



UUP Analysis of the FY21/22 Enacted State Budget

State Support to State-Operated Campuses

The enacted budget provides total direct state support to the SUNY state-operated campuses and system administration of \$730 million. This equals the state support originally provided in last year's budget and individual campus allocations continue unchanged. The enacted budget restores the five percent \$46.4 million cut in direct state support originally proposed in the executive budget for FY21/22. It does not restore the remaining 5% cut in direct state support that was withheld in FY20/21.

The enacted budget also provides indirect state support to the SUNY state-operated campuses and system administration. This includes more than \$1.8 billion in general fund support to cover employee fringe benefit costs incurred by the SUNY state-operated campuses which are paid directly by the state. It also includes almost \$942 million to cover capital debt service payments for FY 21/22 which are also paid directly by the State. Employee fringe benefit costs and capital debt service for the three SUNY hospitals are not picked up by the state. The hospitals remain responsible for carrying these costs.

The enacted budget did not include a proposed \$40 million dollar increase in state operating support that was originally included in the Assembly's one-house bill.

University-wide Programs

The enacted budget provides \$167.2 million for all university-wide programs. This is \$9.9 million more than was included in FY 20/21 and almost \$12.4 million higher than proposed in the executive proposal. The \$9.9 million increase over last year restores all but one of the reductions proposed in the executive budget and includes the following increases from last year's budget.

- ***Educational Opportunity Program (EOP)***

The enacted budget provides \$38.6 million in funding for EOP programs. This includes an increase of \$6.4 million over total funding for EOP provided in last year's budget and proposed in the executive budget proposal.

- ***Educational Opportunity Centers (EOCs) and ATTAIN Labs***
The enacted budget provides \$65 million in funding for these programs. This reflects a \$3 million dollar increase in funding over last year and over what was originally proposed in the executive budget.
- ***Mental Health Services***
The enacted budget includes \$1 million to expand access to mental health services. This reflects an increase of \$500,000, double the total provided in last year's budget.
- ***Buffalo School of Law - Family Violence and Women's Rights Clinic:***
The enacted budget included a new appropriation of \$50,000 in state support for this law clinic.
- ***Benjamin Center for Public Policy and Research:***
\$100,000 in state support previously included in the FY 20-21 enacted budget was omitted in both the executive proposal and the enacted budget for FY 21-22.

System Administration

The enacted budget provides flat funding of \$35.8 million in state support for System Administration.

- \$18 million of this aid continues to be earmarked for allocation to state-operated campuses per a SUNY Board of Trustees plan. The language stipulates that a portion of these funds may be used to support new classroom faculty.
- \$4 million continues to be set aside to support the Open Educational Resources (OER) initiative, designed to help reduce the costs of textbooks for students. This funding is targeted for high-enrollment courses, including general education courses.

SUNY Hospitals

State support for the three SUNY hospitals continues unchanged from last year.

- The enacted budget once again provides \$230 million in state matching funds for Medicaid Disproportionate Share Hospitals (DSH) Program support for the three SUNY hospitals. DSH payments are provided to offset the costs associated with uncompensated care provided by these hospitals.
- Proposed cuts to the public hospital indigent care pool included in the executive budget, which may have impacted the SUNY hospitals, were not included in the final enacted budget.

- The proposal to have the state resume responsibility for paying the hospitals' debt service, which the Senate included in its one-house bill, was not included in the enacted budget.
- A Senate proposal to appropriate \$40 million to provide hazard pay bonuses to SUNY hospital workers for work performed during the pandemic was not included in the enacted budget.

Capital Funding

- The enacted budget provides \$550 million in critical maintenance funding. This is the same level as provided in 2020/21 and previous years.
- \$100 million is provided for capital projects necessary for program enhancement and expansion, which can include new construction and critical maintenance. This new capital funding is the first addition of capital funding not subject to a matching requirement since 2017/18.
- \$10 million is provided for alterations and improvements to Educational Opportunity Centers. This allocation appears to be for the second phase renovation of the Syracuse EOC.
- The enacted budget once again provides for \$150 million in capital funding for alterations, improvements, services and expenses incurred by the three SUNY hospitals; \$50 million is provided for each hospital.

