



The State University
of New York

Office of the Chancellor

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MEMORANDUM

December 16, 2025

TO: Members of the Board of Trustees

FROM: Dr. John B. King Jr., Chancellor

SUBJECT: 2026/27 Campus and Hospital Operating and Capital Budget Requests

Action Requested

The proposed resolution approves the State University of New York's (SUNY) 2026/27 Campus Operating and Capital budget requests to the State of New York, and the Operating and Capital budget requests for the three Teaching Hospitals.

Resolution

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

Whereas SUNY, when taken as a sum of its component parts—four university centers, four other doctoral-granting institutions, 13 comprehensive colleges, eight technology colleges, three teaching hospitals, 30 community colleges, a veterans home, and myriad world-renowned programs and centers—is the most comprehensive system of public higher education in the United States and is integral to the educational and economic development success of New York State; and

Whereas SUNY is grateful for the leadership of Governor Kathy Hochul and the support of the New York State Senate and Assembly, and recognizes the historic investments, over \$400.0M in increased Direct State Tax Support since 2023/24 and game-changing initiatives such as Empire AI and SUNY Reconnect, in

SUNY championed by the Governor and legislature and that continued investment in the State University is essential for the state's future and to ensure the affordable excellence that SUNY provides; and

Whereas SUNY is on the move, with three years of back-to-back-to-back increases in enrollment, with the gains reflecting the highly successful results from the commitment by Governor Hochul and the Legislature to expand access to higher education—and major advances in student success; research and scholarship; diversity, equity, and inclusion; and economic development and upward mobility, now, therefore, be it

Resolved that the proposed campus and hospital operating and capital budget requests for SUNY as described in the attached background materials, be, and hereby are, approved for the 2026/27 academic fiscal year beginning July 1, 2026, for the operating budget and approved for the 2026/27 State fiscal year beginning on April 1, 2026, for the capital budget; and, be it further

Resolved that the Chancellor, or designee, be, and hereby is, authorized to transmit all such budget requests to the Director of the New York State Division of the Budget.

Background

The background and justification for the 2026/27 Campus and Hospital Operating Budget and Capital Budget Requests are set forth in the attached narratives. The campus and hospital operating and capital budget requests are on file with the Office of the Secretary.



SUNY 2026/27 Executive Budget Priorities

In addition to **maintaining all 2025/26 Enacted Budget investment levels** with *no* reductions...

Increase State-operated campus operating funds

- Ensure the affordability of a SUNY degree by **maintaining the SUNY State-operated campus resident undergraduate tuition freeze** (\$55M)
- Provide additional resources as needed to **fully cover all State-approved collectively bargained salary increases** so SUNY campuses do not lose ground (\$44M-\$133M estimated if new contracts are negotiated) *[Note: This increase is beyond \$42M increase for next fiscal year under previously negotiated CBAs.]*
- **Accelerate Direct State Tax Support payments** to cover retroactive CBA costs and 27th pay period in 2026/27 (no additional cost to the State)
- Maintain **existing flexibility for non-resident tuition rates**

Increase community college operating funds

- \$8M increase to **continue expansion of high-demand workforce programs** (e.g., health careers, advanced manufacturing, green jobs, and cyber-security, AI & IT)

Robust capital plan with increased support for critical maintenance

- Increase capital investment beyond base \$550M **critical maintenance support** to help address \$10B current critical maintenance backlog
- \$460M requested for research capital to accelerate State leadership: \$100M for **faculty start-up packages to recruit SUNY Innovation Scholars** (capital funding for lab upgrades and new equipment) and the second tranche of \$360M for the **NYS Innovation Fund** and flex capital to establish nation-leading research facilities

Hospitals

- Continue **\$50M capital allocation** for each SUNY hospital
- Maintenance of up to \$100M in **operating relief for SUNY Downstate Hospital** while Governor’s modernization plan is implemented
- Continue to **not sweep patient revenues for debt service for hospitals and include UB Medical** (\$82M)
- Reform **DSH payment methodology** to SUNY hospitals

Priority programs

- \$8M increase for SUNY **ASAP|ACE** to reach 10K students by Fall 2026 per Executive commitment (current: 34 campuses with >7k students)
 - Expand **Educational Opportunity Program** investment by \$17.5M to address a 20% increase in enrollment over last three years, but only 3% increase in funding
 - Expand **child care slots** for student-parents to complete their degree
 - Dedicated funds for **SUNY marketing** (including State-operated campuses, community colleges, and SUNY Reconnect)
 - Expand **Empire State Service Corps**
 - **Higher Education in Prison**
 - **Timbuctoo**
 - **Legislation requests** (e.g., minimum threshold for State indirect rates, expansion of Tax Credit program)
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State University of New York (SUNY)
2026/27 Operating Request

On behalf of the students, faculty, staff, and campuses that comprise the SUNY System, we are pleased to submit our 2026/2027 Operating and Capital Budget Request to the State of New York. Following three years of historic support and investment led by Governor Kathy Hochul and the State Legislature, SUNY is on the move and has increased enrollment for three consecutive years. The following budget request aims to build on this momentum and to continue to advance SUNY's four pillars: student success; research and scholarship; diversity, equity, and inclusion; and economic development and upward mobility.

This budget request comes at a time when New York State will have to respond to the impacts of the Federal "Mega-bill," which was signed into law in July of this year and will have substantial impacts on the State's financial outlook. Currently, it is more important than ever to remember that at a time when the federal government has undermined support for higher education and enacted major cuts to federally funded research, the State of New York has doubled down on its historic support of the SUNY System.

This support has meant nearly \$400.0M in additional Direct State Tax support for SUNY's Four-Year Campuses since the 2023/2024 enacted budget. It has also meant historic investments made in New York State's Community Colleges, including two years of operating aid increases (the first back-to-back investments in decades) and Governor Hochul's SUNY Reconnect initiative that provides free community college to adults without a college degree who are pursuing high-demand fields.

Finally, the State has also recognized the importance of student success programs such as ASAP and ACE that are helping SUNY campuses and students realize greater retention and completion outcomes and the Educational Opportunity Program (EOP), and these investments are paying dividends.

