

Statement by Elsa Magee
Executive Vice President
New York State Higher Education Services Corporation

To the
New York State Senate Finance Committee
and
New York State Assembly Ways and Means Committee

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New York State Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255
www.hesc.ny.gov

Chairwoman Young, Chairwoman Weinstein, Chairman LaValle, Chairperson Glick, and members of the Senate and Assembly, thank you for the opportunity to speak today about the Governor's 2018-19 Executive Budget recommendations that impact the New York State Higher Education Services Corporation (HESC). I am Elsa Magee, Executive Vice President of HESC. This morning, I'm providing testimony on behalf of HESC Acting President, Dr. Guillermo Linares.

HESC does not participate in the policy-making process, but is instead responsible for administering more than two dozen New York State student financial aid and college access programs that help to ease college costs for New York State residents. Collectively, these programs provide nearly \$1.1 billion in financial aid awards to support the college costs of approximately 400,000 students attending public and private colleges inside our State. This includes roughly \$750 million for students attending public colleges and over \$300 million for students attending a private college.

Governor Cuomo's 2018-19 Executive Budget continues to ensure all New Yorkers can go to college and achieve their dreams by providing full support for all existing State grant, scholarship and loan forgiveness programs.

Last year, building on the state's generous tuition assistance programs, the Governor launched the Excelsior Scholarship. This provided tuition –free college for middle-class families. The first-of-its-kind program in the nation covers tuition at New York's public colleges and universities to families making up to \$125,000 a year- ensuring that more than 53% of full-time SUNY and CUNY in-state students are going to school tuition free. For 2018-19, the Excelsior Scholarship will enter the second of its three-year phase-in, under which the income eligibility threshold will increase to allow New Yorkers with household incomes up to \$110,000 to be eligible to attend a public college tuition free, and ensure that more families have access to a quality education and the skills needed to succeed in the 21st century economy. To continue this landmark program, the Executive Budget includes \$118 million to support 27,000 students in the Excelsior Scholarship program in 2018-19 and provides \$22.9 million for the Enhanced Tuition Awards program.

Each year, many talented students remain unable to fulfill their potential because they lack access to tuition assistance to help pay for college. The Governor's 2018-19 Budget recommendations reintroduces the DREAM Act and includes \$27 million to open the doors of higher education to thousands of New Yorkers.

At a time when a college education is more important than ever, student debt continues to reach record highs – accounting for 10 percent of our nation’s debt balance and amounting to \$1.48 trillion. To combat the exploding student debt, the Governor has proposed a series of new reforms that will be managed by the NYS Department of Financial Services, for which I’d like to highlight, including: (1) the creation of a Student Loan Ombudsman (2) requiring that all New York State colleges annually provide students with estimated amounts incurred for student loans; (3) increasing consumer protection standards throughout the student loan industry, including requiring student loan servicers to be licensed and including consumer protections for student debt consultants to operate in NY State and (4) prohibiting the suspension of professional licenses of individuals behind or in default on their student loans. Through these measures, the Governor will ensure that current and future New Yorkers are protected.

Closing

Governor Cuomo is leading the nation in expanding access to a quality and affordable college education. The 2018-19 Executive Budget increases State support for higher education to \$7.5 billion - an increase of \$1.4 billion or 24 percent since FY 2012. Under his leadership, New York has implemented an unprecedented number of new and strategic student financial aid programs and initiatives to make college more affordable and encourage the best and brightest

students to build their future in New York, including: the landmark Excelsior Scholarship, Enhance Tuition Awards Program, STEM Incentive Program; the NYS Get On Your Feet Loan Forgiveness Program; the Masters-in-Education Teacher Incentive Scholarship; and the New York State Standard Financial Aid Award Letter. His recommendations for higher education programs continue to pave a path to an affordable and high quality college education.

The 2018-19 Executive Budget enables HESC to continue administering an array of programs and services that support the attainment of a college degree for all New York State students. On behalf of Governor Cuomo, HESC is pleased to play a vital role in providing New York State's students with a gateway to a successful college career.

Thank you and I would be glad to answer any questions you may have.

