

The Public Higher Education Empowerment and Innovation Act

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Recently, Governor Paterson announced The Public Higher Education Empowerment and Innovation Act designed specifically to maximize the potential of New York's two public higher education systems, SUNY and CUNY. This Act is broad and unprecedented in its impact on our two systems.

One aspect that should appeal to tax-payers is that this Act has no cost to the State. In this time of truly economic crisis for the New York, any act that empowers institutions and encourages innovation and entrepreneurship, while costing the tax-payers nothing is well worth serious consideration.

While this Act has little impact on community colleges overall, it does provide them with some benefits. For example, the Act would allow for differential tuition by campus and program. Community colleges already set their own tuition, so it can vary from campus to campus. However, the Act does allow individual community colleges to set differential tuition by program should an institution choose to do so. Therefore, high-technology programs and allied health programs (which lose money for any community college) could carry a higher tuition than Liberal Arts General Studies, if the Board of Trustees for that institution deems it in the best interest of the College and its students.

The Act also provides community colleges the opportunity to finance college housing through the Dormitory Authority (DASNY), which is currently prohibited. Since virtually every community college in New York has, or is planning to have, student housing, this provision could provide community colleges with a tremendous benefit.

The balance of the Act provides tremendous benefits to SUNY and CUNY operated campuses. Again, differential tuition (as identified above) could also mean that research institutions may have a different tuition rate than comprehensive campuses. This can provide flexibility based on a cost-structure for each campus. SUNY and CUNY can establish a rational multi-year tuition plan that will help students plan for their college education. Even more important, the Act removes tuition rates for state operated campuses from the political process and tuition where it belongs with the SUNY and CUNY Boards of Trustees. It also repeals the "tuition sharing" model in which the State takes a percentage of the tuition charged for the States' General Fund.

Further for state operated campuses, the Act encourages gifts and entrepreneurship. It authorizes the SUNY Board to accept gifts of real property that may be donated to a state campus; it allows for state campuses to enter into lease agreements without special legislation; it encourages state operated campuses to enter into joint ventures with the private sector (subject to review by the State University Asset Management Review Board).

The Act eliminates a number of barriers for SUNY and state operated campuses as well. While every state agency must act responsibly with state dollars and should be accountable through an audit process, this Act removes a pre-approval process by the State Comptroller and Attorney

General for contracts. It broadens SUNY access to the Office for General Services for goods and services.

Overall, the Act that is proposed will help SUNY, CUNY and their state operated campuses become more nimble and able to respond to their communities. They will be more efficient in their operations. And, they can do this with no additional tax burden and may, in fact, reduce expenses.

SUNY has discussed these types of reforms for quite some time. We can only hope that such an Act will receive serious consideration by all involved in its passing.

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