As the state and nation grapple with an affordability crisis, the State has ensured SUNY has been able to keep Four-year campus Resident undergraduate tuition flat since before the COVID-19 Pandemic, resulting in only 9 States, plus the District of Columbia and CUNY having lower tuition and fees. This affordable access to higher education remains the key to upward mobility for so many. This is evidenced by SUNY institutions like Stony Brook (#13), Albany (#22), the University at Buffalo (#49), and Binghamton (#98) all scoring in the Top 100 of US News and World Reports Top Performers in Social Mobility, and numerous other accolades such as Stony Brook being in the Top 10 (#3) of Colleges by Mobility Rate (Mobility Index), and Albany (#39), Buffalo State (#43), Farmingdale (#49), Old Westbury (#64), Binghamton (#70), Plattsburgh (#88), Stony Brook (#93), and SUNY Brockport (#100) within the top 100 of the CollegeNET Social Mobility Index.

SUNY campuses are drivers of economic development and upward mobility in the communities they serve. For every dollar that the State invests in the SUNY System, there is a return of over \$8 on that investment¹. This is supported and bolstered by the work done by the SUNY System in research and

¹ <https://rockinst.org/wp-content/uploads/2024/02/SUNY-Economic-Report-AY2020.pdf>

discovery, driven by \$1.2B in sponsored research spending. SUNY’s groundbreaking research leadership includes quantum innovation at Stony Brook, hosting the Governor’s Empire AI research center for the public good at Buffalo, battery technology at Binghamton, and RNA research at Albany.

SUNY remains grateful to the Governor, Senate, and Assembly and our many SUNY champions that have fought to make investing in public higher education a priority. We respectfully request that this support be continued in the form of the following ongoing and new investments that will support SUNY students, faculty, staff, our campuses, and the communities they serve, well into the future.

Operating Request: Non-Hospital

The State has invested nearly \$400.0M in new Incremental Support in SUNY’s Four-Year Campuses since 2023/24, the first two-year investment in Community Colleges in recent history, created the SUNY Reconnect Program for adult learners, and provided nearly \$5.0B in bonded capital dollars, establishing SUNY as one of the major areas of investment during the Hochul administration.

However, SUNY – like all entities – faces challenges that threaten to erode the investments made possible by the Governor and Legislature. These challenges include ongoing impacts from well-deserved State-negotiated Collective Bargaining agreements (new settlements and ongoing) and atypical issues like a 27th pay period occurring in 2026/27. Therefore, SUNY’s operating request includes the items noted below, as well as an assumption that *all* investments made to date (including but not limited to the 100 percent Community College Funding Floor which is estimated to prevent approximately \$65M in lost revenue to Community Colleges in 2026/27) are continued into the 2026/27 Academic Year and beyond:

2026/27 Operating Budget Request Items			
Category	Area	Frequency	Value (\$M)
Maintaining the Resident Undergraduate Tuition Freeze	State-operated Campuses	Ongoing	\$55.0M
Salary Support to Address Potential New Collective Bargaining Costs	State-operated Campuses	Ongoing	TBD ²
Child Care Expansion for Student-Parents	All	Ongoing	26.0
EOP	All	Ongoing	17.5
Support for SUNY Marketing	All	Ongoing	10.0
Expansion of Community College Investment	Community Colleges	Ongoing	8.0
Fulfill the Promise of ASAP ACE	All	Ongoing	8.0
Higher Education in Prison	All	Ongoing	3.0
Expand the Empire State Service Corps	All	Ongoing	2.8
Timbuctoo Program Support	State-operated Campus	Ongoing	0.4

\$55.0M: Direct State Tax Support in Lieu of a Resident Undergraduate Tuition Increase

Maintaining the tuition freeze the State has enacted for the prior three years will ensure the continued affordability of a public higher education degree through SUNY’s State-operated campuses. This amount reflects the equivalent value of (i) a three (3) percent Resident Undergraduate increase at

² See Attachment A, includes known 2026/27 costs as well as notes on potential new costs by union, low level reflects known costs / top level three percent across the board

all State-operated campuses, plus (ii) an additional six (6) percentage points – for a total of nine (9) percent – Resident Undergraduate increase at the University Centers.

TBD: Direct State Support to Address Potential New Collective Bargaining Costs

New York State negotiates well-deserved collectively bargained salary increases on behalf of SUNY and the State-operated campuses. To avoid an effective cut to campus resources, additional State operating funds will be needed to fully offset the cost of these agreements. In addition to known costs (\$42.2M under current contracts), the funds needed to pay for increased incremental costs could total between \$44.4M and \$133.3M, reflecting an increase of between one (1) percent and three (3) percent, respectively, for across the board increases to all unions if new contracts are negotiated. These items combined would total \$86.6M to \$175.5M.

\$26.0M: Child Care Expansion for Student-Parents

Reflects an ongoing increase in support for both four-year and Community College campuses that would support adding 5,000 child care slots for student-parents during class time, as well as strengthening family-friendly supports through services such as financial aid training, family drop-in centers, and family-friendly study rooms. This would be an increase from the current 3,000 slots supported at our campuses.

\$17.5M: Educational Opportunity Program (EOP)

Reflects a request for \$17.5M per annum to the existing \$49.6M funding made possible by the State. In recent years, EOP enrollment has increased by 20 percent while State funding has grown by only 3 percent. This has led to a strain on the resources available to EOP and they are projected to have expenses that exceed their ongoing revenues in 2026/27 and on.

The EOP Program has proven, repeatedly, that it leads to success for its students. In fact, several SUNY institutions have better graduation rates for EOP students than those within the national³ six-year graduation rate marker of 63 percent for public four-year institutions and compare favorably to the not-for-profit private institution rate of 68 percent, including Stony Brook (74 percent), Binghamton (73 percent), Cortland (70 percent), and the University at Buffalo (64 percent).

The requested \$17.5M in support, plus a plan for ongoing investment, would ensure the continuation of the successes experienced to date.

