Moody's: Aa3
Fitch: A+
(See "Ratings" herein)

NEW ISSUE

DASNY

DAC Bond®

$134,070,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES REVENUE BONDS, SERIES 2018A

Dated: Date of Delivery **Due: July 1, as shown below**

Payment: The State University of New York Dormitory Facilities Revenue Bonds, Series 2018A (the "Series 2018A Bonds") will be special obligations of the Dormitory Authority of the State of New York ("DASNY") payable from third-party revenues (the "Dormitory Facilities Revenues") derived from payments made by students and others for the use and occupancy of certain dormitory facilities (each a "Dormitory Facility" and, collectively, the "Dormitory Facilities") located on the campuses more particularly described herein (each a "SUNY Campus" and, collectively, the "SUNY Campuses") that are operated by the State University of New York ("SUNY"). See "PART 8 – THE RESIDENCE HALL PROGRAM" and "PART 9 – THE STATE UNIVERSITY OF NEW YORK."

The Series 2018A Bonds are being issued pursuant to DASNY's State University of New York Dormitory Facilities Revenue Bond Resolution, adopted on May 15, 2013 (the "Resolution") and have been authorized to be issued thereunder by a Series Resolution Authorizing the Issuance of a Series of State University of New York Dormitory Facilities Revenue Bonds in an amount not to exceed $150,000,000, adopted September 12, 2018 (the "Series 2018A Resolution," and, together with the Resolution, the "Resolutions"). Pursuant to the Resolution, DASNY has pledged the Dormitory Facilities Revenues to payment of the Bonds (as hereinafter defined) issued under the Resolution. Payment of debt service on the Bonds issued under the Resolution, including the Series 2018A Bonds, is subordinate to payment of the debt service on the bonds issued and outstanding under the Prior Resolution, as hereinafter defined. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Prior Pledge."

Payment of the principal and Sinking Fund Installments of and interest on the Series 2018A Bonds is not payable from any money of DASNY other than the Dormitory Facilities Revenues. The Series 2018A Bonds are not a debt of SUNY or the State of New York (the "State"), and neither the State nor SUNY will be liable on them.

Description: The Series 2018A Bonds will be issued as fixed rate obligations, fully registered in the denominations of $5,000 or any integral multiple thereof. The Series 2018A Bonds will bear interest at the rates and mature at the times and in the respective principal amounts shown on the inside cover hereof. Interest on the Series 2018A Bonds is payable on each January 1 and July 1 commencing July 1, 2019.

The Series 2018A Bonds will be initially issued under a book-entry only system and will be registered in the name of Cede & Co., as Bondholder and nominee of The Depository Trust Company ("DTC"), New York, New York. See "PART 2 – DESCRIPTION OF THE SERIES 2018A BONDS – Book–Entry Only System" herein. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2018A Bonds, payments of principal or Redemption Price of and interest on the Series 2018A Bonds will be made by U.S. Bank National Association, as Trustee and Paying Agent, to Cede & Co.

Redemption and Purchase: The Series 2018A Bonds are subject to optional and mandatory redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein. See "PART 2 – DESCRIPTION OF THE SERIES 2018A BONDS –Redemption and Purchase in Lieu of Optional Redemption."

Tax Matters: In the opinion of Nixon Peabody LLP, Co-Bond Counsel to DASNY, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by DASNY and SUNY described herein, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Nixon Peabody LLP is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. In addition, Nixon Peabody LLP and Drohan Lee LLP, as Co-Bond Counsels, are further of the opinion that interest on the Series 2018A Bonds is, by virtue of the Act, exempt from personal income taxation imposed by the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. See "PART 13 – TAX MATTERS" herein regarding certain other tax considerations.

The Series 2018A Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2018A Bonds may be subject to prior sale, or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality of Nixon Peabody LLP, New York, New York, and Drohan Lee LLP, New York, New York, Co-Bond Counsels to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their Co–Counsel, Cozen O'Connor, New York, New York, and the Law Offices of Joseph C. Reid P.A., New York, New York. DASNY expects to deliver the Series 2018A Bonds in definitive form in New York, New York, on or about October 11, 2018.

BofA Merrill Lynch	**Ramirez & Co., Inc.**	**Siebert Cisneros Shank & Co., L.L.C.**
Academy Securities	Citigroup	Drexel Hamilton, LLC
Jefferies	M&T Securities, Inc.	Mischler Financial Group, Inc.
Oppenheimer & Co.	Rice Financial Products Company	Stern Brothers & Co.

September 25, 2018

$134,070,000
DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES
REVENUE BONDS, SERIES 2018A

Maturity Schedule

$86,595,000 Serial Bonds

Due July 1,	Amount	Interest Rate	Price or Yield	CUSIP Number[(1)]	Due July 1,	Amount	Interest Rate	Price or Yield	CUSIP Number[(1)]
2019	$2,445,000	4.00%	1.84%	64990GGY2	2029	$5,360,000	5.00%	2.90%*	64990GHJ4
2020	3,470,000	5.00	1.96	64990GGZ9	2030	5,630,000	5.00	3.01*	64990GHK1
2021	3,640,000	5.00	2.08	64990GHA3	2031	5,920,000	5.00	3.07*	64990GHL9
2022	3,820,000	5.00	2.16	64990GHB1	2032	6,200,000	5.00	3.13*	64990GHM7
2023	4,010,000	5.00	2.29	64990GHC9	2033	6,540,000	5.00	3.18*	64990GHN5
2024	4,205,000	5.00	2.40	64990GHD7	2034	2,955,000	5.00	3.24*	64990GHP0
2025	4,400,000	5.00	2.52	64990GHE5	2035	3,100,000	5.00	3.29*	64990GHQ8
2026	4,635,000	5.00	2.64	64990GHF2	2036	3,270,000	5.00	3.34*	64990GHR6
2027	4,865,000	5.00	2.71	64990GHG0	2037	3,425,000	5.00	3.40*	64990GHS4
2028	5,115,000	5.00	2.78	64990GHH8	2038	3,590,000	5.00	3.44*	64990GHT2

$47,475,000 Term Bonds

$20,860,000 5.00% Term Bond Due July 1, 2043, Priced to Yield 3.50%*, CUSIP Number 64990GHU9[(1)]
$26,615,000 5.00% Term Bond Due July 1, 2048, Priced to Yield 3.56%*, CUSIP Number 64990GHV7[(1)]

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* Priced at the stated yield to the first optional call date of July 1, 2028 at a redemption price of 100%.

(1) CUSIP is a registered trademark of American Bankers Association. CUSIP data used in this Official Statement are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2018A Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2018A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2018A Bonds.

No dealer, broker, salesperson or other person has been authorized by DASNY or SUNY to give any information or to make any representations with respect to the Series 2018A Bonds other than those contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by DASNY or SUNY.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be a sale of the Series 2018A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied or authorized by SUNY, a source that DASNY believes is reliable. DASNY does not guarantee the accuracy or completeness of such information, however, and the information provided by such source is not to be construed as a representation of DASNY. See "PART 21 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the information provided by the various sources.

The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

References in this Official Statement to the Act, the Resolutions, the Financing and Development Agreement and the Continuing Disclosure Agreement do not purport to be complete. Refer to the Act, the Resolutions, the Financing and Development Agreement and the Continuing Disclosure Agreement for full and complete details of their provisions. Copies of the Resolutions, the Financing and Development Agreement and the Continuing Disclosure Agreement are on file with DASNY and the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed any determination of relevance, materiality or importance, and all material in the Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances will the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of DASNY or SUNY have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2018A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2018A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Series 2018A Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Summary Statement and not defined in this Summary Statement will have the meanings given to such terms in "APPENDIX A — CERTAIN DEFINITIONS" and elsewhere in this Official Statement.

Dormitory Facilities Revenue Bond Program

Enabling Legislation	In March 2013, the State enacted legislation (Chapter 57 of the Laws of 2013, Part B (the "Enabling Act")) amending the Public Authorities Law and Education Law of the State. The amendments, among other items, authorized the State University of New York ("SUNY") to assign to the Dormitory Authority of the State of New York ("DASNY") all of SUNY's rights, title and interest in third-party revenues (the "Dormitory Facilities Revenues") derived from payments made by students and others for use and occupancy of certain dormitory facilities (the "Dormitory Facilities," with each individual building or groupings of buildings being a "Dormitory Facility") located on the SUNY State-operated campuses and more particularly described herein (each a "SUNY Campus" and, collectively, the "SUNY Campuses"). See "PART 8 – THE RESIDENCE HALL PROGRAM." The amendments further authorized DASNY to issue its revenue bonds payable from and secured by the Dormitory Facilities Revenues assigned to it by SUNY, and authorized SUNY and DASNY to enter into agreements for the construction, reconstruction, rehabilitation, improvement, equipping and furnishing of Dormitory Facilities. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."
The Financing and Development Agreement and Resolution	Pursuant to the Enabling Act, SUNY executed an assignment (the "Assignment"), dated as of May 15, 2013, assigning all of its rights in and to the Dormitory Facilities Revenues to DASNY. DASNY and SUNY have entered into a Financing and Development Agreement (the "Financing and Development Agreement"), dated as of May 15, 2013, pursuant to which, among other things, (i) SUNY will continue to be responsible for establishing fees and charges for use and occupancy of the Dormitory Facilities, (ii) DASNY has appointed SUNY as its agent to bill and collect Dormitory Facilities Revenues, and (iii) SUNY and DASNY will provide for the construction, reconstruction, rehabilitation, improvement, equipping and furnishing of Dormitory Facilities. DASNY adopted its State University of New York Dormitory Facilities Revenue Bond Resolution on May 15, 2013 authorizing the issuance of its State University of New York Dormitory Facilities Revenue Bonds (the "Bonds"), which are payable from and secured by the Dormitory Facilities Revenues.
Dormitory Facilities Revenue Fund	The Enabling Act creates a special fund designated as the "Dormitory Facilities Revenue Fund" (the "Fund") to be held by the State's Commissioner of Taxation and Finance (the "Commissioner") on behalf of DASNY. All Dormitory Facilities Revenues collected by SUNY are required by the Enabling Act and the Financing and Development Agreement to be deposited in the Fund.

Money on deposit in the Fund is to be applied by the Commissioner in accordance with certifications and directions given by DASNY to the payment of debt service on certain outstanding bonds (the "Prior Bonds") previously issued by DASNY pursuant to a resolution adopted by it on September 20, 1995 (as amended and restated, and further amended, the "Prior Resolution"), the payment of debt service on Outstanding Bonds, the funding of reserves for the operations and maintenance of, and repairs and replacements to, Dormitory Facilities, and the payment of certain costs, expenses and overhead of DASNY. Money in the Fund remaining after the Commissioner has set aside enough money to provide for the aforementioned payments, may be provided to SUNY for the operations and maintenance of Dormitory Facilities and any other corporate purposes of SUNY.

The Fund and all money and investments from time to time held in the Fund are the property of DASNY. DASNY has pledged and assigned the Fund and the money and investments in it to the trustee for the holders of the Prior Bonds, who will have a first lien on them and to the Trustee for the holders of Outstanding Bonds, whose lien on them will be subordinate to the lien securing the Prior Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."

Special Obligations

The Series 2018A Bonds, and all other Bonds issued under the Resolution, are special obligations of DASNY solely payable from and secured by the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Fund, the proceeds of the Bonds, and all funds and accounts established by the Resolution or by a Series Resolution or Supplemental Resolution, other than the Arbitrage Rebate Fund (collectively, the "Pledged Assets").

Authorization for the Bonds

The Series 2018A Bonds are authorized to be issued pursuant to the Enabling Act, the Resolution, and the Series 2018A Resolution.

Purpose of the Issue

The Series 2018A Bonds are being issued to: (i) fund various capital projects involving the construction and rehabilitation of Dormitory Facilities on various SUNY Campuses; and (ii) pay the costs of issuance of the Series 2018A Bonds. See "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS" and "PART 7 – THE PROJECT."

State University of New York

SUNY is the largest comprehensive system of public higher education in the United States, serving approximately 220,000 students (excluding community colleges). The SUNY system is comprised of four University Centers (two of which include Health Sciences Centers), two additional Health Science Centers, thirteen University Colleges, two Specialized Colleges, eight Colleges of Technology and five Statutory Colleges (one of which includes an Agricultural Experimental Station). SUNY is governed by a Board of Trustees comprised of 18 members, of whom 15 are appointed by the Governor with the advice and consent of the New York State Senate. The president of the Student Assembly serves as a voting member, and the presidents of the SUNY Faculty Senate and the Faculty Council of Community Colleges serve as non-voting members. SUNY is accredited by the Middle States Association of Colleges and Secondary Schools. SUNY derives a portion of its funding from State appropriations to support its programs.

The Residence Hall Program

SUNY's residence hall program (the "Residence Hall Program" or the "Program") operates on 25 of the 29 SUNY Campuses and serves over 70,000 students on an annual basis. There are over 450 Dormitory Facilities[1] in the Residence Hall Program. Dormitory Facilities consist of individual buildings located on SUNY Campuses. Each SUNY Campus has its own unique mix of housing options. These options include standard double occupancy rooms, suites which are 2-4 bedroom units that share a common space and bathroom, and apartment style housing with a kitchen, common area and bathroom. In Fiscal Year 2017, the Residence Hall Program generated total Dormitory Facilities Revenues of $564.6 million.

Sources of Payment and Security for the Bonds

Payment of the principal and Sinking Fund Installments of and interest on the Bonds ("Debt Service"), including the Series 2018A Bonds, will be secured by a lien on the Fund, the Dormitory Facilities Revenues, the proceeds from the sale of Bonds, and by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered or deemed tendered for purchase). The security for the Series 2018A Bonds will be for the benefit of all other Bonds issued under the Resolution, which Bonds will rank on a parity and be secured equally and ratably with each other and with the Series 2018A Bonds. The Series 2018A Bonds will be the fifth Series of Bonds issued under the Resolution. On September 11, 2013, DASNY issued $440,025,000 State University of New York Dormitory Facilities Revenue Bonds, Series 2013A (the "Series 2013A Bonds"), on May 12, 2015, DASNY issued $268,825,000 State University of New York Dormitory Facilities Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), on December 16, 2015, DASNY issued $286,225,000 State University of New York Dormitory Facilities Revenue Bonds, Series 2015B (the "Series 2015B Bonds") and on April 27, 2017, DASNY issued $344,665,000 State University of New York Dormitory Facilities Revenue Bonds, Series 2017A (the "Series 2017A Bonds", and together with the Series 2013A Bonds, the Series 2015A Bonds, the Series 2015B Bonds and the Series 2018A Bonds, collectively, the "Dormitory Facilities Revenue Bonds"). See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Security for the Bonds."

Payment of Debt Service on Bonds, including the Series 2018A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on the outstanding Prior Bonds issued under the Prior Resolution. The outstanding Prior Bonds will continue to be additionally secured by SUNY's general obligation to pay to DASNY from any other source of funds available to SUNY amounts sufficient to pay the debt service on the Prior Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Security for the Bonds."

The Series 2018A Bonds are special obligations of DASNY payable solely from the Dormitory Facilities Revenues collected by SUNY, as agent for DASNY, and deposited in the Fund and from the other Pledged Assets. DASNY has no taxing power.

[1] Building count adjusted from "approximately 400" to "over 450" in 2018 based on tracking methodologies adopted with the implementation of new integrated workplace management system.

