



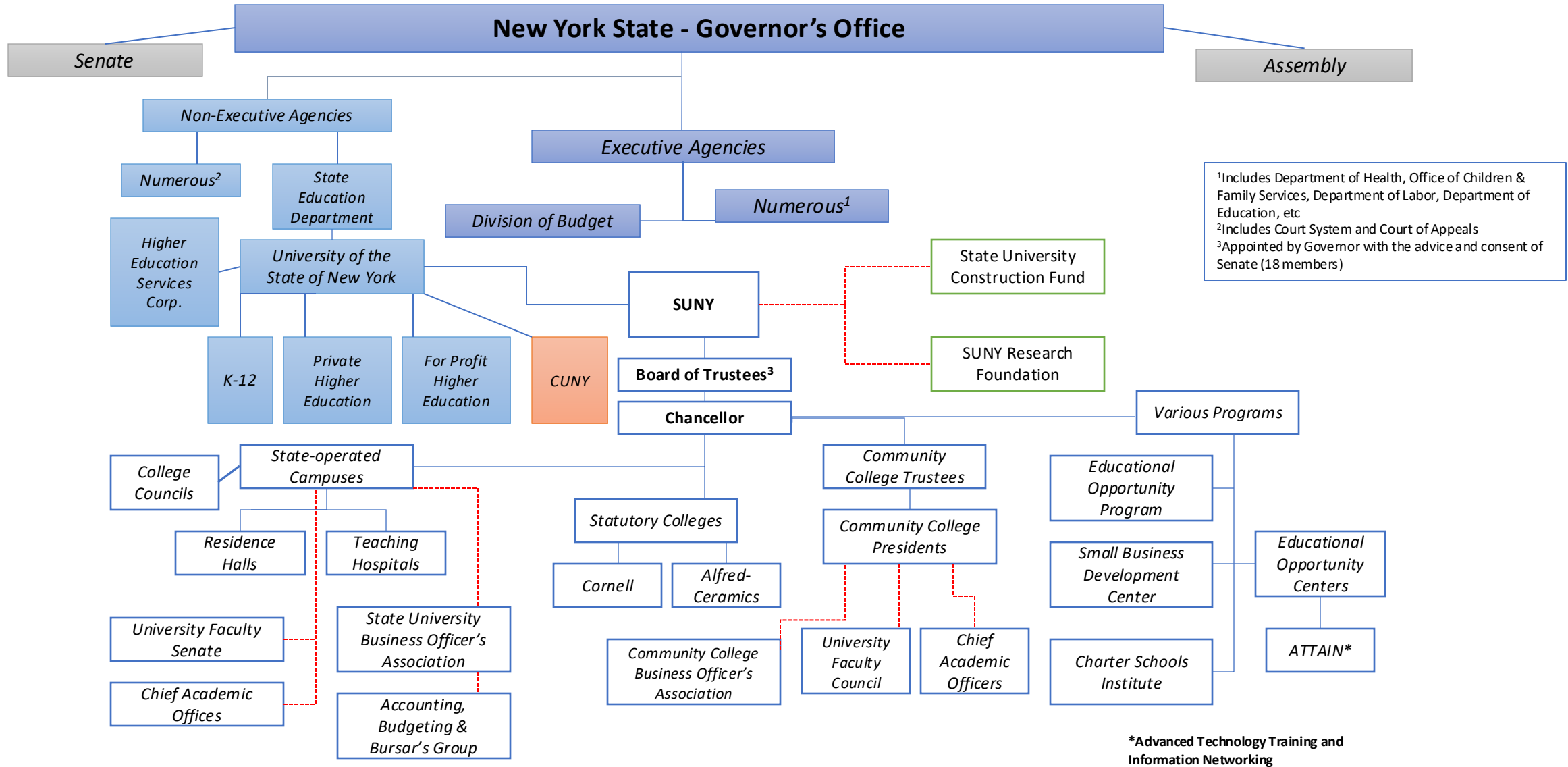
**Finance and Budget Update:
2025 University Faculty Senate (UFS) Winter Plenary**

