

Public Higher Education: What Happened?

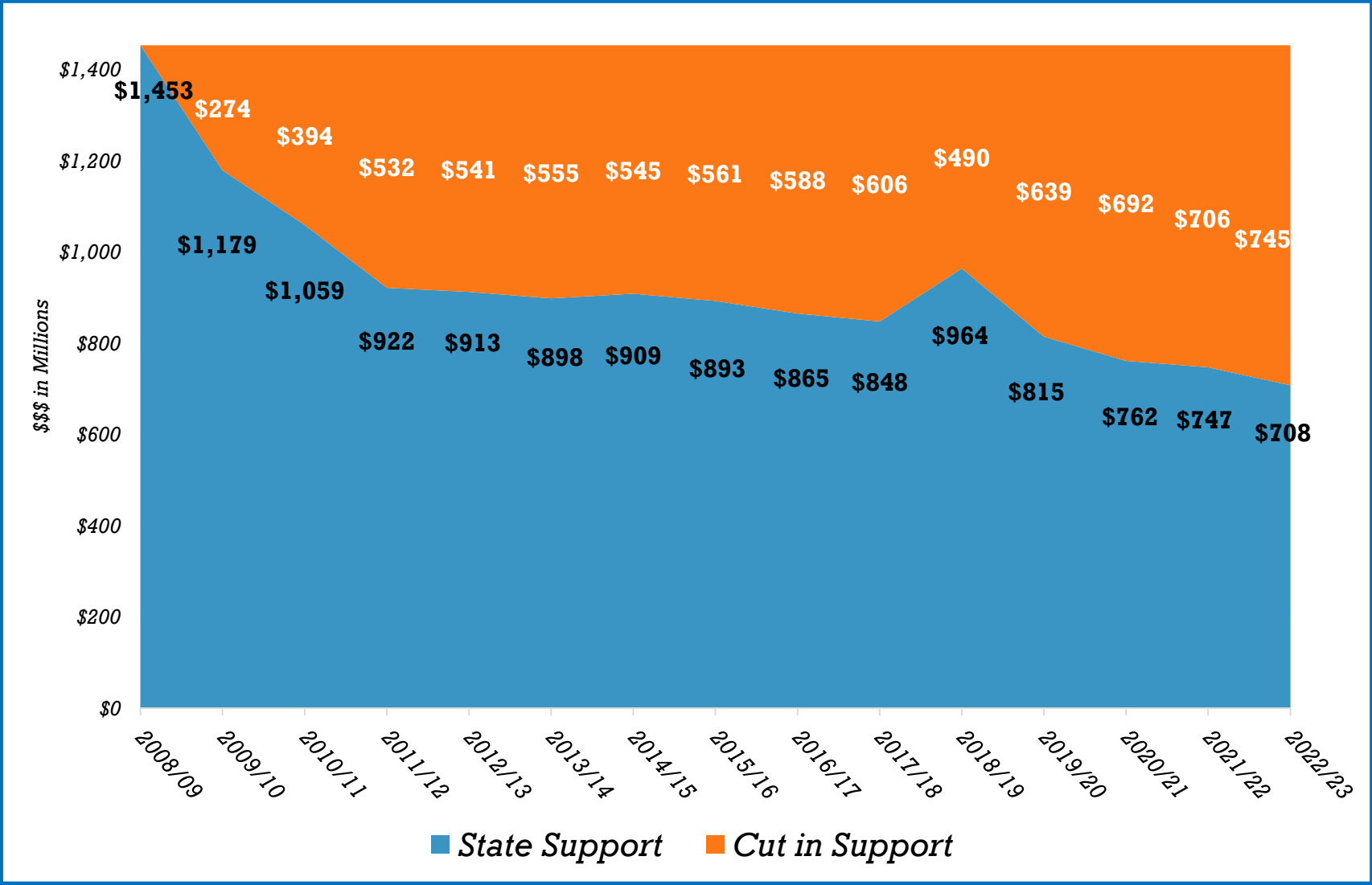
*For the Hunter College Collective Bargaining Conference
March 27, 2023*

United University Professions

Director of Research

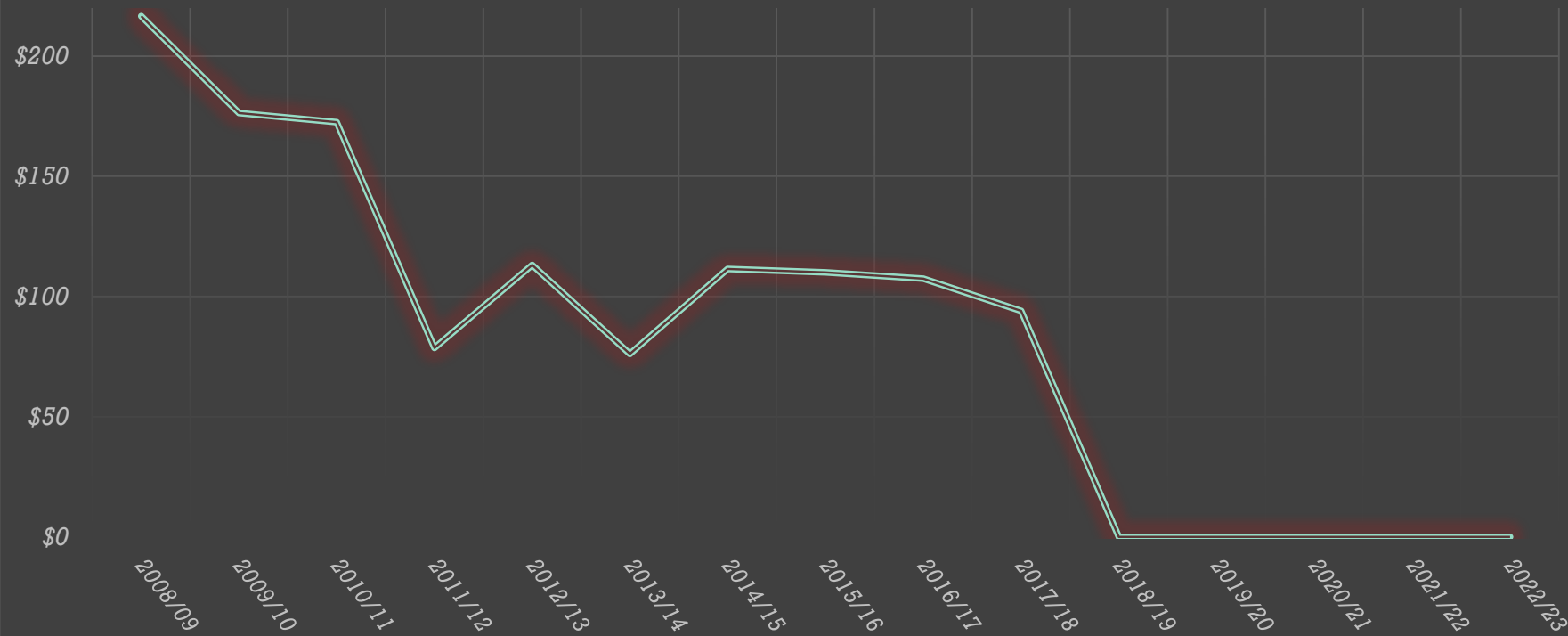
Mary E. Taber, MPPM, Ph.D.