\$10.0M: Investment in SUNY Marketing

Reflects an ongoing investment of at least \$10.0M per annum to support marketing costs at State-operated Campuses, Community Colleges, and directly in high impact programs such as the New York State Opportunity Scholarship Program (SUNY Reconnect). This investment would support moving SUNY's current spending on marketing, a crucial component of ensuring ongoing enrollment gains, closer

³ <https://nces.ed.gov/fastfacts/display.asp?id=40>

to the industry standard of nearly 12 percent of annual spending, from almost four percent to nearly seven percent.

\$8.0M: Expansion of CC Investment

Reflects a third year of requested increases to Direct State Tax Support for SUNY Community Colleges, bringing the three-year total to \$24.0M, and would be in addition to the avoidance of nearly \$65.0M of lost Direct State Tax Support thanks to the 100 percent Community College Funding Floor. These funds would support expansion of high-demand workforce programs, including health careers, advanced manufacturing, green jobs, and cybersecurity, artificial intelligence, and information technology.

\$8.0M: Fulfill the Promise of ASAP | ACE Expansion

Reflects the additional support needed to complete the path to 10,000 students served by ASAP | ACE by Fall 2026. With funding currently provided, the program serves 34 campuses and over 7,000 students. The Advancing Success in Associate Pathways (ASAP) supports students pursuing associate degrees, while Advancing Completion through Engagement (ACE) supports baccalaureate students. Eligible students have access to a wide array of resources and support to help them overcome barriers that can prevent them from obtaining a degree. This includes funding to cover textbooks, groceries, transportation, and other costs of attendance, as well as comprehensive personalized advisement, academic support, and career development activities. Early findings already show that ASAP|ACE students attempt more credits, earn more credits, and re-enroll at higher rates than matched comparison group students.

\$3.0M: Higher Education in Prison

Reflects a request for \$3.0M in support from the State to enhance SUNY's efforts to establish higher education programs (HEP) in all state correctional facilities. These funds would be utilized by SUNY campuses who are currently or seeking to enter the HEP space, including the expansion of baccalaureate degree offerings.

Funding would also support the expansion of the SUNY HEP Re-entry Navigator program which provides academic re-entry support for graduates or students currently in a SUNY HEP program.

\$2.75M: Expanding the Empire State Service Corps

Reflects the doubling of the current investment made by the State in Governor Hochul's Empire State Service Corps, which allows students to engage in 300 hours of paid public work over the academic year. Currently, 500 such students are engaged in work such as K-12 tutoring, SNAP and basic needs outreach, mental health education, sustainability efforts, anti-hate and bias prevention, civic engagement, and aiding high school students to complete the Free Application for Student Financial Aid (FAFSA). Over the first two years of the program, nearly four students have applied for each available slot. The requested funds would allow for a doubling, to 1,000, the participants in the program.

\$1.6M (\$0.4M in new monies / \$1.25M in movement from Separate Agency Budget): ESF Timbuctoo Pipeline Summer Climate and Careers Institute

Reflects a request for increased state support for ESF Timbuctoo Institute. Increased funds would be utilized to expand programming in various urban areas around the state and to expand programming in the Adirondacks. This amount would reflect a net increase of only \$0.4M from prior year’s enacted budget but would ideally move existing \$1.25M in Environmental Protection (EPF) Funding to SUNY University-wide programming in addition to increased requested amounts.

Operating – Technical and Legislative Items (Non-Hospital)

In addition to critical investment in campus operations, there are several other items that require attention to ensure that those same investments are not undermined. These range from no-cost-to-the-State movement of intended funding to support one-time costs to increased spending authority resulting from ongoing enrollment successes. These items are noted below.

2026/27 Operating Budget Request Items - Technical			
Category	Source	Frequency	Value (\$M)
GSEU Retro	State Support / Net Neutral	One-Time	\$25.0
27 th Pay Period Costs	State Support / Net Neutral	One-Time	210.0
Additional Spending Authority: Revenue Offset	Self-generated Revenue	Ongoing	100.0
Additional Banking Services	State Support	Ongoing	1.0

\$25.0M: GSEU Retro

Reflects support for the one-time increase in costs related to the Graduate Student Employees Union (GSEU) contract settled at the tail end of the 2024/25 Academic Year. With payment dates occurring in 2025/26 related to these retroactive costs, an additional “spin-up” or acceleration of Direct State tax Support payments has been requested to offset these costs without impacting the State’s financial standing.

\$210.M: 27th Pay Period Costs

Reflects the one-every-11-years cost of an additional paycheck being paid out in the 2026/27 Academic Year. This could be managed, albeit with constraints, with another acceleration as well.

\$100.0M: Additional Spending Authority: Revenue Offset

Reflects additional spending authority requested to support increased revenue generation, following three years of historic state investment leading to three consecutive years in enrollment growth. To date, SUNY has managed between its different operating funds, and additional appropriation authority in this area would also lessen the need to move expenditures between funds.

\$1.0M: Additional Banking Services

Reflects a small increase in Banking Services for a total of \$25.3M to keep up with continued enrollment increases.

Increase the SUNY Impact Foundation Tax Credit Cap

In 2018/19, the State of New York instituted a State operated charitable gift trust fund for public higher education.

Under this program, contributions of up to \$10,000 to eligible SUNY and CUNY Foundations on behalf of SUNY and CUNY institutions are eligible for both tax credits and deductions on income tax, occurring at both the State and federal level.

Due to the current \$10.0M cap on donations SUNY-wide, as well as the increase in recent contributions that would have resulted in nearly double this amount, the benefits of the program have been artificially restricted; both to potential donors and to SUNY campuses could receive.

Therefore, SUNY asks that the State seek to increase this cap, which would entice further philanthropic benefit to public higher education.

