



NEW YORK STATE SENATOR

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## "college Bound": Helping To Make College More Affordable

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First in the Nation Tuition Tax Deduction, New Incentive and Increased Aid

Today's rapid advances in technology and science demands more than ever that our young people receive a college education that equips them for the future. However, the rising cost of college is making it more difficult for families to provide their children with the college education they'll need to compete.

Today, to send a child to college, a parent can expect to pay five times the amount it cost for him or her to attend college 20 years ago. Meanwhile, wages and college aid in many cases haven't kept pace.

That is why I am pleased to announce that the Senate Majority's comprehensive "College Bound" plan to make college tuition tax deductible, provide additional tuition assistance to families and reward students for academic excellence was included in the 2000-2001 state budget. This plan will immediately benefit the families of more than 800,000 college students who face soaring college costs that have increased more than 500 percent over the last two decades.

The Senate's "College Bound" plan will make New York the first state in the nation to allow a

full deduction for college tuition costs up to \$10,000 and boost the grant and income limits for the TAP program, making 30,000 additional students eligible for the grants. In addition, the "College Bound" program includes an academic incentive program that will provide 5,000 grants of \$200 each to juniors and seniors at the State University of New York who qualify academically.

Under the plan, a typical family with a student attending private college and an annual income of \$35,000 would see combined tax and tuition savings of \$4,340 a year. The same family with a child attending SUNY would save \$2,180.

College tuition expenses will be fully deductible up to \$10,000 from state personal income taxes. Alternatively, this initiative will provide an income tax credit of 4 percent of tuition expenses for those who choose not to itemize deductions. The plan will save individuals and families \$200 million annually when fully implemented.

The TAP portion of "College Bound" immediately expands eligibility from the current level of \$50,500 to \$80,000 and increases the maximum grant to \$5,000 under the TAP program. The minimum TAP grant will increase from \$275 to \$500. More than 250,000 students now receive TAP and that number will increase 20 percent under the plan.

In addition, the plan will help encourage higher academic standards by providing incentives to upperclassmen by creating a new Academic Achievement Award to provide financial rewards to the best-performing SUNY juniors and seniors.

TAP, a Senate Republican initiative when it was created in 1974, is available only to New York residents who attend schools instate. Making college tuition fully tax deductible was a top priority of the Senate Majority in 1999.

The Senate Majority has led the way in helping make college costs more affordable:

- \* beginning in 1998, the Senate-inspired College Choice Tuition Savings Program has allowed more than 84,000 families to invest more than \$360 million in tax deductible college savings accounts;
- \* the Senate's 1998 effort to exempt college textbooks from sales tax saved students and parents \$40 million each year;
- \* since 1995, the Senate voted to provide \$217 million in "Bundy aid" to help private colleges and universities hold down tuition costs;
- \* the Senate has voted to restore \$451 million in budget cuts to the TAP program since 1995, imposed first-ever academic standards to maintain TAP eligibility and increased the maximum TAP grant to \$4,125 a year;
- \* the Senate supported creation of the Scholarships for Academic Excellence program, which provides 6,000 high school senior with tuition grants totaling \$10.5 million annually.

The state TAP program is often a family's only means of bridging the gap between their personal savings and the cost of tuition. Now that the Senate Majority's College Bound initiative is part of the budget, more middle-income families will be eligible for an even larger pool of TAP awards. Additionally, full tuition deduction and increased financial incentives and will enable more New York families to send their children to college -- preparing them for the future and helping to fulfill their dreams.