



- **New York State Financial Aid Administrators Association •**
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WRITTEN TESTIMONY OF THE NEW YORK STATE FINANCIAL AID ADMINISTRATORS ASSOCIATION (NYSFAAA)

SUBMITTED FOR THE JOINT LEGISLATIVE BUDGET HEARING ON HIGHER EDUCATION FOR SFY 2026 – 2027

February 24, 2026

About NYSFAAA

Founded in 1968, NYSFAAA represents an association of over 1,000 student financial aid professionals from across NY State representing all sectors of our diverse higher education system. NYSFAAA has a long history of advocating for and promoting equal access to postsecondary education for all students. Members actively participate in numerous community financial aid programs, FAFSA workshops, and college fairs to assist students and families in preparing financially for college. The association also offers education, professional development, and networking opportunities for its members and for colleagues in related educational, business, and governmental professions.

To learn more about NYSFAAA, its activities, committees, members, and their impact, visit: <https://www.nysfaaa.org/>.

Thank you for your continued support!

We are deeply grateful for the Legislature's continued commitment to keeping college affordable through support for the Tuition Assistance Program (TAP) as well as state sponsored opportunity programs. These programs expand access to higher education and support economic mobility and workforce development across New York State.

We particularly appreciate efforts to expand TAP eligibility to part-time students attending proprietary institutions and to increase income thresholds for participation. These initiatives help remove financial barriers and create meaningful access to higher education for students who might otherwise forgo enrollment.

NYSFAAA also values the collaborative efforts over the past year with the Governor's Office, the Higher Education Services Corporation (HESC), and the State Education Department (SED).

NYSFAAA Legislative Priorities

The Future of the TAP Program

We sincerely thank the Legislature for its steadfast support of students from historically underrepresented backgrounds and those who are the first in their families to pursue higher education. For more than fifty years, the Legislature has been a champion of TAP and other state-supported financial aid programs. New York continues to operate one of the largest and most generous state-sponsored student aid programs in the nation.

Higher education has long served as a cornerstone of economic opportunity in New York. Each year, more than 1.1 million students are enrolled in public and private colleges and universities across the state. These institutions educate the nurses, medical professionals, teachers, and businesspeople who sustain our communities and drive economic growth.

However, recent federal policy changes present significant challenges to college affordability. The "One Big Beautiful Bill Act" of July 2025 represents the most substantial restructuring of federal student lending since the 2008 Higher Education Opportunity Act. The legislation eliminates the federal Grad PLUS program, imposes caps on Parent PLUS loans, narrows eligibility for certain professional degree programs, reduces support for part-time students, and shortens repayment and deferment options.

Collectively, these changes could substantially limit access to higher education for tens of thousands of New York students. In this environment, New York's commitment to TAP and state-level financial aid programs becomes even more critical to preserving access, affordability, and workforce stability.

We also urge the State to establish a state-sponsored graduate loan program to address anticipated reductions and restructuring in the federal student loan system. Such a program would help close emerging financing gaps for graduate students while ensuring that New York remains competitive with neighboring states that have already implemented, or are actively developing their own state-backed loan initiatives.

Continued Enhancement of TAP:

1. **Restoring State Support for Graduate Students** – New York eliminated Graduate TAP in 2010. Since then, graduate students have relied almost entirely on federal student loans to finance advanced degrees. Recent federal changes under the "One Big Beautiful Bill Act" (OB3) significantly restrict these options. As a result, graduate students will have fewer tools to finance their education. Many programs, especially in healthcare, education, public health, technology, and STEM, require advanced degrees. Without additional state support, fewer students may be able to enroll or complete these programs.

Request: *NYSFAAA supports graduate students and the recent federal restrictions have had a direct impact on this population. We respectfully urge inclusion of S.3810 (Stavisky) / A.7389 (Hyndman) in the final budget to restore Graduate TAP and strengthen New York's commitment to college affordability, workforce readiness, and economic competitiveness.*

2. **Expanding access to the Opportunity Promise Scholarship Initiative** – The Executive Budget allocates \$12.5 million to expand the Opportunity Promise Scholarships, supporting students ages 25–55 pursuing certain associate degrees in high-demand fields such as teaching, technology, and engineering as well as students with a prior degree pursuing a nursing degree at SUNY and CUNY community colleges.