The Series 2018A Bonds and all other Bonds issued under the Resolution are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to the Debt Service on the Bonds. The Bonds, including the Series 2018A Bonds, are not a debt or general or special obligation of SUNY or the State, and neither SUNY nor the State will be liable on them.

Additional Bonds

DASNY is authorized under the Resolution to issue additional Bonds if the Net Revenues Available for Debt Service in each of the two Fiscal Years immediately preceding the date of issuance were at least equal to 120% of the Maximum Annual Debt Service on all outstanding Bonds and Prior Bonds, calculated after giving effect to the Bonds proposed to be issued.

In addition, Bonds may be issued to refund outstanding Bonds or Prior Bonds without complying with the aforementioned test if (i) the average annual debt service on the Bonds to be issued is not greater than the average annual debt service on the Bonds or Prior Bonds to be refunded and (ii) Maximum Annual Debt Service, calculated after giving effect issuance of the Bonds to be issued and the refunding of the Bonds or Prior Bonds to be refunded, is not greater than Maximum Annual Debt Service immediately preceding issuance of the Bonds.

DASNY has reserved the right to issue bonds, notes or other obligations so long as they are not secured by a charge or lien on or right of payment that is equal or prior to the charge, lien and right of payment established by the Resolution for the benefit of the holders of Outstanding Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Continuing Disclosure

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, DASNY, SUNY and the Trustee will enter into a Continuing Disclosure Agreement. See "PART 20 – CONTINUING DISCLOSURE" and the form of Continuing Disclosure Agreement attached hereto as Appendix F.

DORMITORY AUTHORITY - STATE OF NEW YORK - 515 BROADWAY, ALBANY, N.Y. 12207
GERRARD P. BUSHELL - PRESIDENT ALFONSO L. CARNEY JR. - CHAIR

OFFICIAL STATEMENT

relating to

$134,070,000
DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES
REVENUE BONDS, SERIES 2018A

PART 1 –INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page, the Summary Statement and appendices, is to provide information about DASNY, SUNY and the Residence Hall Program, all in connection with the offering by DASNY of $134,070,000 principal amount of its Series 2018A Bonds. The Series 2018A Bonds are authorized to be issued pursuant to Section 1680-q of the Public Authorities Law of the State, as added by the Enabling Act, the Resolution and the Series 2018A Resolution. The interest rates, maturity dates, and prices or yields of the Series 2018A Bonds being offered hereby are set forth on the inside cover page of this Official Statement.

The Series 2018A Bonds are special obligations of DASNY payable from the Dormitory Facilities Revenues derived from use and occupancy by students and others of Dormitory Facilities now or in the future located on the 29 SUNY Campuses and from the other Pledged Assets, as more particularly described herein. The term "SUNY Campuses" refers to the 29 colleges and universities operated by SUNY, as distinguished from the five statutory or contract colleges operated by private universities, all 34 of which comprise SUNY. The Dormitory Facilities from which the Dormitory Facilities Revenues are derived do not include the privately owned dormitory facilities on or servicing ten SUNY Campuses. See "PART 8 – THE RESIDENCE HALL PROGRAM – Other Student Housing." Pursuant to Section 1680-q(3)(a) of the Public Authorities Law of the State and Section 355(2)(y) of the Education Law of the State, both of which were added by the Enabling Act, and an Assignment made by SUNY, as assignor, to DASNY, as assignee, SUNY has transferred and assigned to DASNY all of SUNY's rights, title and interest in and to all Dormitory Facilities Revenues. In accordance with the provisions of a Financing and Development Agreement, the Dormitory Facilities Revenues are collected by the SUNY Campuses, as DASNY's agent, and then deposited, without appropriation, to the Dormitory Facilities Revenue Fund (the "Fund") held for DASNY in the custody of the Commissioner of Taxation and Finance (the "Commissioner").

SUNY is the largest comprehensive state-sponsored higher education system in the United States, serving approximately 220,000 students (excluding community colleges). SUNY derives a portion of its funding from State appropriations to support its programs. See "PART 9 – THE STATE UNIVERSITY OF NEW YORK" and "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT."

The Residence Hall Program currently consists of over 450 Dormitory Facilities located on 25 of the 29 SUNY Campuses. On an annual basis, it serves over 70,000 students. During SUNY's 2017 Fiscal Year, the Residence Hall Program generated total Dormitory Facilities Revenues of approximately $564.6 million. See

"PART 8 – THE RESIDENCE HALL PROGRAM" for a comprehensive description of the Residence Hall Program, including its Dormitory Facilities, capital plan and student housing collection procedures.

Payment of the principal and Sinking Fund Installments of, and interest on, the Series 2018A Bonds and all other Bonds issued under the Resolution ("Debt Service") will be secured by a pledge of the Dormitory Facilities Revenues, the Fund and the money and investments in it from time to time, the proceeds from the sale of Series 2018A Bonds, and by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the purchase price or Redemption Price of Option Bonds tendered or deemed tendered for purchase). The security for the Series 2018A Bonds will be for the benefit of all other Bonds issued under the Resolution, which Bonds will rank on a parity and be secured equally and ratably with each other and with the Series 2018A Bonds.

The Bonds are special obligations of DASNY payable solely from the Dormitory Facilities Revenues collected by SUNY, as agent for DASNY, and deposited in the Fund and from the other Pledged Assets. DASNY has no taxing power.

The Series 2018A Bonds and all other Bonds issued under the Resolution are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to Debt Service on the Bonds. The Bonds, including the Series 2018A Bonds, are not a debt or general or special obligation of SUNY or the State, and neither SUNY nor the State will be liable on them.

Capitalized terms used herein unless otherwise defined have the same meanings given to them in "APPENDIX A – CERTAIN DEFINITIONS."

PART 2 – DESCRIPTION OF THE SERIES 2018A BONDS

General Description

The Series 2018A Bonds will be issued pursuant to the Act, the Resolution and the Series 2018A Resolution. The Series 2018A Bonds will be dated the date of delivery, will bear interest computed on the basis of a 360-day year and 30-day month, from that date (payable July 1, 2019 and on each January 1 and July 1 thereafter) at the rates per annum and will mature on July 1 of each of the years in the principal amounts shown on the inside cover page of this Official Statement. The Series 2018A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof.

The Series 2018A Bonds will be issued under a book-entry only system, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as bond depository for the Series 2018A Bonds. Principal or Redemption Price of and interest on the Series 2018A Bonds are payable by U.S. Bank National Association, as Trustee and Paying Agent, to Cede & Co., so long as Cede & Co. is the registered owner of the Series 2018A Bonds, as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners (See "PART 2 – DESCRIPTION OF THE SERIES 2018A BONDS – Book–Entry Only System" below).

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Redemption

The Series 2018A Bonds are subject to redemption as described below.

Optional Redemption

The Series 2018A Bonds maturing on or before July 1, 2028 are not subject to redemption prior to maturity. The Series 2018A Bonds maturing after July 1, 2028 are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2028, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

Mandatory Redemption

In addition, the Series 2018A Bonds maturing on July 1, 2043 and July 1, 2048 are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of the Series 2018A Bonds specified for each of the years shown below:

Series 2018A Bonds Maturing on July 1, 2043

Year	Principal Amount
2039	$3,780,000
2040	3,965,000
2041	4,160,000
2042	4,365,000
2043†	4,590,000

Series 2018A Bonds Maturing on July 1, 2048

Year	Principal Amount
2044	$4,820,000
2045	5,065,000
2046	5,310,000
2047	5,575,000
2048†	5,845,000

† Final Maturity.

There will be credited against and in satisfaction of all or a portion of a Sinking Fund Installment payable on any date, the principal amount of Series 2018A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by SUNY or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2018A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2018A Bonds so purchased payable on the next succeeding July 1. Series 2018A Bonds redeemed at the option of DASNY, purchased by DASNY or SUNY (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2018A Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Selection of Series 2018A Bonds to be Redeemed

In the case of redemptions of less than all of the Series 2018A Bonds, other than through mandatory Sinking Fund Installments, DASNY will select the maturities of the Series 2018A Bonds to be redeemed. Whenever less than all of the Series 2018A Bonds of a maturity are to be redeemed, the Series 2018A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption and its Effect

Notice of the redemption of the Series 2018A Bonds will be given by the Trustee in the name of DASNY to the registered owners of the Series 2018A Bonds to be redeemed by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date, but the failure of any registered owners to receive notice mailed in accordance with the Resolution will not affect the validity of the proceedings for the redemption of the Series 2018A Bonds. Any such notice may contain conditions to DASNY's obligation to redeem the Series 2018A Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Conditional Redemption

DASNY's obligation to optionally redeem a Series 2018A Bond may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2018A Bonds to be redeemed on the redemption date. If sufficient money is available on the redemption date to pay the Redemption Price and if notice has been mailed and the conditions, if any, to such redemption have been satisfied or waived by DASNY, then interest on the Series 2018A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2018A Bonds will no longer be considered to be Outstanding under the Resolution.

Purchase In Lieu of Optional Redemption

The Series 2018A Bonds maturing after July 1, 2028 are also subject to purchase prior to maturity, at the election of DASNY, on or after July 1, 2028, in any order, in whole or in part at any time, at a purchase price equal to 100% of the principal amount of the Series 2018A Bonds to be purchased (the "Purchase Price"), plus accrued interest to the date of purchase (the "Purchase Date").

Notice of Purchase and its Effect

Notice of the purchase of Series 2018A Bonds will be given in the name of DASNY to the registered owners of the Series 2018A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2018A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2018A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. Such purchase will not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2018A Bonds and such Series 2018A Bonds need not be cancelled, but will remain Outstanding under the Resolution and continue to bear interest.

If not all of the Outstanding Series 2018A Bonds of a maturity are to be purchased, the Series 2018A Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2018A Bonds of a maturity to be redeemed in part are to be selected.

Conditional Purchase

DASNY's obligation to purchase a Series 2018A Bond may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2018A Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2018A Bonds to be purchased, the former registered owners of such Series 2018A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2018A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2018A Bonds in accordance with their respective terms.

For a more complete description of the redemption and other provisions relating to the Series 2018A Bonds, see "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." Also, see "Book-Entry System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2018A Bonds when the book-entry only system is in effect.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018A Bonds. The Series 2018A Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018A Bond certificate will be issued for each maturity of the Series 2018A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018A Bonds, except in the event that use of the book entry system for the Series 2018A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity of the Series 2018A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other nominee) will consent or vote with respect to Series 2018A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2018A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its service as securities depository with respect to the Series 2018A Bonds at any time by giving notice to DASNY or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2018A Bond certificates are required to be delivered as described in the Resolution.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2018A Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2018A Bonds, or (ii) a continuation of the requirement that all of the Series 2018A Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is not in effect, Series 2018A Bond certificates will be delivered as described in the Resolution.

Each person for whom a Participant acquires an interest in the Series 2018A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2018A BONDS.

So long as Cede & Co. is the registered owner of the Series 2018A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2018A Bonds (other than under the captions "PART 13 – TAX MATTERS" and "PART 20 – CONTINUING DISCLOSURE" herein) means Cede & Co., as aforesaid, and not the Beneficial Owners of the Series 2018A Bonds.

Any references to any action required or permitted by the Beneficial Owner relates only to those permitted by act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2018A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

PART 3 – SOURCES OF PAYMENT AND SECURITY

Set forth below is a narrative description of certain contractual and legislative provisions relating to the sources of payment of and security for the Series 2018A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolution, the Series 2018A Resolution, and the Financing and Development Agreement for a more complete description of such provisions. Copies of the Resolution, the Series 2018A Resolution, and the Financing and Development Agreement are on file with DASNY and the Trustee. For a more complete statement of the rights, duties and obligations of the parties thereto, see also "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

General

The Resolution authorizes the issuance of an unlimited principal amount of Bonds, subject only to compliance with the conditions to the issuance of additional Bonds contained in the Resolution. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Additional Bonds." Bonds may be issued under the Resolution to provide funds to pay the Costs of one or more Dormitory Facilities, to pay the Costs of Issuance of Bonds, to pay or provide for the payment of outstanding Bonds or Prior Bonds, and to be exchanged for other bonds, notes or evidences of indebtedness incurred in connection with Dormitory Facilities. The Bonds that may be issued under the Resolution include, in addition to fixed rate Bonds on which interest is payable semiannually, Variable Interest Rate Bonds, Option Bonds, Capital Appreciation Bonds and Deferred Income Bonds.

All Bonds issued under the Resolution, including the Series 2018A Bonds, are special obligations of DASNY solely payable from and secured by a pledge and assignment of the Pledged Assets, which consist of the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time held in the Fund, the right to receive the Dormitory Facilities Revenues, the proceeds of the Bonds until applied for the purposes for which they were issued in accordance with the Resolution, and all of the funds and accounts established and pledged by the Resolution. The pledge and assignment of the Fund and the Dormitory Facilities Revenues and the investments from time to time in the Fund is subordinate to a pledge and assignment thereof made by DASNY to secure the outstanding Prior Bonds issued under the Prior Resolution. The Prior Bonds will have a right of payment from the Dormitory Facilities Revenues that is prior to the right of payment from the Dormitory Facilities Revenues of the Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Prior Pledge."

Payment of the Bonds

Billing and Collection of Dormitory Facilities Revenues

The Bonds, including the Series 2018A Bonds, are payable solely from the Dormitory Facilities Revenues and the other Pledged Assets. The Dormitory Facilities Revenues, which were previously revenues of SUNY, have been assigned by SUNY to the Authority pursuant to the Assignment. As provided in the Enabling Act, by the Assignment, DASNY became vested with all of SUNY's rights, title and interest in the Dormitory Facilities Revenues and they became the absolute property of DASNY.

SUNY remains responsible for the establishment of the fees and charges to be charged to students and others for the use and occupancy of the Dormitory Facilities, and, pursuant to the Financing and Development Agreement, has agreed to bill and collect the Dormitory Facilities Revenues as agent for the Authority. The establishment of the fees and charges and the billing and collections will be done by each of the SUNY Campuses. SUNY has agreed in the Financing and Development Agreement to have each SUNY Campus, as nearly as practicable on the first and fifteenth day of each month, deposit the Dormitory Facilities Revenues collected by it in the Fund.

Payments from the Fund for Debt Service

Money in the Fund will, at the direction of DASNY, be transferred by the Commissioner to the trustee for the Prior Bonds and to the Trustee at times and in amounts sufficient for payment of debt service on the Prior Bonds and the Bonds as it becomes due. While DASNY may direct the Commissioner to make the transfers at any time, it is expected that the transfers will be directed to be made on each December 10th and June 10th

preceding each January 1st on which interest is payable and each July 1st on which the principal or Sinking Fund Installments and interest are due. In addition, if there are any Outstanding Bonds on which interest or principal is paid more frequently than semiannually on January 1st and July 1st, the transfer to be made on each December 10th and June 10th will include amounts sufficient to pay the interest and principal on such Bonds payable prior to the next succeeding December 10th or June 10th, respectively. However, no money may be transferred by the Commissioner to the Trustee unless at the time the transfer is made no further transfers to the trustee for the Prior Bonds are required to be made for the payment of the principal, including principal due through scheduled mandatory redemption, and interest due on the Prior Bonds on and prior to July 1 of the next succeeding Fiscal Year, or money has been retained in the Fund for payment to the trustee for the Prior Bonds sufficient to pay such principal and interest. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

The Bonds, including the Series 2018A Bonds, are not payable out of any money or property of the Authority other than any Pledged Assets. Further, the Bonds are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to the Debt Service on the Bonds.