2026/27 Known Collective Bargaining Costs for State-operated Campuses (Excluding Fringe) (\$M)		
Union	Item	2026/27 Value
GSEU	Across the Board (ATB)	\$2.9
GSEU	Assistantship Min. Increase	7.6
UUP	Discretionary 0.5 Percent	16.3
UUP	Increase in Adjunct Min.	12.0
MC Professional	Discretionary One Percent	3.4
Total	<i>GSEU</i>	\$10.5
	<i>UUP</i>	28.3
	<i>MC Professional</i>	3.4
	<i>Total</i>	\$42.2

Estimated Union Costs at Half / One / Three Percent Value (Excluding Fringe) (\$M)			
Union	Half Percent	One Percent	Three Percent
APSU	\$0.2	\$0.4	\$1.3
CSEA	2.4	4.7	14.1
GSEU	0.4	0.8	2.5
MC Classified	0.01	0.02	0.05
MC Professional	1.6	3.1	9.4
PEF	1.7	3.5	10.5
SSU	0.1	0.1	0.4
UUP	15.8	31.7	95.0
Total	\$22.2	\$44.4	\$133.3

**State University of New York (SUNY)
2026/27 SUNY Hospital Budget Request**

SUNY’s three public hospitals are Upstate University Hospital in Central New York, Stony Brook Hospital on Long Island, and University Hospital of Brooklyn. Together, they account for around 100,000 hospital discharges, 300,000 emergency room visits, and over one million outpatient visits. They provide much needed healthcare in our communities and clinical training opportunities for SUNY’s medical schools. Like other hospitals across New York State, they are struggling with workforce shortages, increasing costs, and anticipated negative impacts related to the summer 2025 federal megabill.

To aid in managing this, SUNY is requesting the following operating and capital resources and support that will allow these public hospitals to continue to serve their communities and the greater State of New York.

OPERATING ASSISTANCE

1. Permanently End the Annual Sweep of Patient Revenues to Reimburse Debt Service Costs

The 28 buildings and 5.1 million gross square feet of SUNY’s hospital operations and its physical infrastructure are owned by the State of New York, and the debt utilized to support this infrastructure is supported – as part of the larger State capital plan – by Personal Income Tax (PIT) bonds.

For the past four years, the State has not “swept” patient revenues from the three hospitals back to the General Fund to reimburse the cost of servicing this debt. This has provided much needed relief and support and is consistent with how this type of indirect benefit from the State is provided to our academic campuses. It is requested that the State make this debt service relief permanent, allowing the hospitals to continue to use these funds for operations.

SUNY Current Outlook on Hospital Debt Service Costs				
<i>(\$M)</i>				
	2024/25 Forgiven	2025/26 Forgiven	2026/27 Projected/Requested Forgiveness	2027/28 Projected/Requested Forgiveness
Downstate	\$12.4	\$12.4	\$13.9	\$13.5
Stony Brook	23.0	17.4	25.5	19.9
Upstate	27.0	22.7	30.3	29.4
Total - Hospitals	\$62.4	\$52.5	\$69.7	\$62.7
Buffalo	-	-	\$12.3	\$12.3
Total – SUNY	\$62.4	\$52.5	\$82.0	\$75.0

In addition, debt service relief is also sought for the Jacobs School of Medicine at the State University of New York at Buffalo – built in 2017, in Downtown Buffalo. It is requested that the State make these debt service payments on behalf of the University of Buffalo, as the State provides indirect support to other SUNY academic campuses. This would allow the University of Buffalo to continue to invest these monies into providing high quality medical education.

2. Update and Reform Disproportionate Share (DSH) Payments to Hospitals

While SUNY hospitals historically receive 100 percent reimbursement of DSH Medicaid and Uninsured Losses (once reconciled to actuals each year), reimbursement typically is paid three-to-four years after the cost was incurred, resulting in the hospital carrying the loss for a prolonged period. This means SUNY hospitals are carrying significant unreimbursed DSH loss for multiple years.

To address issues recently raised by Centers for Medicare & Medicaid Services (CMS), the Initial Intergovernmental Transfer for SUNY Hospitals needs to be updated. SUNY proposes that the hospital's initial DSH payment be updated from the long-standing, static, value of \$182.2M to an amount that is based on recent audited losses for the upcoming State Fiscal Year. This could result in an estimated \$140.0M towards covering SUNY hospital's losses from serving Medicaid recipients and the uninsured. This will be an increase from the current year, but are supported by match amounts already allocated to SUNY in the State's financial plan.

Additionally, we are requesting that the Department of Health (DOH) and the Division of the Budget (DOB) work with SUNY to actively and aggressively explore shifting to a directed State payments as a potential model for future years similar to what the State recently submitted for Erie County Medical Center (ECMC) and Westchester Medical Center (WMC).

3. Continue to Cover the Operating Deficit for SUNY Downstate

SUNY Downstate Hospital, like many other safety net hospitals in Brooklyn, has long experienced significant financial distress. Recently, a tremendous amount of work was completed by the Downstate Community Advisory Board to generate recommendations that were embraced and supported by the Governor, Legislators, and the community. The last two State Budgets provided specific appropriations for deficit financing support of up to \$100M.

While the multi-year transformation plan is implemented, the need for deficit support is ongoing. Downstate is continuing to work on reducing the deficit over time but is estimated to need up to \$100 M for SFY 2026/27 and access to unused deficit support from SFY26. Note the need could be higher depending on the federal megabill impacts and state actions. SFY25-26 deficit support was less than anticipated due to one-time long-awaited FEMA funds and higher than expected DSH payments. SFY26-27 needs will be higher due to the first-year impact of the DSH dual cuts and other impacts.

4. Invest in the SUNY Hospital Workforce Costs and Cover the Difference in Fringe Benefits

Healthcare workforce costs for the three SUNY hospitals are a major component of total costs at SUNY Hospitals, accounting for approximately 55 percent of total spending. Additionally, the healthcare worker shortage continues to increase the labor costs for the SUNY Hospitals. This, combined with paying for State negotiated salary levels, results in expenses that requires State operating subsidies.