Topics of Conversation

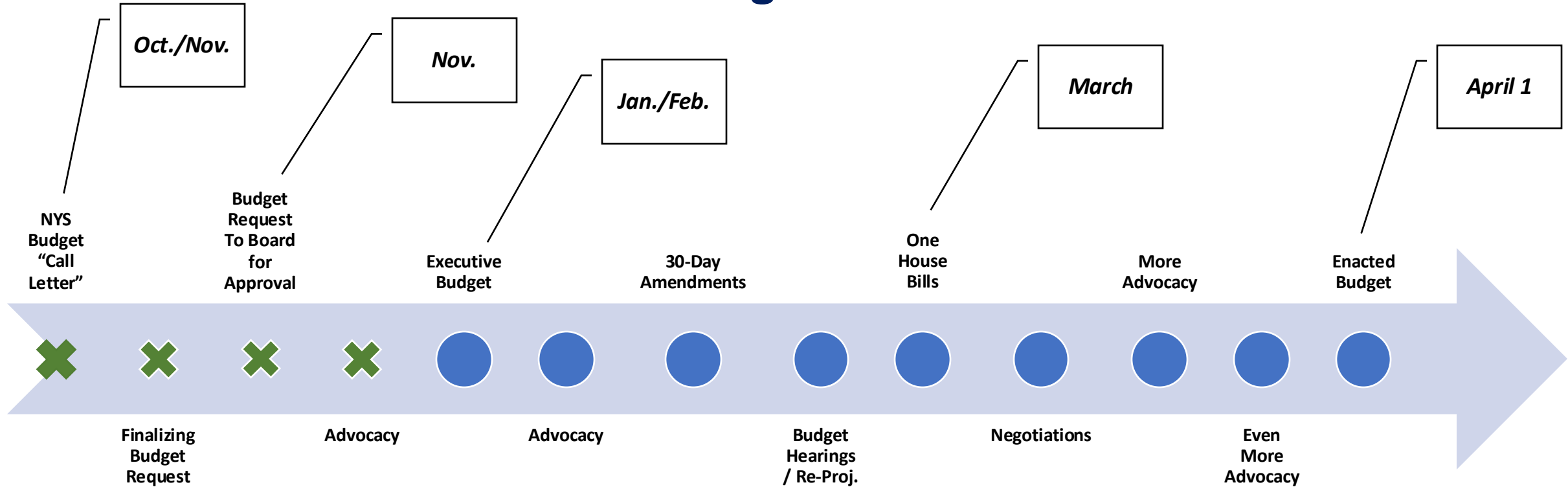
- **The State of New York Structure and Finances**
 - *Operational Structure*
 - *Budget Process*
 - *Financial Status Going into 2025/26 Budget Cycle*
- **Funding for Postsecondary Education**
 - *Multi-State Comparison of State Investment*
 - *History of State Investment in SUNY*
 - *Multi-System Comparison of Educational Revenues*
 - *Who Controls the Revenues at SUNY*
- **2025/26 Request to the State of New York**

The State of New York Structure and Finances

The State of New York and Its Finances: Structure of New York State



State of New York and Its Finances: New York State Budget Process - Timeline



Not Shown:

- Potential outside impacts (Federal, Natural, Local, Electoral, Media)
- Financial Concerns / Windfalls

State of New York and Its Finances

New York State Budget Process

A Venn Diagram Depiction of Dealing with
Politics And / Or the State Budget Process





How the New York State Budget Process Works: *An Example*

State of New York and Its Finances: New York State Budget Process

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Program X is funded with \$10.0M in the current year's Enacted State Budget

- *Program X is universally praised, by the Governor and Legislature on all fronts, as being an efficient and productive program that serves the State of New York*



The New Year Executive Budget is released, and Program X is reduced in funding by \$5.0M! A 50 percent reduction!

- *WHAT?!?!?!?*
- *WHY?!?!?!?*
 - *The Governor does not have a problem with Program X, nor does DOB*
 - *Instead, the Governor and DOB know that the Legislature will use what limited funds they have to restore Program X and not start new – potentially duplicative – programs of their own. In fact, Program X may even get more investment due to the renewed interest in their activities*
 - *Governor's Budget (in terms of new programs or funding elsewhere) is not impacted*
- *Program X, likely, gets restored*



How the New York State Budget Process Works: *Simplified*

State of New York and Its Finances: New York State Budget Process

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1. Executive Budget

- *Must be in balance*
- *Sets the stage for annual budget discussions*

2. “Re-Projections”

- *Occurs early March*
- *Mutually agreed to amount of revenues above or below the Executive Budget Level*

3. Negotiations

- *The plus or minus established in #2 is divided by subject area “Tables” and monies are used to restore, add, or institute reductions from Executive Budget Levels*

The State of New York and Its Finances: Components of the New York State Budget

Governmental
Funds

General Fund
Primary Area of State Activity / Income Tax Funded

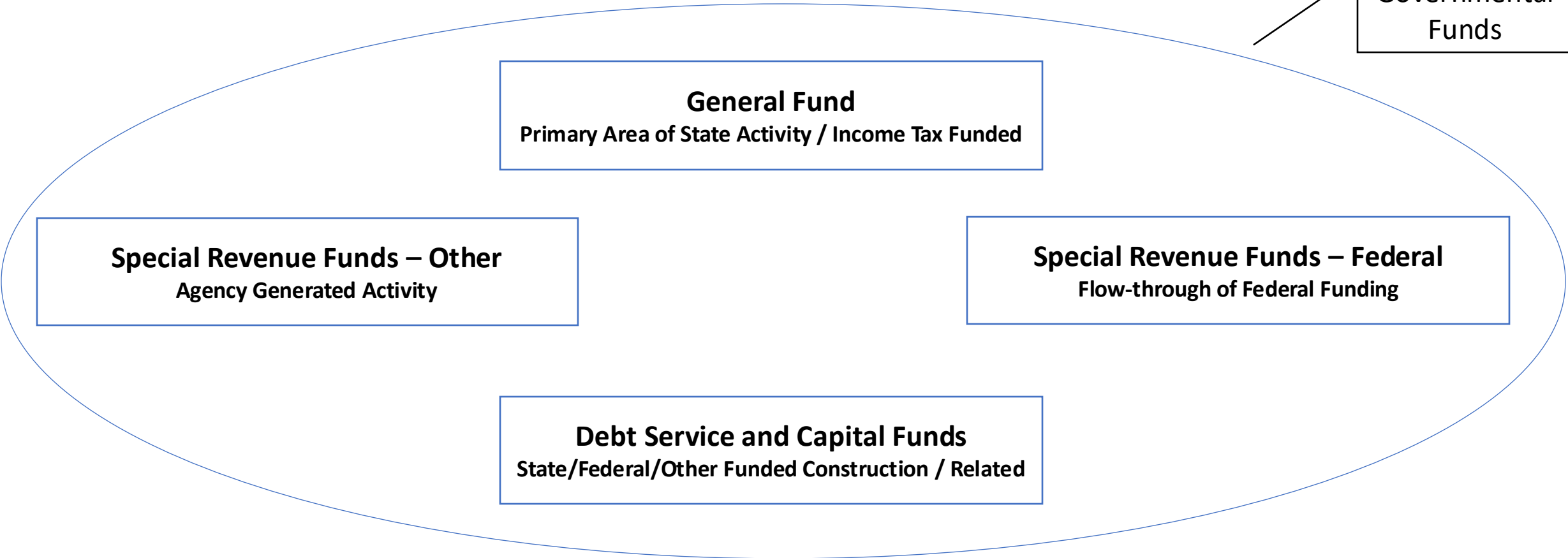
Special Revenue Funds – Other
Agency Generated Activity

