



THE STATE UNIVERSITY *of* NEW YORK

MEMORANDUM

Office of the
Chancellor

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To: Members of the Board of Trustees
From: Dr. John B. Clark, Interim Chancellor
Subject: Rational Tuition Policy

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

Whereas in accordance with Section 355(2) (h) of the Education Law, the State University Trustees are empowered and authorized to regulate tuition charges; and

Whereas Section 355(8) of the Education Law provides that monies received by the State from other sources including tuition "shall be used for expenses of the State University in carrying out any of its objects and purposes"; and

Whereas on numerous occasions, tuition has been kept flat for a number of years; and

Whereas the undergraduate resident tuition was last increased, by 28%, for the 2003-04 academic year; and

Whereas these infrequent large increases in tuition have made financial planning difficult for students and parents; and

Whereas the University desires to make long range planning for students, their families, and the State-operated institutions easier and more transparent; and

Whereas a more predictable and stable resource base at the State-operated institutions will have a positive effect on economic development in the SUNY communities the quality of educational services offered at these campuses; and

Whereas the Student Assembly has adopted a resolution supporting the implementation of a rational tuition policy for the University; and

Whereas the Presidents of the State-operated campuses strongly recommend a policy that limits future tuition increases to the annual percentage increase reported in the Higher Education Price Index (HEPI), or in years where the State appropriation does not meet increases in fixed costs, to a 10% increase; now, therefore be it

Resolved that State University of New York adopt a rational tuition policy which will increase undergraduate resident tuition by an indexed amount on an annual basis, and, be it further

Resolved that the Higher Education Price Index (HEPI) be used as the basis for calculating the increases; and, be it further

Resolved that the incremental tuition revenue generated through these tuition increases shall be used to protect and where possible expand the University's ability to deliver high quality, broadly accessible higher education and to help offset other potential budget reductions; thereby ensuring that New York students have the best education choices available to them.

Background

The SUNY state operated core budget, which funds instructional services, is supported through a combination of State taxpayer funds and student tuition and fees. In the past the University has relied on general State taxpayer revenues to provide a significant portion of the cost associated with that high quality. Reductions in the State contribution directly impacts SUNY's ability to meet the educational needs of its 440,000 students. As enrollment continues to increase, the University needs a revenue stream dedicated to meeting its current and future academic needs.

Undergraduate resident tuition, currently \$4,350, was last increased 2003-04. That was the only increase in the past 13 years, and was implemented to partially offset a major reduction in State support. Tuition is a fee for service paid for by the students who are directly benefiting from the outstanding programs offered through the SUNY campuses. These students and their parents expect that their tuition payments will be used to provide the highest level of instruction and related research and support programs.

Students attending the SUNY campuses do not want a reduction to the level of programs, classes, health and safety and other activities that they now enjoy at the campuses.

SUNY students understand the situation and their governing body, the SUNY Student Assembly, representing all 64 campuses, voted in support of the enactment of a rational tuition plan. This sends a strong signal that a plan for rational tuition must be enacted as the foundation for a stronger SUNY.

A multi year rational tuition plan provides a basis for the University and the students attending SUNY to plan for a number of years into the future. This enables students and parents to better plan the cost of obtaining a degree at the SUNY unit of their choice.

The multi year rational tuition plan will be implemented according to the following principles:

- Revenue from the tuition increase will be used to protect and where possible expand the University's ability to deliver high quality, broadly accessible higher education; thereby ensuring that New York students have the best education choices available to them.
- The proposed tuition increase takes into account efficiencies campuses will employ to reduce costs as well as any additional revenue streams resulting from flexibility and asset leveraging opportunities.
- The tuition structure will be developed in a way that will minimize the impact on students with financial need to the greatest extent possible.

Through the rational tuition plan, the Board of Trustees would establish tuition increases, up to the annual HEPI level, without need for additional review or approval for obtaining the needed spending authority. This will provide students with financial information necessary for them to properly plan for funding their college costs. It will also enable SUNY to develop program and expenditure plans long enough in advance to ensure that the most efficient and effective program is provided.

Because it is necessary for the University to quickly develop a revenue stream to support its programs, the proposed plan provides for an annualized tuition increase based on HEPI inflationary index, to undergraduate and graduate in-state students for the Spring 2009 semester. This tuition increase equates to \$155 for in-state undergraduate and \$245 for in-state graduate students.

We are recommending the following increases for five years beginning with the Spring 2009 semester. Since the last tuition increase in 2003-04 the Higher Education Price Index (HEPI) has increased an average of 3.7% annually. The most recent HEPI would be used to determine the tuition increase.

Period	HEPI Units	Tuition Increase	New Annual Rate
Spring 2009	2	\$310 (semester)	
2009-10	0	\$620 (annualization of Spring increase)	\$4,970
2010-11	1	HEPI ANNUAL RATE	To be determined
2011-12	1	HEPI ANNUAL RATE	To be determined
2012-13	1	HEPI ANNUAL RATE	To be determined