While SUNY Hospitals generate revenues of nearly \$5B annually, the elimination of Direct State Support in FY 2019 and the new operating realities warrant new multi-year investments. Unlike other SUNY campuses, the State does not pay for the fringe benefits costs of the hospital workforce. Additionally, the SUNY hospitals do not collectively bargain the fringe benefits. In 2026/27, the expense of fringe benefit costs at the SUNY Hospitals will exceed expense of fringe benefits based upon the rates

paid by surrounding hospitals by more than \$250M. However, SUNY Hospitals operate in a competitive marketplace and cannot charge more to pay for these extra costs.

SUNY is requesting \$75M in 2026/27 as a down payment of the State’s investment, growing over a multi-year period to approximately \$304M, based on the differential between SUNY hospital fringe rates and those of surrounding hospitals.

5. Increase Self-Generated Spending Authority (Appropriation Levels)

The primary funding source of the SUNY Hospitals is patient revenues received from services provided by the hospitals, not Direct State Tax Support. Therefore, any increase in spending authority leads to no fiscal impact on the State’s General Fund Budget. The requested increase in spending authority for 2026/27 is necessary given significant increases in labor costs and associated fringe benefits payments due to the workforce shortage and growing hospital volumes, and medical and pharmaceutical supplies expenses.

State University of New York (SUNY) Health and Hospital Self-Generated Spending Authority Request (\$M)			
Appropriation	2026/27 Appropriation	Requested Change from Prior Year	
		\$	%
SUNY Hospital Operating	\$5144.8	\$35.4	0.7%
Long Island Veterans Home	\$68.5	+\$5.2	7.6%

CAPITAL FUNDING

1. Historical Annual Capital Funding for Maintenance of Aging Hospital Facilities

SUNY Hospitals were built decades ago and need continual upgrades and renovations to meet codes and regulations for patient safety. Capital investments are needed to support up-to-date medical equipment and modernization efforts. It is imperative to maintain the historical annual capital appropriation levels of \$50M for each of the three hospitals. Further, the longer-term plan for Downstate’s capital projects from last year’s budget assumes inclusion of the annual \$50M capital appropriations.

2. Capital Funding to Support the Multi-Year SUNY Downstate Transformation Plan (Reappropriation)

The Downstate Community Advisory Board recommendations that have been adopted include renovation of the existing hospital and building a new Ambulatory Surgery Annex across the street. The hospital renovation will include converting all double occupancy rooms to private patient rooms with bathrooms/showers, updating nurse stations, modernizing and expanding the emergency department, a comprehensive update/replacement of the mechanical, electrical, and plumbing system needs, and more. The new Ambulatory Surgery Annex will specialize in oncology and cardiology – the top leading causes of death in the community. The two projects are estimated to cost approximately \$1.1B.

The 2024/25 State Budget included \$300M and the 2025/25 State Budget included \$450M in capital appropriations for a total of \$750M. These funds need to be reappropriated.

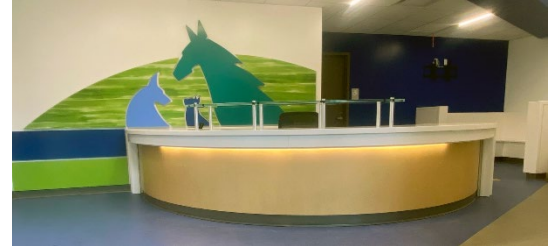
3. Capital Funding to Support SUNY Upstate's Hospital Annex (Reappropriation)

The Upstate Annex will house a new expanded Emergency Department (increasing capacity by 20-40 bays) to decrease wait times and better serve the community as the only adult Level I Trauma Center in a wide swath of the State; a new Burn Unit (6-8 ICU beds) that will meet accreditation standards and support the planned Micron development; and a new Operating Room Unit (two-to-four rooms) to support expanded ED capacity and ensure sufficient space for pediatric surgery.

The 2025/26 State Budget included \$450M to construct this new hospital annex to meet the needs of the community and regional economic growth. These funds need to be reappropriated.

State University of New York 2026/27 Capital Budget Request

The State University of New York (SUNY) is the largest comprehensive system of public higher education in the United States and is a major contributor to the New York State economy. SUNY campuses support and strengthen the communities in which they are located and educate the workforce for tomorrow in growing careers such as healthcare, cybersecurity, quantum computing, clean energy, and advanced manufacturing. Recent historic investment by Governor Hochul and the State legislature have resulted in increased enrollment and expanded research capacity in emerging fields. Ensuring that current and future students can learn, live, and conduct research in modern and functional academic and student life spaces that enhance the overall student experience requires capital investment. While these investments have helped to transform many SUNY facilities, additional support is necessary. These investments are needed to support the significant capital upgrades needed to SUNY's buildings and infrastructure. Buildings with stable temperatures, reliable and energy-efficient heating and cooling are intrinsically linked to promoting educational excellence and to achieving the State's climate goals. Capital investment also creates thousands of construction- and construction-related jobs throughout the state, further bolstering SUNY's economic impact. Finally, additional capital is required to create the modern research facilities necessary to meet the Governor's research goals.



The Transformational Impact of Capital Investment

SUNY has wisely invested limited capital resources to rehabilitate aging buildings and campus infrastructure over the last decade. The building renovations highlighted below demonstrate how capital investment can transform buildings and greatly enhance student experience.

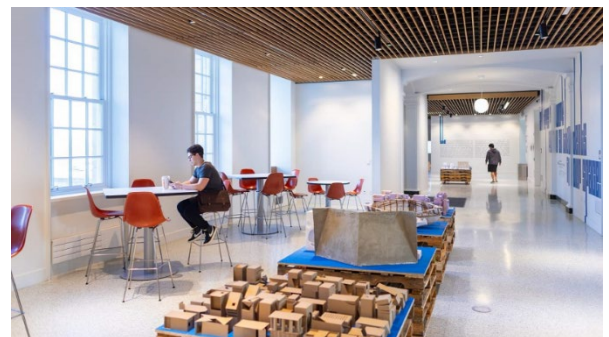
Geneseo's Milne Library – the renovation of this building, constructed in 1966, transformed it into a multifunctional learning hub that meets student expectations by providing spaces for quiet and collaborative study and fosters social interaction.



