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United University Professions

**2010-11 Executive
Budget & SUNY
Winter Delegate Assembly
February 5, 2010**



NYS Budget Deficit

- The Governor's 2010-11 budget seeks to close a \$7.4 billion deficit, and proposes \$4.8 billion in recurring spending cuts.
- Federal Stimulus funding expires at the end of 2010.
- A deficit of \$6.3 billion is anticipated in 2011-12.
- The deficit will climb to over \$11 billion if the proposed \$4.8 billion in spending cuts are not enacted.
- The pressure on SUNY's budget is likely to continue until 2012-13 at least.



The SUNY Situation

- SUNY has lost a higher percentage of its State-funding over the past two years than any other State agency or functional program area.
- The latest cut (\$118 million) represents 24% of the total State agency cutback in the 2010-11 Executive Budget.
- Since 2008, the Governor has targeted SUNY for over 25% of the total State agency cuts.



Contract Re-Negotiations

- The \$118 million cut does not include SUNY's share of a \$250 million cut through contract re-negotiations (e.g.: payroll lag, giving back a portion of the salary increase).
- If the public unions do not negotiate, these funds will still be cut from agency budgets.
- SUNY's share of the \$250 million is \$34.4 million.
- This will bring SUNY's total Executive Budget State funding cut to \$152 million.
- UUP will NOT re-negotiate.



Budget State Actions & Cuts Since 2008

STATE ACTIONS	STATE CUTS
2008-09 Mid-Year Cuts	\$148,000,000
2009-10 Enacted Budget Funding Reductions	\$172,000,000
2009-10 Mid-Year Cut	\$90,000,000
<i>Proposed 2010-11 Executive Budget Cut</i>	<i>\$149,000,000*</i>
<i>21-Day Amendment Reallocation from Statutory Colleges (Cornell & Alfred)</i>	<i>\$3,500,000</i>
<i>TOTAL State Funding Cuts If the Governor's Recommendations are Enacted</i>	<i>\$562,500,000*</i>

**Including \$34.4 million from contract re-negotiation proposals*



Impact of the Cuts

- Students are now paying more than half of SUNY's operating budget.
- If SUNY "flexibility" is enacted, the students' burden will increase dramatically – and they will reap no benefit.
- If the ratio of full-time faculty to students in the current year was equivalent to the ratio that existed in the early 90's, the campuses would have over 2,300 more full-time instructors.
- Even if 2004 ratios were used, there would be 1,000 more full-time faculty.
- Qualified applicants are being denied admission, class sizes are increasing, courses are being canceled, and graduations are being delayed.



The Cuts in Context

- \$562 million in reduced State aid is equivalent to the loss of the total combined operating budgets (State aid + tuition) of Albany, Binghamton, Brockport, Cortland, Geneseo, and New Paltz. Or choose any 10 of the comprehensive colleges.
- Over the past decade SUNY's State support has increasingly eroded.
- If the Governor's Budget is enacted, SUNY State funding will be \$84 million less than it was in 1990-91.



Hospitals & HSCs 2010-11 Executive Budget Proposals

- Required to absorb the full \$54 million cost of 2010-11 collective bargaining increases and fringe benefits.
- For the first time, they would also be required to make an additional \$20.5 million payment to the ERS to compensate for its losses.
- Together this represents an unfunded State imposed mandatory cost increase of \$74.5 million for 2010-11.



Hospitals & HSCs Historic Underfunding

- As in the past, the Executive Budget again fails to recognize the public nature of our hospitals.
- We serve large numbers of underinsured or uninsured patients who have no place else to go, as well as patients with hard-to-treat medical needs who are referred by other community hospitals.
- Yet, for more than a decade, virtually no increase in the State's subsidy for hospital operations has occurred.
- If the proposed 2010-11 cut is enacted, these institutions will be forced to absorb an additional \$233 million in unfunded State imposed mandatory costs since 2007-08.



Medicaid Proposals

- Double the “sick tax” from 0.35% to 0.75%.
- Freeze the 2010-11 hospital rate trend factor.
- If the proposals are enacted, the hospitals will lose over \$6 million in 2010-11.



Public Higher Education Empowerment & Innovation Act “Flexibility”

- Provides SUNY with the full authority to raise tuition without legislative approval and to impose differential tuition, which is prohibited under current law.
- Eliminates current requirement for State appropriation of tuition and other SUNY revenues.
- Permits the University to lease campus properties, enter into contracts and variations of public/private partnerships with limited oversight.