Security for the Bonds

The Bonds, including the Series 2018A Bonds, are secured by the pledge and assignment to the Trustee made by DASNY in the Resolution of the Pledged Assets, which consist of the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time held in the Fund, the right to receive the Dormitory Facilities Revenues, the proceeds of the Bonds until applied for the purposes for which they were issued in accordance with the Resolution, and all of the funds and accounts established and pledged by the Resolution. Among the funds and accounts established by the Resolution and pledged to secure the Bonds are the Debt Service Fund and a Construction Fund consisting of a Construction Account from which Costs of the Facilities will be paid, a Capitalized Interest Account and a Cost of Issuance Account. The Resolution also establishes an Arbitrage Rebate Fund from which DASNY will make rebate payments to the United States Treasury in connection with Tax Exempt Bonds as required by the Internal Revenue Code and the regulations thereunder. The Resolution also permits the establishment of special funds or accounts for the payment of the purchase price of Option Bonds tendered for purchase. Any such fund or account may be pledged by DASNY solely for the benefit of the holders of such Option Bonds and the payment of the purchase price payable upon their tender, and will not secure any other Bonds.

The pledge and assignment of the Pledged Assets are for the benefit of all Bonds issued under the Resolution, including the Series 2018A Bonds, all of which will rank on a parity and be secured equally and ratably with each other. The Series 2018A Bonds will be the fifth Series of Bonds issued under the Resolution. On September 11, 2013, DASNY issued the Series 2013A Bonds, on May 12, 2015, DASNY issued the Series 2015A Bonds, on December 16, 2015, DASNY issued the Series 2015B Bonds and on April 27, 2017, DASNY issued the Series 2017A Bonds.

Prior Pledge

Prior to the assignment of the Dormitory Facilities Revenues to the Authority and the establishment of the Fund, the Dormitory Facilities Revenues were the property of SUNY. In connection with the Prior Bonds, SUNY was obligated by agreement with DASNY to collect and deposit the Dormitory Facilities Revenues in a special SUNY account (the "SUNY Income Account") held on behalf of SUNY by the State Comptroller. To secure the Prior Bonds, the SUNY Income Account was pledged to DASNY to secure payments required to be made to DASNY or the trustee for the Prior Bonds for payments, among other things, of the principal and redemption price of and interest on outstanding Prior Bonds. By the Prior Resolution, DASNY pledged and assigned its rights in the SUNY Income Account for the benefit of the holders of the Prior Bonds.

The Enabling Act and the Financing and Development Agreement require that from and after SUNY's assignment of the Dormitory Facilities Revenues to DASNY, all Dormitory Facilities Revenues are to be paid to the Commissioner for deposit to the Fund. The Dormitory Facilities Revenues will no longer be deposited in the SUNY Income Account. In order to preserve the rights of the holders of the Prior Bonds in the Dormitory Facilities Revenues, by a supplemental resolution adopted pursuant to the Prior Resolution on March 13, 2013 (the "Supplemental Pledge"), DASNY pledged the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Fund to the trustee for the Prior Bonds for the benefit of the holders of the Prior Bonds. The pledge creates a first lien on the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in it for the benefit of holders of the Prior Bonds. The Resolution expressly provides that the pledge and assignment of the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in it made for the benefit of the holders of the Bonds is subject and subordinate to the pledge made by the Supplemental Pledge for the benefit of the holders of the Prior Bonds.

Pursuant to §1680-q of the Public Authorities Law of the State, as added by the Enabling Act, and the Financing and Development Agreement, money in the Fund is to be paid by the Commissioner in accordance with a specified priority of payment. Each provides that no money in the Fund during a Fiscal Year is to be paid for any purposes, other than the payment of debt service on the Prior Bonds, unless sufficient money has been set aside for payment of the principal, whether due at maturity or through scheduled mandatory redemption, and interest on the Prior Bonds remaining to be paid on and prior to July 1st of the next succeeding Fiscal Year. Accordingly, the Prior Bonds have a right of payment from the Dormitory Facilities Revenues that is prior to the right of payment from the Dormitory Facilities Revenues of the Bonds.

DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Ability to Grant Rights to Providers of Credit Facilities

Pursuant to the Resolution, if provided in or authorized by a Series Resolution, DASNY may provide for the rights of the Facility Provider of a Credit Facility or Liquidity Facility in connection with a Series of Bonds, which rights may include that, whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to any amendment, change, modification or waiver, or request or direct the Trustee to take an action, such Facility Provider may be deemed to be the Holder of such Bonds.

Additional Bonds

The Resolution permits DASNY to issue additional Bonds if the Net Revenues Available for Debt Service in each of the two Fiscal Years immediately preceding the date of issuance were at least equal to 120% of the Maximum Annual Debt Service on all outstanding Bonds and Prior Bonds, calculated after giving effect to the Bonds proposed to be issued. In addition, Bonds may be issued to refund outstanding Bonds or Prior Bonds without complying with the aforementioned test if (i) the average annual Debt Service on the Bonds to be issued is not greater than the average annual Debt Service on the Bonds or Prior Bonds to be refunded and (ii) Maximum Annual Debt Service, calculated after giving effect to the issuance of the Bonds to be issued and the refunding of the Bonds or Prior Bonds to be refunded, is not greater than Maximum Annual Debt Service immediately preceding issuance of the Bonds.

DASNY has reserved the right to issue bonds, notes or other obligations so long as they are not secured by a charge or lien on or right of payment that is equal or prior to the charge, lien and right of payment established by the Resolution for the benefit of the holders of Outstanding Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Covenants of SUNY

Under the Financing and Development Agreement, SUNY covenants that, so long as Bonds are Outstanding under the Resolution: (i) it will comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements applicable to each Dormitory Facility; (ii) it will permit DASNY and its authorized agents to inspect the books and records of SUNY related to the establishment, collection and payment of Dormitory Facilities Revenues; (iii) it will not sell, sublease or otherwise dispose of, encumber or permit the use of a Dormitory Facility if the same would adversely affect the exclusion of interest on any Bonds; (iv) it will not take any action with respect to a Dormitory Facility which would impair the exclusion of interest on any Bond's gross income for purposes of federal income taxation; (v) it will provide and certify such information concerning SUNY, the Dormitory Facilities, and the operations and finances of SUNY whenever requested by DASNY; (vi) it will not create, cause to be created or suffer or permit the creation of any lien or charge on Dormitory Facilities Revenues; and (vii) the rents and charges established and imposed by it and payable during each Fiscal Year for the use and occupancy of Dormitory Facilities shall be at least sufficient at all times to pay Debt Service on the Bonds and the costs of operation, maintenance, repair and replacement of Dormitory Facilities budgeted by SUNY for the next succeeding Fiscal Year. For a more complete description of SUNY's covenants under the Financing and Development Agreement, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

PART 4 – DORMITORY FACILITIES REVENUE FUND

The Fund was established by §1680-q(3) of the Public Authorities Law of the State (the "Fund Provisions"), as added by the Enabling Act. The Fund is a special fund to be held in the custody of the Commissioner on behalf of DASNY into which all Dormitory Facilities Revenues collected by SUNY are to be deposited. Deposits to and disbursements from the Fund, including the order of priority, are governed by the Fund Provisions and implemented through the Financing and Development Agreement and a Dormitory Facilities Revenue Fund Administration Agreement, dated as of May 15, 2013, among DASNY, SUNY and the Commissioner (the "Fund Administration Agreement"), which establishes procedures to be followed by the Commissioner, DASNY and SUNY in connection with the Commissioner's administration of the Fund, including with respect to deposits to and disbursements from the Fund.

The Fund Provisions require that all Dormitory Facilities Revenues collected by SUNY be deposited in the Fund. It also states that all Dormitory Facilities Revenues collected by SUNY and deposited in the Fund are the "sole and exclusive property" of DASNY. By the Financing and Development Agreement, DASNY has appointed SUNY as its agent for the billing and collection of the Dormitory Facilities Revenues, and each SUNY Campus, as an operating division of SUNY, will be responsible for billing students and others for use and occupancy of its Dormitory Facilities, and for collecting the Dormitory Facilities Revenues generated by such use and occupancy. Deposits to the Fund are to be made by each SUNY Campus as nearly as practicable on the first and fifteenth day of each month. Pursuant to the Fund Administration Agreement, amounts remitted by a SUNY Campus will be deposited in an account (a "Collection Account") within the Fund that has been established by the Commissioner for such SUNY Campus.

No money may be disbursed from a Collection Account other than in accordance with the Fund Provisions, the Financing and Development Agreement and the Fund Administration Agreement. The Fund Provisions set forth the purposes for which money in the Fund may be disbursed and establish a priority among the purposes for which disbursement from the Fund may be made. Generally, the money in the Fund during a Fiscal Year is to be applied in order of priority:

(i) to be set aside and paid to the trustee for the Prior Bonds for payment of the principal (including amounts due through scheduled mandatory redemption) of and interest on outstanding Prior Bonds payable during such Fiscal Year and on July 1 of the succeeding Fiscal Year; then

(ii) to fund, at the times and in the amounts required by the financing documents related to the Prior Bonds, a reserve (the "Income Account Reserve") for Dormitory Facilities operations and maintenance and repair and rehabilitation expenses at the Income Account's reserve requirement for such Fiscal Year; then

(iii) to be set aside and paid to the Trustee for payment of the principal (including amounts due through scheduled mandatory Sinking Fund Installments) of and interest on Outstanding Bonds payable during such Fiscal Year and on July 1 of the succeeding Fiscal Year; then

(iv) to fund, at the times and in the amounts required by the Financing and Development Agreement, the Operations and Maintenance Reserve and the Repair and Rehabilitation Reserve within the Fund at their requirements for such Fiscal Year; and then

(v) to fund the Administrative Expenses of DASNY.

The Fund Provisions, the Financing and Development Agreement and the Fund Administration Agreement require DASNY, by June 10th of each Fiscal Year, to certify to the Commissioner and SUNY the amount of Dormitory Facilities Revenues required during the next Fiscal Year for each of the above purposes (the "Annual Certification"). As provided in the Fund Administration Agreement, the Annual Certification will also specify the dates on which money in the Fund is to be paid or transferred from the Fund for each purpose and the amount of money to be paid or transferred on each date. DASNY may amend the Annual Certificate from time to time during the Fiscal Year as DASNY considers necessary. All payments and transfers from the Fund by the Commissioner are to be made in accordance and consistent with the Annual Certification.

The balance of the money in the Fund in excess of the amounts required to provide for the payment of the foregoing purposes (the "Residual Dormitory Facilities Revenues") is to be provided to SUNY for the Operating Expenses and repair and rehabilitation expenses of the Dormitory Facilities during the Fiscal Year. Money in the Fund provided to SUNY that is in excess of the Operating Expenses, and repair and rehabilitation expenses for the Fiscal Year is available to SUNY for any of its corporate purposes. The Residual Dormitory Facilities Revenues, when provided to SUNY, become the property of SUNY in which DASNY has no further interest, and will be free and clear of the pledge of Dormitory Facilities Revenues made by the Resolution.

The Fund Administration Agreement provides that no payment or transfer of money in the Fund will be made by the Commissioner for any purpose, including providing to SUNY the Residual Dormitory Facilities Revenues, except pursuant to written directions given contemporaneously with the transfer or payment. Transfers and payments to the trustee for the Prior Bonds and to the Trustee, in each case for payment of the principal of and interest on the outstanding Prior Bonds and Outstanding Bonds, respectively, and for payment of DASNY's Administrative Expenses, will be made upon the written direction of DASNY. All other transfers and payments from the Fund will be made pursuant to the joint written direction of DASNY and SUNY.

The Resolution requires that DASNY establish or cause to be established reserves for the operations and maintenance (the "Operations and Maintenance Reserve") and repair and rehabilitation (the "Repair and Rehabilitation Reserve") of Dormitory Facilities. In accordance with the Financing and Development Agreement and the Fund Administration Agreement, each of the reserves is to be funded by the end of each Fiscal Year at its respective Operations and Maintenance Reserve Requirement or Repair and Rehabilitation Reserve Requirement for that Fiscal Year. As a result, the amount in each reserve on July 1st of a Fiscal Year is to be an amount equal to the reserves' respective requirements for the immediately preceding Fiscal Year. Money in each reserve is available during the Fiscal Year to fund each SUNY Campus' Operating Expenses and repair and rehabilitation costs.

Because SUNY allocates the amount of the Operations and Maintenance Reserve and Repair and Rehabilitation Reserve that will be available to each SUNY Campus during a Fiscal Year, in addition to the Collection Accounts, a separate account has been established within the Fund (each a "Campus Reserve Account") for each SUNY Campus's allocable share of the Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve Requirement. Each Campus Reserve Account will be funded from transfers of money from the SUNY Campus' Collection Account that is in excess of the amount required to fund debt service on the Prior Bonds and Bonds. The transfers will be made at times and in amounts determined by SUNY and DASNY to ensure that by June 30th of each Fiscal Year the aggregate amounts in the Campus Reserve Accounts is equal to the sum of that Fiscal Year's Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve Requirement.

On or prior to June 1st of each Fiscal Year SUNY is required to provide DASNY with separate allocations showing each SUNY Campus' share of the aggregate amount of debt service on the Prior Bonds and Bonds and DASNY Administrative Expenses that are payable out of the Fund during the next Fiscal Year. Prior to May 15th of each Fiscal Year, SUNY is also required to provide DASNY with each SUNY Campus' allocable share of the Fiscal Year's Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve

Requirement for the next Fiscal Year. The allocations prepared by SUNY are to be attached to and become a part of DASNY's Annual Certification.

Notwithstanding the allocation to each SUNY Campus of a portion of the debt service on the Prior Bonds and the Bonds payable out of the Fund during a Fiscal Year, the money in each and every account within the Fund is available and required to be applied to fund, first, the principal of and interest on the outstanding Prior Bonds and, then, principal of and interest on the Outstanding Bonds at any time needed to assure that payment of the Prior Bonds and the Bonds, when due.

PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS AND THE PRIOR BONDS

Debt Service Requirements of Prior Bonds and Dormitory Facilities Revenue Bonds

As of June 30, 2018, DASNY has outstanding $394 million of Prior Bonds previously issued under the Prior Resolution. Debt service requirements for the Prior Resolution are shown below under "PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS – Schedule of Debt Service Requirements for the Dormitory Facilities Revenue Bonds and outstanding Prior Bonds." Payment of Debt Service on Bonds, including the Series 2018A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on outstanding bonds issued under the Prior Resolution, which will continue to be additionally secured by SUNY's general obligation pledge. See "PART 4 – DORMITORY FACILITIES REVENUE FUND." DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

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Schedule of Debt Service Requirements for the Dormitory Facilities Revenue Bonds and Outstanding Prior Bonds

The following table sets forth, for each Fiscal Year ending June 30, the amounts, rounded to the nearest dollar, required to be made available in such Fiscal Year for the payment of the principal, including Sinking Fund Installments, of and interest on the Series 2018A Bonds, debt service on other Outstanding Bonds (Series 2013A, Series 2015A, Series 2015B and Series 2017A) and outstanding debt service on outstanding Prior Bonds. The principal of the Bonds matures on each July 1, one day following the close of the respective Fiscal Years listed.

