

## THE FEDERAL STIMULUS PACKAGE AND THE STATE UNIVERSITY OF NEW YORK

### NEW YORK'S SHARE OF THE FEDERAL STIMULUS

**"State Fiscal Stabilization Funds"** – The American Recovery and Reinvestment Act of 2009 (ARRA) includes a total of \$53.6 billion for State Fiscal Stabilization Funds. Of that amount, approximately \$39.5 billion is to be sent to the states explicitly for elementary, secondary, and public higher education. Another \$8.8 billion in the Fund would be allocated for "other government services".

**Of the \$39.5 billion for education, the NYS share is \$2.5 billion.** The State must divide the funds over two years to fill education cuts in K-12 and higher education (SUNY and CUNY).

Cuts to K-12 are estimated to be \$2.5 billion. SUNY's reductions are estimated at the \$214.8 million in current year cuts plus the \$235.9 million in proposed cuts in the Governor's 2009-10 budget, if adopted. As these amounts exceed the total appropriation of \$2.5 billion, the law states that the governor must split the funds between K-12 and higher education proportionate to their reductions. Budget analysts at SUNY and at the NYS Division of Budget are presently reviewing the intent of the legislation, determining how to comply with the law, and calculating how these funds may be distributed.

**"Other Government Services" allowable in Stabilization Fund**– In addition to the education funds, the resources allocated to states for "other government services" can be used by the states for public higher education.

**New York's share for "other government services" is estimated to be \$556 million dollars.** Governor Paterson has not yet made any indication as to how these funds might be spent.

These funds can be used to help stem budget cuts to higher education, as well as for modernization, renovation and repairs at SUNY campuses.

**"Medicaid Aid to States: Federal Medical Assistance Percentages (FMAP)"** – These are federal matching funds for State expenditures for assistance payments for certain social services, and State medical and medical insurance expenditures.

**The final legislation appropriates \$87 billion; The NYS share is expected to be between \$8.6 - \$11 billion.**

FMAP funds are often targeted to health care budgets but may also be used for other purposes and are considered discretionary.

### HELPING SUNY WITH FEDERAL STIMULUS FUNDS

**State support reductions to SUNY in FY2008-09 and proposed for FY2009-10 total \$450.7 million.**

#### **OPERATIONAL FUNDING**

**\$352.3 million of the State Fiscal Stabilization Funds should be used to restore the \$214.8 million from FY2008-09, and the proposed \$137.5 million in reductions to state-operated campuses in FY2009-10.**

- SUNY's state-operated campus general funding in FY2008-09 has been reduced by a total of \$214.8 million: \$146.3 million in operating reductions, plus a sweep of \$68.5 million student tuition revenue for Deficit Reduction purposes.
- The FY2009-10 budget proposes to sweep another \$63.8 million in tuition revenue, \$40 million in other campus revenue, \$25.8 million in University-wide programs and \$7.9 million in a 10% Research "tithe".

**\$63.7 million of the State Fiscal Stabilization Funds should be used to restore the \$25.4 million reduction and \$38.3 obligation to academic medical centers (AMC) in FY2009-10. FMAP funds could also be used to protect AMC's given their public health care mission,**

- SUNY's academic medical center funding, in FY2009-10, has been reduced by \$25.4 million, while also not meeting the state's obligation for \$38.3 million in state negotiated contractual agreements. Possible changes to Medicaid and Graduate Medical Education formulas could also negatively impact these institutions.

**\$34.7 million of the State Fiscal Stabilization Funds should be used to restore the \$34.7 million reduction to community college base aid.**

- SUNY's community college student base-aid is proposed to be reduced by \$34.7 million in FY2009-10.

#### **CAPITAL FACILITIES – SHOVEL READY PROJECTS**

**Federal stimulus funds designated by the State for modernization, renovations and repair can be put to use immediately by SUNY.**

- SUNY has identified more than \$1.5 billion in "shovel ready" capital construction projects that can be started within 180 days. These projects are across SUNY's 34 state-operated campuses and 30 community colleges.