Special Revenue Funds – Federal
Flow-through of Federal Funding

Debt Service and Capital Funds
State/Federal/Other Funded Construction / Related

Proprietary Funds
Inter-agency activity / Private Entity Like Activities

Fiduciary Funds
Trust / Custodian Type Activity





New York State And Its Finances: *Budget Status at 24/25 Mid-Year*

New York State General Fund: Actual and Current Year

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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	Current Year
	2023/24	2024/25
Opening Balance	\$43,451	\$46,331
Revenue	<i>102,997</i>	<i>112,525</i>
Spend	<i>100,117</i>	<i>109,344</i>
Closing Balance	\$46,331	\$49,512



New York State And Its Finances: Budget Status at 24/25 Mid-Year

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

Why is this important?:

As the State launches the 2025/26 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.

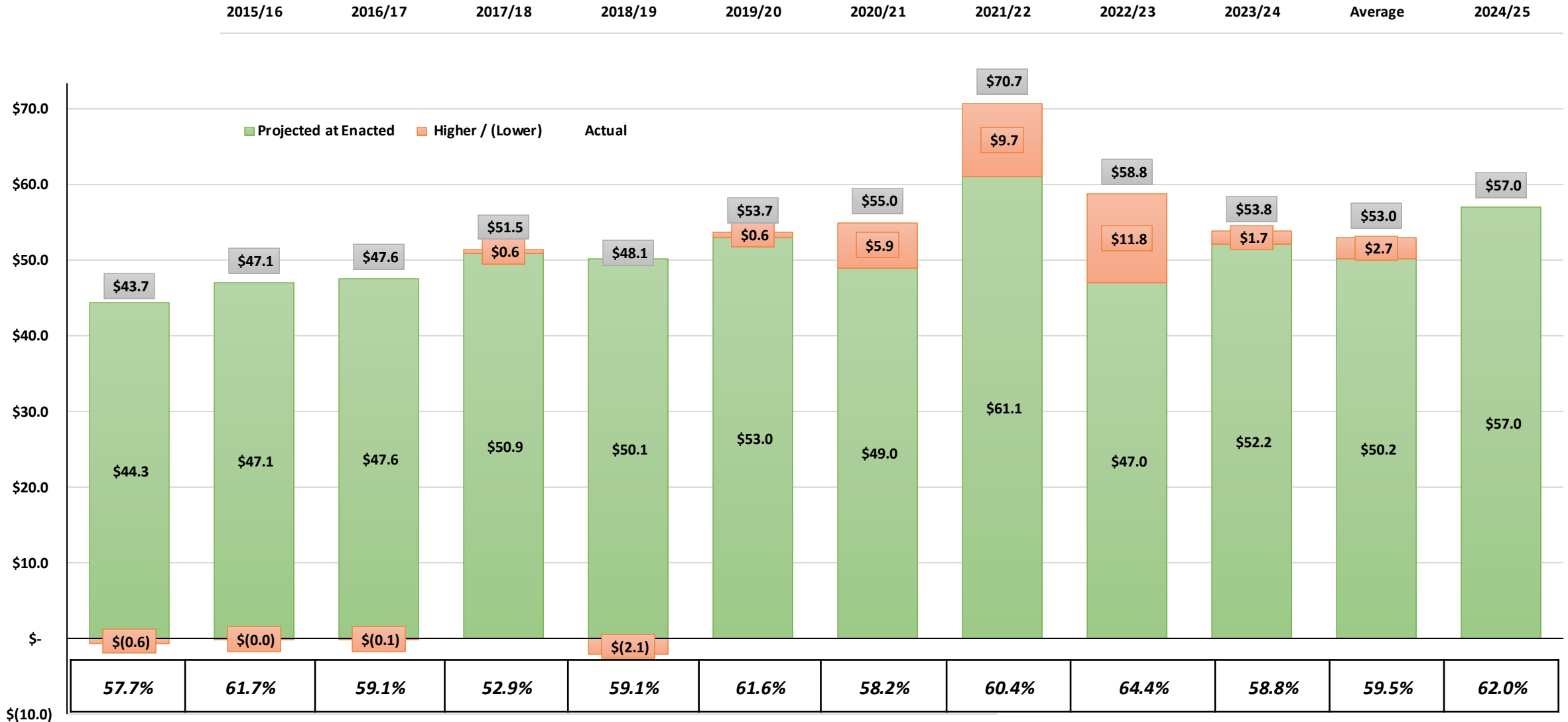
(\$M)	Budget Year	Out-Years	
	2025/26	2026/27	2027/28
Opening Balance	\$49,512	\$44,210	\$27,837
Revenue	109,761	103,625	114,916
Spend	115,063	119,998	125,376
Closing Balance	(\$5,302)	(\$16,373)	(\$10,460)
Surplus / (Deficit)	\$44,210	\$27,837	\$17,377

Out-year revenues primarily impacted by expected decreased investment earnings from lower interest rates, increases in Corporate Franchise Tax refunds, and returns to historical tax patterns.