DECLINING DIRECT STATE SUPPORT FOR SUNY [Excludes SUNY Teaching Hospitals]
 Since SFY 2008-09 the state has *reduced* direct state support by a total of over **\$7.8 billion, or 39%**. (\$\$\$ in millions and adjusted for inflation)

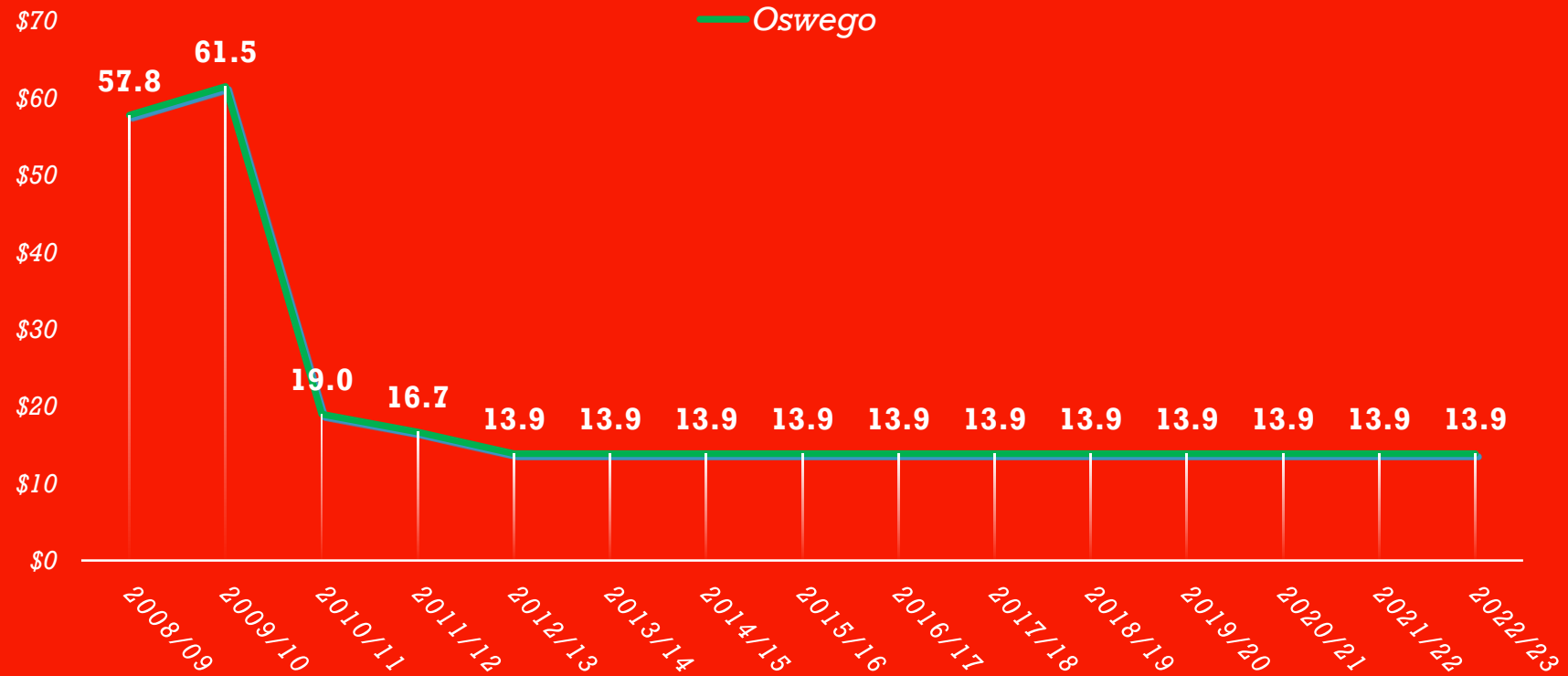


STATE CRITICAL MISSION FUNDING (STATE SUBSIDY) FOR SUNY'S PUBLIC TEACHING HOSPITALS HAS FLATLINED

Since SFY 2008-09 the state has *reduced* the state subsidy to the hospitals by a total of \$2 billion, or 66%. (\$\$\$ in millions and adjusted for inflation)



**DIRECT STATE SUPPORT FOR SUNY
OSWEGO
(NY STATE APPROPRIATIONS IN MILLIONS)**



Public
Higher
Education:
Revenue
Generator?

