***Summary: SFY 2015-16 Enacted Budget***

***Key Higher Education Budget Issues***

**Funding for State-Operated Campuses**

The SFY 2015-16 enacted budget provides a $15 million increase for SUNY state-operated campuses. This increase reflects $18 million for a "SUNY investment and performance fund," offset by a $2.9 million decrease in the additional personal service appropriation included in the 2014-15 budget.

Performance-Based Funding: The $18 million "SUNY investment and performance fund" will be allocated to each campus upon completion of a SUNY Board of Trustees’ approved performance improvement plan. Unlike the governor’s proposal, the enacted budget does not require the campus plans to be approved by the Division of Budget. In addition, the enacted budget does not allow the state to withhold 10 percent of the state-operating aid appropriated for campuses until they complete a campus-specific performance funding plan. While the performance-based funding language included in the enacted budget represents a significant improvement over the governor’s proposal, UUP remains concerned that the metrics developed to implement this program may harm some campuses. UUP will monitor the development of the campus-specific plans as this program is implemented.

Additional Personal Service Costs: The enacted budget provides $4.7 million for additional personal service costs, which is $2.9 million less than provided in the SFY 2014-15 enacted budget.

Employment Fringe Benefits Account: The enacted budget decreases the total employee fringe benefit account by $193.7 million. This decrease is because SUNY will no longer have “direct pay fringe benefit costs” from their General Fund budget as of July 2015. These costs, approximately $220 million annually, will be paid centrally from the General State Charges budget.

Hospital Income Reimbursable Account: The enacted budget decreases the hospital income reimbursable account by approximately $279 million. It has been reported that this decrease is the result of the system’s separation from LICH.

Tuition: The enacted budget provides $155 million in additional spending authority for SUNY, which reflects income earned from the 2015-16 tuition increase and other fees (pursuant to the enactment of NYSUNY 2020 in 2011).

**SUNY Hospitals and Health Sciences Centers**

State Subsidy:The enacted budget **restores** the governor’s $18.6 million cut for the SUNY hospitals state subsidy, for a total appropriation of $87.6 million.

Restructuring the Health Care Delivery Systems Pilot Program: The enacted budget **rejects** the governor’s proposal to create a pilot program to restructure health care delivery systems by allowing for-profit capital investment in New York state’s health care facilities. The pilot program would have permitted five business corporations to own and/or operate certain types of health care facilities including the public hospitals. If enacted, this pilot program would have opened the door for the privatization of SUNY hospitals**.**

Hospital Capital Funding: Accepts the governor’s proposal for $700 million to stabilize Kings County health care delivery and the other health care provider related capital proposals. However, the enacted budge provides additional language to determine eligibility for these funds. It is unclear whether SUNY Downstate will meet all of these requirements.

**Teacher Preparation Program Proposals**

The enacted budget amends the governor's proposal for institution de-registration and suspension by shifting the language to focus on graduate teacher preparation and educational leadership programs. The provision included in the enacted budget gives the State Education Department Commissioner the ability to suspend and deregister graduate teacher preparation programs based on test scores from deeply flawed certification exams.

This proposal permits the State Education Department to suspend a graduate program's authority to admit new students if, for three consecutive academic years, fewer than fifty percent of its students pass each required certification examination that they have taken. The graduate program would be allowed to continue operations for the length of time it would take all currently admitted and/or enrolled students, if they were to attend classes on a full-time basis, to complete the requirements for their degrees. If, at any time during such period, the Commissioner determines that student and/or program performance has “significantly improved,” the commissioner may reinstate the program's ability to admit new students. If the suspension is not lifted, the program will be deregistered. UUP is still analyzing this proposal to understand its full impact.

The enacted budget also included other teacher education policy changes that may negatively impact students and teacher preparation programs at SUNY and other higher education institutions statewide. These proposals include:

* New mandated admissions requirements for graduate programs.
* Re-registration for teachers.
* Tenure process changes for new teachers.

While some of these initiatives are slightly amended versions of the governor’s original proposals, UUP is in the process of analyzing the provisions included in the enacted budget for each of these proposals

**SUNY Opportunity Programs**

Educational Opportunity Program (EOP): The enacted budget provides a $5.7 million appropriation for additional funding for EOP, with a total EOP appropriation of $26.8 million. This appropriation is $4.4 million more than the 2014-15 enacted budget allocation, and $5.7 million more than the governor’s budget proposal.

Educational Opportunity Centers (EOCs): The enacted budget provides a $1.5 million appropriation for additional support for the EOCs and $2.5 million in additional support for the ATTAIN labs. The total 2015-16 EOC allocation, including ATTAIN labs, is approximately $55 million, which is an increase of $3 million over the 2014-15 enacted budget appropriation.

**Other Article VII Proposals**

Streamline Higher Education Program Approvals: Rejects the governor’s proposal.

Make Experiential Learning a Graduation Requirement at SUNY and CUNY: The enacted budget m**odifies** the governor’ proposal, which would have made experiential learning a graduation requirement at SUNY and CUNY. The enacted budget requires the Boards of Trustees of the State University of New York and the City University of New York to pass a resolution by June 1, 2015 to develop a plan to make available approved experiential or applied learning activities. Experiential or applied learning activities may include completion of activities related to students' program of study, including, but not limited to:

* service-learning activities completed as part of a course;
* paid or unpaid internships;
* faculty-supervised undergraduate projects and activities leading to publication of research in journals or similar publications;
* production or performance of creative works; and
* iterative "co-op" partnerships that explicitly link the curricula to a temporary, paid position in industry or the public sector.

The plan, to be completed by June 1, 2016, must be developed in consultation with stakeholders. The plan will define approved experiential or applied learning activities, methods of faculty oversight and assessment, responsibilities of business, corporate, and non-profit or other entities hosting students. The plan must also include a requirement for collecting and reporting data associated with experiential or applied learning activities. The plan will have each college examine the feasibility of including experiential or applied learning activities as a degree requirement. Each college will examine its ability to administer and provide such opportunities to students. The college will also examine the local community's capacity to support such activities; the impact such requirement would have on the local workforce, if any; potential for such a requirement to enhance learning outcomes for students; and whether adding such a requirement would cause potential delays in graduation for students.

New York State Get on Your Feet Loan Forgiveness Program: The enacted budget accepts the governor’s proposal. This program will be offered to New York State residents who attended college in New York and graduated in or after the 2014-15 academic year and continue to live in the State following graduation, participate in the federal Pay As You Earn (PAYE) income-based loan repayment program, and earn less than $50,000 in annual income. For qualified residents, New York State would pay the first two years of their monthly student loan obligations under the PAYE program.

The New York State DREAM Act: The enacted budget rejected the DREAM Act proposal.

SUNY DSRIP Escrow Fund: The enacted budget creates a SUNY DSRIP escrow fund that will be available without fiscal limitation. The SUNY DSRIP escrow fund will consist of funds transferred to SUNY hospital facilities, acting as lead providers under the delivery system reform incentive payment (DSRIP) program, from the Medicaid Management Information System (MMIS) statewide escrow fund. It will also hold funds transferred by SUNY from a state university health care account to pay any amount owed by a SUNY hospital to a performing provider system. This account will provide funds to SUNY hospital facilities that make authorized payments for the Section 1115 Waiver Partnership Plan. More specifically, payments from this account will be made solely and exclusively to Central New York Care Collaborative, Inc and SB Clinical Network IPA, LLC as necessary to distribute the net award of DSRIP payments. Funds from the SUNY DSRIP escrow account can only be expended for DSRIP purposes.

Back Office Consolidation Plan: The enacted budget rejects the governor’s proposal.