Fiscal Year	Series 2018A Principal Payments	Series 2018A Interest Payments	Total Debt Service on the Series 2018A Bonds	Total Debt Service on Other Outstanding Bonds	Total Debt Service on the Prior Bonds	Total Debt Service
2019	$2,445,000	$4,823,758	$ 7,268,758	$112,029,806	$39,937,244	$159,235,808
2020	3,470,000	6,581,250	10,051,250	114,612,156	36,125,769	160,789,175
2021	3,640,000	6,407,750	10,047,750	116,106,056	31,998,619	158,152,425
2022	3,820,000	6,225,750	10,045,750	121,980,125	22,372,269	154,398,144
2023	4,010,000	6,034,750	10,044,750	123,680,625	16,984,769	150,710,144
2024	4,205,000	5,834,250	10,039,250	122,165,625	15,009,169	147,214,044
2025	4,400,000	5,624,000	10,024,000	116,422,875	19,899,369	146,346,244
2026	4,635,000	5,404,000	10,039,000	117,563,125	14,715,113	142,317,238
2027	4,865,000	5,172,250	10,037,250	111,746,875	14,715,113	136,499,238
2028	5,115,000	4,929,000	10,044,000	107,629,625	14,715,113	132,388,738
2029	5,360,000	4,673,250	10,033,250	89,440,875	22,210,113	121,684,238
2030	5,630,000	4,405,250	10,035,250	79,617,725	27,790,650	117,443,625
2031	5,920,000	4,123,750	10,043,750	70,803,250	28,898,400	109,745,400
2032	6,200,000	3,827,750	10,027,750	60,441,600	28,857,150	99,326,500
2033	6,540,000	3,517,750	10,057,750	48,214,238	33,909,500	92,181,488
2034	2,955,000	3,190,750	6,145,750	45,030,513	33,908,250	85,084,513
2035	3,100,000	3,043,000	6,143,000	41,911,588	33,922,750	81,977,338
2036	3,270,000	2,888,000	6,158,000	38,403,500	33,919,500	78,481,000
2037	3,425,000	2,724,500	6,149,500	36,261,250	33,912,250	76,323,000
2038	3,590,000	2,553,250	6,143,250	29,308,500	33,909,250	69,361,000
2039	3,780,000	2,373,750	6,153,750	23,698,000	33,930,500	63,782,250
2040	3,965,000	2,184,750	6,149,750	19,416,500	33,926,500	59,492,750
2041	4,160,000	1,986,500	6,146,500	19,428,750	26,570,000	52,145,250
2042	4,365,000	1,778,500	6,143,500	19,448,500	13,335,000	38,927,000
2043	4,590,000	1,560,250	6,150,250	19,448,500	-	25,598,750
2044	4,820,000	1,330,750	6,150,750	13,047,750	-	19,198,500
2045	5,065,000	1,089,750	6,154,750	13,049,250	-	19,204,000
2046	5,310,000	836,500	6,146,500	6,126,750	-	12,273,250
2047	5,575,000	571,000	6,146,000	-	-	6,146,000
2048	5,845,000	292,250	6,137,250	-	-	6,137,250

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the Series 2018A Bonds are as follows:

Sources of Funds	
Principal Amount of the Series 2018A Bonds	$134,070,000.00
Net Original Issue Premium	17,898,489.30
Total Sources	$151,968,489.30
Uses of Funds	
Deposit to the Project Account	$149,900,000.40
Costs of Issuance*	1,382,078.23
Underwriters' Discount	686,410.67
Total Uses	$151,968,489.30

* Includes State Bond Issuance Charge.

PART 7 – THE PROJECT

The 2018 Project

SUNY primarily operates its Dormitory Facilities construction program on a cash flow borrowing basis, issuing bonds to fund ongoing system-wide construction costs and not on a specific project-by-project basis. SUNY currently has approximately $150 million in design, construction and/or rehabilitation of Dormitory Facilities construction in progress on numerous campuses that is expected to be disbursed from November 2018 through December 2019. See "PART 8 – THE RESIDENCE HALL PROGRAM – Capital Plan and Prior Debt Issuance." The proceeds of the Series 2018A Bonds may be expended on any Dormitory Facility.

PART 8 – THE RESIDENCE HALL PROGRAM

Overview of Residence Hall Program

SUNY has operated Dormitory Facilities for over 60 years as an integral component of its higher education programs. The SUNY Residence Hall Program currently operates on 25 SUNY State-operated Campuses providing housing and other ancillary services for over 70,000 students annually. There are over 450 Dormitory Facilities in the Residence Hall Program. Each SUNY Campus manages the housing on its campus and has its own unique mix of options including: (1) standard double occupancy rooms along a corridor with common shared bathrooms; (2) suites of 2–4 bedrooms with a single entry that share a "common space" and bathroom within; and (3) apartment style housing containing a kitchen, common area and typically more than one bedroom and bathroom. Historically, SUNY has been able to sustain a consistent rate of occupancy of its Dormitory Facilities with an occupancy rate for the past five fiscal years averaging approximately 95.8% for all SUNY Campuses combined. In Fiscal Year 2017, the Residence Hall Program generated total Dormitory Facilities Revenues of $564.6 million.

Competition to attract students to SUNY within the State, as well as nationally and internationally is an important reason to ensure that the condition and desirability of its residence halls meet the standards which have become the norm. Today's students seek out and demand facilities offering a high quality of life, including amenities that did not exist a decade ago. To meet this competitive demand, SUNY strives to maintain its residence halls in a state of good repair through ongoing maintenance, continual rehabilitation, and periodic expansion.

Much of the management functions of the Residence Hall Program take place at the individual campus level. Such management includes operation and maintenance of the individual buildings used for dormitories and ancillary services. Each SUNY Campus is also responsible for capital planning, establishing room rents, and the billing and collection of associated revenues. SUNY's Office for Capital Facilities (the "OCF") reviews and approves capital plans and campus cash flow projections and provides overall support for the Residence Hall Program to the campuses.

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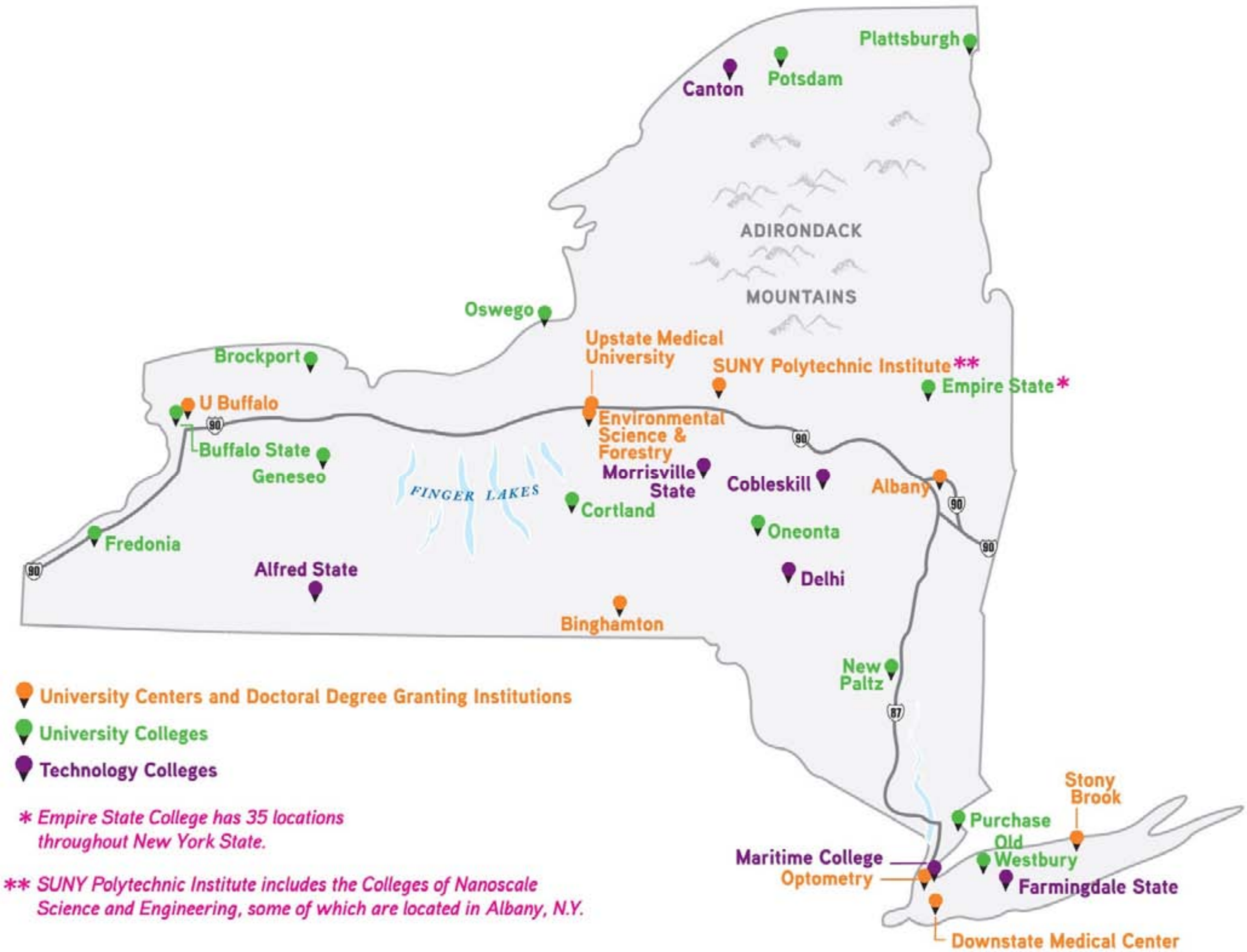
The following map sets forth the location of the 29 SUNY Campuses:



The Dormitory Facilities

In Fall 2017, SUNY's Residence Hall Program was comprised of 71,826 available beds, consistent with the number of beds compared to Fall 2016. The details of the Program operations at the campus level are listed below, broken down by individual SUNY State-operated Campus classifications. The SUNY Campuses are divided into three categories: (i) University Centers and Doctoral Degree Granting Institutions, (ii) University Colleges, and (iii) Technology Colleges. These categories or sectors differ on educational mission, the kinds of academic opportunities available, and degrees offered. All campuses offer excellent academic and student life programs. Below is a listing of the beds available broken-out by campus:

Dormitory Facilities—Available Beds by Campus
(Fall 2017)

Sector	Campus	Beds
University Centers and Doctoral Degree Granting Institutions	Albany	6,444
	Binghamton	7,117
	University at Buffalo	4,958
	Stony Brook	10,440
	Downstate Medical Center	365
	Environmental Science and Forestry	0
	Optometry	0
	Upstate Medical University	0
University Centers and Doctoral Degree Granting Institutions Total		29,324
University Colleges	Brockport	2,684
	Buffalo College	1,985
	Cortland	3,217
	Empire State	0
	Fredonia	2,285
	Geneseo	3,185
	New Paltz	3,107
	Old Westbury	1,305
	Oneonta	3,438
	Oswego	4,272
	Plattsburgh	2,393
	Potsdam	2,145
	Purchase	2,229
University Colleges Total		**32,245**
Technology Colleges	Alfred State	2,497
	Canton	864
	Cobleskill	1,230
	Delhi	1,590
	Farmingdale	591
	Maritime	1,385
	Morrisville	1,207
	SUNY Polytechnic Institute	893
Technology Colleges Total		**10,257**
Grand Total		**71,826**

The nearly over 450 buildings that comprise the Residence Hall Program throughout the SUNY system range in both age and condition. Recognizing the importance of maintaining each of the facilities, SUNY actively manages its capital program to ensure that each of the facilities is maintained in a good state of repair and in compliance with SUNY policies which require certain minimum living standards. Moreover, in addition to regular maintenance, there are constant upgrades and improvements including major modernization made to the Dormitory Facilities on an ongoing basis. This continual improvement is a priority to SUNY to maintain its competitive standing and attract new students.

The SUNY Dormitory Facilities also include the ownership and operation of three freestanding parking structures, consisting of approximately 2,500 spaces at the Binghamton, Stony Brook and Health Science Center at Syracuse campuses.

Ten SUNY Campuses also have "off-budget housing" which are facilities that are privately-owned by entities other than SUNY or DASNY and are not part of SUNY's Residence Hall Program. For more information on SUNY's off-budget housing capacity and occupancy, see "Other Student Housing" in this Part.

Demand for On-Campus Housing

SUNY has operated Dormitory Facilities for over 60 years as an integral component of its higher education offerings and the growth of the Residence Hall Program has reflected growth in demand for a SUNY education. SUNY has been able to sustain a consistent rate of occupancy of its Dormitory Facilities as presented in the table below. The occupancy rate for SUNY's past five Fiscal Years has averaged approximately 95.8% for all SUNY Campuses combined.

Residence Hall Program—Historical Occupancy*
(Fall Semester)

SUNY Fiscal Year	DASNY Beds	Beds Occupied	Occupancy Rate
2013	71,761	68,682	95.7%
2014	72,213	69,348	96.0%
2015	72,497	69,323	95.6%
2016	71,854	68,440	95.2%
2017	71,826	69,211	96.4%

*Excludes Residence Advisor (RA) beds.

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Over the past decade, the continued enrollment growth and the rising number of students who prefer to live on campus have created demand for additional bed capacity across SUNY Campuses. To meet the consistent needs of students attending SUNY, the Residence Hall Program has increased the number of beds by 20% since the Fall of 1998, as illustrated in the table below:

Residence Hall Program
Historical Growth of Available Beds*
(Fall Semester)

SUNY Fiscal Year	Number of Beds Available	Capacity Growth Since 1998
1998	59,899	--
1999	59,298	-1%
2000	58,953	-2%
2001	60,062	0%
2002	62,652	5%
2003	64,211	7%
2004	65,746	10%
2005	67,270	12%
2006	68,533	14%
2007	69,690	16%
2008	71,142	18%
2009	69,970	16%
2010	70,632	18%
2011	70,547	18%
2012	70,880	18%
2013	71,761	19%
2014	72,213	21%
2015	72,497	21%
2016	71,854	20%
2017	71,826	20%

*Excludes Residence Advisor (RA) beds.

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During the same period, total enrollment of students has risen by more than 17% while the percentage of full-time students choosing to live on campus in Dormitory Facilities has continued to be at 42% over the past four Fiscal Years as noted in the table below. The consistency of this data over a sustained period of time demonstrates the continued demand for the Residence Hall Program. On-campus living data is presented below:

SUNY Residence Hall Program - Students Choosing to Live on Campus*
(Fall Semester)

SUNY Fiscal Year	Total Enrollment	Full Time Undergraduate Students	Full Time Graduate Students	Total Full Time Students	% of Full Time Students Living on Campus
1998	168,759	120,131	22,859	142,990	39%
1999	172,058	123,082	23,533	146,615	39%
2000	173,949	124,524	24,288	148,812	39%
2001	179,858	128,936	26,054	154,990	39%
2002	183,898	130,902	28,006	158,908	38%
2003	184,337	132,598	27,901	160,499	40%
2004	183,316	134,381	27,383	161,764	42%
2005	184,693	136,795	27,056	163,851	42%
2006	186,339	139,248	27,574	166,822	42%
2007	189,801	142,038	27,822	169,860	42%
2008	194,008	145,191	27,987	173,178	42%
2009	196,891	147,747	28,273	176,020	41%
2010	198,639	149,080	28,933	178,013	41%
2011	197,336	148,094	27,938	176,031	42%
2012	195,961	148,051	27,927	175,978	42%
2013	196,878	149,126	28,610	177,736	42%
2014	200,400	156,190	29,858	186,048	41%
2015	199,464	151,204	29,431	180,635	42%
2016	199,868	151,428	29,054	180,482	42%
2017	202,518	154,645	29,391	184,036	41%

*Excludes Residence Advisor (RA) beds. Enrollment figures above are totals for campuses with Dormitory Facilities.