WHY DID THE FOLLOWING HAPPEN?

Cornell University's College of Agriculture become the NYS College of Agriculture in 1904?

- *Cornell College of Forestry closed in 1903?*
- *The NYS College of Forestry (SUNY ESF) opened in 1911?*
- *Syracuse University Chancellor in the late 1940s recommended transferring the medical school to a newly established SUNY?*

*NYS NEED for
improved labor-
mgmt., agriculture,
forestry, & trained
school teachers
[public goods]*

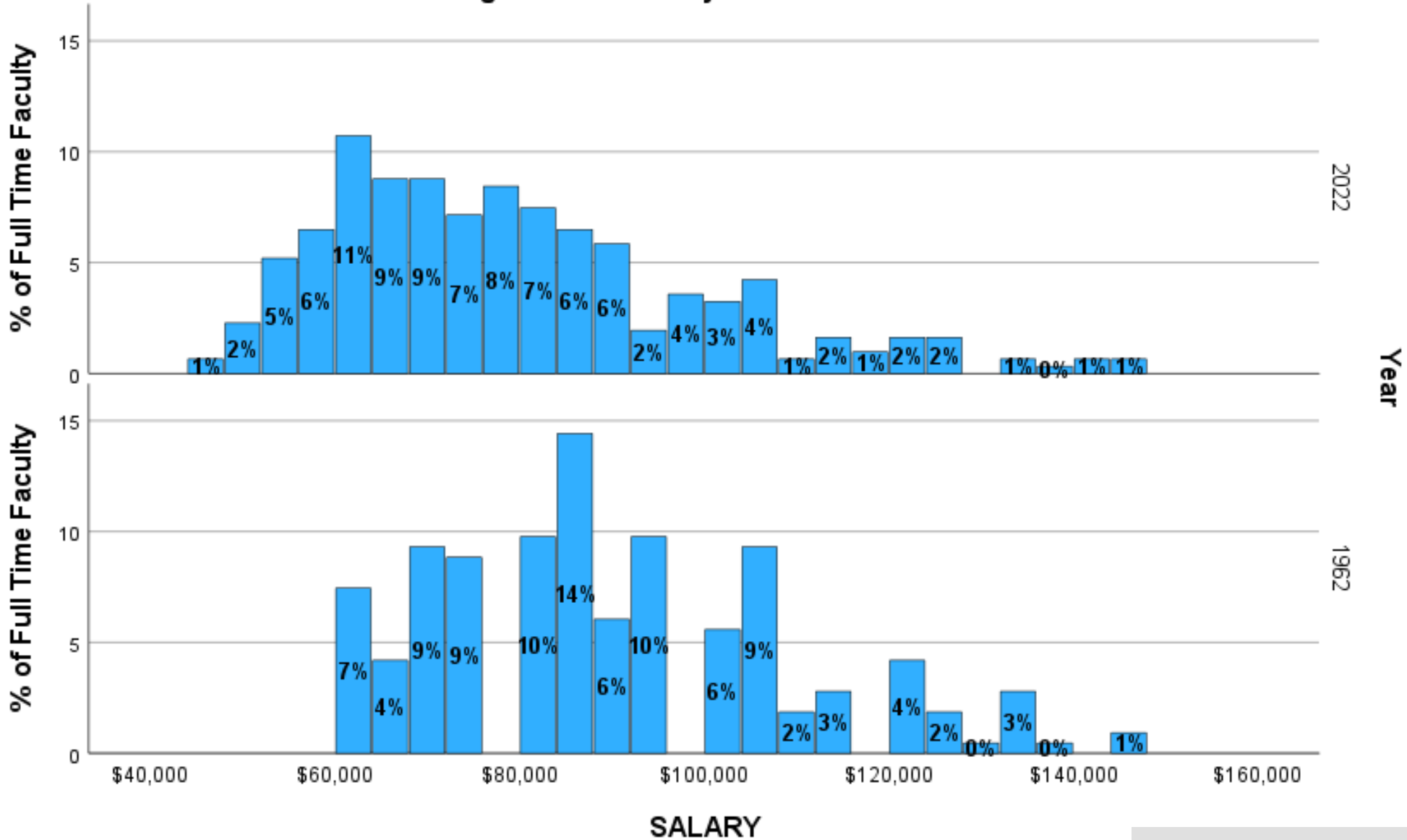
SUNY

*DEMAND: Post WWII
dramatic increase in
demand for higher
education.*

*DISCRIMINATION:
Quotas at private
institutions.*

*COST: High quality
higher education (and
health care) is an
investment & is not
profitable.*

SUNY Oswego full-time faculty salaries in 1962 versus 2022



Note: 1962 salaries adjusted for 2022 inflation.

1710-2-0
 THE UNIVERSITY OF THE STATE OF NEW YORK
 The State Education Department
 Bureau of Statistical Services
 Albany 1

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BUREAU OF STATISTICAL SERVICES

COLLEGE AND UNIVERSITY FINANCIAL REPORT
 For the year ending ~~June 30, 1962~~ March 31, 1962

Institution State University of New York Reporting officer Miriam Taaffe, Sr. Budgeting
 included Oswego Analyst
 Names of any branch units ~~submitted~~

TABLE I
 Selected Financial Facts

| Description | Amount | | | | |
|--|--------|----|-----|-----|----|
| | | | | | |
| 1a. Value of physical plant as of June 30 used in determining insurance coverage (includes all plant and equipment) | 1a. | 19 | 944 | 582 | 41 |
| 1b. Value of land as of June 30 | 1b. | | | | |
| 1c. Total value of additions to the physical plant during the year ending June 30 (includes all plant and equipment and data on land) sum of d and e | 1c. | 2 | 960 | 886 | 21 |
| 1d. Additions - capitalized | 1d. | 2 | 960 | 886 | 21 |
| 1e. Additions - charged to current expenses | 1e. | | | | |
| 1f. Book value of endowment funds and funds functioning as endowment as of June 30 | 1f. | | | | |
| 1g. Market value of funds reported in 1f. as of June 30 | 1g. | | | | |
| 1h. Amount of increase or decrease in book value of endowment funds and funds functioning as endowment during the year ending June 30 | 1h. | | | | |
| 1i. Amount of excess (or deficit) of current income over current expenditures for the year ending June 30 as per audit report (Please specify excess or deficit) | 1i. | | | | |
| | | + | 56 | 312 | 00 |

Please read the attached instructions before filling in tables.

