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With tuition and student debt at the top of national discussion, programs such as New York's will be watched by many groups eager to learn from the outcomes and unintended consequences. | AP Photo

## New York's free\* tuition plan

By **KESHIA CLUKEY** | 04/11/17 05:16 AM EDT

ALBANY — Gov. Andrew Cuomo scored a major policy victory in this year's budget with the passage of his Excelsior

Scholarship program, which most news accounts described simply as free college tuition for middle-class students. What's not to like about that?

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The question is whether the program lives up to that hype. Some experts believe it contains a number of worrisome aspects, although they agree that the program is a step forward for college accessibility.

Cuomo introduced the idea in January while standing next to Vermont Sen. Bernie Sanders, who made college affordability a centerpiece of his 2016 presidential campaign. Once fully implemented in 2019, the plan would cover the cost of tuition at the state's public two- and four-year institutions for students with an annual household income of \$125,000. (The program will start this fall, for families earning \$100,000 a year or less.)

The proposal put Cuomo and New York squarely in the middle of the national debate over access to higher education, and fueled talk about the governor positioning himself for a possible presidential campaign in 2020.

"With this budget, New York has the nation's first accessible college problem. It's a different model," Cuomo said in a news release this weekend. "The Excelsior Scholarship will make college accessible to thousands of working and middle class students and shows the difference that government can make. There is no child who will go to sleep tonight and say, 'I have great dreams, but I don't believe I'll be able to get a college education because parents can't afford it'. With this program, every child will have the opportunity that education provides."

As advocates and experts read through the plan's details, there appears to be an asterisk attached to the notion of "tuition free" college. For example, students who receive the scholarships must agree to work in the state for the same number of years as they receive the aid. If they do not, the awards would be converted into student loans, although there are some exceptions that allow for deferment, for example, if they attend graduate school.

"Throwing in a lot of these extras has muddied it a bit," said Ann Marcus, director of the Steinhardt Institute for Higher Education Policy at NYU.

One of the issues was funding, said New York Public Interest Research Group executive director Blair Horner.

"The governor's rhetoric did not match the Division of Budget's reality," he said. "The governor's press release with Senator Sanders promised something far different from what he proposed and what was enacted."

Students who accept the scholarship are required to take at least 12 credits per semester and earn 30 credits each year (including summer and January sessions) while maintaining a GPA necessary to graduate on time.

The budget allocates \$87 million for the first year of the scholarship, which would provide up to \$5,500 per recipient, or the actual tuition amount per student, whichever is less. A last dollar plan, it comes after state tuition assistance (TAP) and federal aid.

The State and City Universities will be required to freeze the tuition rate for Excelsior scholarship students, and would be

asked to make up the difference if there is a gap between the tuition amount and what the plan covers.

The legislation authorizes the state's Higher Education Services Corporation, which distributes TAP, to create rules and regulations, including criteria for distributing the awards. Distribution may "include a lottery or other form of random selection," according to the budget bill, suggesting that perhaps not all students eligible would be able to receive the aid. A request for clarification from the governor's office and Division of Budget was not returned Monday.

Marcus said she was particularly concerned about the work requirement. "It's going to box you in to certain kinds of choices," she said.

Gerald Benjamin, a professor of political science at SUNY New Paltz, said he thought it was a good thing that "New York is investing and expects its people to commit to New York at least for a period of time."

Advocates have expressed concern that the program leaves out low-wealth families, which is a fair point, said Martha Kanter, executive director of the national College Promise Campaign and senior fellow at the Steinhardt Institute.

"In the best of all possible worlds we would want to see first-dollar opportunities," she told POLITICO New York, referring to programs that pay for tuition before additional aid opportunities. "We also need to do more for the students at the lowest end."

Although low-income students who attend SUNY and CUNY schools are typically covered by TAP and federal aid and so already attend tuition-free, other programs could help students with books, board and other fees, she said.

SUNY and CUNY already provide money for TAP eligible students, filling what's called the "TAP gap," but the new program could create an additional "Excelsior gap," said Fred Kowal, president of United University Professions, the union that represents SUNY employees. The gap would come from freezing tuition for some students, requiring the systems to cover the difference as it rises each year. "It would appear that some money covers some of the gap, but we also don't know where that comes from," Kowal said.

Meanwhile, another portion of the state budget creates a "rational tuition plan," allowing both CUNY senior colleges and

SUNY's comprehensives to raise in-state tuition by up to \$200 annually. This would help the schools cover any increased costs associated with increased demand from students, but would also put students at different tuition levels.

Students in the three-year roll-out would be coming in at different scholarship eligibility levels, creating yet another subset of students paying differing amounts.

"With students who are paying different rates, that creates all kinds of inequities and discomforts," Marcus said. "It's also hard to monitor and regulate."

On top of that, there are few details about how the state would administer scholarships that were transferred into loans for students who don't meet the requirements or decide to move out of the state.

"I think it will be sort of a painful process figuring out how to structure all this, how to regulate it," Marcus said. It "sounds like a lot of new regulation," Marcus added.

SUNY and CUNY will have to figure out and administer the regulations, and quickly, too, as students already are applying and receiving financial aid packages for fall.

It's unclear just how many students the program will actually help. The governor's office announced that nearly 940,000 families will be eligible for the program once fully phased out.

Kowal said he believed the program would gain traction as it's rolled out and details are better explained to the public.

"I think uncertainty this fall will limit the amount of folks [that apply]," Kowal said, adding that by fall 2018 it should be in full swing.

"It's a starting point," he said of the proposal. "Like a lot of major policy initiatives, it is announced with great fanfare as it should be, this was going to be a big step. But when you get into the weeds of actually making policy within the constriction of actual resources available, the actual policy is limited in scope... it needs to be fine tuned and improved upon."

New York technically is the first state to include free two- and four-year college, for which the governor should be

commended, Kanter said.

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Making the tuition plan a scholarship instead of an entitlement program will allow the state to make changes moving forward, including cutbacks, NYPIRG's Horner said.

Horner lauded the program overall.

"After years and years of little good happening, it was the first session where something innovative was advanced that was a new investment in higher education," Horner said. "Is the package that passed all that the governor said it would be on Excelsior? No. Is the higher education budget better than what the governor proposed? Yes. ...They call it sausage making for a reason, it's never perfect."

The scholarship was "oversold," but, Horner said, "It's only the first step in the thousand-mile journey."

The higher education budget also includes:

- \$7.5 billion in total support for higher education, a \$448 million increase over 2016-17 spending, according to the Division of Budget.

- \$6.1 billion for SUNY and CUNY, a \$309 million increase over 2016-17 spending. This includes \$3.6 billion for SUNY state-operated campuses, \$1.6 billion for CUNY senior colleges, and \$745 million for SUNY and CUNY community colleges, an increase of \$50 per full-time equivalent student, according to the Division of Budget.

- A "maintenance of effort," requiring the state to cover certain mandatory year-to-year cost increases, such as collective bargaining costs, at the two systems. It would require the systems to provide an annual report showing that revenue generated was invested in items such as faculty, instruction and improving student success and completion rates.

- Creates a part-time scholarship award for community college students, not to exceed \$1,500 per semester. Students must

take at least six, but fewer than 12, credits to be eligible, and maintain a 2.0 GPA.

— Provides \$19 million for an Enhanced Tuition program for students attending nonprofit independent schools. [Read more here.](#)