



## **MEMORANDUM**

**December 14, 2021**

**TO: Members of the Board of Trustees**

**FROM: Dr. Jim Malatras, Chancellor**

**SUBJECT: 2022/23 Operating and Capital Budget Request**

### **Action Requested**

The proposed resolution approves SUNY's 2022/23 Operating and Capital Budget Requests to the State of New York.

### **Resolution**

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

**Whereas** As the largest comprehensive system of higher education in the United States, the State University of New York (SUNY) respectfully requests an infusion of much needed new direct state support in light of the challenges surrounding student costs, as well as capital funding sufficient to renew and reinvigorate the physical posture of the SUNY System: now, therefore, be it

**Resolved** that the proposed operating and capital budget requests for SUNY (copies on file with the Office of the Secretary and attached to this document), as described in attached background materials, be, and hereby is, approved for the 2022/23 fiscal year for the operating budget and approved for the 2022/23 State fiscal year beginning on April 1, 2022: and, be it further

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

**Background**

The background and justification for the 2022/23 Operating Budget and Capital Budget Requests are set forth in the attached narrative.

Attachment



## **The State University of New York (SUNY) 2022-23 Executive Budget Request**

As the largest comprehensive system of higher education in the United States, the State University of New York (SUNY) respectfully requests much-needed new direct State support as well as capital funding to expand research and innovation, provide more students with 21<sup>st</sup> century educations, increase access and excellence for all students, and to meet New York State's workforce demands. This request is built upon funding made available to the System in 2021-22 and continues investments made in SUNY in that budget, including increased Tuition Assistance Program (TAP) awards and phased cessation of the tuition credit costs, the community college funding floor (which exists as a partial hold harmless), as well as historic funding for the Educational Opportunity Program and investment in mental health services.

### **SUNY Operating Funding**

Last year, New York State enacted a three-year tuition freeze<sup>1</sup>. While SUNY maintains one of the most affordable levels of tuition and fees in the country – with only 17 states as well as the District of Columbia and Puerto Rico having lower rates<sup>2</sup> –the tuition freeze will help recruit new students, boost retention, increase enrollment, and slow growth in student loan debt. However, to fully realize the opportunity this provides, SUNY requests that it be held harmless from certain fixed costs/revenue loss during the period of New York State's tuition freeze. For the 2022-23 budget, SUNY requests:

- Adding \$125M for incremental operating aid for SUNY four-year institutions to make up the tuition freeze revenue loss, support transformational initiatives, and support certain fixed costs such as labor/salary increases.
- Adding \$7.5<sup>3</sup>M for community colleges to make the 98% floor 100% with the potential for incremental increases and support for workforce training.
- Ending the \$66.6M annual “sweep” of hospital revenues to support capital improvements.
- Investing \$75M to support a SUNY Transformation Fund to grow high-demand programs including engineering, nursing, cybersecurity, artificial intelligence, research, and technology, and hiring talented, diverse faculty, all of which will prepare New Yorkers for the 21<sup>st</sup> century economy and meet New York State workforce challenges.

We respectfully request these investments in SUNY students and operations continue annually, at least through the duration of the stated tuition freeze.

### **Capital Investment**

There is a complimentary relationship between operating aid and capital funding. Growing enrollment in high-cost research intensive programs, improving access, meeting workforce demand, educating students prepared for the 21<sup>st</sup> century economy, and increasing enrollment in high-demand programs takes both operating and capital investments working together seamlessly. The physical environment makes a difference to our students and SUNY facilities

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<sup>1</sup> <https://www.timesunion.com/news/article/Tentative-budget-deal-expands-TAP-freezes-SUNY-16080063.php>

<sup>2</sup> “Trends in College Pricing”, The College Board, <https://research.collegeboard.org/trends/college-pricing>.

<sup>3</sup> Dependent on enrollment levels

should be of a stature that attracts and retains students and makes them feel like they are on a pathway toward achievement and success. The State's multi-year capital financial plan has established a planned capital investment in SUNY of nearly \$2.4B through 2025-26, with nearly \$600M planned for 2022-23, including an approximately \$66M match for community colleges.

To support the advancement of transformational projects that will help spur enrollment in important growth areas, like cybersecurity, engineering and artificial intelligence, and meet key workforce demands, including additional clinical space for nursing and research and development space for STEM, SUNY requests another \$450M a year in capital investment to support specific projects designed to address important transformational student and State needs at our four-year campuses. Therefore, in addition to the State's current commitment of approximately \$600M per year in capital funding, we request the following capital support over a 5-year period so SUNY can adequately plan and address the increased backlog of critical maintenance work that has accumulated over the last decade across the entire system

- \$300M in additional critical maintenance a year for five years (for a total of \$1.5B);
- \$150M a year for five years for new transformational projects (for a total of \$750M);
- \$150M a year for five years for investment in SUNY Hospitals (for a total of \$750M); and,
- An estimated \$60M<sup>4</sup> to continue the match for SUNY community colleges operating under the program of the State University of New York.

### **Expanded Opportunity Programs**

SUNY requests a 20% increase in the Educational Opportunity Program. EOP has been a major part of our equity/enrollment agenda. Investing in this successful program will not only help with enrollment, but also provide access to high-quality education for many underrepresented students. SUNY has been a good steward with the recent investments in EOP by expanding the program by 1,000 slots, creating a Medical EOP, and expanding EOP to five more campuses.

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<sup>4</sup> Inclusive of appropriations already planned in the State's capital financial plan