

The Leader-Herald

"Make Us A Part Of Your Day!"

There's no money in being a martyr

*By Jason Subik
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I suspect many of the readers of this newspaper likely view Gov. Andrew Cuomo's plan to provide four-year college tuition-free at New York's SUNY schools for families earning less than \$125,000, at an estimated annual price of \$163 million, to be another high-cost government program that will lead to you paying higher taxes while providing a generous give-away to the poor.

I would disagree with that in two ways: most of the people really helped by this plan won't be particularly poor, and the proposed spending clearly isn't nearly enough.

The major flaw in Cuomo's plan is that it only supplements tuition not paid for by the state's existing Tuition Assistance Program, which already pays all or a significant portion of the SUNY tuition costs for most of the students from Fulton County, which according to the U.S. Census Bureau had a median household income of about \$47,000 in 2015. New York state's TAP eligibility cuts off when a family earns \$90,000 or more. I don't know what percentage of Fulton County earners that would encompass, or what percentage of the county's four-year-college-bound students come from families with that level of income, but it is safe to say it's not that many. With that said, probably almost any two-income family that has at least one teacher, police officer, firefighter, sheriff's deputy or DPW worker, or other government employee, is likely near that \$90,000 threshold. This plan will be a boon for them, but it won't do much for the rest.

Poorer students who go away to school will likely still need to borrow for room and board, which according to SUNY costs about \$12,590 per year for on-campus living at its four-year schools, which could amount to as much as \$50,000 in debt for poorer students who have to borrow it. Student fees could be another \$1,590 per year and books and other supplies could be a few more thousand. Going to college in America costs a small fortune, and far more than the average family in our area can even remotely hope to afford.

According to the Institute for College Access and Success, about seven out of 10 graduating college seniors in the U.S. in 2015 had at least \$30,000 in student loan debt. In an economic environment where wages have been stagnant for more than a decade and inflation is too low to be of any help in reducing the value of debt, the high cost of higher education has effectively crippled a generation of students.

A recent analysis of U.S. Federal Reserve data by the advocacy group "Young Invincibles" showed that the millennial generation, born between 1980 and 2000, is earning about 20 percent less than their parents did at the same age, and have only half the net worth of the baby boomer generation. One of the key differences cited in the report was the dramatically higher student loan debt.

A Bloomberg analysis of the cost of a college education in the U.S. published in 2012, showed costs increased 1,120 percent in the 30-year period after 1978, far more than cost increases in other expenses. And the cost has continued to increase above that. If the price of college had only ever increased with rate of in-

flation, it would easily cost less than half what it does today.

I think this is mostly the government's fault. The federal government has long had a policy of helping to subsidize student loans, which has enabled many more Americans to attend college. But it has also fueled a cost-increase bubble in higher education. The only thing that ever forces prices to come down or stay flat is competition, or a lack of demand. As long as students can borrow what they need to go to school, colleges can keep increasing the price.

But I don't see any way around any of that. According to data compiled by the Economic Policy Institute, college graduates on average earn 56 percent more than high school grads in 2015, the largest gap on record. That gap is only going to increase as more and more jobs like truck drivers and cab drivers and factory workers are replaced by robots and artificial intelligence.

So, I think Cuomo's plan is a good start, but it would be better if it allowed poorer students to keep their TAP on top of the tuition free, and allow them to apply TAP to room and board costs. That would cost a lot more money, but I think it would be worth it, particularly to our local area.

It always irks me whenever I hear any local taxpayer complaining about state spend-

ing. The phrase I usually hear is "well the state is us too." But, that's not really true. I've been trying to tease-out for some time now exactly what percentage of New York state's tax revenues come from Fulton County, but I haven't been able to do it, yet. However, the Rockefeller Institute of Government has estimated the Capital Region as a whole – including the cities of Albany, Schenectady, Troy and Saratoga Springs – supplies about 3.8 percent of New York state's total tax revenue, which means Fulton County must contribute far less than 1 percent of the total. That means at least 99 cents out of every dollar a state program spends in Fulton County comes from elsewhere in the state, more than 70 percent of it coming from downstate.

Fulton County's contribution to the till is effectively a spit in the wind. Albany's real negative contribution to our lives is unfunded state mandates that dramatically increase local taxes to pay for Medicaid and public employee salaries and benefits that are inflated far above what our community can afford.

But with all of that said, when the state wants to spend on programs that put money back in the pockets of people in our community, we should always support it. There's no money in being a martyr, and every family I know of will gladly take any help it can get at reducing the cost of college.