



2023/24 State Budget Request and Priorities



Setting the Stage



Chancellor Priorities

Sources:

- SUNY Fast Facts
- National Center for Education Statistics Reporting
- National Science Foundation Reporting
- Georgetown University Center on Education and the Workforce

Foundations of The Years To Come

- Student Success

- 56.1 Percent Four Year Graduation Rate
 - Vs. 41.7 percent: National Public
 - Vs. 54.3 percent: National Privates
- 18.4 Percent Two Year Graduation Rate
 - Vs. 15.1 Percent: National Public
- Nearly 50 percent of students graduate debt free

- Diversity, Equity, and Inclusion

- Student Base
 - 56 Percent Female / 44 Percent Male
 - Nearly 30 percent URM
- Employee Base
 - 53 Percent Female / 47 Percent Male
 - Nearly 15 percent URM

- Research and Scholarship

- Over \$1.0B in Research Activity
- Three colleges listed in the top 100 NSF Ranked Research Expenditures (SUNY Poly: 59, University at Buffalo: 65, and Stony Brook: 98) and 25 institutions listed in total

- Economic Development and Upward Mobility

- Nearly 250 Invention Disclosures
- Over 230 patent applications filed / 75 issued
- Over 120 operational start-ups
- Out of nearly 3,400 institutions of postsecondary education, nearly all SUNY colleges are listed as having a High Return on Investment for Low-Income Students, including Maritime (54), University at Buffalo (118), Binghamton, (127), and Stony Brook (165)



State Budget Status – Mid Year Update

New York State General Fund: Actual and Current Year – Mid Year Update

What Is It?: Reminder

The State’s “General Fund” is the major source of operational revenue / area of spend for the State of New York. Funded primarily by tax receipts, the General Fund directly supports SUNY through annual transfers (State-ops), direct payments (CCs), and indirectly supports our operations through payment of employee benefits (State-ops), capital debt service costs (State-ops and CCs), and then supports our students through scholarship / grant payments through the Higher Education Services Corporation.

<i>(\$M)</i>	Actual Year 2021/22	Current Year 2022/23
Opening Balance	\$9,161	\$33,053
<i>Revenue</i>	<i>112,810</i>	<i>89,632</i>
<i>Spend</i>	<i>88,918</i>	<i>95,181</i>
Closing Balance	\$33,053	\$27,504
Surplus / (Deficit)	+\$23,892	(\$5,549)

Drop in revenue related to timing of pass-through entity tax (PTET) credits / payments. Drop in spend from first quarter based on extension of federal Enhanced Medical Assistance Percentage Balances primarily held in aforementioned PTET credit (\$16.4B), Economic Uncertainties (\$5.6B), and Tax Stabilization/Rainy Day Fund (\$3.3B)



State Budget Status – Mid Year Update

New York State General Fund: Budget Year and Out-Years – Mid Year Update

Why is this important?:

As the State prepares for the 2023/24 Budget Cycle, they will consider the surplus / (deficit) in not only the Budget Year, but the impacts budgetary decisions have in said Budget Year and each of the subsequent Out-Years. Information used to make these decisions will be refined as time progresses closer to the Executive Budget, starting with the November Mid-Year Update.

(\$M)	Budget Year	Out-Years		
	2023/24	2024/25	2025/26	2026/27
Opening Balance	\$27,504	\$27,588	\$27,055	\$21,418
Revenue	104,748	109,568	106,369	107,296
Spend	104,664	110,101	112,006	115,876
Closing Balance	\$27,588	\$27,055	\$21,418	\$12,838
Surplus / (Deficit)	+\$84	(\$533)	(\$5,637)	(\$8,580)

Increased spend related to projected higher commodity prices, healthcare costs, transportation, and transit support, as well as further investments to Rainy Day fund.



Challenges Faced By Our Campuses and Hospitals

The Challenges We Face, and Opportunities We Have

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- Salary and Benefit Costs

- 75 Percent of Total Costs: State-operated Campuses (Salary Only)
- 70 Percent of Total Costs: Health and Hospitals (Salary and Benefits)
- 80 Percent of Total Costs: Community Colleges (Salary and Benefits)

- Physical Plant Pressures

- Continued impact of inflation and operational costs diminish “value” of capital investment, increasing the amount needed to simply manage current portfolio
- Students and parents expect and deserve high quality / high value facilities
- State, Campuses, and Sponsors facing continued pressures in being able to meet the escalating cost of maintenance and investment

- State Investment History

- Direct State Aid has remained relatively static, if not decreased over a longer horizon
- Increases have occurred, but are primarily in Indirect Support such as employee benefits (State-operated Campuses) and State funded State Grants

- Tuition and Fees Pressure

- Student cost an ongoing area of well-needed focus
- State-operated Campuses within the most affordable in the nation, with only 17 states, plus DC, having **lower** tuition and fees, but non-resident rates have grown to be less competitive
- Due to the pressures of supporting employee benefits and limited Direct State investment, Community College rates are among the higher, with only 13 States having **higher** tuition and fees



Moving Parts



What is the 2023/24 Budget Request?

The Budget Request vs. the State of the State Response

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State Budget Request

*Annual document to the
Governor required by
the NYS Constitution*

Response to the State of the State

*A cooperative
engagement between
the Governor, SUNY, and
the State to transform
SUNY for 2030*

Variables in the Conversation

- Leadership Transition at the New York State Division of the Budget
- Relationship Between Governor and Legislature
- Financial Status of the State (short and long-term)
- Balance and Interaction with the City University
- Enrollment Pressures



2023/24 Budget Request

(\$M)

** Does not include \$75.0M in Self-Supported Dormitory Activity*

- **Continue the Successes of 2022/23**
 - Investment in Opportunity Programs and Mental Health
 - Funding for New Full-Time Faculty Salary and Benefits
 - Community College Funding Floor

- **New Investment: Operating: \$193.0M**
 - Monies to offset the impact of inflation and salary costs:
 - \$113.1M: Salary (Prospective)
 - \$53.2M: Non-Salary
 - **\$166.3M: Total**
 - *(\$33.3M): Offsetting Activity*
 - **\$133.0M: Total**
 - Continuation of the \$60.0M from 2022/23
 - (+\$60.0M from Financial Plan)

- **New Investment: Capital***
 - \$300.0M (\$850.0M Total): Critical Maintenance
 - \$700.0M: Strategic Projects
 - \$150.0M: Hospital Projects
 - \$109.7M: Local Sponsor Match

- **New Investment: Hospitals**
 - \$67.2M: Hospital Debt Relief
 - \$50.0M: Hospital Support (Growing to \$250.0M)
 - \$125.0M: Downstate Support
 - Operational Flexibility



Next Steps

What Comes Next?

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- **FY 23 State of the State**
 - First indication of success of the response to prior year State of the State
- **2023/24 Executive Budget**
 - Details from the State of the State and setting the stage for negotiations
- **Legislative Involvement**
 - Potential for additional programmatic investment and building on the base of the Executive Budget
- **Campus and Hospital Participation**
 - Advocacy and discipline of message



Thank you