

THE BUSINESS REVIEW

Friday, March 5, 2010

Chancellor Zimpher pushes lawmakers on SUNY revenue, tuition policy

The Business Review (Albany) - by [Robin K. Cooper](#)

Chancellor Nancy Zimpher is backing a plan she believes will transform the state's public university system and help rebuild the economy.

Zimpher and presidents throughout the State University of New York are looking to diversify their revenue stream by giving colleges the ability to set their own tuition and make it easier to lease campus property.

The Empowerment and Innovation Act, introduced by Gov. David Paterson, would overhaul New York's obscure policy requiring legislative approval for all tuition increases. It also would eliminate lawmakers' power to determine how much of that tuition colleges can spend.

"We can be a revenue generator, not only for ourselves, but for the state of New York," Zimpher said.

The push to change longstanding state and SUNY policy has gained momentum this year in the wake of hefty budget cuts across the 64 campus system, which lost nearly \$500 million in state aid over the past two years.

"I don't know any university president who is not in favor of it," said George Philip, president of the University at Albany.

If successful, SUNY and City University of New York schools for the first time would be able to charge different tuition pending approval by their boards of trustees.

The transformation Zimpher is seeking is opposed by the powerful United University Professions, a union representing 34,000 faculty and academic staff.

UUP is lobbying aggressively to convince lawmakers not to give up their oversight of SUNY tuition.

'Essential to survival'

In the past year, SUNY tuition has increased by \$620. The majority of that money has been used to offset the state deficit.

"To suggest that the money students pay for tuition and room and board should go into the state's operating budget is ridiculous," Philip said.

Under Paterson's plan, colleges would be able to raise tuition and charge more for high-demand or expensive programs. The Empowerment and Innovation Act also would make it easier for colleges to purchase equipment without a lengthy review by the state comptroller.

"It's the most important piece of public higher education legislation in a generation or more," said Christopher Dahl, president of SUNY Geneseo since 1996.

"This is essential to the survival of Geneseo as a campus," Dahl said.

Geneseo has seen state aid decline by 18 percent in the past two years.

Cuts have been just as dramatic at UAlbany, where state aid has declined by \$22 million since July 2008. The governor's proposed budget calls for another \$6 million in cuts in fiscal year 2010-11.

With cuts that steep, Zimpher said, it became clear that SUNY needs to diversify its revenue stream if it's going to grow.

The Chancellor and SUNY Board of Trustees are expected to introduce a strategic plan in April that will set a new course to improve the 64-campus system. But future growth will rely in large part on SUNY's ability to generate revenue, Zimpher said.



Donna Abbott Vlahos | The Business Review

"We can be a revenue generator," says SUNY Chancellor Nancy Zimpher.

[View Larger](#)

Geneseo, which maintains some of the highest academic standards in the SUNY system, admits between 32 percent and 34 percent of its applicants.

President Dahl believes the college could generate more revenue by increasing tuition at the western New York school without impacting enrollment, which currently stands at about 5,300 students.

"We could charge tuition that reflects the value," Dahl said.

Paterson's proposal would authorize SUNY and CUNY to create an "equitable" tuition policy with a cap based on the Higher Education Price Index. The college inflationary index, based on salaries, benefits and material costs, has grown between 2.3 percent and 5.1 percent over the past five years.

Critics of the current system have long argued that the state will maintain tuition rates for years when the economy is good followed by sharp increase when times are bad.

That doesn't allow parents, students and college administrators to plan, Zimpher said.

Under the plan, SUNY schools also would be required to set money aside to ensure that higher tuition will not prevent students from lower-income families being able to attend.

UUP president Phillip Smith argues that the proposed tuition policy would cause SUNY schools to price themselves out of the market and pave the way for the Legislature to introduce more university funding cuts.

"The state will just move farther and farther away from its funding obligations," Smith said.

Some parents don't see it that way.

"I wouldn't mind paying a premium if it's reasonable," said David Woodin, whose son, Brian Woodin, began his freshman year at Geneseo last fall after graduating from the Shenendehowa School District in Clifton Park.

SUNY tuition currently stands at \$4,970 per year.

"How much people will pay depends on whether you raise tuition so much that it's no longer a bargain," David Woodin said.

At \$4,970, he believes Geneseo and several other SUNY schools provide an education that rivals many private colleges.

Still, state aid a must

The Empowerment and Innovation Act also seeks to help increase revenue by making it easier for campuses to lease land.

If the act is adopted, Dahl said, Geneseo may consider developing a retirement community on campus, a move that has helped a dozen colleges around the country, including Ithaca College in central New York, the University of Arizona, the University of Michigan and Penn State University, raise money.

SUNY Purchase in Westchester County has attempted to build a retirement community on an old construction waste site for five years.

Thomas Schwarz, president of Purchase, estimates that the college has lost out on \$12 million to \$15 million in revenue over the past five years because it has been unable to get legislation approved to allow the campus retirement community.

One bill to allow the development made it through the Legislature, only to be vetoed by Paterson.

At the time, Paterson said the plan had merit but should be part of a bigger-scale strategic effort instead of a piecemeal project on one campus.

The Empowerment and Innovation Act is expected to help create 10,000 faculty and staff jobs, Paterson said.

Union president Smith said he doubts that number is accurate.

"It's all just a thinly veiled excuse for the Legislature to walk away from its funding obligations," Smith said. "I don't think SUNY can survive without a certain amount of public funds."

The chancellor and several SUNY presidents agree.

"This system must be supported by state [aid]," Zimpher said.

The motivation is to ensure public schools remain competitive in terms of revenue and expenditures.

Restrictions that require lengthy approval for costly pieces of equipment put SUNY schools at a disadvantage when private schools such as Cornell University and New York University can act quickly, Zimpher said.

“You can’t hamstring the largest, most diverse full-service higher education system,” she said.

Schwarz of SUNY Purchase supports Paterson’s plan, but remains skeptical about how successful it will be.

“One never should be optimistic about anything that goes on in Albany,” he said.

Paterson’s decision last week not to seek election, after one of his top aides was tied to a domestic violence scandal, further complicates the picture.

Ranking Democratic lawmakers have said that Paterson has lost credibility.

But some university officials believe the economy has created a need to change antiquated policies.

“If we don’t do this, the state will be losing an opportunity to diversify New York’s economy,” said UAlbany President Philip. “We can’t be solely dependent on the financial industry anymore.”

Price tags

SUNY tuition rates

1994-95 - \$3,400
2003-04 - \$4,350
2008-09 - \$4,660
2009-10 - \$4,970

Source: State University of New York. Data shows last four SUNY tuition increases.

rcooper@bizjournals.com | 518-640-6808