Out-year spending primarily impacted by K-12 spending, Medicaid, SUNY/CUNY investments, timing of tax payments, and investment in childcare subsidies

Stress Test on Revenue Projections

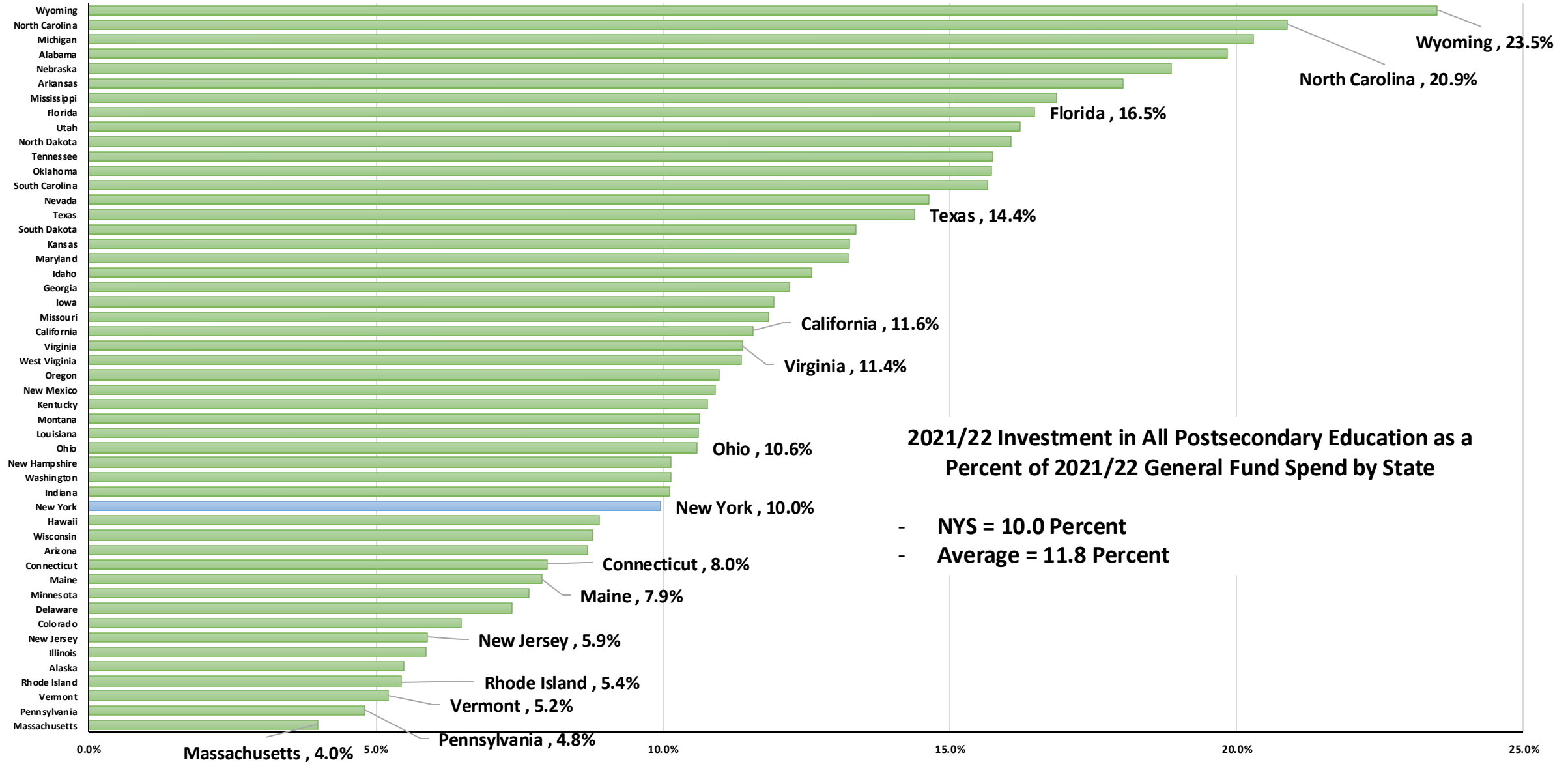
Chart Title



Collections Thru November of Each Year as % of Total Collections (Enacted Projection for 24/25)