Public Higher Education Empowerment & Innovation Act *Tuition*

- SUNY would be given the authority to institute across-the-board tuition increases at 2 ½ times the five year rolling average of the HEPI index.
- Differential tuition could be increased at SUNY's discretion on top of the HEPI index cap and is not subject to any limitation or restriction.
- If these proposals are enacted, no current student or applicant could possibly know how University tuition decisions will affect their ability to pay.
- In that context, how can the Governor and SUNY market this as a rational and predictable tuition policy?



Public Higher Education Empowerment & Innovation Act

Tuition Consequences

- SUNY's assertion that "flexibility" produces revenue from non-state and non-student sources is completely unfounded.
- This rhetoric gives the State the opportunity to walk away from funding SUNY operations.
 - Tuition will be the main source of revenue growth.
- Several legislators drove this point home at recent budget hearings.



Public Higher Education Empowerment & Innovation Act *Tuition Consequences*

- SUNY promises to increase full-time faculty by 2,200 positions over the next ten years.
- SUNY would have to triple tuition to achieve that objective.
 - Its flexibility proposals give them that authority.
- SUNY should concentrate on preserving and increasing State aid.



Public Higher Education Empowerment & Innovation Act

State Appropriations

- The proposal eliminates State appropriations for SUNY tuition and all other campus revenues except State aid.
- It permits SUNY to comingle tuition with other campus revenues and to spend those dollars without any oversight or limitation.
- This greatly diminishes accountability for SUNY's spending decisions and virtually eliminates transparency of SUNY operations.
- In effect, SUNY would have the unrestricted freedom of the Research Foundation – which has been highly criticized for the secrecy of its operations.



Public Higher Education Empowerment & Innovation Act *Public/Private Partnerships, etc.*

- Repeals statutes requiring that contracts and other related transactions be approved by the State Comptroller and Attorney General.
- Approvals for leases and public/private partnerships would be subject to an Executive and Legislative board rather than oversight by the full Legislature.
- Employee protection language is insufficient at best, making outsourcing possible.
- UUP can not support these provisions as drafted.
- Oversight will need to be enhanced and employee protections strengthened.



NYSTI

- The Governor's Budget repeals statutes that established NYSTI as a public entity.
- The Budget also phases out State funding for NYSTI for a total cut of approximately \$1.8 million in 2010-11. All State funding is eliminated for 2011-12.
- The annual State appropriation for NYSTI is \$3 million, or 86% of its total operating budget.
- Thus, it is unreasonable to expect NYSTI to survive on ticket sales alone.
- NYSTI provides a unique and important cultural service to our children and the citizens of New York, and it has earned the right to remain publically funded.



Medicare Part B Premium Contribution for State Employees/Retirees

- Medicare Part B covers expenses for doctor's services, outpatient hospital service and medical equipment.
- Currently, the State pays 100 percent of the Medicare Part B premium for employees and retirees on Medicare.
- The monthly Medicare Part B base premium is \$96, which progressively increases on annual incomes over \$80,000.



Medicare Part B Premium Contribution for State Employees/Retirees

- The Governor's proposal requires employees and retirees on Medicare to pay 10 percent of premium costs for individual coverage and 25 percent for dependent coverage.
- The proposal requires Legislative approval.
- This places an unfair burden on retirees already impacted by the recession.
- UUP rejects the proposal in its entirety.



Tuition Assistance Program (TAP)

- Governor's 2010-11 Budget cuts TAP by over \$50 million.
- Reduces all TAP awards by \$75.
- Reduces maximum TAP award for two-year degree programs from \$5,000 to \$4,000, except nursing programs.
- Eliminates TAP for graduate students.
- Decreases maximum TAP award from \$5,000 to \$3,025 for students who are married without children.



Tuition Assistance Program (TAP)

- Given the current economic climate, the Governor's TAP reductions make no sense.
 - State is in the deepest recession since the 1930s.
 - Unemployment rates are the highest in decades.
 - Private college tuition is at the highest level ever.
- The Governor's "flexibility" proposals permit SUNY to further shift the funding burden from the State to students.



What Can YOU Do?

- Organize an in-district meeting with your local legislator.
- Educate students, parents and others about UUP's position.
- Update members via meetings & communications.
 - Check UUP's Leadernet for current information.
- Rally members to attend an Albany Advocacy Day:
 - February 9, 23; March 23; April 20, 27
- **Bring people to UUP & PSC's *Student/Faculty Higher Education Action Day* on March 9th.**



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