While NYSFAAA applauds this investment, we urge the legislature to expand the program to include all students, regardless of where they choose to attend college. Many NYSFAAA member institutions offer associate degree programs that serve as critical pipelines for these in-demand industries and have deep rooted connections with local industry partners. Ensuring that students at private colleges and universities have access to this scholarship would further strengthen the workforce and provide greater educational opportunities for all.

Request: *NYSFAAA believes all students should have equal access to state funded grant and scholarship programs. We ask the legislature to expand the program so that students who qualify could use the scholarship at any college or university in New York that offers associate degree programs in these high demand fields.*

3. **Expanding TAP Eligibility to Support Student Success** – NYSFAAA supports S. 3779 (Gounardes)/A. 508 (Anderson), which would extend the number of years a student can receive Tuition Assistance Program (TAP) awards. This legislation increases eligibility from four (4) to six (6) years, or from five (5) to seven (7) years for programs that typically require five years to complete.

This expansion acknowledges that many students face personal, financial, or academic challenges that require additional time to earn their degrees. By extending TAP eligibility, more students will have the opportunity to complete their education while continuing to receive critical state financial aid.

Request: *NYSFAAA supports this legislation and requests inclusion in the final budget.*

4. **Support for Low-Income Independent Students** – NYSFAAA appreciates the legislature’s successful efforts to raise TAP income eligibility limits for independent students in the FY2025 budget. While this marks a positive step toward expanding access, the current TAP award structure continues to disadvantage many independent students.

To promote true equity in financial aid, NYSFAAA strongly supports eliminating the distinction between dependent and independent students in TAP eligibility determinations. Removing this barrier would ensure that all students, regardless of their financial independence, have equal access to the support they need to pursue higher education.

Request: *NYSFAAA believes there are many students who are single or married without dependents that could benefit from additional state financial aid and the current limitations on these programs are a barrier to accessing higher education. We request the elimination of the disparity between independent and dependent students in the final budget.*

Create a State Sponsored Graduate Student Loan Program

On January 29th, the United States Department of Education released a Notice of Proposed Rule Making arising out of the Reimaging and Improving Student Education (RISE) negotiated rule making committee that will implement the changes found in the One Big Beautiful Bill Act. The rule was officially published on January 30th in the Federal Register, and the public comment period is open until March 2nd. The regulatory changes being proposed will take effect on July 1st.

While NYSFAAA and its members are concerned about many aspects of the proposal, we believe the changes are going to disproportionately impact graduate students and will have a direct impact on a student's ability to attend graduate school. These changes will also increase reliance on the private student loan market, where lending decisions are based on creditworthiness. This shift creates significant barriers for low-income students and those without an established credit history, who may struggle to qualify for private loans or secure competitive interest rates.

Moreover, the regulations provide a definition of "professional" program that differs from New York and will have an impact on professions that require a Master's degree or higher to be licensed in New York.

The proposed regulatory changes include:

Elimination of Graduate Plus Loans – the proposed regulation eliminates the Graduate Plus Loan program and includes a transition period for students who borrowed prior to July 1, 2026.

Definition of Professional Degree – the proposed regulation defines professional degree as "a degree that signifies both completion of the academic requirements for beginning to practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree, where professional licensure is generally required and includes the following degrees: Pharmacy; Dentistry; Veterinary Medicine; Chiropractic; Law; Osteopathic Medicine; Podiatry; and Theology.

Borrowing Limits for Graduate and Professional Programs – the proposed regulation would establish new annual and aggregate borrowing limits for graduate and professional students and parent borrowers. Professional students are permitted to borrow up to \$50,000 annually and \$200,000 in a lifetime, compared to graduate students who can borrow up to \$20,500 annually or \$100,000 in a lifetime.

Earlier this month, Connecticut announced the expansion of the Connecticut Higher Education Student Lending Authority (CHESLA) to include graduate students. Legislation was introduced by the Governor, on February 5th, as part of a larger bill to increase the state's bonding authority, to include \$10 million to create the Supplemental Graduate Student Loan Program. These funds will be available starting on July 1st allowing the Connecticut Higher Education Supplemental Loan Authority to provide loans to eligible graduate programs.