(Income from educational and general sources)

| TYPE OF INCOME | AMOUNT | | | | |
|---|--------|-----|-----|-----|----|
| | | | | | |
| 2a. Student fees | 2a. | 149 | 650 | 00 | |
| 2b. Endowment earnings | 2b. | | | | |
| 2c. Receipts from public sources | 2c. | 2 | 579 | 701 | 00 |
| 2d. Gifts and grants from private sources (1) | 2d. | | | | |
| 3a. Sales and services of educational departments (gross) | 3a. | | | | |
| 3b. Receipts from other sources (2) | 3b. | | | | |
| 3c. Total educational and general receipts | 3c. | 2 | 729 | 351 | 00 |

Individual figures unavailable - Total (1) ~~28,101~~
 (2) ~~206,072~~

Table 3 — Current Expenditures (See instruction 1, table 2.)

(Expenditures for educational and general purposes)

| TYPE OF EXPENDITURE | AMOUNT | | | | |
|---|--------|-------|-----|-----|----|
| | | | | | |
| 4a. Expenditures for general administration and undistributed items | 4a. | 528 | 478 | 00 | |
| Expenditures for resident instruction and research (See instruction 2, table 3.) | | | | | |
| 4b. Colleges, schools and departments | 4b. | 1,633 | 138 | 00 | |
| 4c. Organized activities relating to instructional departments, such as hospitals, clinics etc. | 4c. | | | | |
| 4d. Organized research separately budgeted | 4d. | * | | | |
| 4e. Other instruction or research | 4e. | | | | |
| 4f. Total of items 4b through 4e | 4f. | 1 | 633 | 138 | 00 |
| 5a. Extension and public services | 5a. | | | | |
| 5b. Libraries | 5b. | | 105 | 978 | 00 |
| 5c. Operation and maintenance of plant | 5c. | | 405 | 445 | 00 |
| 5d. Total educational and general expense | 5d. | 2 | 673 | 039 | 00 |

* Individual figures unavailable - Total ~~304,302~~

Instructions

All financial information sought is based upon data derived from standard accounting procedures outlined in "College and University Business Administration," volume I, American Council on Education, 1952.

| 1962 | Buff State | Geneseo | New Paltz | Oneonta | Oswego |
|---------------------------------|-----------------------|----------------------|--------------------|----------------------|--------------------|
| <i>Student Fees</i> | \$244,767 | \$67,739 | \$220,625 | \$162,003 | \$149,650 |
| <i>Public Sources</i> | \$2,623,152 | \$1,786,858 | \$1,869,326 | \$1,997,000 | \$2,579,701 |
| <i>Total Income</i> | \$2,867,919 | \$1,854,597 | \$2,089,951 | \$2,159,003 | \$2,729,351 |
| <i>Excess (or deficit)</i> | \$0 | (\$33,703) | \$14,659 | (\$6,762) | \$56,312 |
| <i>% of income student fees</i> | 8.53% | 3.65% | 10.56% | 7.50% | 5.48% |
| <i>% public sources</i> | 91.47% | 96.35% | 89.44% | 92.50% | 94.52% |
| <i>Current Deficit</i> | \$19.3 million | \$9.1 million | \$4 million | \$1.9 million | \$5 million |

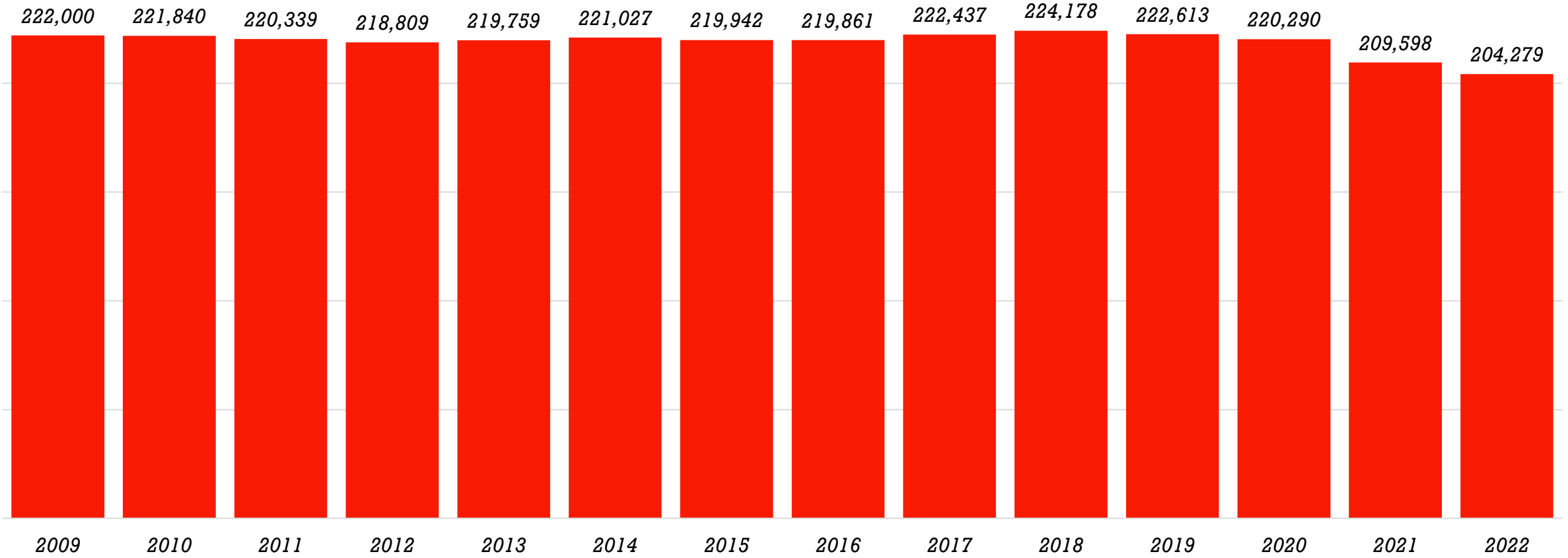
Today total state support is less than 30% of SUNY's Revenue. Tuition/Fees are roughly double State Operations Direct Appropriations.

