .

§10. The State University of New York shall not lease lands described in this act unless any such lease shall be executed within five years of the effective date of this act.

§11. Insofar as the provisions of this act are inconsistent with the provisions of any law, general, special or local, the provisions of this act shall be controlling.

§12. This act shall take effect immediately.

**State University of New York (SUNY)
Creation of a New Escrow Account to Facilitate the
Affiliation of Stony Brook University and Eastern Long Island Hospital (ELI)**

§99-____. SUNY Stony Brook Eastern Long Island Hospital Affiliation escrow fund

1. Notwithstanding any other provision of law, rule, regulation, or practice to the contrary, there is hereby established in the joint custody of the comptroller and the chancellor of the state university of New York (SUNY) a trust and agency fund, to be known as the “SUNY Stony Brook Eastern Long Island Hospital Affiliation escrow fund” which shall be available without fiscal year limitation.
2. The SUNY Stony Brook Eastern Long Island Hospital Affiliation escrow fund shall consist of (i) all monies generated through the activities of Stony Brook at Eastern Long Island Hospital, including but not limited to patient revenue, federal reimbursement, and other associated revenue sources, (ii) rent payments made by Stony Brook University Hospital to The Eastern Long Island Hospital Association under a certain lease agreement approved by the director of the budget, the office of the New York state attorney general and the office of the New York state comptroller and (iii) to the extent permitted under the lease agreement referred to in paragraph (ii) of this subdivision, working capital advances and capital acquisition advances made by Stony Brook University Hospital to The Eastern Long Island Hospital Association.

State University of New York (SUNY)
Requests for Technical Adjustments and Support for Existing Legislation

1. Student Based Cohort for Excelsior Recipients

- a. The current approach to the 2017/18 Enacted Budget Excelsior Scholarship program “freezes” the tuition covered by the State, Campuses, and Federal Government to 2016/17 levels for a four year period.
- b. This means that students who join a SUNY institution in 2019/20 will be charged, and have paid by the sources named above, the 2016/17 tuition rate while their fellow classmates pay a higher rate.
- c. Not only does this impact the ability of our institutions to provide the services needed to ensure these students move adroitly through their educational career, it also represents a functional disconnect for our community colleges, who will be “freezing” their tuition for a four-year period while only offering primarily two-year degrees.
- d. Therefore, SUNY would seek to partner with the State to make a minor adjustment to the language surrounding the Excelsior Scholarship program to tie the “frozen” tuition rate to not a time period, but instead the length of time a student remains at the SUNY institution.
 - i. Under this proposal a student who joins Hudson Valley Community College in 2018/19 and is a recipient of an Excelsior award would be expected to have the Hudson Valley 2018/19 tuition rate paid for them for a two-year period (2018/19 and 219/20), while a similar student who joins in 2019/20 and is an Excelsior Scholarship recipient would have the 2019/20 rates paid for them for a two year period as well (2019/20 and 2020/21).
 - ii. This would work the same for a four-year institution, with a student joining Delhi in 2018/19 and receiving an Excelsior Scholarship award having 2018/19 Delhi tuition rate levels paid for them for a four-year period (2018/19, 2019/20, 2020/21, 2021/22), while a similar student who joins Delhi in 2019/20 would have 2019/20 Delhi tuition rate levels paid for them for a set four-year period as well (2019/20, 2020/21, 2021/22, 2022/23).

2. Allowing SUNY to be more responsive to victims of disasters

- a. Under current law, the State-operated and Community College components of the SUNY System are required – with limited exemptions – to charge the same rate of tuition for the same degree type
- b. While the challenge associated with this has been well discussed in the past, one area wherein this requirement becomes particularly restrictive is when the SUNY System is moved to aid certain populations in times of distress
- c. Recent events in Puerto Rico and the U.S. Virgin Islands, and past events in Haiti, required SUNY to step through a multi-step process that did not allow for the System to act as adroitly as it would have preferred
- d. Through the addition of language similar to that currently in place for working with students enrolled in Early College High School (ECHS) and Pathways Through Technology (P-Tech) programs to the establishing tuition statute of both State-operated and Community Colleges, this process would be extremely simplified and merely allow the Boards of Trustees (both for SUNY writ-large and for each individual Community College) to make the right choices in a timeframe more aligned with the critical needs of the population being addressed

3. **Exclude Exhibit A and Vendor Responsibility requirements for regulated utilities and allow for purchases of services through a consortium**
 - a. Exclude the requirement to attach “Exhibit A” when engaging with public regulated utilities, and to exclude public utilities from vendor responsibility requirements to align SUNY’s procurement practices with the requirements the Public Service Commission places on public utilities.
 - b. Provide SUNY the flexibility to purchase services through a consortium, removing the current constriction of allowing of only the purchase of commodities from this source
4. **Continuation of “Maintenance of Effort”**
 - a. With only limited interruption since its 2011/12 Enactment, the “MOE” agreement between the State of New York and SUNY has protected the nation’s largest comprehensive public university system from a repeat of the massive reductions in direct support experienced during the Great Recession while ensuring that the State and Student investment is wisely utilized to support student success, economic and intellectual development, and programmatic advancement.
 - b. SUNY would request the language passed in the 2017/18 Enacted Budget be continued and remain untouched, with the possible exception of extending the protections provided by this important legislation to the annual investments made in our myriad programs such as the Educational Opportunity Program (EOP), Educational Opportunity Centers (EOCs), and the Small Business Development Centers (SBDC).
5. **Continuation of Predictable Tuition**
 - a. At the same time that the State provided the protections of the Maintenance of Effort, they also worked to break the “tuition roulette” cycle of student tuition increases that have plagued SUNY since tuition was first instituted in 1963.
 - b. For the first time, students could finally plan for their college costs intelligently, operating off the multi-year plan passed by the SUNY Board of Trustees under the strictures provided in the NY-SUNY 2020 legislation.
 - c. This benefit has continued almost unbroken since that time, and SUNY would request that intent of the program be continued unchanged, but possibly supplemented through additional tuition rate flexibility being provided to the SUNY Board of Trustees in the areas of:
 - i. Setting specific “Border State” tuition rates to properly compete with our neighboring institutions, and
 - ii. Setting differing levels of graduate tuition rates at the State-operated campuses
6. **Community College Local Sponsor Flexibility**
 - a. SUNY would request that the State explore possible modifications to the 2011 property tax law (Chapter 97 of the Laws of 2011) that would provide for flexibility for local sponsors to “remove” the cost of providing incremental additional capital support for the community colleges that they sponsor from any calculation related to remaining within the 2 percent property tax “cap”. It is SUNY’s understanding that this flexibility is currently provided for school districts when examining the costs related to the local portion of capital expenditures.