While Connecticut is the first state to specifically create a new graduate loan program, in response to the One Big Beautiful Bill, most states in the Northeast have state sponsored loan programs already in place – including Maine, Massachusetts, New Jersey, Pennsylvania, Rhode Island, and Vermont.

New York has a strong and diverse higher education sector and as a state we need to ensure students have access to graduate programs. We also need a trained workforce and pipeline to support high demand fields such as nursing, teaching, occupational therapy, physical therapy, physician assistants, engineering, social workers, mental health counselors, etc.

For New York to remain competitive, the state should explore the possibility of creating a state sponsored graduate student loan program in high demand fields or exploring the possibility of partnering with a neighboring state to access private student loans through their program. The proposed lifetime caps on borrowing and potential expansion of the private low market are going to have a direct impact on access but also New York's overall competitiveness, especially with neighboring states.

Request: *NYSFAAA supports the creation of a state sponsored graduate student loan program and requests inclusion in the final budget.*

Other NYSFAAA Legislative Priorities:

Support Funding for Other Programs That Impact Students:

NYSFAAA also advocates for other funding programs that positively impact our students. For instance, many NYSFAAA member institutions are receiving funds to provide enhanced support for students with disabilities.

We ask the legislature to consider the following:

- **Enhance Supports for Students with Disabilities** - New York State Education Department's Advisory Council on Postsecondary Education for Students with Disabilities recommended – and the Board of Regents adopted – a plan to provide much-needed enhanced supports and services to over 104,000 identified students with disabilities attending New York State's degree-granting colleges and universities. NYSFAAA member colleges have used the funding from this program to increase and expand faculty and staff training and mental health literacy and improve the processes for identifying students with disabilities and mental health issues. The Governor's budget proposal contains \$2 million for this program, a \$2 million reduction from the SFY 2026 final budget.

Request: *NYSFAAA requests the legislature restore \$2 million for this program and fully fund the program to support students with disabilities.*

- **BUNDY Aid** is a critical source of student aid for students enrolled in independent, non-profit institutions and funds academic support programs like tutoring, summer bridge programs and support for students with disabilities. The Governor's budget proposes a continued reduction for this program and continues to limit eligibility to private colleges and universities with endowment assets of less than \$750 million.

Request: *NYSFAAA requests the Legislature to restore and fully fund the BUNDY Aid program at the 2023 levels.*

- **The New York State Opportunity Programs (HEOP, EOP, College Discovery, SEEK, CSTEP, STEP, and LPP)** are designed to provide access to higher education for historically underrepresented and economically disadvantaged students. Opportunity Program students receive specialized academic support services, tuition assistance, supplemental financial assistance and full need packaging to ensure they can successfully complete the requirements for graduation. These programs have a long and proven track record of improving graduation rates, lifting families out of poverty and are well worth the investment of NYS tax dollars. These investments will also help NY to mitigate the potentially harmful effects of the Supreme Court decision banning Affirmative Action in college admissions.

Request: *To provide uninterrupted access and effective programming, NYSFAAA urges the legislature to oppose the Governor's proposed reductions in Opportunity Program funding for FY2027 and ensure level funding for these essential programs.*

Conclusion

In closing, New York stands at an important crossroads. At a time when federal support for higher education is becoming more restrictive, the State has an opportunity to reaffirm its longstanding leadership in college affordability, student success, and workforce development.

The proposals outlined today are not sector-specific requests—they are student-centered investments.

Restoring Graduate TAP, expanding scholarship eligibility, extending TAP duration, supporting independent students, establishing a Graduate Student Loan Program, strengthening disability services, maintaining BUNDY Aid and Opportunity Program funding: expanding opportunity for New Yorkers and strengthening the State's economic future.

NYSFAAA member institutions educate thousands of students each year, many of whom are first-generation, working adults, veterans, parents, and historically underrepresented students. We are proud that more than 90 percent of our students stay and work in New York after graduation. These individuals are not abstract statistics; they are future nurses, teachers, technologists, healthcare professionals, entrepreneurs, and community leaders. State policy decisions made in this budget will directly impact their ability to enroll, persist, graduate, and contribute to New York's workforce.

Thank you for your time, your partnership, and your continued commitment to New York's students.

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