Is enrollment to blame?

- *27,000 at inception in 1948*
- *30,910 in 1955*
- *63,721 in 1959 [Growth rate 3X national average]*
- *More than 150,000 in 1964*

*Note: 1963 first year SUNY charged tuition = \$400
[Less than \$4,000 today.]*

*State University of NY State-Operated Campuses
Total Student Headcount [FTE roughly 87% of total]*



FORM ST(C)-1
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 DEC 28 1962
 BUREAU OF STATISTICAL SERVICES

COLLEGE AND UNIVERSITY STUDENT ENROLLMENT SUMMARY

INSTITUTION: State University College at Oswego
 BRANCH UNITS OMITTED: None
 ENROLLMENT AS OF: 10/15/62
 REPORTING OFFICIAL: [Signature]

A. CANDIDATES FOR ASSOCIATE, BACHELOR'S AND FIRST PROFESSIONAL DEGREES -- ON CAMPUS -- DAY AND EVENING SESSIONS

| | FULL-TIME | | | PART-TIME | | | GRAND TOTAL | | |
|--|-----------|-------|-----------------|-----------|-------|-----------------|-------------|-------|---------------|
| | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |

CANDIDATES FOR ASSOCIATE DEGREES

| | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|--|-----|-------|-----------------|-----|-------|-----------------|-----|-------|---------------|
| ASSOCIATE IN ARTS | | | | | | | | | |
| ASSOCIATE IN APPLIED SCIENCE | | | | | | | | | |
| TOTAL ENROLLMENT OF CANDIDATES FOR ASSOCIATE DEGREES | | | | | | | | | |

CANDIDATES FOR BACHELOR'S AND 1ST PROFESSIONAL DEGREES REQUIRING NO MORE THAN 4 YEARS OF COLLEGE

| | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|--|------|-------|-----------------|-----|-------|-----------------|------|-------|---------------|
| TOTAL ENROLLMENT OF CANDIDATES FOR BACHELOR'S AND FIRST PROFESSIONAL DEGREES REQUIRING NO MORE THAN 4 YEARS OF COLLEGE | 1134 | 1790 | 2924 | 17 | 45 | 62 | 1151 | 1835 | 2986 |

CANDIDATES FOR BACHELOR'S AND 1ST PROFESSIONAL DEGREES REQUIRING 5 OR MORE YEARS OF COLLEGE

| | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|---|-----|-------|-----------------|-----|-------|-----------------|-----|-------|---------------|
| TOTAL ENROLLMENT OF CANDIDATES FOR DEGREES REQUIRING 5 YEARS OR MORE OF COLLEGE | | | | | | | | | |

B. CANDIDATES FOR GRADUATE AND HIGHER LEVEL PROFESSIONAL DEGREES

| SECOND LEVEL DEGREE IN GIVEN FIELD OF STUDY (MASTER'S DEGREE) | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|---|-----|-------|-----------------|-----|-------|-----------------|-----|-------|---------------|
| DOCTORATE | | | | 79 | 59 | 138 | 79 | 59 | 138 |

UNDISTRIBUTED AT GRADUATE LEVEL - INCLUDE HERE ONLY BONA FIDE GRADUATE DEGREE CANDIDATES WHO CANNOT BE DEFINITELY CATEGORIZED ABOVE AT TIME OF REPORTING

| TOTAL ENROLLMENT OF CANDIDATES FOR GRADUATE DEGREES | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|---|-----|-------|-----------------|-----|-------|-----------------|-----|-------|---------------|
| | | | | 79 | 59 | 138 | 79 | 59 | 138 |

C. STUDENTS TAKING COLLEGE COURSES FOR CREDIT WHO ARE NOT CANDIDATES FOR DEGREES

IF THESE STUDENTS HAVE BEEN DISTRIBUTED BY FIELD OF STUDY, ENTRIES IN SECTION C OF THIS FORM SHOULD EQUAL THE SUM OF ENTRIES IN SECTION C OF THE YELLOW FORMS ST(C)-1a IF THIS DISTRIBUTION IS NOT POSSIBLE, MERELY SHOW TOTAL NUMBERS OF THESE STUDENTS FOR THE INSTITUTION AS A WHOLE ON THE LINE BELOW.

| STUDENTS WHO ARE REGISTERED FOR CREDIT ON CAMPUS IN ONE OR MORE COURSES BUT WHO ARE NOT CANDIDATES FOR A DEGREE | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | MEN | WOMEN | MEN AND WOMEN |
|---|-----|-------|-----------------|-----|-------|-----------------|-----|-------|---------------|
| | 24 | 40 | 64 | 24 | 40 | 64 | | | |

