



# 2021 Legislative Priorities

## POLICY BRIEF

### Higher Education

December 30, 2020

#### Policy Snapshot:

- Set the base state aid formula allocation for each community college to 100% of the prior year or increase \$100 per FTE, whichever is greater.
- Modify the institutional classification of the Fashion Institute of Technology (FIT) from a community college to a regular SUNY university or otherwise ensure 100% state reimbursement to counties for students attending FIT for 4- and 6-year degrees.

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#### Background

##### Community Colleges & Community College Chargebacks

Article 126 of the State Education Law outlines the creation of community colleges, and the financing of these institutions. Under state law, funding for community colleges is provided by a combination of state aid, county funding, and student tuition and fees. This model was based on state aid funding commitment of between one third and 40 percent of a community college's operating budget. Today, this state commitment has fallen below the one-third promised and far short of 40 percent.

##### State Base Aid

The SFY 2019-20 adopted budget provides \$453.9 million for state base aid, this translates to per student FTE aid of \$2,947. While this per student aid is slightly higher than it has been in the past, current student enrollment is lower than in peak years and this can translate to less state funding support for community colleges. Importantly, the budget provides language that says no community college will receive less than 98 percent of the state aid they received in the prior year. The chart below provides state per student funding support over the last decade.

##### Community College State FTE Rates

Year	State FTE \$	% Change	\$ Change
2008-09	\$2,675	0.0%	\$0
2009-10	\$2,675	0.0%	\$0
2010-11	\$2,260	-15.5%	(\$415)
2011-12	\$2,122	-6.1%	(\$138)
2012-13	\$2,272	7.1%	\$150

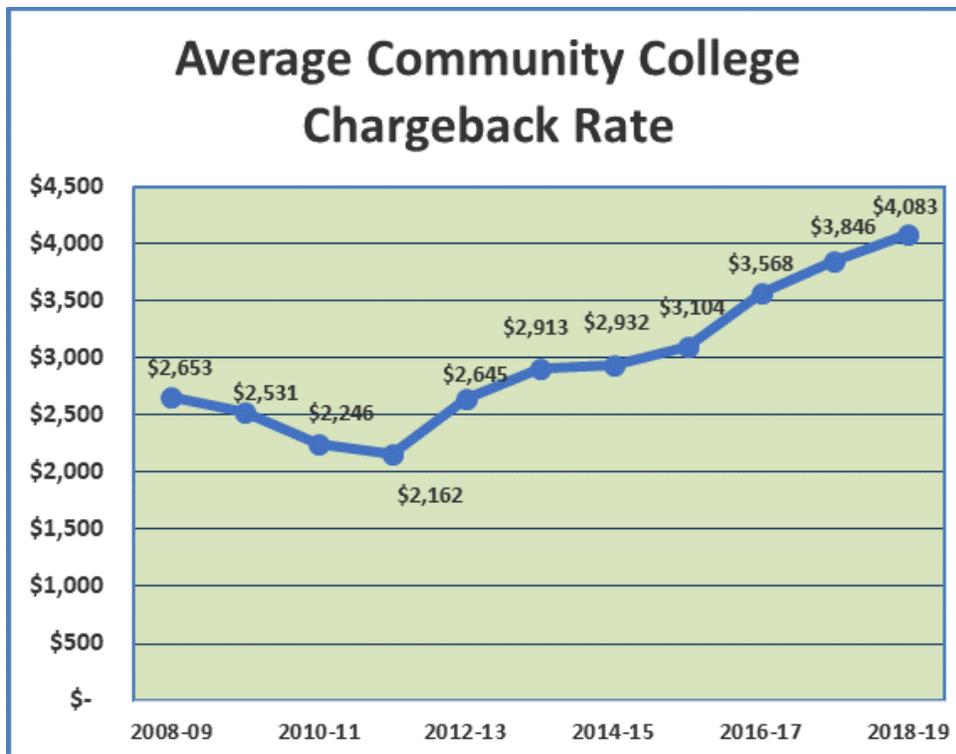
2013-14	\$2,422	6.6%	\$150
2014-15	\$2,497	3.1%	\$75
2015-16	\$2,597	4.0%	\$100
2016-17	\$2,697	3.9%	\$100
2017-18	\$2,747	1.8%	\$50
2018-19	\$2,847	3.6%	\$100
2019-20	\$2,947	3.5%	\$100

These state aid rates fall short when you measure them against inflation over the same time frame. Had the state aid FTE rates kept pace with inflation since 2008, the rate for 2019-20 would amount to \$3,234.

Historically, funding for community colleges was designed to be a three-way split between the state, counties and students. Initially, the state offered financial support of 40 percent to encourage counties to develop campuses across the state. This state funding commitment was later change to “up to” 40 percent.

### Chargebacks

As indicated, even though the state per student rate amounts have increased, the drop in enrollment can mean less state support overall at individual campuses. The combination of falling student enrollment and declines in funding from the state can create shortfalls at certain schools that can lead to increased chargeback amounts between counties due to how the current chargeback methodology works. The following table shows the trend in average community college chargeback rates over the last decade.



Significant revenues flow to community colleges beyond the amount appropriated in the state budget. For the 2017-18 academic year the total operating budgets for the 30 community colleges (sponsored by 37 counties and New York City) was \$1.96 billion, far beyond the \$480 million appropriated in the state budget.

## State Policy Recommendations

- Set the base state aid formula allocation for each community college to 100% of the prior year or increase \$100 per FTE, whichever is greater.
- Modify the institutional classification of the Fashion Institute of Technology (FIT) from a community college to a regular SUNY university or otherwise ensure 100% state reimbursement to counties for students attending FIT for 4- and 6-year degrees.