The success of the Residence Hall Program is evidenced by the long history of near full occupancy. Dormitory Facilities on SUNY Campuses have historically been filled at or above 95% of their design capacity at the beginning of each Fall Semester, as reflected in the following tables. Sustained strong demand for on-campus housing, finite bed availability, and continued efforts to grow student enrollment at SUNY Campuses suggest that a high occupancy rate is likely to continue.

Occasionally, SUNY Campuses will experience a shortage in available rooms due to a variety of factors, including: (i) a greater than expected percentage of returning students choosing to remain on campus rather than moving off-campus, (ii) a higher than expected level of matriculation at a given institution, and (iii) facilities being removed from service for rehabilitation. When a shortage in available rooms exists, standard double rooms will be temporarily tripled by adding an extra bed and dresser. SUNY will relocate students who have been placed in temporary triples as soon as available space in standard accommodations is identified. It is SUNY's policy to relocate students to standard double rooms during the Fall semester. Students assigned to temporarily tripled accommodations will be billed at a standard double rate, but will be issued a credit based on the length of time the student has resided in the tripled room. This credit results in a reduction of the student's charge, but a positive net result for the extra bed.

In Fall 2017, the Residence Hall Program had 71,826 available beds across the SUNY Campuses, of which 69,211 were occupied, representing an occupancy rate of 96.4%. The following table presents occupancy rates by campus for Fiscal Year 2017:

Dormitory Facilities Occupancy* - Fall 2017

Sector	Campus	Beds	Beds Occupied	Occupancy Rate
University Centers and Doctoral Degree Granting Institutions	Albany**	6,444	6,303	97.8%
	Binghamton	7,117	6,966	97.9%
	University at Buffalo	4,958	4,851	97.8%
	Stony Brook	10,440	10,193	97.6%
	Downstate Medical Center	365	335	91.8%
	Environmental Science and Forestry	0	0	N/A
	Optometry	0	0	N/A
	Upstate Medical University	0	0	N/A
University Centers and Doctoral Degree Granting Institutions Total		**29,324**	**28,648**	**97.7%**
University Colleges	Brockport	2,684	2,584	96.3%
	Buffalo College	1,985	1,880	94.7%
	Cortland	3,217	3,181	98.9%
	Empire State	0	0	N/A
	Fredonia	2,285	2,161	94.6%
	Geneseo	3,185	2,937	92.2%
	New Paltz	3,107	3,039	97.8%
	Old Westbury	1,305	1,205	92.3%
	Oneonta	3,438	3,364	97.8%
	Oswego	4,272	4,170	97.6%
	Plattsburgh	2,393	2,293	95.8%
	Potsdam	2,145	1,824	80.0%
	Purchase	2,229	2,201	98.7%
University Colleges Total		**32,245**	**30,859**	**95.6%**
Technology Colleges	Alfred State	2,497	2,268	90.8%
	Canton	864	864	100.0%
	Cobleskill	1,230	1,099	89.3%
	Delhi	1,590	1,590	100.0%
	Farmingdale	591	564	95.4%
	Maritime	1,385	1,308	94.4%
	Morrisville	1,207	1,158	95.9%
	SUNY Polytechnic Institute**	893	873	97.8%
Technology Colleges Total		**10,257**	**9,724**	**94.8%**
Grand Total		**71,826**	**69,211**	**96.4%**

* Excludes Residence Advisor (RA) beds.

** SUNY Polytechnic Institute is currently awaiting doctoral degree granting authority from the New York State Education Department for programs in the College of Nanoscale Science and Engineering. In the meantime, SUNY Albany is conferring the doctoral degree for SUNY Polytechnic Institute.

Dormitory Facilities at two SUNY Campuses are currently operating at less than 90% occupancy. These SUNY Campuses have each had a small decline in overall full-time equivalent students over the past several years, resulting in the lower housing demand.

Establishing Residence Hall Rental Rates

The Residence Hall Program is a completely self-supporting function of SUNY. The Residence Hall Program generates sufficient revenues to support its operations and annual maintenance, and provides the ongoing revenue to support its capital investment. Each SUNY Campus has the ability to set its own room rental rates. Such rates reflect the market dynamics that are unique to the individual campus or geographic market. Additionally, in accordance with SUNY's Residence Hall Operation Policy and Guidelines, each SUNY Campus is responsible for developing a residence hall budget, a multi-year capital plan and determining all room rental rates to support both. However, room rates must be sufficient to cover debt service, dormitory operations and to maintain reserve requirements. Each SUNY Campus is required to submit its budget with a schedule of residence hall rates to SUNY System Administration for review by the Budget Office and the OCF. The procedure for determining room rental rates must include a process that provides for consultation with students residing in residence halls.

The following table presents each SUNY Campus room rate for the past five SUNY Fiscal Years for double occupancy rooms within the Residence Hall Program on an annual per student basis. Recently, room rates have increased by an average of approximately 3.5% on a yearly basis. The Program includes other types of available housing, including single occupancy, suite style, apartment and others. While the rates differ for each of the room configurations, the following chart below reflects the rates associated with the Residence Hall Program for double occupancy rooms only. Such double occupancy rooms represent nearly three-quarters of all rooms within the Residence Hall Program.

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Dormitory Facilities
Standard Double Room Rates

Description	2013-14	2014-15	2015-16	2016-17	2017-18	13-14 to 14-15 Increase	14-15 to 15-16 Increase	15-16 to 16-17 Increase	16-17 to 17-18 Increase	Average Annual Change
SUNY-wide Average	**$6,907**	**$7,167**	**$7,425**	**$7,666**	**$7,847**	**3.8%**	**3.6%**	**3.3%**	**2.4%**	**3.2%**
University Centers	**$7,404**	**$7,665**	**$7,928**	**$8,182**	**$8,466**	**3.5%**	**3.4%**	**3.2%**	**3.5%**	**3.4%**
Albany	7,184	7,436	7,732	8,042	8,364	3.5%	4.0%	4.0%	4.0%	3.9%
Binghamton	8,296	8,462	8,632	8,804	9,068	2.0%	2.0%	2.0%	3.0%	2.2%
Buffalo University	6,867	7,210	7,571	7,798	8,032	5.0%	5.0%	3.0%	3.0%	4.0%
Stony Brook	7,268	7,552	7,778	8,082	8,401	3.9%	3.0%	3.9%	3.9%	3.7%
Doctoral Centers	**$7,022**	**$7,287**	**$7,511**	**$7,713**	**$7,941**	**3.8%**	**3.1%**	**2.7%**	**3.0%**	**3.1%**
Optometry	-	-	-	-	-	-	-	-	-	-
ESF	-	-	-	-	-	-	-	-	-	-
Downstate	5,494	5,776	5,840	5,840	5,840	5.1%	1.1%	0.0%	0.0%	1.5%
Upstate	-	-	-	-	-	-	-	-	-	-
Comprehensive Colleges	**$6,963**	**$7,223**	**$7,504**	**$7,776**	**$7,981**	3.7%	**3.9%**	**3.6%**	**2.6%**	**3.5%**
Brockport	6,980	7,130	7,400	7,682	7,974	2.1%	3.8%	3.8%	3.8%	3.4%
Buffalo College	6,724	7,060	7,342	7,787	8,015	5.0%	4.0%	6.1%	2.9%	4.5%
Cortland	7,430	7,660	7,820	7,820	7,900	3.1%	2.1%	0.0%	1.0%	1.5%
Fredonia	6,850	7,200	7,600	7,600	7,500	5.1%	5.6%	0.0%	-1.3%	2.3%
Geneseo	7,090	7,230	7,510	7,660	7,890	2.0%	3.9%	2.0%	3.0%	2.7%
Old Westbury	6,800	7,000	7,000	7,300	7,300	2.9%	0.0%	4.3%	0.0%	1.8%
New Paltz	6,880	7,220	7,620	8,040	8,480	4.9%	5.5%	5.5%	5.5%	5.4%
Oneonta	6,552	7,060	7,600	8,186	8,514	7.8%	7.6%	7.7%	4.0%	6.8%
Oswego	7,990	7,990	8,190	8,390	8,590	0.0%	2.5%	2.4%	2.4%	1.8%
Plattsburgh	6,476	6,740	7,000	7,280	7,580	4.1%	3.9%	4.0%	4.1%	4.0%
Potsdam	6,170	6,420	6,770	7,120	7,360	4.1%	5.5%	5.2%	3.4%	4.5%
Purchase	7,616	7,960	8,196	8,442	8,674	4.5%	3.0%	3.0%	2.7%	3.3%
Technology Colleges	**$6,751**	**$7,010**	**$7,252**	**$7,472**	**$7,586**	**3.8%**	**3.5%**	**3.0%**	**1.5%**	**3.0%**
SUNY IT	6,700	7,036	7,388	7,612	7,840	5.0%	5.0%	3.0%	3.0%	4.0%
Alfred	6,880	7,080	7,080	7,280	7,500	2.9%	0.0%	2.8%	3.0%	2.2%
Canton	6,500	6,700	6,900	7,100	7,350	3.1%	3.0%	2.9%	3.5%	3.1%
Cobleskill	6,930	7,280	7,570	7,950	7,880	5.1%	4.0%	5.0%	-0.9%	3.3%
Delhi	6,120	6,310	6,500	6,700	6,901	3.1%	3.0%	3.1%	3.0%	3.0%
Farmingdale	7,260	7,440	7,660	7,774	7,858	2.5%	3.0%	1.5%	1.1%	2.0%
Morrisville	6,760	7,098	7,498	7,648	7,648	5.0%	5.6%	2.0%	0.0%	3.1%
Maritime	6,858	7,132	7,418	7,714	7,714	4.0%	4.0%	4.0%	0.0%	3.0%

Student Housing Payment and Collection Procedures

Each SUNY Campus requires that students desiring to reside in a residence hall execute a residence hall license or housing contract which sets forth occupancy guidelines, room rates and financial obligations. Each residence hall license/contract obligates the student signing it to remain in campus-provided housing for the designated semester, and a student's failure to remain in campus housing will not relieve the student of the responsibility to fulfill its terms. The license/contract is not room and hall specific such that if a student is moved from one room or hall to another, the license agreement remains in effect. Students cannot reside in campus residence halls without executing a license agreement.

Each SUNY Campus is responsible for the billing and collecting of Dormitory Facilities Revenues as agent for DASNY. Students are sent initial consolidated bills itemizing all charges for academic, residential and miscellaneous items due for the semester. Payments are required prior to the start of the semester unless the student elects a payment plan offered by the campus. A deferral of all or part of a student's payment beyond the date when full payment would otherwise be due may be granted if the student's charges are intended to be subsidized by State, federal, or other-third party assistance programs (i.e., scholarship, grant, loans). When student payment and related financial aid program (i.e., Pell, other grants and loans) amounts are received by a SUNY Campus, they will be credited toward the student's outstanding charges, including room rent. Each SUNY Campus has a designated priority of payment for apportioning receipts to tuition, fees, room or board as payments are received. Revenue has two primary peaks – one from late summer to mid-fall for the fall semester billings and the other from early winter to late-winter for the spring semester billings.

Over the past five SUNY Fiscal Years, the collection rate for all student housing payments has averaged over 98%. The table below shows historical collection rates for students within residence halls that are part of the Residence Hall Program:

Residence Hall Program
Collection Rates

Fiscal Year	Collection Rate
2013-14	98.62%
2014-15	98.96%
2015-16	98.81%
2016-17	98.76%
2017-18	97.25%

Pursuant to the Financing and Development Agreement, DASNY has appointed SUNY as its agent to collect, receive, remit and account for all Dormitory Facilities Revenues. SUNY may designate the chief fiscal officer of each SUNY Campus, or such other officer or employee of such SUNY Campus, to act on DASNY's behalf to collect, receive, remit and account for Dormitory Facilities Revenues. In accordance with the Financing and Development Agreement, SUNY has covenanted to diligently collect and enforce the obligations of each student or other person using or occupying a Dormitory Facility to pay the rents, fees or charges imposed by SUNY for such use and occupancy. All Dormitory Facilities Revenues, as collected by SUNY, acting by and through the officers designated by SUNY as DASNY's agents for collection, are to be paid to the Commissioner for deposit to the Fund as nearly as practicable on the first and fifteenth day of each calendar month. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

Residence Hall Management/Staffing

The Residence Hall Capital Program is administered through the OCF, which is responsible for general oversight and management of the Program. Each SUNY State-operated Campus manages the buildings and residences and ancillary facilities on its individual campus. This includes operation and maintenance of the buildings, capital planning, and the delivery of the numerous services required for the students who are housed in each of the buildings. Additionally, each SUNY Campus is responsible for the establishment of rental rates and the billing and collection of all rents, fees and other revenues attributable to the Program. SUNY employs approximately 2,500 full-time equivalent employees and 100 temporary staff system-wide to manage over 550 Dormitory Facilities across the SUNY Campuses (which includes approximately 100 off-budget buildings). See "Other Student Housing" below. Staff includes professionals, civil service employees, students and non-students, and is comprised of custodians, maintenance technicians, clerical staff, live-in residence hall directors, program professionals and administrators.

Each SUNY State-operated Campus has a Director of Residential Life who is responsible for overseeing the management and day-to-day operations of the SUNY-operated Dormitory Facilities on his or her respective campus. The Directors of Residential Life also supervise Resident Directors ("RDs"). RDs are full-time professionals who live in the residence halls. The RDs promote a comfortable living/learning atmosphere for the residents living in their hall. The campus Student Life staff includes professionals who work with students in all aspects of campus life. Each floor/wing of the residence halls has Resident Assistants ("RAs") who assist residents and provide training, educational and social opportunities. Each building has an RA on duty each evening as a resource to the students.

Capital Plan and Prior Debt Issuance

SUNY, through the OCF, annually develops a five-year capital plan (the "Residence Hall Capital Plan") that identifies major capital projects required to maintain the quality of the Dormitory Facilities. Continued enrollment growth and the growing number of students who prefer to live on campus have created demand for additional bed capacity across SUNY Campuses. As such, the long-term capital planning for SUNY's Residence Hall Program includes not only funds for reinvestment and rehabilitation to ensure residence halls remain in good repair, but also for the construction of new beds. The SUNY State-operated Campuses utilize both bond proceeds and available Residence Hall Program monies including available reserves and excess funds in order to execute their respective capital plans. As reflected in the table below, the majority (approximately 88%) of the capital expenditures for this Program are for the rehabilitation of existing facilities, with over 69% of the cash for overall capital expenses coming from bond proceeds. SUNY's current five (5) year Residence Hall Capital Plan is summarized in the table below.

