



THE STATE UNIVERSITY *of* NEW YORK

Talking Points as of November 18, 2008

Talking Points: The State of the University & 2009-10 Budget Request

- SUNY is guided by enduring principles that serve its students and the people of New York:
 - Access to a quality educational experience that will assure their bright future;
 - Ensuring that such an education is affordable;
 - Guaranteeing students access to quality faculty members who are at the highest levels of academic excellence.
- SUNY enrollment for the Fall 2009 semester now exceeds 439,000 students, a growth of 12,000 students over last year. This is in addition to our 1.2 million continuing education enrollees, bringing our total student count to over 1.6 million. (Use campus enrollment figures when appropriate).
- Student applications across SUNY continue to rise at record levels. In 2008, there were 288,707 applications to attend SUNY's four-year and community colleges, an increase of more than 9,400 from the prior year. Applications for the 2009 academic year continue to increase.
- The full impact of the budget reductions to SUNY this fiscal year total over \$210 million or 15% of our core instructional budget. (Use campus reduction figures when appropriate). Further reductions will continue to erode the University's ability to provide a quality education.
- SUNY campuses are accommodating an unprecedented number of students and given the budget reductions, this presents a difficult challenge for the University to meet the educational needs of the students and their instructors.
- In order to meet the mandated budget reductions in the current year, campuses have deployed one time and short term actions. Campuses have enacted hiring freezes, delayed equipment and library book purchases, increased class sizes, cuts in courses critical to degree programs, and curtailed services in student living and learning facilities.
- The 2009-10 State Budget Request is based on four pillars: (1) Appropriate State Support for SUNY; (2) Rational Tuition Policy; (3) Expanding Entrepreneurial Activity and Public-Private Partnerships (Land Use Flexibility); and (4) Management and Operational Reforms and Efficiencies (MORE).
- These are difficult times and this budget request contains a comprehensive package of initiatives that must be considered together as they are the only way the University can respond to this financial crisis. The tuition increase by itself is not enough; the University needs the administrative flexibility to be able to help itself through the use and development of its assets. (For flexibility, please use campus examples to show effectiveness as well as to quantify savings in costs and staff time).

Talking Points: Rational Tuition Policy

- SUNY's tuition is among the nation's lowest. In addition, there has been only one in-state undergraduate tuition increase during the past 13 years, a 29%, \$950 increase in 2003, which was implemented to offset a major reduction in state support.
- A rational tuition policy is necessary for SUNY to sustain its ability to properly serve the 439,000 students with which we have a contract for higher education; and for them and their parents to plan for their educational costs.
- Last month, the SUNY Student Assembly voted to enact a rational tuition plan. That sent a strong signal that a plan for rational tuition must be approved as the foundation for a stronger SUNY that will continue to fulfill its mission to our students of providing an accessible and affordable education while advancing excellence.
- The Student Assembly has resolved that New York State can neither afford nor accept the "irrational tuition policy" that currently exists which allows for \$950 increases such as in 2003. A rational tuition plan brings predictability and removes tuition policy-making from the political constraints currently placed on it by our state leaders.
- A rational tuition plan includes predictable and annual tuition increases tied directly to an inflationary index, in this case the Higher Education Pricing Index (HEPI).
- The tuition revenue will allow the University to invest in academic quality initiatives such as full-time faculty, scholarships and program development; allow campuses to deliver services especially for economic development to their communities and enable SUNY to handle current and anticipated budget reductions and income shortfalls (i.e. endowment, gifts, etc) in this period of economic uncertainty.
- The SUNY Board has adopted a rational tuition policy that builds upon the tenants of investing in academic quality. The Board's action raises tuition in accordance with the Higher Education Price Index. For the Spring 2009, the tuition increase equals \$310 or two (2) HEPI units...annualized to \$620 beginning in the Fall 2009. This \$310 tuition increase is the first since 2003 and will allow SUNY campuses to maintain the academic quality they promised their current student body.

Talking Points – Public Private Partnerships and Expanding Entrepreneurial Activities through Land Use Flexibility

- SUNY owns nearly 2,300 buildings totaling 78 million gross square feet and located on approximately 20,000 acres. The University should have the flexibility to sell or lease these types of assets as they determine and deem them no longer suited for its mission and purpose.
- In a time of rising costs and declining state tax dollars, the University must become more entrepreneurial and self-sufficient.
- Entrepreneurial opportunities exist that would require new statutory flexibility to enable the State University to pursue the sale or lease of campus properties, facilities rental, enhancement of self-supporting operations and partnerships, imposition of fees and rents, and contracting of services.
- The 2008 report of the New York State Commission on Higher Education re-examined higher education in the state and opined that, for SUNY and CUNY, “statutory change should be sought to lessen regulation”, noting, “SUNY’s Board of Trustees should have authority to lease SUNY property for purposes that support SUNY’s mission without prior legislative approval”
- The SUNY Board of Trustees would establish appropriate guidelines for campuses to follow that would include state government, legislative and public input.
- SUNY needs the flexibility to pursue entrepreneurial activities such as:
 - Expand public/private partnerships to promote commercial and community based activities such as retirement communities, student housing, health care facilities, incubators, food service, telecommunications and retail facilities,
 - Maximize utilization of natural resources including gas, timber, minerals and water,
 - Pursue using SUNY land in creative ways such as producing bio-mass fuels, co-generation facilities, or developing solar and wind farms, and
 - Maximize rental income by making facilities available for community events or conferences
- The City University of New York (CUNY) has such statutory authorization based upon their enabling statute. The City University has used their authority to effectively plan and maximize opportunities to better serve their students, and save and generated substantial funds for the system in support of their campuses.

Talking Points - The Need for Management and Operational Reforms and Efficiencies (MORE)

- "MORE means LESS" state regulations and administrative burdens placed upon the State University.
- Overregulation has weakened SUNY and deprives New York of economic benefits that other states realize from their thriving public universities.
- The 2008 report of the New York State Commission on Higher Education re-examined higher education in the state and opined that "statutory change should be sought to lessen regulation in three areas. SUNY's Board of Trustees should have authority to lease SUNY property for purposes that support SUNY's mission without prior legislative approval, the SUNY Construction Fund should be granted necessary operational flexibility and the procurement process for SUNY and CUNY should be streamlined".
- SUNY seeks statutory authority for enhanced administrative and operational flexibility through legislation entitled, Management and Operational Reforms and Efficiencies (MORE), which would provide for University with the following flexibility:
 - Allow the University to control accounts with revenue from tuition, fees and other university revenue
 - Implement post-audit accounting practices, instead of pre- and post-audit procedures
 - Ease the bureaucratic red tape in procurements and contracts
 - Allow the University to make decisions on the creation and categorization of personnel positions
 - Provide for current delivery methods in capital construction projects
- SUNY fully accepts the public accountability, through our internal processes and a post-audit review by the University and State Comptroller that comes with the increased administrative flexibility the University seeks.
- SUNY is one of only four states in the nation that is required to pre-audit of university expenditures; the others are Kansas, Mississippi, and South Dakota.
- In no other state must a university system seek legislative approval in order to conduct normal course of business. The nation's leading state university systems, such as Michigan, Virginia, Pennsylvania and Wisconsin, are functioning as Public Benefit Corporations, and with great success. Even with this freedom, these universities receive state support, and have greater operating autonomy and flexibility, as well as the freedom to innovate, economize and initiate entrepreneurial enterprises. This is the basis for their strength and national leadership. SUNY needs to be treated the same.