



NEW YORK STATE SENATOR

Kenneth P. LaValle

## Senator Ken LaValle: Senate Budget Includes Savings To Help Make College More Affordable

KENNETH P. LAVALLE March 15, 2016



March 12, 2016 - Senate Higher Education Committee Chairman Senator Ken LaValle today announced that the Senate budget would include new and enhanced measures to provide significant savings for college students. The Senate's budget proposal provides \$87 million to expand the income eligibility and award amounts for the Tuition Assistance Program and includes a total of \$295 million in tax savings with an increase in the tuition tax credit and creation of a new state income tax exemption.

Senator LaValle said, “I have continued to make college affordability a priority. I have worked very hard to enact measures ranging from loan forgiveness to increased tuition assistance recognizing that student loan debt is one of the most serious financial issues facing our young people.”

He continued, “Access to a quality, affordable higher education must continue to remain one of our top priorities. Too many young people are graduating college with crippling student loans. The Senate Republican higher education budget will help middle income families struggling to pay tuition by expanding TAP eligibility for families making up to \$100,000 net taxable income per year, doubling the tuition tax credit and freezing tuition at all SUNY and CUNY schools.”

### **\$87 Million TAP Increase; Expands Eligibility**

The Senate’s proposal focuses on reducing college costs and includes a significant increase in support for the Tuition Assistance Program (TAP). The Senate budget increases income eligibility and TAP awards so that more middle class families can receive help with higher education expenses. When fully implemented in fall 2017, the Senate proposal will provide \$87 million in additional TAP awards, with a guarantee of \$1,000 to any student from a family with a net taxable income of less than \$100,000 - up from \$80,000. The increase is over two years, with \$38 million in additional TAP awards starting in fall 2016 and \$49 million in fall 2017.

### **New Tax Exemption to Save \$40 Million on Student Loan Payments**

The Senate budget proposal creates a new state income tax exemption for student loan interest, saving eligible New Yorkers a total of \$40 million. Similar to the exemption already authorized by the federal government to reduce taxpayers’ gross income, the state would allow individuals to reduce their adjusted gross income by up to \$2,500. The limit on

modified adjusted gross income is \$160,000 if married filing a joint return; and \$80,000 if single, head of household, or qualifying widow(er).

### **\$255 Million Tuition Tax Credit Increase**

The Senate increases the amount of the tuition tax credit to save students and their families a total of \$55 million in the first year, and \$255 million when fully implemented in 2022. The measure doubles the amount of qualified college expenses that can be claimed from \$10,000 to \$20,000 over five years; doubles the maximum amount of the credit allowed from \$400 to \$800 over five years; and indexes the qualified expenses and credit to the rate of inflation of the Higher Education Price Index (HEPI).

### **Legislation to Increase Accountability & Transparency of Private College Data**

While tuition and other cost controls continue to be implemented at New York's public colleges and universities, private college costs continue to skyrocket. To better assess the impact these costs are having on students and the college market as a whole, the Senate budget proposes legislation that increases accountability at New York State's private colleges and provides more transparency in the higher education marketplace.

The measure would require all non-public colleges to annually report to the Legislature on the following: factors that drive cost increases; tuition trends for the past six years and percentage of year-to-year increases; total cost of fees; if the institution has an endowment and the amount of such endowment; the average institutional financial aid package by income bracket; the average amount of debt a student has upon graduation by income bracket; graduation rates for four, five and six years and average debt associated with each; enrollment trends over the past six years; job placement rates for graduates of the institution; the amount spent to educate students per FTE; the percentage of students who are TAP and Pell eligible; administrative and operating costs and the percentage of those

costs funded by tuition; and cost saving measures implemented over the past six years, if any.

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