SUNY Residence Hall Capital Plan by Project Type/Funding Source

Project Type	2018-19	2019-20	2020-21	2021-22	2022-23	Total
New Construction	$64,670,000	$45,000,000	$0	$0	$0	**$109,670,000**
Rehabilitation	$186,447,436	$133,467,598	$190,907,296	$178,945,146	$111,419,772	**$801,187,248**
Total	**$251,117,436**	**$178,467,598**	**$190,907,296**	**$178,945,146**	**$111,419,772**	**$910,857,248**

Funding Source	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Bond Proceeds	$183,041,856	$109,507,120	$128,851,040	$139,794,534	$65,423,591	**$626,618,141**
Excess Funds and Available Reserves	$68,075,580	$68,960,478	$62,056,256	$39,150,612	$45,996,181	**$284,239,107**
Total	**$251,117,436**	**$178,467,598**	**$190,907,296**	**$178,945,146**	**$111,419,772**	**$910,857,248**

SUNY's Residence Hall Capital Plan is formulated based on input from each SUNY Campus and provides a multi-year forecast of projects along with a cash flow analysis that demonstrates that each SUNY Campus can operate its individual program in an effective and solvent manner. The table below sets forth the capital plan expenditures for each SUNY Campus. A number of new construction projects are planned at various SUNY Campuses including Stony Brook and SUNY Poly as reflected by the large dollar amounts expected to be spent in certain years for these Campuses.

SUNY Residence Hall Capital Plan by Sector and Campus

Sector	Campus	2018-19	2019-20	2020-21	2021-22	2022-23	Total
University Centers and Doctoral Degree Granting Institutions	Albany	$10,933,289	$10,400,000	$39,050,000	$31,475,000	$11,333,936	$103,192,225
	Binghamton	$7,792,000	$9,259,000	$7,072,000	$7,072,000	$7,072,000	$38,267,000
	Buffalo University	$11,471,707	$3,000,000	$11,686,021	$10,000,000	$10,000,000	$46,157,728
	Stony Brook	$48,000,000	$52,000,000	$7,000,000	$7,000,000	$7,000,000	$121,000,000
	College of Optometry	$0	$0	$0	$0	$0	$0
	Environmental Science and Forestry	$0	$0	$0	$0	$0	$0
	Health Science Center at Brooklyn	$1,618,000	$0	$9,000,000	$0	$0	$10,618,000
	Health Science Center at Syracuse	$0	$0	$0	$0	$0	$0
University Centers and Doctoral Campus Total		**$79,814,996**	**$74,659,000**	**$73,808,021**	**$55,547,000**	**$35,405,936**	**$319,234,953**
University Colleges							
	Brockport	$3,170,000	$0	$20,000,000	$14,000,000	$0	$37,170,000
	Buffalo College	$17,145,000	$2,310,000	$500,000	$500,000	$500,000	$20,955,000
	Cortland	$15,676,531	$9,110,000	$5,750,000	$5,750,000	$750,000	$37,036,531
	Empire State	$0	$0	$0	$0	$0	$0
	Fredonia	$1,103,000	$2,325,000	$3,053,000	$2,798,000	$2,598,000	$11,877,000
	Geneseo	$2,560,000	$5,875,000	$4,165,000	$16,850,000	$2,350,000	$31,800,000
	New Paltz	$28,866,305	$4,500,000	$8,744,120	$31,462,523	$5,200,000	$78,772,948
	Old Westbury	$2,835,000	$130,000	$190,000	$180,000	$110,000	$3,445,000
	Oneonta	$17,213,910	$19,026,264	$5,115,687	$18,554,341	$5,371,929	$65,282,131
	Oswego	$4,755,000	$4,000,000	$0	$0	$1,000,000	$9,755,000
	Plattsburgh	$467,244	$6,371,779	$7,632,681	$200,000	$200,000	$14,871,704
	Potsdam	$100,000	$400,000	$1,350,000	$2,800,000	$5,900,000	$10,550,000
	Purchase	$19,172,350	$10,850,555	$13,983,364	$14,315,782	$17,712,407	$76,034,458
University Colleges Total		**$113,064,340**	**$64,898,598**	**$70,483,852**	**$107,410,646**	**$41,692,336**	**$397,549,772**
Technology Colleges	Alfred	$1,000,000	$20,468,000	$16,500,000	$1,000,000	$1,000,000	$39,968,000
	Canton	$300,000	$7,250,000	$6,150,000	$6,150,000	$6,150,000	$26,000,000
	Cobleskill	$2,870,000	$5,630,000	$4,825,000	$4,825,000	$5,675,000	$23,825,000
	Delhi	$6,000,000	$2,719,000	$2,380,000	$3,012,500	$2,577,500	$16,689,000
	Farmingdale	$0	$0	$0	$0	$0	$0
	Maritime	$1,161,000	$1,130,000	$1,000,000	$1,000,000	$1,000,000	$5,291,000
	Morrisville	$15,622,100	$728,000	$15,050,423	$0	$17,919,000	$49,319,523
	SUNY Poly	$31,285,000	$985,000	$710,000	$0	$0	$32,980,000
Technology Colleges Total		**$58,238,100**	**$38,910,000**	**$46,615,423**	**$15,987,500**	**$34,321,500**	**$194,072,523**
Grand Total		**$251,117,436**	**$178,467,598**	**$190,907,296**	**$178,945,146**	**$111,419,772**	**$910,857,248**

Prior to the establishment of this Resolution, SUNY had historically funded its Residence Hall Capital Plan from the proceeds of Prior Resolution bonds issued by DASNY as well as excess revenues and available reserves. A summary of Prior Resolution debt issuance is shown below:

Bonds Issued by DASNY Under Prior Resolution
(in thousands)

	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Beginning of Period	$1,546,315	$1,215,060	$1,164,255	$682,125	$649,780
Issued/Refunded During Period	(281,740)	---	(428,920)	--	(226,205)
Retired During Period	(49,515)	(50,805)	(53,160)	(32,395)	(29,835)
Outstanding End of Period	$1,215,060	$1,164,255	$682,175	$649,780	$393,740

Payment of Debt Service on Bonds, including the Series 2018A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on outstanding bonds issued under the Prior Resolution, which will continue to be additionally secured by SUNY'S general obligation pledge. DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

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Results of Operations

The residence hall operations and capital programs are financially self-sufficient. Each Campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Dormitory Facilities Revenues in excess of debt service generated by residence halls operating activities are available for improvements and maintenance of the residence halls. There is also parking revenue generated by the three parking facilities that is included as Dormitory Facilities Revenue as well as a small amount of other revenue (consisting of various ancillary dormitory facility activity involving transfers from other campus funds) that is shown in the following chart as net of the expenses associated with this revenue. Parking revenue is generally offset by the expenses associated with operation of the parking facilities.

In the increasingly competitive world of higher education, SUNY has made a concerted effort to keep the overall cost of education to a minimum. SUNY has historically been a strong value, and the implementation of the Excelsior Scholarship Program in the fall of 2017 helped further this position by offering free tuition for a large segment of eligible New York residents. The other major component of the cost of higher education is student housing. SUNY system administration actively manages the program and is working with campuses to slow the escalation in room rates to stay competitive with other higher education institutions. These efforts have resulted in a slight reduction in the rate of annual increase in overall dormitory program revenues.

Dormitory Facilities Debt Service Coverage
(in millions)

	2013-14	2014-15	2015-16	2016-17	2017-18
Dormitory Facilities Revenues					
Room Rentals	$519.8	$519.8	$535.8	$539.4	$549.2
Parking Revenues	10.8	9.2	8.2	$8.5	8.8
Other Revenues and Programs	1.2	1.1	1.5	$4.2	6.6
Total Dormitory Facilities Revenues	**$531.8**	**$530.1**	**$545.5**	**$552.1**	**$564.6**
Operating Expenses					
Total SUNY-Owned Dorm Operating Expenses	$323.5	$318.5	$309.3	$324.5	$336.3
Overhead and Insurance	11.4	11.2	11.7	$12.0	13.1
Parking Expenses	7.7	6.3	5.8	5.1	4.5
Total Operating Expenses	**$342.6**	**$336.0**	**$326.8**	**$341.6**	**$353.9**
Net Dormitory Facilities Revenues	$189.2	$194.1	$218.7	$210.5	$210.7
Prior Bonds Debt Service Payments	$109.9	$110.1	68.0	61.8	45.0
Dormitory Facilities Revenue Bonds					
Debt Service Payments	20.4	28.5	73.9	84.1	111.9
Total Debt Service Payments	$130.3	$138.6	$141.9	145.9	156.9
Debt Service Coverage (Net)	1.45	1.40	1.54	1.44	1.34

Other Student Housing

Several SUNY Campuses also have "off-budget housing" which are facilities that are privately owned by entities other than SUNY or DASNY and are not part of SUNY's Residence Hall Program. Consequently, revenues derived from the use and occupancy of this off-budget housing will not be assigned or paid into the Fund or pledged to payment of Debt Service on Bonds issued under the Resolution, including the Series 2018A Bonds.

The term "off-budget housing" refers to residential facilities in which a SUNY alumni association or foundation, or an affiliate thereof, participates as lessee, lessor, developer, manager or owner, and with respect to which SUNY has agreed to certain obligations including, in many instances, the obligation to cause its students to occupy on a "first-priority basis" until certain prescribed occupancy or revenue levels are met.

To date, 17 off-budget facilities, comprised of roughly 100 buildings, have been constructed on or near ten SUNY Campuses, representing an aggregate bed capacity of approximately 6,600. In Fall 2017, the SUNY

Campuses had approximately 6,682 off-budget beds of which 6,613 were occupied, resulting in an occupancy rate exceeding 99%. The following table presents off-budget housing occupancy rates by campus for Fall 2017:

Off-Budget Housing Occupancy by Sector and Campus*
Fall 2017

Sector	Campus	Beds	Beds Occupied	Rate
University Centers and Doctoral Degree Granting Institutions	Albany	1,172	1,171	99.9%
	University at Buffalo	2,799	2,795	99.9%
Doctoral Campuses	Environmental Science and Forestry	534	523	97.9%
	Upstate Medical University	274	250	91.2%
University Centers and Doctoral Campuses Total		**4,779**	**4,739**	**99.2%**
Comprehensive	Buffalo College	499	483	96.8%
	Purchase	416	415	99.8%
Comprehensive Total		**915**	**898**	**99.9%**
Technology Colleges	Canton	303	303	100.0%
	Cobleskill	152	150	98.7%
	Delhi	117	116	99.1%
	Morrisville	416	407	97.8%
Technology Colleges Total		**988**	**976**	**98.8%**
Grand Total		**6,682**	**6,613**	**99.0%**

*Includes only campuses with Dormitory Facilities. Excludes Residence Advisor (RA) beds.

SUNY has been able to sustain a consistent rate of off-budget housing occupancy as presented in the table below. The occupancy rate for the past five years has averaged approximately 99.1% for these off-budget beds.

Historical Off-Budget Housing Occupancy
(Fall Semester)

Year	Beds	Beds Occupied	Occupancy Rate
2013	6,314	6,269	99.3%
2014	6,598	6,552	99.3%
2015	6,654	6,564	98.6%
2016	6,565	6,495	98.9%
2017	6,682	6,613	99.0%

DASNY Participation

DASNY provides complete project management services or services-as-needed for all phases of residence hall construction. Pre-design services include programming and feasibility studies, State Environmental Quality Reviews (SEQR), planning and sustainability options. DASNY procures design consultants with residence hall experience, and manages and reviews design submissions for code compliance, coordination and constructability, ultimately issuing building permits for the projects. During the bid phase, DASNY advertises projects for competitive pricing, reviews the bids and awards construction contracts to the lowest responsible contractors, while incorporating minority and women-owned business enterprises (MWBEs) and sustainability goals. During the construction phase, DASNY manages all contracts, as well as the financial and scheduling aspects of each project, and delivers associated project reporting on a regular basis.

DASNY oversees the day-to-day construction activities, insuring the original design intent is closely followed. DASNY also requires and enforces safety plans from DASNY contractors that comply with local, state and Occupational Safety and Health Administration standards. Finally, DASNY provides project closeout services including training on building systems, contract closeout, and management of warranties and guarantees. During calendar year 2017, DASNY managed 34 renovation projects undertaken during the summer months while the dormitories are not occupied with a construction value of $29.9 million, and 6 capital projects with a construction value of $79 million.

DASNY has assisted SUNY in achieving high levels of sustainability, including nineteen SUNY buildings that are rated Silver, Gold or Platinum in the U.S. Green Building Council's LEED rating systems. These projects have achieved their sustainability goals and LEED ratings within the established budgets and in full support of the programmatic needs of the project and the overall campus plans.

PART 9 – THE STATE UNIVERSITY OF NEW YORK

General

SUNY was created in 1948, as a corporate entity in the Education Department of the State of New York under the Board of Regents. On April 1, 1949, SUNY assumed jurisdiction over the SUNY Campuses. These institutions were primarily professional and technical schools, placing emphasis on applied arts and sciences and the training of teachers. In the period between 1957 and 1962, the SUNY Board of Trustees established three university centers: the State University of New York at Albany, the State University of New York at Binghamton, and the State University of New York at Stony Brook. In addition, the former private University of Buffalo, comprised of 14 divisions, was merged into SUNY system and became the State University of New York at Buffalo and the fourth university center. Two health science centers were added, one in Brooklyn serving the New York City metropolitan area and one in Syracuse serving upstate New York. In 1961, SUNY Trustees set into motion a plan under which the teachers colleges included in the system became multipurpose institutions offering baccalaureate preparation in liberal arts, business and technologies, as well as education courses. In 1964, the six two-year Agricultural and Technical Institutes became Agricultural and Technical Colleges and in 1987 were redesignated either Colleges of Technology or Colleges of Agriculture and Technology. Two additional colleges of arts and science were opened in 1968, the State University College at Old Westbury and the State University College at Purchase.

Other components of the present SUNY system are the State University of New York Polytechnic Institute which includes the former SUNY Institute of Technology at Utica/Rome and the Colleges of Nanoscale Science and Engineering), the Empire State College in Saratoga Springs, the Maritime College at Fort Schuyler, the State University of New York College of Environmental Science and Forestry at Syracuse, the College of Optometry at New York City, the five statutory colleges — four at Cornell University (College of Veterinary Medicine, School of Industrial and Labor Relations, College of Agriculture and Life Sciences, and College of Human Ecology) and one at Alfred University (College of Ceramics). In addition, SUNY is also associated with the New York State Agricultural Experiment Station at Geneva. The statutory colleges are administered by the private universities under the general supervision of SUNY Board of Trustees. See "Operating Units" below.

Each University Center and College of SUNY is administered locally although subject to overall review and supervision by SUNY's Board of Trustees. Graduate study at the doctoral level is offered by SUNY at 15 of its institutions, and graduate work at the master's level at 29 campuses. SUNY is continuing to broaden and expand overall opportunities for advanced degree study. Graduate study areas embrace a wide spectrum including agriculture, business administration, criminal justice, dentistry, education, engineering, forestry, law, library science, medicine, nursing, optometry, pharmacy, social work, veterinary medicine, liberal arts and sciences, and a first of its kind dual degree program at the SUNY Polytechnic Institute Colleges of Nanoscale Science and Engineering that provides pioneering education and training in both medicine and nanoscale science research.

Four-year programs strongly emphasize the liberal arts and sciences and also include specialization in teacher education, business, forestry, maritime service, ceramics, and the fine and performing arts. Two-year programs include nursing and liberal arts transfer programs and a wide variety of technical curriculums such as agriculture, business, and the industrial and medical technologies. SUNY Educational Opportunity Centers located throughout the State provide training for skilled and semiskilled occupations and college foundation courses. In addition to courses such as high school equivalency, college preparation, bookkeeping, and vending and business machine repair, these centers provide a broad range of services, including personal counseling, diagnostic testing, placement and referral services.