D. TOTAL ENROLLMENT OF DEGREE-CREDIT STUDENTS-ON CAMPUS-DAY AND EVENING SESSIONS
 SUM OF TOTALS 1 THROUGH 5

II. NONDEGREE-CREDIT STUDENTS -- ON CAMPUS -- DAY AND EVENING SESSIONS

| | FULL-TIME | | | PART-TIME | | | GRAND TOTAL |
|--|-----------|-------|-----------------|-----------|-------|-----------------|-------------|
| | MEN | WOMEN | TOTAL FULL-TIME | MEN | WOMEN | TOTAL PART-TIME | |
| STUDENTS IN NON-DEGREE-CREDIT PROGRAMS AND THOSE ONLY AUDITING DEGREE-CREDIT COURSES | | | | | | | |

III. ENROLLMENT IN EXTENSION COURSES (JULY 1961 THROUGH JUNE 1962)
 TOTAL NUMBER OF STUDENTS ENROLLED (UNDUPLICATED COUNT):

1. IN COURSES WHICH CAN BE CREDITED TOWARD DEGREES
2. IN COURSES WHICH CANNOT BE CREDITED TOWARD DEGREES

IV. ENROLLMENT IN SUMMER SESSION (SUMMER OF 1962)
 TOTAL NUMBER OF STUDENTS ENROLLED (UNDUPLICATED COUNT):

1. IN COURSES WHICH CAN BE CREDITED TOWARD DEGREES
2. IN COURSES WHICH CANNOT BE CREDITED TOWARD DEGREES

V. UNDERGRADUATE FRESHMEN ADMISSIONS - FIRST TIME IN ANY COLLEGE
 FULL-TIME DAY PROGRAM FALL 1962

1. NUMBER OF COMPLETED APPLICATIONS PROCESSED FOR DECISION FOR FALL TERM ONLY
2. NUMBER OF ABOVE APPLICATIONS "ACCEPTED" FOR ADMISSION
3. NUMBER OF ACCEPTED APPLICANTS WHO REGISTERED (FRESHMEN - "FIRST TIME IN ANY COLLEGE")
4. NUMBER OF ADDITIONAL FRESHMEN WHO COULD HAVE BEEN ACCOMMODATED WITH EXISTING FACILITIES

VI. ADMISSION TO JUNIOR CLASS
 FULL-TIME DAY PROGRAM FALL 1962

1. NUMBER OF STUDENTS WHO ENTERED THE JUNIOR CLASS AS TRANSFERS FROM OTHER INSTITUTIONS, IN EACH OF THE FOLLOWING FIELDS:

| | | | | | |
|-------------------|-----------|-------------|--------------------------|---------|-----------------|
| BUSINESS SUBJECTS | EDUCATION | ENGINEERING | LIBERAL ARTS AND SCIENCE | NURSING | OTHER (SPECIFY) |
| | 24 | | 20 | | |

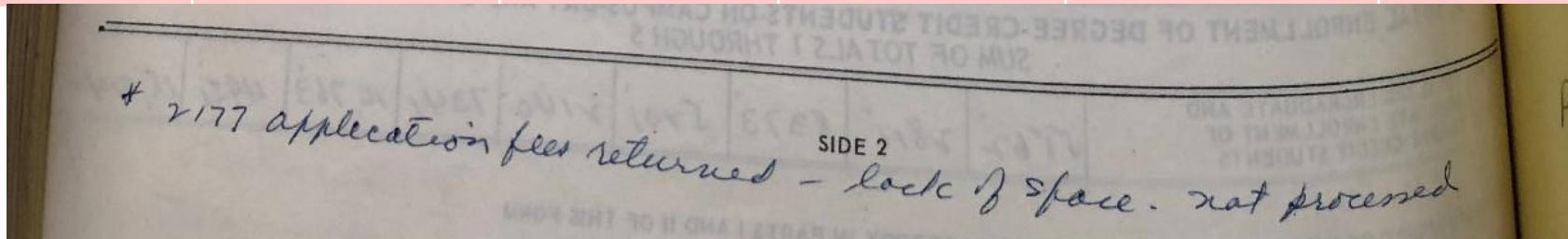
2. NUMBER OF ADDITIONAL QUALIFIED JUNIORS WHO COULD HAVE BEEN ACCEPTED WITH EXISTING FACILITIES:

| | | | | | |
|-------------------|-----------|-------------|--------------------------|---------|-----------------|
| BUSINESS SUBJECTS | EDUCATION | ENGINEERING | LIBERAL ARTS AND SCIENCE | NURSING | OTHER (SPECIFY) |
| | | | | | |

In 1962 SUNY's student-faculty ratios often lower than today. Why were applicants turned away?

| 1962 | #applicat process | # accept | 1st year admits | Accept Rate | Yield | Fall 2021 undergrad # |
|-----------------------------|------------------------------|-----------------|---------------------------------------|------------------------|--------------|----------------------------------|
| <i>Buffalo State</i> | <i>2472</i> | <i>1365</i> | <i>999</i> | <i>55%</i> | <i>73%</i> | <i>6000</i> |
| <i>Univ. at Buffalo</i> | <i>5442*</i> | <i>3578</i> | <i>2292</i> | <i>66%</i> | <i>64%</i> | <i>21000</i> |
| <i>Oswego</i> | <i>2449</i> | <i>1614</i> | <i>795</i> | <i>66%</i> | <i>49%</i> | <i>6100</i> |
| <i>Plattsburgh</i> | <i>1187</i> | <i>917</i> | <i>562</i> | <i>77%</i> | <i>61%</i> | <i>4300</i> |
| <i>Potsdam</i> | <i>1276</i> | <i>708</i> | <i>490</i> | <i>55%</i> | <i>69%</i> | <i>2300</i> |

*





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History

Driving New York's Economy Since 1944



Governor Thomas E. Dewey signs the law that creates the Dormitory Authority of the State of New York (DASNY) for the purpose of financing and constructing dormitories at eleven state teachers' colleges.

“In 75+ years of service to New Yorkers, DASNY has grown into one of the largest financiers and builders of social infrastructure facilities in the United States.”