Oneonta's Alumni Hall for Business – this capital investment completely transformed Alumni Hall. Originally constructed in 1958 as the campus' first library, Alumni now houses the Departments of Business, Economics and Political Science. Previously scattered throughout campus, students now have a central home and identity. Oneonta's Business program enrollment has increased by 6 percent since 2019.



University at Buffalo's Crosby Hall for Architecture and Planning - Originally constructed in 1931, the renovation of this building on the University at Buffalo's historic south campus provides an open floor concept to promote learning and collaboration integrated with state-of-the-art technology, while maintaining the building's historic nature. University at Buffalo's Architecture Program enrollment has increased by 8 percent since 2019.



Delhi's Farnsworth Hall for Veterinary Sciences – Built in 1980, this building renovation included state-of-the-art veterinary science labs, surgical and diagnostic imaging suites, a community-facing small animal health clinic, and classrooms with infrastructure that supports technology, student collaboration, and multi-use needs. Delhi's Veterinary Sciences Program enrollment has increased by 22 percent since 2019.



Farmingdale's Sinclair Hall for Academic Growth - Sinclair Hall was originally built in 1970 as a dining hall. Its full renovation, currently underway, will provide additional classrooms and academic space for the growing student population, including updated labs for Criminal Justice students. The renovated building will also provide critical swing space for other aging campus buildings during future renovations. Farmingdale's enrollment has increased by 24 percent over the last ten years, and the Criminal Justice Program enrollment has increased by 6 percent since 2019.



Old Westbury's Natural Sciences Building - The first phase of this renovation and expansion project is underway and will transform the 40-year-old building into the campus' center for science learning and research, preparing graduates for careers in the scientific, medical and technological fields. Once complete, the facility will feature modernized teaching laboratories, a new campus greenhouse, and collaboration spaces for teaching and co-curricular activities. Several scientific, medical, and technological disciplines have increased in enrollment over the last five years, including teacher education in the sciences which has grown by 28 percent over the past 10 years.



Alfred State's Agricultural Science Building – The full renovation of this 1970's-era building will house Alfred State's allied health, nursing, agriculture, and veterinary technology programs. The renovation includes new state-of-the-art expanded clinical and medical technology labs, as well as nursing simulation labs which will support one of their largest programs. Since 2019, Alfred State's Allied Health Program enrollment has increased by 62 percent, the Agriculture Business Program has increased by 25 percent, and the Agriculture Program has increased by 4 percent.

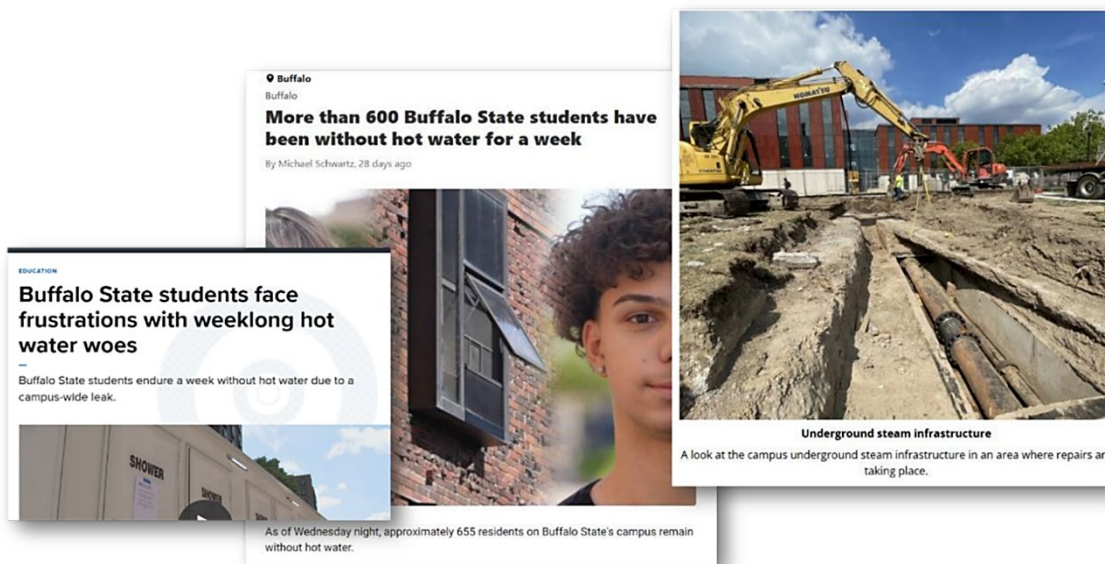
SUNY Polytechnic Institute's Campus Center – Nearing completion, this renovation project will provide a central location for student life activities including dining facilities, classrooms, residence life offices and athletics, promoting student interaction at a central location on campus.

In order for SUNY to continue to advance these important transformational projects, a sizable investment in SUNY's Capital Program is needed. In the long run, the most economical way to modernize buildings and improve energy efficiency, life safety systems, and improve the mechanical, electrical, and plumbing systems, as well as the building envelope is through total building renovations. These types of investments will further ensure that SUNY will be able to fulfill its mission for decades to come.

Ensuring Students and the Campus Community are Warm, Safe and Dry

SUNY has experienced a growing number of costly campus emergencies due to the failure of aging critical infrastructure, which has had an immediate and significant impact on students, faculty and staff. Not only do these events present safety concerns, but they can also damage SUNY's reputation, which can impact enrollment and retention. Recently, these emergencies have included: the failure of underground steam infrastructure serving numerous campus buildings at Buffalo State, resulting in loss of hot water at SUNY Buffalo State University which impacted over 650 students for nearly three weeks; severe flooding at the State University of New York at Stony Brook, which needs significant upgrades to its stormwater system, impacting more than 50 buildings, resulting in damages of over \$15M and repairs requiring up to 6 months to complete in several cases; and failure of portions of the high temperature hot water utilities at SUNY Plattsburgh, resulting in interruptions of hot water supply to the academic buildings, a dining hall and residence halls. Without additional critical maintenance support, these types of events will not be isolated cautionary tales but rather unfortunate everyday occurrences.

