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New York Governor Proposes New Freedoms for SUNY and CUNY Systems

By Eric Kelderman

Gov. David A. Paterson New York is recommending that the state's public-university systems have the freedom to set tuition and make purchases outside of the state's procurement process, among other things.

The measures appear in the governor's proposed 2010-11 budget, which must be approved by the Legislature to take effect, and are being hailed by higher-education leaders as major improvements for their systems and for their ability to support the state's economy.

"We have taken a major step in unleashing the public-university sector to achieve the promise of economic growth through top-quality education, from community college to research center," Nancy L. Zimpher, chancellor of the State University of New York, said in a written statement. "This will positively impact every community in the state with the creation of tens of thousands of new jobs and through billions of dollars in local investment."

Among the key measures in the Democratic governor's legislation is a proposal to remove tuition from the state's budget process and to allow universities to receive that revenue without an appropriation by lawmakers. In the past, the state has opted to retain a portion of the proceeds of tuition increases in order to balance the state budget.

The public universities would also be allowed greater flexibility to set different tuition rates for different programs and on different campuses within the systems.

In exchange for that increased authority, trustees of the State and City Universities would be able to raise tuition by only 2.5 times the five-year average rate of the Higher Education Price Index, a widely used measure of colleges' inflation costs. That limit would not only constrain the governing boards of the systems, but also provide a measure of predictability to parents and students who are trying to plan for the costs of education, said Allan H. Dobrin, vice chancellor and chief operating officer of the City University of New York.

The new legislation, if enacted, would also allow the State University system to lease property to other businesses and to participate in public-private partnerships without legislative approval. Under the legislation, such agreements would be subject to review by a newly created oversight board.

Governor Paterson's proposal would also allow both the State and City University systems to buy goods and services without advance approval by the state's comptroller.

While higher-education officials have been seeking such changes for several years, state legislators may still be unwilling to cede authority in politically sensitive areas, such as tuition.

Last year legislators considered a similar package of reforms that would have applied to only the State University of New York at Buffalo -- one of the system's 64 campuses. That bill passed the state Senate but stalled in the Assembly, said John B. Simpson, president of the Buffalo campus.

"We proposed rather sweeping changes, which I think the state wasn't ready to approve for just one institution," he said.

Robert L. Megna, New York's budget director, said the reforms were meant to be what's best for the university systems, not necessarily something that will make legislators "jump up and down and say hurrah."

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