Since 1952, SUNY as an entity has maintained accreditation by the Middle States Association of Colleges and Secondary Schools. This accreditation applies to all SUNY Campuses.

SUNY Board of Trustees, in accordance with State Education Law Section 6302, has approved establishment of 30 locally-sponsored community colleges. These colleges are designed to provide postsecondary education for students whose needs would not ordinarily be met by a traditional four-year college curriculum and to provide general courses for students who wish to transfer after completing the community college program to institutions providing a traditional four-year college program. The community colleges are established by cities or counties acting with the approval of the local legislative body and SUNY Board of Trustees. The exceptions are Corning Community College and Jamestown Community College, which are administered by regional boards of trustees and SUNY's Board of Trustees. The community colleges are subject to the general supervision of SUNY in matters relating to curriculum and are eligible to receive State financial assistance in an amount not to exceed one-half of the costs of capital construction and two-fifths of the annual operating costs if the college is implementing a program of full opportunity approved by SUNY's Board of Trustees and meets other criteria. As of the Fall of 2017, approximately 112,279 students were enrolled on a full-time basis in community colleges and another 97,139 students were enrolled on a part-time basis. The community colleges are not part of the SUNY Residence Hall Program but are a major source of transfer students to SUNY's four-year institutions.

Operating Units

SUNY is comprised of the following institutions (excluding community colleges):

UNIVERSITY CENTERS

State University of New York at Albany*
State University of New York at Binghamton*
State University of New York at Buffalo*
State University of New York at Stony Brook*

HEALTH SCIENCES CENTERS

Health Science Center at Brooklyn*
Health Science Center at Syracuse*
Health Science Center at Buffalo University Center*
Health Science Center at Stony Brook University Center*

UNIVERSITY COLLEGES

State University College at Brockport
State University College at Buffalo
State University College at Cortland
State University College at Fredonia
State University College at Geneseo
State University College at New Paltz
Empire State College
State University College at Old Westbury
State University College at Oneonta
State University College at Oswego
State University College at Plattsburgh
State University College at Potsdam
State University College at Purchase

SPECIALIZED COLLEGES

College of Environmental Science and Forestry at Syracuse*
College of Optometry at New York City*

COLLEGES OF TECHNOLOGY

College of Technology at Alfred
College of Technology at Canton
College of Technology at Delhi
College of Agriculture and Technology

College of Agriculture and Technology at Cobleskill

College of Technology at Farmingdale

at Morrisville

Maritime College at Fort Schuyler

SUNY Polytechnic Institute***

STATUTORY COLLEGES**

College of Agriculture and Life Sciences at Cornell University*

College of Human Ecology at Cornell University*

College of Ceramics at Alfred University*

College of Veterinary Medicine at Cornell University*

School of Industrial and Labor Relations at Cornell University*

OTHER INSTITUTIONS

Agricultural Experimental Station at Geneva

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* Doctoral degree granting institutions.

** These operate as "contract colleges" on the campuses of independent universities.

*** SUNY Polytechnic Institute is currently awaiting doctoral degree granting authority from the New York State Education Department for programs in the College of Nanoscale Science and Engineering. In the meantime, SUNY Albany is conferring the doctoral degree for SUNY Polytechnic Institute.

Governance

SUNY is governed by a Board of Trustees comprised of 18 members, 15 appointed by the Governor with the advice and consent of the Senate, the president of the SUNY-wide Student Assembly, *ex officio* and voting, the president of the SUNY Faculty Senate, *ex officio* and non-voting, and the president of the Faculty Council of Community Colleges, *ex officio* and non-voting. The Chairman and Vice-Chairman of the Board are designated by the Governor. The 15 Trustees appointed by the Governor currently serve overlapping terms of seven years, the student Trustee a one-year term, and the faculty Trustees two-year terms. Trustees receive no compensation for their services other than reimbursement of expenses. The Board of Trustees appoints its own officers, the Chancellor, the senior System Administration staff and campus Presidents.

The current members of SUNY's Board of Trustees are as follows:

H. CARL MCCALL

H. Carl McCall joined the State University Board of Trustees as a member on October 22, 2007 and was appointed Chairman on October 17, 2011. Mr. McCall served as Comptroller of the State of New York from May 1993 to December 2002 and has had a distinguished career as a public servant. He served three terms as a New York State Senator representing the upper Manhattan district of New York City; as an Ambassador to the United Nations; as a Commissioner of the Port Authority of New York and New Jersey; as the Commissioner of the New York State Division of Human Rights; and as President of the New York City Board of Education from 1991 – 1993. He was educated at Dartmouth College, Andover Newton Theological Seminary and the University of Edinburgh.

MERRYL H. TISCH

Dr. Merryl H. Tisch was appointed Vice Chairman of the State University of New York Board of Trustees on March 6, 2018. She first joined the Board on June 21, 2017. Her term on the Board expires June 30, 2020. Dr. Merryl H. Tisch is one of the nation's leading voices on education, having served at the helm of New York State's governing body for education from 2009 to 2016. As Chancellor of the New York State Board of Regents, Dr. Tisch was responsible for setting the state's education policy and overseeing both public and private education throughout New York. Dr. Tisch was a member of the Board of Regents for twenty years and held the position of Vice Chancellor from 2007 to 2009. She earned a B.A. from Barnard College, an M.A. in Education from New York University, and received an Ed.D from Teacher's College, Columbia University.

JOSEPH W. BELLUCK

Joseph W. Belluck was appointed as a member of SUNY's Board of Trustees on June 3, 2010. He graduated in 1989 with a B.S. in Sociology from Binghamton University and graduated magna cum laude from the University at Buffalo School of Law in 1994, where he later served as an adjunct lecturer on mass torts. Currently, he is a partner in the Manhattan law firm of Belluck & Fox, LLP and previously served as counsel to the New York State Attorney General. He is an active member of several bar associations and serves as a member of the New York State Commission on Judicial Conduct.

ERIC CORNGOLD

Eric Corngold was appointed as a member of the SUNY Board of Trustees on June 20, 2013. Mr. Corngold received his B.A. from Swarthmore College, where he was a member of Phi Beta Kappa and received his law degree from Yale Law School. Mr. Corngold is a partner at Friedman Kaplan Seiler & Adelman LLP, leading the firm's white-collar criminal defense and investigations practice. Mr. Corngold served as New York State's Executive Deputy Attorney General for Economic Justice from 2007 to 2009. Prior, he was an Assistant United States Attorney in the Eastern District of New York for more than a decade. In that office, Mr. Corngold held a number of different positions, including Chief Assistant United States Attorney from 2005 to 2007, and the Chief of the office's Business and Securities Frauds Unit from 1999 to 2005. In 2003, Mr. Corngold was awarded the Henry L. Stimson Medal for outstanding contribution to the Office of the United States Attorney by the New York City Bar Association.

COURTNEY BURKE

Courtney Burke has over 20 years of experience in health and disability policy. Since July of 2015 she has been working as the Senior Vice President and Chief Strategy Officer for Albany Medical Center (AMC) in Albany, New York, where she is responsible for developing and managing the implementation of AMC's strategic plan, with a particular focus on increasing AMC's capacity to carry out population health initiatives and value-based care, providing market analysis, and researching and monitoring changes in government programs. From July 2013-July 2015 she served as New York State's Deputy Secretary for Health for Governor Andrew M. Cuomo, overseeing 8 different health, disability, and aging-related agencies and offices. While in this role, she was involved in launching the state's successful health insurance exchange, helped secure an $8 billion Medicaid waiver, and a $100 million State Innovation Model award from the Centers for Medicare and Medicaid Services. Previous to that she served as Commissioner of the New York State Office for People with Developmental Disabilities, an agency of nearly 20,000 employees serving 126,000 New Yorkers with Developmental Disabilities.

ROBERT DUFFY

Robert J. Duffy began as Greater Rochester Chamber of Commerce president and Chief Executive Officer January 1, 2015. Prior to working for Rochester Chamber, Duffy served as New York lieutenant governor in Governor Andrew Cuomo's administration from January 2011 to December 2014. Duffy previously served as Rochester mayor from January 2006 to January 2011 and as Rochester police chief from March 1998 to April 2005, when he resigned his post to run for mayor. He joined the Rochester Police Department in November 1976. During his tenure as Rochester mayor, Duffy was widely recognized for reducing the cost of government, improving services, lowering tax rates, and attracting millions of dollars in private-sector investments. Duffy also serves on a variety of boards, including Chairman AIM Photonics Leadership Council, Center for Governmental Research, Community Preservation Corporation, Business Council of New York State, AVANGRID, and Visit Rochester.

ANGELO M. FATTA

Angelo M. Fatta, Ph.D., was appointed as a member of SUNY's Board of Trustees on June 21, 2012. Dr. Fatta is founder and Chief Executive Officer of ANSECO Group headquartered in Buffalo, NY, with operations in Hong Kong and Chicago. He was co-founder of ACTS Testing Labs, a global consumer products testing company specializing in toy safety, where he led ACTS from a small start-up operation in 1973 to an organization of more than 700 employees in 10 locations and six countries in 1998, when he sold the company. He was instrumental in developing robust QA systems for leading toy manufacturers, retailers and importers. Dr. Fatta is also immediate past chair of the University at Buffalo Foundation. Mr. Fatta holds a Ph.D. in chemistry.

MICHAEL BRAUN

Michael Braun will serve as the 2018-19 President of the SUNY Student Assembly (SUNYSA) and Trustee on the SUNY Board of Trustees. Mike is entering his second year as a graduate student at Rockefeller College of Public Affairs & Policy at the University at Albany. He is pursuing his Master′s in Public Administration (MPA) with a concentration in Politics, Policy, and Institutions. Despite beginning at SUNY Cortland as a Kinesiology major, Mike's interest in public service led him to switch his major to Political Science his freshman year. This focus sparked Braun's attraction to advocacy and leadership. After involving himself in a wide array of student leadership experiences, Mike was elected to serve as the Student Government President in the 2016-17 academic year. Throughout his tenure at Cortland, Braun was a recipient of the Chancellor's Award for Student Excellence, the Outstanding Senior Award, the Outstanding Achievement in Public Administration and Public Policy Award, the Outstanding Student Leader Award, awarded at the American Collegiate Moot Court Association Eastern Regional Tournament as one of the top competitors in the Eastern Region, the Junior Portfolio Award, and the Greek Chapter Leadership Award. In the 2017-18 academic year, Mike served as the Chief Financial Officer of SUNYSA. In this role, he presented comprehensive monthly financial reports, directed record-breaking fundraising efforts- doubling revenue from years prior, provided in-depth analyses to student leaders on the 2018-19 Executive Budget, and negotiated the largest budget increase in the history of SUNYSA.

EUNICE A. LEWIN

Eunice A. Lewin was appointed to SUNY’s Board of Trustees on February 2, 2010. Ms. Lewin serves on several Boards of Directors, including as commissioner of the Niagara Frontier Transportation Authority, founding member of Roswell Park Alliance, and member of Buffalo Urban League, Hispanic United of Buffalo and Canisius College Board of Regents. She was honored with the Ebony and Ivory Civic Award in 1994; inducted into The Western New York Women’s Hall of Fame on March 14, 2002; and received the Governor’s Award for Excellence in Education in 2002; the National Conference for Community and Justice of Western New York 50th Annual Citation Award in 2003; and the Marcus Garvey Community Service Award in 2004.

STANLEY LITOW

Stanley S. Litow was appointed as a member of the SUNY Board of Trustees on June 24, 2015. Effective July 1, 2015, his term on the Board expires June 30, 2022. Mr. Litow is IBM’s Vice President of Corporate Citizenship & Corporate Affairs and President of IBM’s Foundation. Under his leadership, IBM has been widely regarded as the global leader in corporate citizenship, and praised for societal and environmental leadership, labor practices, and civic leadership. Mr. Litow is a frequent keynote speaker and panelist at major conferences on philanthropy and corporate leadership in the U.S. and around the world. He has served on the President’s Welfare to Work Commission, and currently serves on the board of the Harvard Business School Social Enterprise Initiative, The Citizens Budget Commission, The After-School Corporation and the Albert Shanker Institute. Mr. Litow is the recipient of the Council on Foundation’s prestigious Scrivner Award for creative philanthropy. He also has been recognized by the Anne Frank Center, the Coro Foundation, the Federation of Protestant Welfare Agencies, the Martin Luther King, Jr. Commission and other philanthropic organizations for his commitment to service and leadership. Mr. Litow has twice been voted CEO of the Year by *Corporate Responsibility Officer* magazine, and IBM’s efforts to improve American education have won the company two Ron Brown Presidential Awards for Corporate Leadership.

EDWARD SPIRO

Edward M. Spiro was appointed as a member of the SUNY Board of Trustees on June 17, 2016, for a term commencing June 22, 2016. His term on the Board expires June 30, 2020. Mr. Spiro is a partner at Morvillo Abramowitz Grand Iason & Anello P.C. handling complex commercial litigation at the trial and appellate level in state and federal courts, and in arbitrations, for individual and corporate clients. He has extensive experience defending civil litigation related to concurrent governmental investigations or prosecutions, including class actions, derivative cases, and other complex matters involving the securities and antitrust laws. Mr. Spiro is a member of the Departmental Disciplinary Committee of the Appellate Division, First Department. He is a member of the House of Delegates of the New York State Bar Association. He is a former director of the New York County Lawyers' Association and former Chair of its Committee on Professional Discipline. Mr. Spiro graduated from Colgate University, B.A., *cum laude,* and Boston University School of Law, J.D., *cum laude*, where he was a member of the Law Review.

NINA TAMROWSKI

Nina Tamrowski, elected President of the Faculty Council of Community Colleges was appointed as a member of the SUNY Board of Trustees on June 24, 2015. Effective July 1, 2015, her term on the Board expires June 30, 2017. Tamrowski has served as Delegate to the Faculty Council of Community Colleges (FCCC) from Onondaga Community College since 2009 and was a member of its Governance Committee. She also served as Secretary of the FCCC from 2011-2013, and as Vice President from 2013–2015. She was recently granted the Chancellor's Award for Excellence in Faculty Service in spring of 2015. From July 2013 to July 2014, Tamrowski served on the search committee for the SUNY Provost. She is currently a member of the Provost's Open SUNY Advisory Committee, the Diversity Task Force and the Applied Learning Steering Committee. Tamrowski's accolades are many, including the International Center's International Educator of the Year Award (November 2014), Trustee's Award (May 2013), the Ann Felton Multi-Cultural Award (December 2005), YWCA Diversity Achiever's Award (April 2004), OSSA Faculty of the Year Award (May 2002), and a Resolution of Appreciation from OCC Board of Trustees (May 2002). Tamrowski earned a Master's of Arts degree in Political Science from Syracuse University and completed her PhD. coursework in political science as well. Tamrowski's B.A. degree in Spanish and Political Science is from SUNY College at Brockport.

RICHARD SOCARIDES

Richard Socarides was appointed as a member of SUNY's Board of Trustees on June 21, 2012. Mr. Socarides is a New York-based attorney and public policy advocate who served as White House Special Assistant and Senior Advisor during the Clinton Administration, where he worked on legal, policy, and political issues. He was President Clinton's chief advisor on gay rights and later was the founding President of Equality Matters. Currently, Socarides serves as Of Counsel at the firm of Brady Klein Weissman LLP, where his practice is focused on litigation, family law and gay rights. He has received distinguished service awards from the LeGaL, the Human Rights Campaign, the New York City Gay and Lesbian Anti-Violence Project, and the Hetrick-Martin Institute. He was also a founding board member of Friends of the Highline.