Examples of media coverage of an emergency at Buffalo State:



For most of the past 15 years, critical maintenance capital investment in SUNY facilities has been at the same base level of \$550M annually. During this time period construction costs have increased by approximately 85 percent. This means that the same amount of capital investment today as of 15 years ago can pay for only about half of the projects as before. Furthermore, the capital request includes additional support to ensure that SUNY continues as a leader in achieving the State's sustainability targets and goals.

Capital Budget Request

To meet the needs described above, SUNY requests a five-year investment of \$11.375B with a one-year value of \$1.775B in three programs – Educational, Hospitals, and Community Colleges, with the fourth program, Residence Halls, being self-funded and not requiring state appropriation. The multi-year request is summarized in the table below:

Capital Budget Request - State Bonded Support Summary Table							
Program Area		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Educational	Transformational Sustainable Critical Maintenance	\$600	\$600	\$800	\$800	\$1,000	\$3,800
	Emergency Avoidance	\$400	\$600	\$700	\$1,000	\$1,000	\$3,700
	Sustainable CM Subtotal	\$1,000	\$1,200	\$1,500	\$1,800	\$2,000	\$7,500
	SUNY Research ¹	\$460	\$460	\$460	\$460	\$460	\$2,300
Educational Total		\$1,460	\$1,660	\$1,960	\$2,260	\$2,460	\$9,800
	Annual Allocations of \$50M/Hospital	\$150	\$150	\$150	\$150	\$150	\$750
	Hospital Total	\$150	\$150	\$150	\$150	\$150	\$750
Community Colleges	Community Colleges (State Share)	\$165	\$165	\$165	\$165	\$165	\$825
	Community Colleges Total	\$165	\$165	\$165	\$165	\$165	\$825
TOTAL	All Programs Capital Appropriation Request	\$1,775	\$1,975	\$2,275	\$2,575	\$2,775	\$11,375

Self-Funded, not included in Capital Request above:

Residence Halls	Residence Halls Program (Pay-as-you-go Capital)	\$100	\$100	\$100	\$100	\$100	\$500
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¹ Excludes an additional \$100M for Stony Brook University Quantum Research and Innovation Hub.

This request is designed to continue moving SUNY forward as a major contributor to achieving State policy goals:

- Investing to achieve the Governor’s goal to double SUNY Research over a 10-year period
- Promoting growth in SUNY enrollment by aiding recruitment, retention, and enhanced academic delivery
 - Transforming dated facilities not well suited to modern pedagogy into exemplary and modern learning, teaching, and research spaces and places
 - Providing welcoming, comfortable environments conducive to learning and building community
 - Ensuring settings are accessible to all, including those with special needs, such as neuro divergent students who may be distracted or over-stimulated by outdated environments insensitive to their needs
 - Investing in the whole student, including not only promoting academic study but also physical and mental health, recreation, and the arts
 - Including sustainable systems and features that advance goals and targets for energy use reduction and carbon reduction
- Maximizing stewardship of State resources by investing in deteriorated facilities and infrastructure
 - In order to arrest the rate of decay in the system, approximately \$1.2B to \$1.5B in sustained annual funding is needed
 - Providing functional facilities which are safe, accessible, reliable, and cost-effective
 - Reducing the downtime and interruptions of costly emergency repairs
- Serving as a critical economic driver not only for SUNY campuses, but for every region in the State
 - An investment of \$1.775B is projected to generate more than 10,000 jobs statewide, including approximately 3,500 indirect positions across related industries
 - Driving regional economic resilience and long-term growth by strengthening local economies through the creation of well-paying construction and construction-related jobs
- Supporting Hospital critical maintenance and service delivery needs that must be met to benefit their community, including the disadvantaged and those with limited access to quality healthcare

- Providing continued support for the significant, transformative Downstate initiatives to renovate the University Hospital of Brooklyn to improve reliable and compliant operations as well as expand and enhance patient bed areas and the emergency department, and to construct a new Ambulatory Surgery Center Annex
- Continuing ongoing investment in critical infrastructure and systems at the three teaching hospitals to sustain reliable and safe 24-7 operations for patient care and learning in clinical settings
- Enhancing Community Colleges to benefit students, workers, and the economy
 - Supporting emerging and growing industries in immediate need of trained workforces as well as private sector partnerships that together benefit the economy
 - Bolstering critical maintenance investments and upgrades to extend the useful life of the existing facilities, ensure the safety of students and staff, and enhance the student experience, which will have additional positive impacts on recruitment and retention
- Improving Residence Halls to attract students and provide stability and safe spaces for out-of-class time
 - Recognizing that residential life is an important component of the higher education experience, and essential to recruitment, retention, satisfaction, and quality of life
 - Knowing that students spend the largest share of out-of-class time in residence halls, meaning that investments in this area provide a foundation to the whole student experience and to successful academic and societal achievement

Transformational and Sustainable Critical Maintenance Projects: \$600M one-year / \$3.8B multi-year

- **Shovel-ready:** These projects, designed and ready to advance to construction, present **opportunities** to showcase New York's investment in SUNY, celebrate SUNY's successes, and attract new students in a competitive higher educational environment, with an additive effect of spurring economic growth and job creation across the state.
- **Four pillars:** These projects most strongly support SUNY's four pillars of **student success; research and scholarship; diversity, equity and inclusion; and economic development and upward mobility** by providing facilities for students, staff, and faculty for support services, educational access, research space and technologies, academic delivery, workforce development, recreation, and student life, therefore providing the most complete higher educational experience to the broadest range of student needs.
- **Sustainability:** 15 – 20 percent of the costs on average for these project types are utilized to **achieve sustainability** targets by replacing aging, inefficient building systems with geothermal wells and high-efficiency heat pump systems, replacing original exteriors and windows with high-performance systems, replacing aging lighting and obsolete building controls, **thereby lowering operating costs.**
- **Stewardship:** Central to these projects remains the core support for **reducing deferred maintenance** backlog and ensuring accessible, safe, reliable, and functional facilities.

