

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S4709

SPONSOR: SEWARD

TITLE OF BILL:

An act to amend the education law and the state finance law, in relation to tuition and state operating support of the state university of New York; and repealing certain provisions of the education law relating thereto

PURPOSE:

The creation of a rational tuition policy for the state university of New York and to allow tuition revenue to be used solely for the expenses of the state university is carrying out its objectives and not to be used to offset or reduce appropriations by the state in support of the operations of the state university. The legislation would also provide a 5 year rational tuition plan that allows the SUNY Board of Trustees the ability to set annual tuition at no more than 5.5% a year for each of the next five years.

SUMMARY OF PROVISIONS:

Allows the SUNY Board of Trustees to set a rational tuition policy and submit a master tuition plan at a rate no greater than 5.5% a year. Repeals section 355 (8b) of the education law, and thereby enabling the creation of a state university trust fund or "lock box", whereby tuition and fees would be disaggregated from other general funds, and thus, not subject to future sweeps into the general fund. The legislation would also mandate the prohibition of incremental increases in tuition to backfill cuts in state support for SUNY by requiring the State to fund SUNY to at least an established baseline year and requiring the State to fund SUNY to at least an established baseline year, plus additional funding to cover mandatory costs.

JUSTIFICATION:

The recent fiscal austerity measures brought to bear on SUNY have created a tremendous financial strain both on the institutions, parents and students. The lack of a systematic and rational tuition plan coupled with massive budget cuts has only exacerbated an already strained system. By allowing SUNY to set a reasonable and rational tuition policy with direct mechanisms to keep the revenues routed back into the institutions will only help families better plan college costs and enable the institutions to retain more of the revenue they create and put it where they need it most, while being less reliant on the implementation of fees and surcharges to raise revenues beyond a base level of state mandated support.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None.

EFFECTIVE DATE:

This act shall take effect July 1, 2011.