Funding for Postsecondary Education

Investment in Postsecondary Education National Comparison



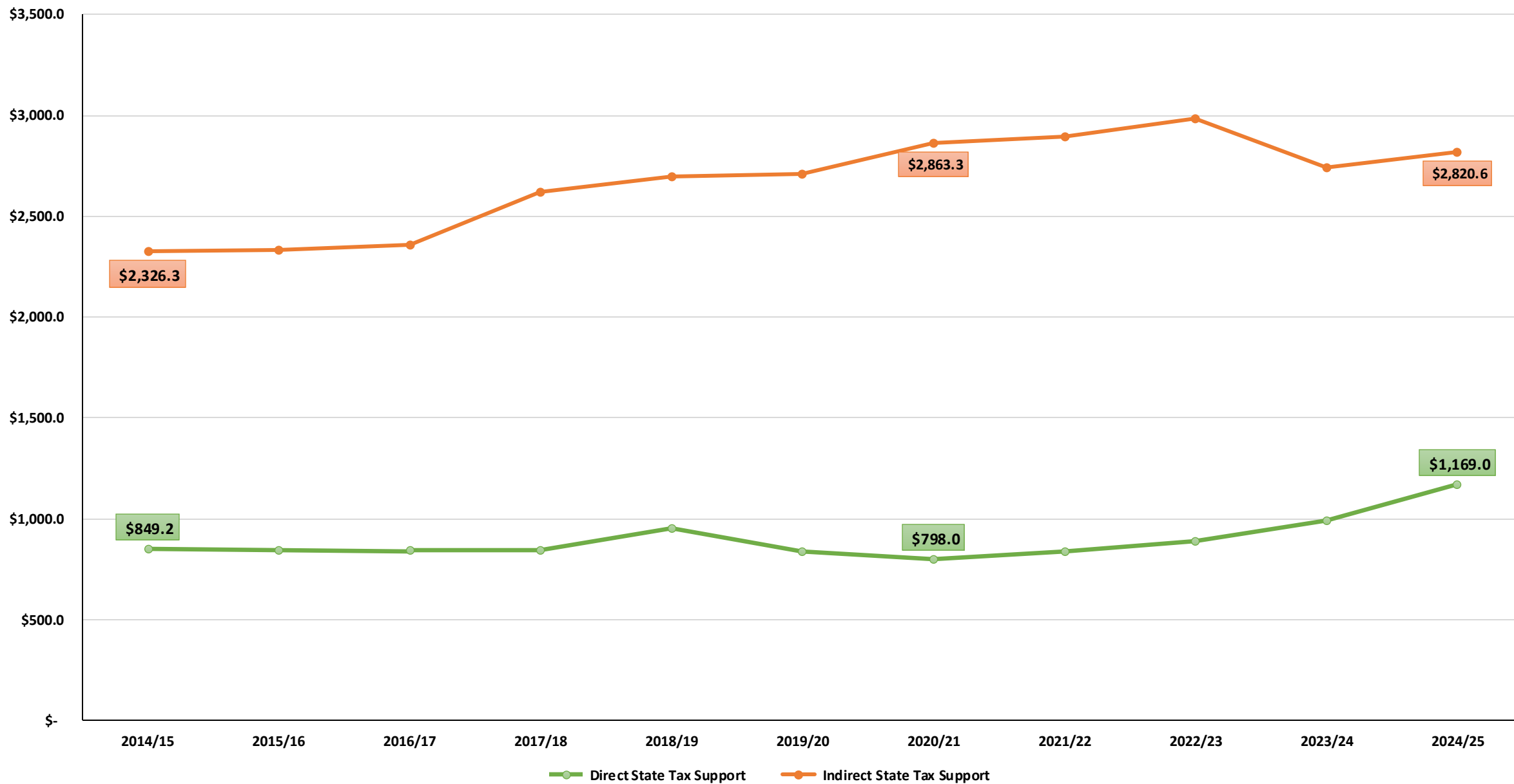
State Investment in Postsecondary Education Breakdown

2021/22 Data

	State Spending (\$M)		State Spending Per FTE	
	Raw	Regionally Adjusted	Raw	Regionally Adjusted
SUNY (Excludes Statutory)				
System-wide Programs and Office	\$606.5	\$560.4	N/A	N/A
Four Year Colleges	3,486.4	3,221.5	19,491	18,010
Two Year Colleges	558.1	515.7	5,370	4,962
Total SUNY	\$4,651.0	\$4,297.6	\$16,446	\$15,196
CUNY				
System-wide Programs and Office	\$173.2	\$160.1	N/A	N/A
Four Year Colleges	1,599.4	1,477.8	11,957	11,048
Two Year Colleges	293.2	270.9	5,773	5,334
Total CUNY	\$2,065.8	\$1,908.8	\$11,194	\$10,343
Not For Profit	\$653.1	\$603.4	\$1,449	\$1,339
For Profit	5.6	5.2	158	146
Other Public (SED / Military)	1.8	1.6	225	208
Total	\$7,377.3	\$6,816.6	\$7,673	\$7,090