Emergency Avoidance, and Critical Infrastructure Projects: \$400M one-year / \$3.7B multi-year

Conditions of SUNY's Facilities are deteriorating, with a growing deferred maintenance backlog that now totals \$10B, an increase of \$7B since 2017. As a result, there has been a dramatic surge in Emergency Declarations, which have increased by more than 200 percent in number and nearly 600 percent in cost. The root cause of most emergencies is related to infrastructure and building system failures. Emergency Avoidance and Critical Infrastructure projects ensure proactive and preventative investment before an emergency occurs which interrupts operations and invites negative attention.

Examples of high needs critical maintenance systems and spaces in existing buildings:



Due to the increased number and severity of emergencies, investing in critical infrastructure is more important and urgent than at any time in SUNY's history. Emergency Avoidance and Critical infrastructure projects are focused on such assets as:

- aging and unreliable underground electrical and high-temperature distribution systems and central plant assets,
- building boilers, generators, and mechanical systems that are beyond useful life,
- critical life safety systems such as fire alarm and fire suppression systems,
- accessibility issues that create barriers to access,
- leaking roofs and failing building exteriors, and
- mechanical, electrical, and fire safety systems and elevators where parts to make repairs no longer exist.

For underutilized facilities that are in very poor condition, building demolitions are often the most cost-effective opportunity to right size SUNY's physical footprint. This will immediately reduce the backlog of critical maintenance needs, achieve sustainability goals, reduce operational costs, and provide an opportunity for more green space and other enhancements , thereby improving the campus environment for the community.

Research Projects Supporting the Doubling of SUNY's Research over 10 Years: \$460M one-year / \$2.3B multi-year

To facilitate a doubling of SUNY's research over ten years, significant investment in facilities renewal and modernization will be crucial. Research projects at the University Centers focus on modernizing and expanding labs, enhancing technology, and providing dedicated and interdisciplinary space and equipment for growing and emerging research

disciplines. The new buildings and expansions of existing buildings will not only increase research activity, but also reduce SUNY's carbon footprint.

One example of SUNY's investment in cutting edge research is a major research initiative at the State University of New York at Stony Brook to construct a new state-of-the-art Quantum Research and Innovation Hub to advance quantum physics experiments, education, and workforce development. The facility will feature specialized laboratories for quantum device fabrication, cryogenic systems, and quantum communication; clean rooms; shielded environments; a fiber-optic backbone for high-speed quantum networking; quantum data centers integrating atomic and optical processors with AI-enhanced computing; and flexible spaces for interdisciplinary collaboration across physics, engineering, computer science, and materials science.

Hospitals: \$150M one-year / \$750M multi-year

As with Educational Facilities, the (3) Teaching Hospitals are faced with deteriorating conditions, capital emergencies, and critical service disruptions. These facilities are further challenged by the need for uninterrupted critical services which places stress on systems and complicates capital project execution. In addition, compliance upgrades, safety projects, and technical enhancements are in continual need in the evolving field of healthcare. Several of these campuses and facilities are very large and located in urban environments or other areas that introduce cost premiums in construction. To meet these challenges, the request includes annual allocations for critical maintenance at each teaching hospital, as well as the committed funding for the SUNY Downstate initiatives to advance Construction of the Hospital Annex for Ambulatory Surgery Center and the Renovation of University Hospital of Brooklyn Infrastructure, Patient Beds and Emergency Department.

Community Colleges: \$165M one-year / \$825M multi-year (Representing 50 Percent State-Share)

This year's capital request reflects an increase in investment in support of the community college facilities. The requested value represents the 50 percent State share of community college capital expenditures. As of October 23, 2025, the request is reflective of 95 identified projects at 25 community colleges. The request will be finalized in December 2025, after the colleges and sponsors complete the decision-making process on project prioritization and local funding support. Future year's requests will be developed on an annual basis as State funding is predicated on the Sponsors' willingness to provide their 50 percent funding but are assumed to be at a constant annual level.

A significant portion of this capital request is allocated to critical maintenance and upgrades to extend the useful life of the existing educational facilities and ensure the safety of students and staff. Some of the requests align capital investment with emerging and growing industries in critical need of trained workforces and increasing business partnerships to benefit local, state, and national economies. There are also requests to enhance the student experience, which will have additional positive impacts on recruitment and retention.

Residence Halls: \$100M one-year / \$500M multi-year (Self-Funded through Pay-as-you-go Capital)

Residential life is an important component of the higher education experience. Residence halls are self-funded and rely on revenue from room rents to fund both operations and capital improvements with no State funds supporting the program. In recent years, pay-as-you-go investments have been made primarily in smaller minor rehabilitation projects.

New facilities and larger renovation projects are financed by bonds issued by the Dormitory Authority of the State of New York (DASNY). The Program's bonded projects do not require State appropriation as they are issued under stand-alone credit, not backed by SUNY or the State. However, the Program is subject to a bond cap issued in NYS Ed Law. SUNY is requesting an increase in the bond cap to provide authorization to issue up to \$1.844B, an increase of \$450M from the current cap of \$1.394B. To date there has been \$1.004B in bonds issued and it is anticipated that the current cap will be reached in the 2028-29 fiscal year.

Advancing Energy Public-Private Partnerships

To meet the requirements of the Climate Leadership and Community Protection Act and EO22, SUNY will need significant investments in building and campus decarbonization funding, far and above the planned or requested support for SUNY's capital program included in the capital section of this request.

One potential avenue would be to turn to the private sector. In other states, agencies and public universities have entered long-term, comprehensive public-private partnership contracts for the decarbonization of entire campuses. The private party is responsible for meeting decarbonization and other performance targets, and for designing, building, financing, operating, and maintaining any necessary retrofits to existing buildings or construction of new equipment and infrastructure.

Private financing is provided as part of the design and construction contract to make upgrades to meet energy performance targets, and any such debt is not recorded on public books, as it is subsumed within the contract.

There is great interest from the public sector. In response to an RFI in November 2024, SUNY received responses from 31 companies. SUNY believes that current statute enables these partnerships and seeks to advance such partnerships in 2026/27 to meet the ambitious goals noted.