- *Was it coincidental that SUNY started charging tuition at the same time the NYS Legislature created the SUNY Construction Fund?*

If assume 200,000 students, debt service is roughly \$3000 per student.

| Indirect State Support | | | |
|------------------------|-----------------|--------------|------------|
| | Fringe Benefits | Debt Service | Litigation |
| | 1,818.3 | 619.0 | (1.1) |
| | 1,909.0 | 585.9 | 80.9 |
| | 1,878.6 | 628.2 | 80.3 |
| | 1,700.4 | 675.8 | 67.4 |
| | 1,621.9 | 527.0 | 17.8 |

| OPERATING EXPENSES: | |
|---|-------------|
| Instruction | \$2,148,696 |
| Research | \$771,686 |
| Public service | \$288,347 |
| Academic support | \$520,626 |
| Student services | \$394,588 |
| Institutional support | \$996,879 |
| Operation and maintenance of plant | \$619,262 |
| Scholarships and fellowships | \$511,331 |
| Hospitals and clinics | \$3,624,490 |

| Statement of Cash Flows | |
|--|--------------|
| Cash flows from operating activities: | |
| Payments for fringe benefits | -\$721,312 |
| Cash flows from capital and related financing activities: | |
| Principal paid on capital debt and leases | -\$2,366,703 |
| Interest paid on capital debt and leases | -\$541,513 |

Nonoperating revenues (expenses):

| | |
|--|-------------------------|
| State appropriations | 4,004,972 |
| Federal and State nonoperating grants | 1,207,377 |
| Investment income, net | 63,911 |
| Net realized and unrealized losses | (119,716) |
| Gifts | 134,179 |
| Interest expense on capital related debt | (462,511) |
| Loss on disposal of plant assets | (1,874) |
| Other nonoperating revenues, net | 12,775 |
| Net nonoperating revenues | <u>4,839,113</u> |

Note the largest expense above. Compare it to Gifts. Compare it to Investment income.

DORMS YESTERDAY & TODAY

- *“UB from 1900 to the end of World War II represented the quintessential urban university. Located after 1920 at the end of the Main Street trolley line, all its students were commuters, overwhelmingly drawn from the Buffalo metropolitan area and Western New York.”*
- *SUNY Buff State: “Total enrollment in the residence halls is 1,683. This is a decrease of 50 students (2.9%) from fall 2021. Since fall 2018, residence hall occupancy has decreased by 28.9 percent.”*

VI. RESIDENCE HALLS OPERATIONS

Five Year Comparative Data
(in thousands)

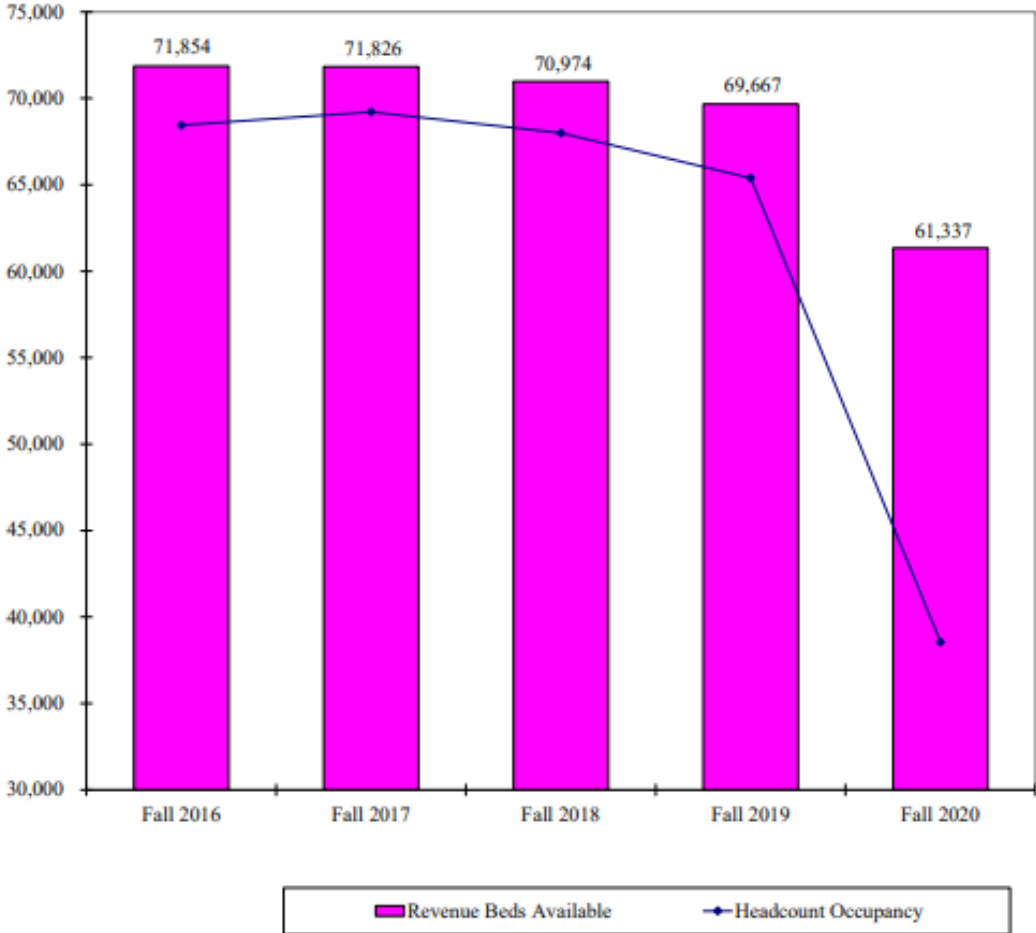
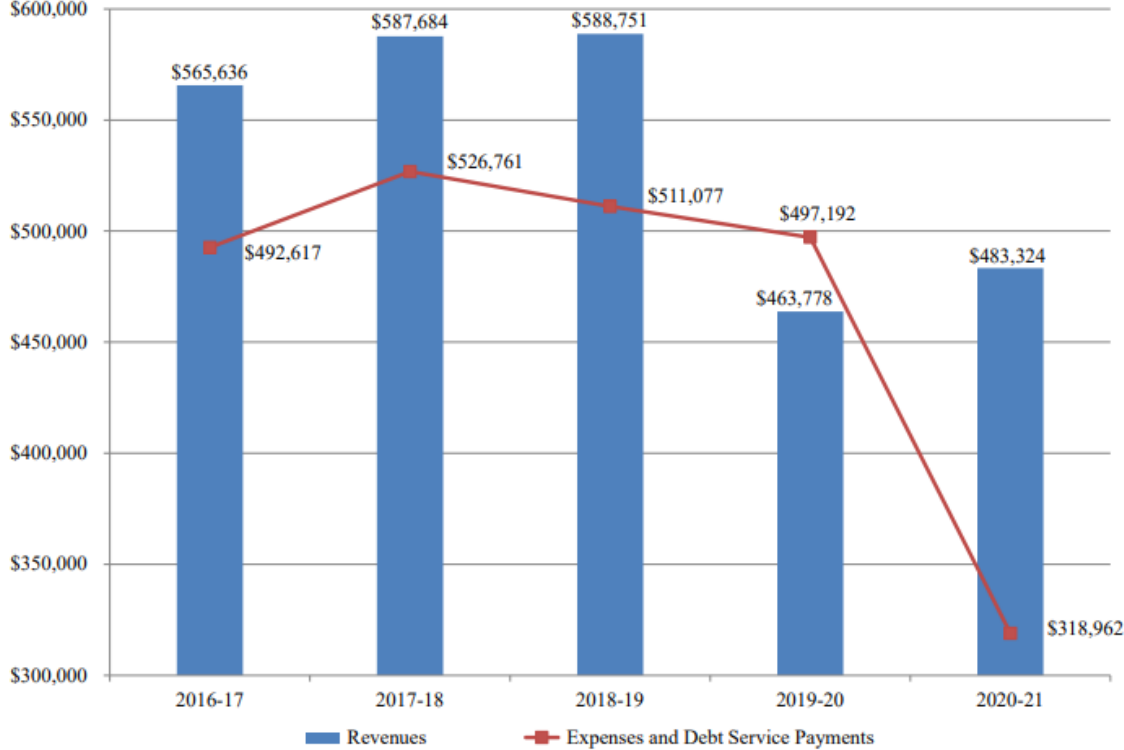