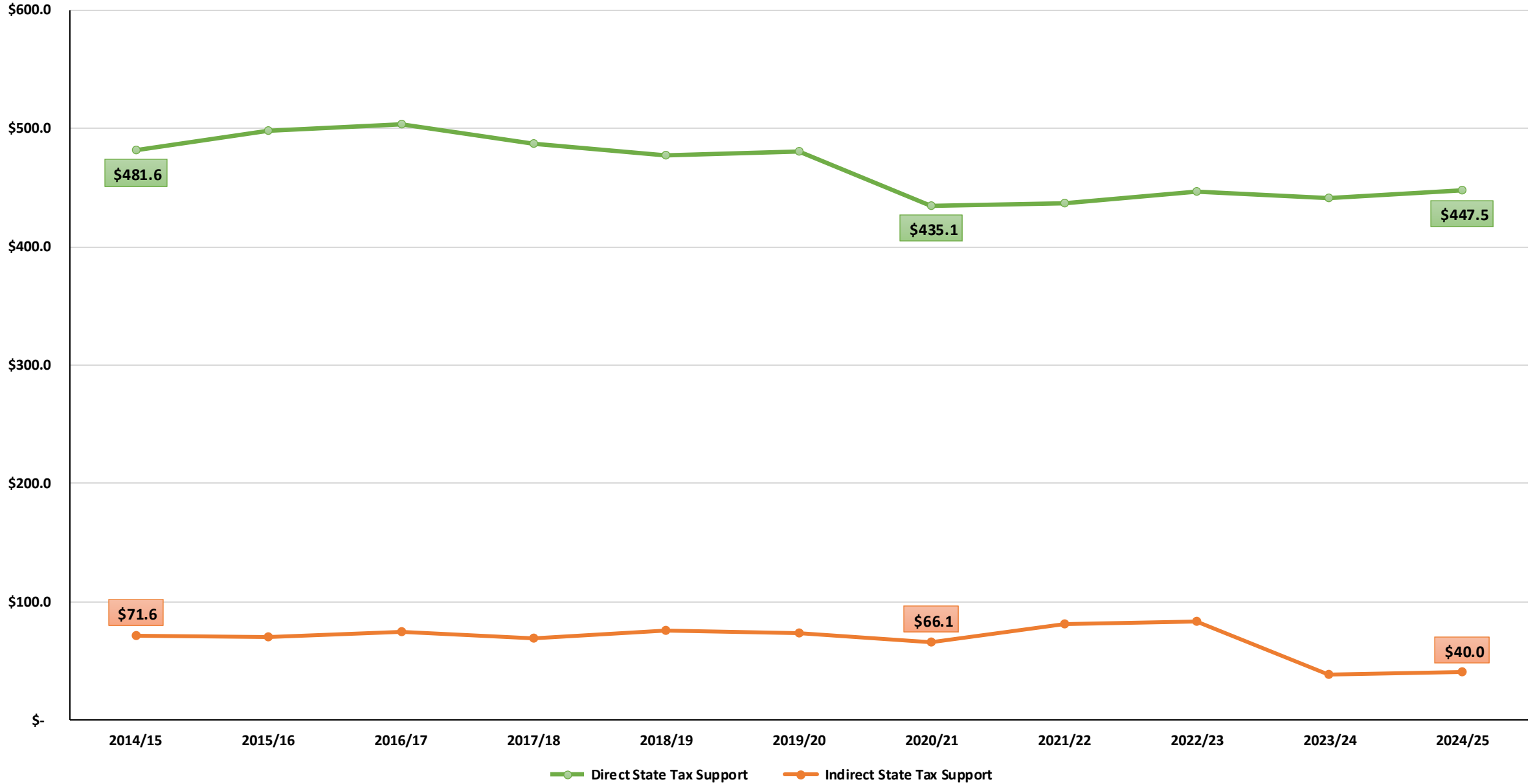
History of State Investment: Four-Year Campuses

(\$M)