Contractual Salary Increases

The enacted budget includes appropriation authority to pay scheduled contractual salary increases. This authorization will assure that the 2020 2% salary increase and the increases in the part-time per course minimums will be paid (including all retroactive monies due). This also assures that the 2021 salary increases will be paid on a timely basis. We anticipate that precise pay dates for implementation and payment of the 2020 salary increases will be announced shortly.

Closing the TAP Gap

The enacted budget "closes the TAP Gap" over four years. This crucial gain will provide critically needing funding to our campuses. The existing TAP gap is closed through a two-part process.

- First, the enacted budget increases the maximum TAP award from the current \$5,165 to \$5,665 per year and amends the TAP credit formula (which creates the TAP gap) to tie it to the maximum TAP award (rather than the current \$5,000). This closes the existing TAP gap by \$665 per max-TAP awardee; this amount is

prorated for students receiving partial TAP awards. It is anticipated that this will bring roughly \$26 million in additional funding to our campuses in FY 21/22.

- Second, the enacted budget closes the remaining TAP gap for public colleges and universities over the next three years by requiring the State to appropriate general fund money to cover an increasing portion of the remaining statutory TAP credit as follows:
 - FY 22/23 – state to appropriate general fund support to cover 33% of the TAP tuition credit
 - FY 23/24 – state to appropriate general fund support to cover 67% of the TAP tuition credit
 - FY 24/25 – state to appropriate general fund support to cover 100% of the TAP tuition credit

Excelsior Tuition Credit

The Excelsior scholarship amount that is paid by the state is fixed for four years at the 2016/17 tuition amount of \$6470. Campuses are required to waive the difference between that amount and full tuition for Excelsior-eligible students (currently \$7070), creating an “Excelsior gap”. Legislation passed with the budget extends the current calculation of the Excelsior scholarship amount (capped at the 2016-17 tuition rate) for an additional two years --through AY 22/23. However, the legislation also provides that the Excelsior scholarship rate will reset annually thereafter to mirror the current tuition rates. This will effectively abolish this small Excelsior gap beginning with AY 23/24.

Predictable Tuition Plan Rejected

The enacted budget rejected language proposed in the executive budget which would have extended the predictable tuition plan and authorized SUNY to raise undergraduate resident tuition by up to \$200 each year for the next three years. The enacted budget also rejected the executive proposal allow for higher differential tuition rates at the university centers and other doctoral campuses. The enacted budget does provide the SUNY Board of Trustees authority to set high-demand certificate program tuition rates upon the recommendation of the Chancellor. Such tuition rates will be lower than the standard rates of tuition and will be applied to identified certification programs.

Financial Aid Eligibility for Students Impacted by the Pandemic

The enacted budget preserves state financial aid benefits for students who were unable to complete academic requirements needed to maintain financial aid eligibility during to the COVID-19 pandemic.

Indemnification of SUNY Employees

The enacted budget includes legislation which amends Section 17 of the Public Officers Law to ensure that certain SUNY employees who are members of a clinical practice plan will be eligible for indemnification and defense by the State for claims that arise while the employee was acting on behalf of the State.

Early Retirement Incentive

The enacted budget does not include an early retirement incentive for state employees. The early retirement incentive that was included is limited to NYC employees enrolled in the NYC retirement systems.

Standard Medicare Part B Reimbursement

The enacted budget rejected the executive proposal to cap the state's reimbursement of Medicare Part B standard premiums for all eligible state retirees enrolled in NYSHIP.

Income Related Monthly Adjustment Amounts (IRMAA) for NYSHIP Retirees

The enacted budget rejected the executive proposal to eliminate the state's reimbursement of Income Related Medicare Adjustment Amount premiums paid by higher income state retirees enrolled in NYSHIP.

NYSHIP Retiree Health Insurance Premium Sliding Scale

The enacted budget rejected the executive proposal to institute a tiered or sliding scale for the state's share of retiree health insurance premiums. This proposal would have impacted new civilian state employees hired on or after October 1, 2021, who are enrolled in NYSHIP. Instead, it preserves the current flat rate contribution for health insurance costs.