

Statement by Dr. Guillermo Linares
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Annual Joint Hearing

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

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Good morning, Chairs Krueger, Weinstein, Stavisky and Fahy, and my former colleagues in the Senate and Assembly. Thank you for the opportunity to speak with you today about the 2024-25 Executive Budget recommendations for HESC. I am Dr. Guillermo Linares, President of the Higher Education Services Corporation, and I am pleased to be joined by HESC Executive Vice President, Doris Gonzalez.

New York continues to be at the forefront of creating opportunities for students to pursue higher education and invest in programs that ensure every student has access to a quality education. From financial aid to student support services and diversity programs, Governor Hochul is committed to helping students succeed in college and beyond.

HESC, New York State's student financial aid agency, administers more than two dozen State-funded grant, scholarship, and loan forgiveness programs. During the 2022-23 academic year (AY 2023), these programs disbursed financial assistance to approximately 300,000 students.

New York's generous investment in student financial aid, including TAP and Excelsior Scholarships, helped over 176,000 New York State residents attend SUNY and CUNY tuition-free in Academic Year 2022-23, with 52 percent at SUNY State-operated campuses and 67 percent at CUNY senior colleges. In the same academic year, more than 65,000 students at private universities, colleges and business schools received TAP.

2024-25 Executive Budget

Governor Hochul's 2024-25 Executive Budget demonstrates a firm commitment to providing access to postsecondary education for all students throughout New York. The Governor's budget proposal includes strategic investments in higher education programs, aimed at increasing access to high-quality and affordable higher education options across the State.

In the two budgets enacted under Governor Hochul, State operating funding for higher education has increased by a total of \$1.07 billion (17 percent), growing from \$6.15 billion to \$7.22 billion.”

The 2024-25 Executive Budget provides \$967.9 million for HESC financial aid programs, including \$764 million for TAP.

Continued Support for the Historic Expansion of TAP

Last year, we proudly celebrated TAP's 50th anniversary. Since inception, TAP has provided nearly 30 billion dollars to help more than 6 million New Yorkers who have pursued a college education. During the 2022-23 school year alone, TAP provided over 663 million dollars in tuition assistance to more than 230,000 students in New York.

The Executive Budget continues full support of the historic expansion of TAP, expanding the program guidelines to include students who were previously ineligible. Let me explain.

Part-Time TAP for Degree and Non-degree Seeking Students

In the 2022-23 Budget, Governor Hochul expanded TAP for more students who were unable to attend college full-time. The legislation removed the previous requirement that students had to be enrolled full-time for two years before switching to part-time to be eligible for TAP. Now, any student attending SUNY, CUNY, and not-for-profit independent degree-granting colleges on a part-time basis taking a minimum of six (6) credits can benefit from TAP.

Additionally, in order to help New Yorkers develop or gain new skills in advancing industries, TAP was expanded to part-time students enrolled at eligible non-degree workforce credential programs at participating SUNY and CUNY schools. Students attending non-degree programs at SUNY or CUNY community colleges in the Spring 2024 semester can access TAP.

By welcoming thousands of additional students, colleges can tap into new demographics and bridge gaps within their student population. This influx can help bolster enrollment figures, a critical metric for the stability and prosperity of any educational institution.

TAP for Incarcerated Students

In the 2022-23 academic term TAP funding eligibility for incarcerated individuals was restored. This benefit, denied to this community of students since 1995, now offers them an opportunity to access TAP for their post-secondary education and enables them to expand their employment prospects and future success upon release.

Making FAFSA Completion Universal

The Free Application for Federal Student Aid (FAFSA) is the gateway for students to determine their eligibility for federal financial assistance, which encompasses grants, educational loans, and work-study programs. It is also a prerequisite for many of New York State's financial aid programs.

For New York State, encouraging high school seniors to complete their FAFSA forms is not only an educational priority but also a significant financial one. In 2022, almost 50 percent of high school seniors in New York did not complete their FAFSA, missing their chance to attain crucial funding.

This lack of FAFSA completion has resulted in a staggering \$200 M in Pell Grant funds left on the table¹. Pell Grants, designed to assist low-income college students, can play a pivotal role in a family's ability to afford post-secondary education. Without completing the FAFSA, students forfeit valuable opportunities to receive a Pell Grant or other federal and NY state financial aid- a loss for the students and a missed opportunity for communities that could benefit from a more educated workforce.

The 2024-25 Executive Budget requires school districts ensure that every high school senior or the parent certifies to having completed the Free Application for Federal Student Aid (FAFSA) or the New York State Dream Act (or in the alternative, signs a waiver form indicating that they are aware of, but choose not to fill out, the FAFSA). It is important to note that completing the FAFSA is not a graduation requirement, and all individual

¹ Source: National College Attainment Network.org, NCAN, *NCAN Report: "In 2022, High School Seniors Left \$3.58 Billion on the Table in Pell Grants"* <https://www.ncan.org/news/629039/NCAN-Report-In-2022-High-School-Seniors-Left-3.58-Billion-on-the-Table-in-Pell-Grants.htm>

students will still be able to graduate regardless of whether they complete the FAFSA.

Financial support can only reach those who apply for it. To that end, HESC has embarked on a comprehensive outreach campaign, NY FAFSA READY, to educate students on and assist students with completing their FAFSA and TAP applications. This initiative includes events to assist students with completing their FAFSA or TAP applications, social media campaigns to ensure students and their families are aware of the benefits of completing the FAFSA, and the creation of a one stop hub where students, parents, and counselors can access valuable information. Already, this academic year, HESC has conducted 54 events and we have another 28 virtual events scheduled through March and plan to continue to add more in the coming months. We encourage students and parents to visit the hesc.ny.gov web site now to sign up for text messages so they can be notified about upcoming informational sessions.

New Focus and Modernization

HESC has also undergone changes in our mission, which we are very excited about. In December 2021, HESC terminated its role with the U.S. Department of Education as the guaranty agency administering the Federal Family Education Loan Program (FFELP) on behalf of New York State. The Trellis Company was designated as the successor, and in May 2023, the portfolio was transferred to Trellis without adverse impact on borrowers.

With this transition, we can now focus our resources fully on supporting New Yorkers in their pursuit of State financial aid awards to fund their college education. We are in the process of updating our website and have embarked on fully modernizing our financial aid system so students can easily find the information they need and seamlessly apply for grants and scholarships.

Closing

In closing, under Governor Hochul's leadership, New York State has shown its resolute commitment to expanding access to high-quality, affordable higher education for every student in New York who desires it. This critical investment in higher education programs will go a long way in making

postsecondary education achievable for every student who dreams of obtaining a college degree in New York State.

I thank Governor Hochul for ensuring students receive the support they deserve and State Operations Director Kathryn Garcia, Deputy Secretary of Education Maria Fernandez, and NYS Budget Director Blake Washington for their continued support and collaboration.

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