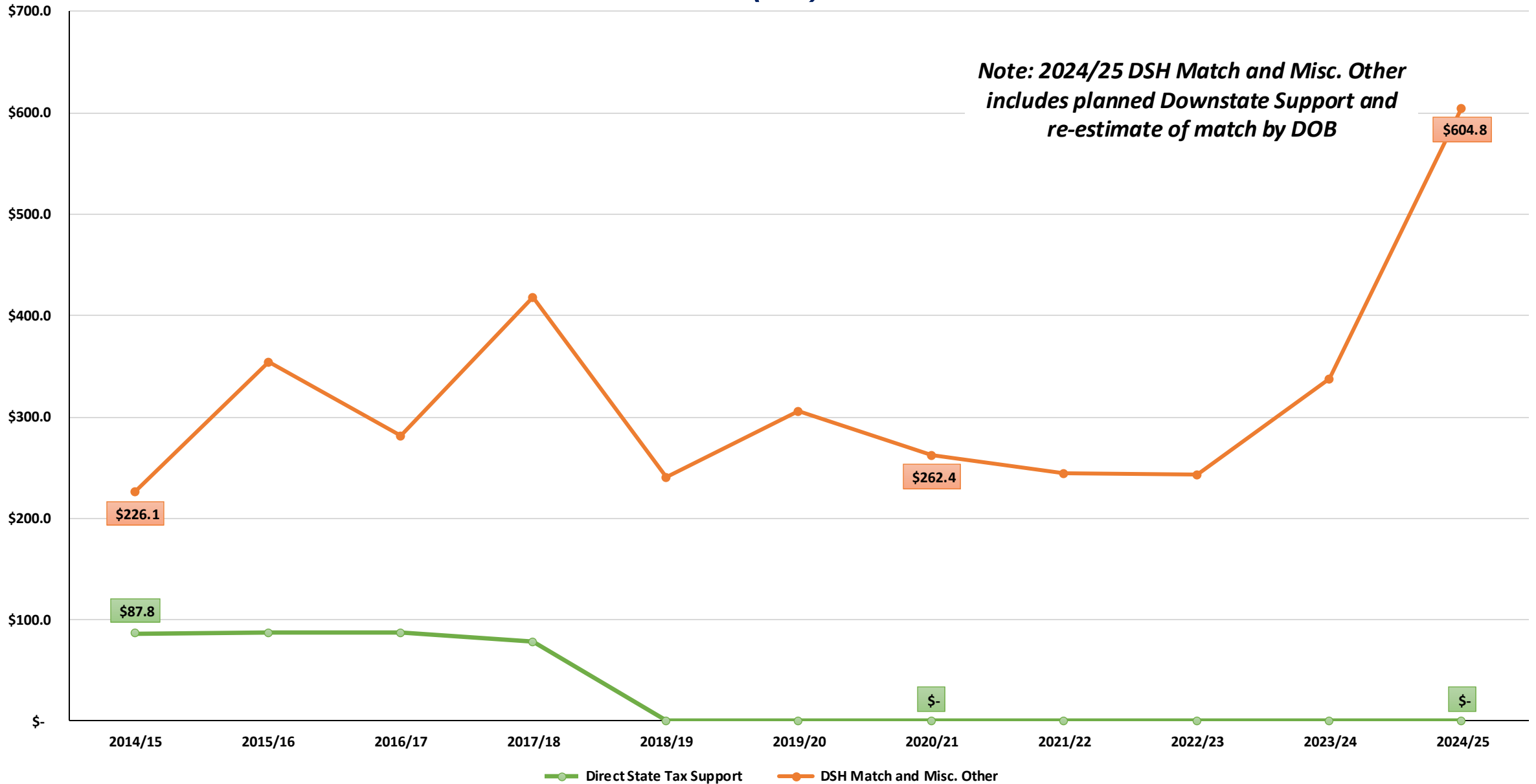


History of State Investment: Community Colleges

(\$M)



History of State Investment: Hospitals (\$M)



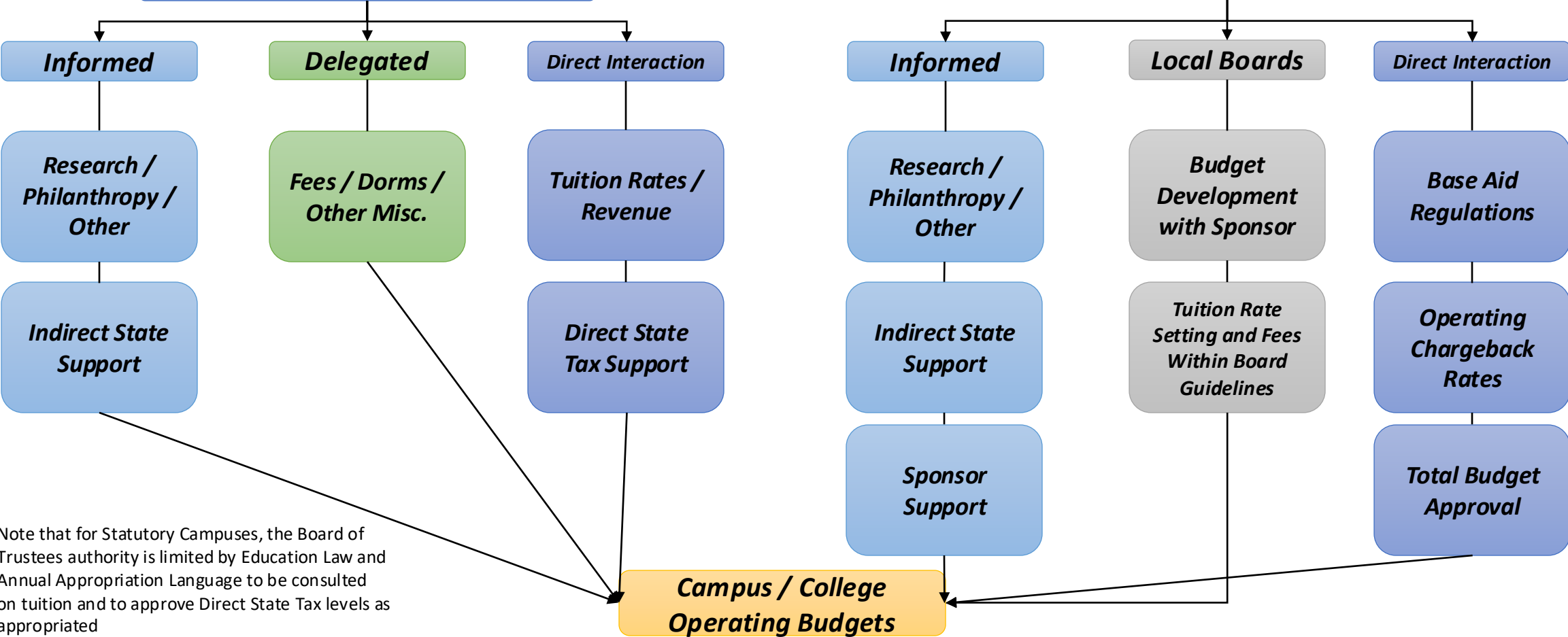
State of New York and Its Finances: *Select National Comparisons by System – Educational Revenues*