Chart 22

Revenues, Expenses, and Debt Service Payments
(in thousands)



“Enrollment data is used in tuition revenue planning. Each campus is assigned a tuition revenue target based on the planned enrollment data. If the revenue target is not met, a campus must reduce its operating expenses on a dollar-for-dollar basis or provide revenue from another source to meet the revenue shortfall.”

“The State University’s residence hall operations and rehabilitation programs are financially self-sufficient (i.e., there is no State support provided to pay these costs). Each campus is responsible for meeting its own costs of operations, maintenance and rehabilitation of the residence halls. ...Funding for capital construction and rehabilitation of residence halls is provided from the issuance of bonds by the Dormitory Authority of the State of New York (“DASNY”) and from reserve funds accumulated by campuses from residence hall operating revenues.”

SUNY state funding
and NYS's budget:
Priorities?

- *Top taxes have been reduced for the wealthiest and increased for the middle and working class.*
- *Less money for public higher ed (which disproportionately serves the middle and working class).*
- *Yet NYS budget has grown tremendously. Over 78 billion in 2008-9 (equal to over 111 billion today); if you include federal and all funds was over 121 billion (equal to over 173 billion today).*
- *NYS's current \$227 billion proposed budget (over \$5 billion increase from last year)*

Brand and strategic positioning:

We score this sub-factor based on a qualitative assessment of the attributes and strength of a college's or university's brand and its ability to leverage that brand to support its operating stability and growth. We consider the institution's ability to consistently generate revenue that is sufficient to support its operations. Colleges and universities that have an exceptional ability to consistently generate revenue to sustainably fund operations typically score higher for this sub-factor than institutions that have a weak or inconsistent ability to generate sufficient revenue.

In our assessment of brand and strategic positioning, we consider the breadth and diversity of a college's or university's educational offerings and its sources of revenue, as well as its appeal to local, national and international students (its geographic reach). We also consider how closely the college or university has aligned its academic programs to market and customer demand. Educational institutions with broad, diverse offerings that appeal to students across geographies and are closely aligned with market demand tend to score higher for this sub-factor than colleges or universities with limited diversity of revenue sources, a narrow geographic reach and weak alignment of academic programs to market demand.

Governance Foundation Fissure?

Conflict of interest?

- *As the state has stopped funding higher education, and viewed SUNY as another nonprofit it can choose or not to choose to fund, SUNY is at a particular disadvantage.*
- *Administration and board of trustees of actual private nonprofits (such as a homeless shelters, museums or private colleges) have fiduciary responsibility and Duty of Loyalty to the nonprofit they govern.*
- *SUNY top administrators and board of trustees (being political appointees) have allegiance & loyalty to the governor.*

SOLUTIONS??

- *Legislatures need to understand the importance of excess capacity & ability to pivot.*
- *Focus on public higher education as a public good [consistent with SUNY's history].*
- *Part-time students and commuters and returning students who will not necessarily reside in the dorms.*
- *Need to understand the impact of disappearing lifetime employment → reduces employers investing in employee training; cost of training no longer primarily a public good but now for private sector employers; thus need to find a way for the private sector to subsidize public higher education costs....*
- *The board of trustees and administrators need to demand the state fund public higher education, or they need to be responsible for finding funding sources other than students.*