2021/22 \$M As Appropriate	Four Year Publics (Red = Lower than SUNY / Green = Higher)			Two Year Publics (Red = Lower than SUNY / Green = Higher)			Grand Total (Red = Lower than SUNY / Green = Higher)		
System / Category	Raw	Regional	Regional Per FTE	Raw	Regional	Regional Per FTE	Raw	Regional	Regional Per FTE
SUNY	\$5,517.9	\$5,098.5	\$28,504	\$1,781.3	\$1,645.9	\$15,835	\$7,299.2	\$6,744.4	\$23,848
CA CC System	\$951.7	\$832.8	\$12,285	\$6,853.8	\$5,997.0	\$15,804	\$7,805.5	\$6,829.8	\$15,270
CA State	9,735.1	8,515.5	19,730	-	-	-	9,732.1	8,515.5	19,730
U CA	11,745.0	10,276.8	35,903	-	-	-	11,745.0	10,276.8	35,903
FL State System	7,282.0	7,129.1	23,601	-	-	-	7,282.0	7,129.1	23,601
U of MA	2,250.6	2,039.1	32,716	-	-	-	2,250.6	2,039.1	32,716
U of NH	611.6	565.2	25,481	-	-	-	611.6	562.2	25,481
CUNY	2,880.3	2,661.4	19,897	996.1	920.4	18,120	3,876.4	3,581.8	19,408
TX Tech	1,487.4	1,524.6	28,319	-	-	-	1,487.4	1,524.6	28,319
TX State	1,265.0	1,296.6	21,151	78.5	80.4	15,865	1,343.5	1,377.1	20,747
TX A&M	3,186.8	3,266.5	25,125	-	-	-	3,186.8	3,266.5	25,125
TX State Tech	-	-	N/A	184.8	189.4	27,585	184.8	189.4	27,585
VT State	109.9	108.7	26,127	30.8	30.4	12,700	140.6	139.1	21,221

Board of Trustees Responsibilities: Operating Budgets

Four-Year Campuses

Community Colleges



Note that for Statutory Campuses, the Board of Trustees authority is limited by Education Law and Annual Appropriation Language to be consulted on tuition and to approve Direct State Tax levels as appropriated

2025/26 State Budget Request

Direct State Tax Support Increases

- **Increase Operating aid for State-operated campuses:**
 - Fully implement the already planned investment in State-operated Campuses by ensuring the third of three \$54.0M operating aid increases in lieu of tuition be provided in the Executive Budget
 - Provide additional increased and ongoing support of \$115.0M to cover the next tranche of State-approved collective bargaining costs associated with:
 - Across-the-board increases,
 - Discretionary increases, and
 - Adjunct faculty minima increases.
- **Increased investment in Community Colleges:**
 - Maintain the 100 percent Community College Funding Floor, which allows for continued practical fiscal planning and protects the Colleges from potential reductions in funding (~\$75M in avoided lost Direct State Tax Support)
 - Invest \$30.0M in Direct State Tax Support for the Community Colleges to support high-demand program growth in health care; semiconductors and advanced manufacturing; green jobs and sustainability; and cybersecurity, IT, and AI

Capital Investment in SUNY's Future

- Launch a \$10.7B Five-Year Capital Plan for the State-operated campuses and Statutory Colleges, which would support:
 - *\$3.8B: Lab space and other investments at the University Centers to double SUNY research, beginning with advancing SUNY and New York's leadership in biotech, quantum, clean energy, and green engineering*
 - *\$2.5B: Clean energy master plan implementation*
 - *\$4.4B: Increased Critical Maintenance investment across all eligible SUNY campuses*
- Support the Local Sponsor investment, by matching (up-to-50 percent share) approved Community College capital projects

Make Investments in Student Success and Upward Mobility

- \$20.0M: Investment in ASAP/ACE Programs
 - Funding would sustain and grow the program to 10K students
- \$5.0M: Increasing Undergraduate Engineering Degrees
 - Would allow for improvement to / increase in current undergraduate engineering degree offerings
- \$2.75M: Empire State Service Corps
 - Would double the current Corps
- \$4.5M: Educational Opportunity Program (EOP)
 - Would allow for continued expansion of the program
- \$3.0M: Higher Education in Prison
 - Would provide for the ability for SUNY to expand offerings in this area
- \$2.1M: Timbuctoo Program
 - Would allow for the expansion of the successful program at ESF

Hospitals

- **Engage with Pertinent Parties on Enacting Meaningful DSH Reform**
 - Align DSH payments with actual losses and rebalance initial and reconciliation payments
- **Continue the Decision made in both 2023/24 and 2024/25 to Eliminate the Debt Sweep (Downstate, Upstate, Stony Brook, and equivalent UB)**
 - This would allow for patient revenues to remain at the hospitals to support operations
- **Support Downstate, Based on results of Downstate Advisory Board**
 - Potentially provide up to \$450.0M in additional capital funds (consistent with \$750.0M capital limit and \$300.0M already appropriated) as well as already-committed \$100.0M in operating support
- **Support Upstate Capital Needs:**
 - Potentially up to \$450.0M, dependent on a plan being developed by Upstate Medical and the Senior Vice Chancellor for Health & Hospital Affairs
- **\$70.0M: Establish Ongoing Operating Support for SUNY Hospitals**
 - This would grow over a multi-year period to approximately \$270.0M, recognizing the cost the hospitals incur as operating in a State environment and the unique requirement put on the hospitals to pay for their own employee fringe benefits

Items for Discussion: Legislative Priorities

- Streamline the Tuition Assistance Program (TAP) application
 - Align FAFSA and TAP income definitions
- Increase the SUNY Impact Foundation Tax Credit
- Evolve thinking on allowable uses of Bonded Capital for specific purposes (I.e., Information Technology)
- Support operational collaboration initiatives such as IT services
- Allow for practical adjustments in State procurement law to allow for efficient System operations



Thank You