CARL SPIELVOGEL

Ambassador Carl Spielvogel, Chairman and CEO of Carl Spielvogel Associates, Inc., joined SUNY's Board of Trustees in June 2008. He started his working career as a reporter and columnist at The New York Times, and later spent 20 years at McCann-Erickson and The Interpublic Group of Companies as Vice Chairman, before starting his own global marketing services company, Backer Spielvogel Bates Worldwide, as Chairman and CEO. In his government service, he was the U.S. Ambassador to The Slovak Republic, and a Governor of the U.S. Board of Broadcasting. He was a 2nd Lieutenant in the U.S. Air Force Reserve, and served in the U.S. Army for two years.

CARY F. STALLER

Cary F. Staller was originally appointed to SUNY's Board of Trustees on June 3, 2009 and reappointed on June 16, 2015. His current term on the Board expires on June 30, 2022. He is President of Staller Associates, Inc., a commercial real estate firm, with offices in Hauppauge, New York. Mr. Staller is the Secretary and a Member of the Board of Trustees of the Stony Brook Foundation at Stony Brook University. Mr. Staller served as the Mayor of the Village of Old Field from 1999 until 2008. Mr. Staller is a graduate of the University of Pennsylvania and was awarded a J.D. from Harvard Law School.

GWEN KAY

Dr. Gwen Kay, Professor of History at SUNY Oswego and President of the Faculty Senate, joined the SUNY Board of Trustees July 2017. A member of Oswego's faculty since 2000, she specializes in 20th-century American history, particularly issues of medicine, science, and gender. She has taught undergraduate courses in

History, First Choice, as well as in the Honors program. She has supervised four students working towards their Master's degree in History, as well as more than 20 undergraduate Honors theses. Professor Kay also serves the academic community. She is Director of Oswego's Honors program, served as coordinator of the History department's graduate program, is on numerous campus and SUNY-wide committees, and is Vice President and Secretary of the University Faculty Senate. Professor Kay received her B.A. degree in Biology and History from Bowdoin College and her Ph.D. in the History of Medicine and Science from Yale University.

Senior Management of SUNY

The principal staff of SUNY is as follows:

KRISTINA JOHNSON

On September 14, 2017, Kristina Johnson became the 13th Chancellor of SUNY. A member of the National Academy of Engineering and the National Academy of Inventors who holds 118 U.S. and international patents, has published 149 referenced papers and proceedings. She is a fellow of the Optical Society of America, International Electronics and Electrical Engineering (IEEE), the International Society for Optical Engineering (SPIE), and the American Association for the Advancement of Science (AAAS).

Before becoming chancellor of SUNY, she was a co-founder and CEO of Cube Hydro Partners, LLC and Under Secretary of Energy at the U.S. Department of Energy under President Barack Obama. In the field of education, Dr. Johnson served as Provost and Senior Vice President for Academic Affairs at Johns Hopkins University from 2007-2009 and Dean of the Pratt School of Engineering at Duke University from 1999-2007.

EILEEN G. MCLOUGHLIN

Eileen G. McLoughlin was appointed as the Vice Chancellor for Finance and Chief Financial Officer (CFO) by the SUNY Board of Trustees as of November 6, 2014. As Vice Chancellor for Finance and CFO, Ms. McLoughlin oversees all aspects of SUNY's financial resources. She is responsible for developing, implementing, and overseeing the financial planning for SUNY System Administration and each of its 64 campuses, working closely with the Vice Presidents for Finance and Administration at each of the colleges to establish financial plans and strategies along with sound policies and procedures. Ms. McLoughlin is a highly-skilled professional in the financial arena with more than thirty years of experience in finance, and more than 15 years of experience in a higher education environment, most recently serving as the Assistant Vice President of Finance and Budgeting at Rensselaer Polytechnic Institute (RPI). Ms. McLoughlin received her bachelor's degree from the University at Albany and her M.B.A. from the Lally School of Management and Technology at RPI.

ELIZABETH J. BRINGSJORD

On August 1, 2013, Dr. Elizabeth J. Bringsjord became Vice Provost and Vice Chancellor for Academic Affairs of SUNY. Dr. Bringsjord has over 23 years of experience in higher education as a faculty member and administrator at public and private institutions. With an established record of excellence in teaching, research and service at both the University of Rhode Island and The Sage Colleges, she was initially recruited to SUNY to serve as the project manager for Mission Review, then a system-wide academic strategic planning process involving all 64 campuses. Her tenure at SUNY has been marked by successive promotions and appointments, from Associate for Academic Affairs to Assistant Provost in 2001; to Senior Assistant Provost for Academic Programs, Planning and Assessment in 2008, following a national search; to Associate Provost in January 2010, followed by Vice Chancellor for Academic Programs and Assessment and Vice Provost in September 2010; and, most recently, Vice Chancellor for Academic Programs and Planning and Vice Provost in 2011. Dr. Bringsjord holds a Ph.D. and M.S. in Educational Psychology and Statistics from the University at Albany, a Master of Science in Nursing from the University of Pennsylvania, and a B.S. in Nursing from Boston University.

JOSEPH B. PORTER

In January 2018, Joseph Porter was appointed Senior Vice Chancellor for Executive Leadership and Employee Development. In this position, Mr. Porter oversees the presidential search process at the State-operated campuses and leads a president's leadership initiative that provides the onboarding, professional development, mentoring and support necessary to foster the peak performance of presidents. Mr. Porter also oversees the SUNY

Academic & Innovative Leadership Institute (SAIL) and operation of the offices of Human Resources and Employee Relations. Mr. Porter serves on the Chancellor's executive leadership team and cabinet with overall responsibility for the management and development of SUNY's workforce. Originally appointed in June 2015, Mr. Porter previously served as Senior Vice Chancellor for Legal Affairs, General Counsel and Secretary of the University at SUNY. Prior to that, Mr. Porter served for ten years as Vice President for Legal Affairs and General Counsel of Excelsior College, one of the most innovative institutions of higher education in the nation offering online degrees and competency-based education. In that position, he directed Excelsior's legal operations, participated in the administration of the college as a member of the executive staff, and served as secretary to the Board of Trustees. Immediately prior to joining Excelsior College, Mr. Porter served in the New York State Education Department (NYSED) for 12 years, first as deputy counsel and later as executive director of the New York State Office of Teaching. During his years with NYSED, Mr. Porter authored innovative regulations and legislation on a wide variety of education issues and led a series of teams responsible for implementing the Regents' education reform agenda. He also served as legal advisor to the Board of Regents' Task Force on Teaching as it drafted groundbreaking reforms of New York's standards for the preparation and certification of teachers. Prior to his work at NYSED, Mr. Porter served as deputy counsel and legislative representative of the New York State School Boards Association, where he advised and represented more than 700 school districts in New York. A graduate of Albany Law School, Mr. Porter also holds a bachelor's degree in History and American Studies from Manhattan College in New York City.

JEFF CHEEK

Dr. Jeff Cheek was elected President of the Research Foundation for SUNY on March 24, 2016. A researcher and scholar in the area of environmental health, Dr. Cheek's career spans over 20 years of progressive leadership experience in large public university system research-related operations, research administration and compliance. Dr. Cheek most recently served as Associate Vice Chancellor for Research Administration at North Carolina State University (NCSU). With oversight of Sponsored Programs and Regulatory Compliance Services, Dr. Cheek was responsible for the submission of proposals, negotiation of agreements, non-financial project management and administration of sub-agreements, as well as institutional regulatory compliance, conflicts of interest, export controls, facility security matters and research integrity. Prior to his time at NCSU, and as Associate Vice Provost for Research Compliance and Operations, Dr. Cheek led the development and implementation of research operations at University of Washington. Responsibilities included management and oversight of the Office of Sponsored Programs, the Human Subjects Division, the financial conflicts of interest program and the Embryonic Stem Cell Research Oversight Committee. Dr. Cheek earned his PhD and MS in Public Health from the University of California at Los Angeles, and started his career in research serving as Assistant Research Professor, Department of Veterinary Anatomy, Physiology and Cell Biology at University of California, Davis. His research generated 15 peer reviewed articles and two patents.

ELIZABETH GARVEY

Elizabeth Garvey, J.D., was appointed Vice Chancellor for Legal Affairs and General Counsel in January 2018. In this role, she serves on the Chancellor's Cabinet as the legal adviser to the State University of New York (SUNY) System Administration and provides legal advice and opinions for the Board of Trustees, Chancellor, and leadership. Ms. Garvey brings more than 13 years of public service experience to SUNY System Administration. Most recently, she served as Lead Counsel for the New York State Senate Majority, managing the team of legal and support staff responsible for the legal and policy review of all legislation before the Senate. Prior to that, she served as First Assistant Counsel to the majority for the New York State Senate, and also held the roles of Assistant Counsel to the majority for the New York State Senate, and was a Richard A. Weibe Fellow for the New York State Senate Graduate Fellowship Program. In addition to her experience with the New York State Senate, Garvey worked as an Associate for Wilson, Elser, Moskowitz, Edelman, and Dicker, LLP. Garvey earned a B.A. in Communication, cum laude, from Mary Baldwin College and a J.D., cum laude, from Albany Law School of Union University.

CARLOS MEDINA

Dr. Carlos N. Medina is the Vice Chancellor and Chief Diversity Officer for the Office of Diversity, Equity and Inclusion at the State University of New York (SUNY). He serves as the founding Chief Diversity

Officer at SUNY, the largest comprehensive system of higher education in the nation. He provides leadership and strategic direction to SUNY campuses in connection with the recruitment and retention of faculty, staff, and administrators who come from groups within our society that are underrepresented in higher education and in SUNY. He served as co-chair of the SUNY-wide Diversity Task Force leading the charge of identifying new ways in which the System's diversity can be increased to better reflect and be aligned with that of New York State. This resulted in SUNY adopting a sweeping policy on diversity, equity and inclusion arguably the only one of its kind in the country. He is also a member of the Chancellor's cabinet assisting with strategic planning leading to implementation of SUNY-wide policies and initiatives. As a result of Medina's leadership, SUNY has received the prestigious Higher Education Excellence in Diversity (HEED) Award for 2012, 2013, 2014, 2015, 2016 and 2017 from *Insight into Diversity Magazine,* one of the oldest diversity publications to cover higher education nationally. Recently, he was named as a recipient of the 2016 Public Service Award by the Suffolk County Martin Luther King Jr. Commission. He also received the NYS Assembly Citation for Community Service as well as the 2014 Diversity Visionary Award also given by *Insight into Diversity Magazine,* in recognition of his outstanding contributions in diversity and inclusion in higher education. He earned his BSE from SUNY Cortland, his MPS from Cornell University, and his Doctorate in Education from St. John Fisher College in Rochester, NY. He is a member of Kappa Delta Pi.

JOHANNA DUNCAN-POITIER

Johanna Duncan-Poitier is the Senior Vice Chancellor for Community Colleges and the Education Pipeline for SUNY. With over 25 years of experience providing results driven leadership, Ms. Duncan-Poitier provides system oversight and coordination for SUNY's 30 community colleges that educate a quarter of a million students. Ms. Duncan-Poitier earned a baccalaureate degree from Queens College of the City University of New York and a master's degree in public administration from Bernard M. Baruch College of the City University of New York. She has received two honorary degrees, a Doctor of Laws from Saint Joseph's College and a Doctor of Humane Letters from D'Youville College, and has been recognized with numerous honors and awards.

ROBERT HAELEN

Robert M. Haelen is Senior Vice Chancellor for Capital Facilities and General Manager of the State University Construction Fund, which he has held since January 11, 2011. Mr. Haelen has been a Construction Fund employee since 1989. As Senior Vice Chancellor for Capital Facilities, Mr. Haelen oversees the Office of Capital Facilities, which includes capital planning, environmental health and safety, energy procurement, energy management, emergency management, real estate and residence halls, and community college capital programs. As General Manager of the Construction Fund, Mr. Haelen is responsible for the Board of Trustees policy implementation, capital budget development and implementation, and leading Construction Fund professionals in the planning, design, construction and funding of SUNY's capital projects. The Construction Fund appointed Mr. Haelen as General Manager at a meeting held December 14, 2010. Mr. Haelen graduated with a B.S. in Psychology from New York University in 1981 and received his M.S. in Accounting from the State University of New York at Albany in 1984. He is a Certified Public Accountant.

RICARDO AZZIZ

Dr. Azziz currently serves as Chief Officer of Academic Health and Hospital Affairs and has over 20 years of leadership experience in higher education, research, and academic healthcare. In this role he provides support, strategic oversight, guidance, and advocacy for the educational, research and clinical programs within the SUNY academic health and health professions portfolio. Previously, Dr. Azziz served as founding President of Georgia Regents University (GRU). Dr. Azziz also served as president of the Georgia Health Sciences University (GHSU) and was tasked then with creating the state's only public academic health center, now including GRHS. He was then tapped to lead the successful consolidation of GHSU and Augusta State University to create GRU. Dr. Azziz is also an internationally recognized clinical translational scientist, developing over the past 25 years an important program in androgen excess disorders research, and publishing over 500 peer-reviewed articles, reviews and chapters and nine texts. Among other duties, he previously served as Assistant Dean, Clinical & Translational Sciences and Deputy Director for the Clinical & Translational Sciences Institute, UCLA. He was appointed by Gov. Schwarzenegger to the Independent Citizen's Oversight Committee (ICOC) of the California Institute of

Regenerative Medicine, and by Gov. Nathan Deal of Georgia to the Governor's Office Georgia Health Insurance Exchange Advisory Committee.

ROBERT MEGNA

Robert Megna was appointed Senior Vice Chancellor and Chief Operating Officer in November 2017. In this role, he oversees the operations of Chief Information Officer, the State University of New York (SUNY) Plaza business functions, capital facilities, campus energy management, the Charter School Institute, and the State University Construction Fund. In total, he is responsible for some of SUNY's most significant economic development and administrative functions, helping grow a more sustainable and collaborative SUNY. Mr. Megna has spent nearly three decades in public service leadership with a focus on creating long-term policy and strategic initiatives related to business, finance, and facilities. He joined SUNY System Administration from Stony Brook University where he served as Senior Vice President for Finance and Administration. In this role, he oversaw all administrative, business, and facility areas including human resources, internal audit, police and emergency management, design and construction, environmental health and safety, and parking and transportation. Prior to joining Stony Brook, he served as Executive Director of the NYS Thruway Authority and NYS Canal Corporation, overseeing operations and finances of both organizations. In addition to these roles, he served as Budget Director for the NYS Division of the Budget, during which time the state achieved its highest financial rating in 40 years from three major credit rating agencies and passed four on-time budgets for the first time since the 1970s, showing his ability to improve both fiscal operations and relationships across highly complex organizations. Mr. Megna earned an M.S. in Economics from the London School of Economic and Political Science at the University of London, and received both his B.A. in Economics and M.P.A. from Fordham University.

TERESA MILLER

Teresa A. Miller, J.D. was named Senior Vice Chancellor for Strategic Initiatives and Chief of Staff in January 2018. In this role, she works directly with the Chancellor on the leadership and direction of strategic initiatives and is responsible for overseeing and managing the Office of the Chancellor and serving as the Chancellor's liaison with the State University of New York System Administration executive team, campus leaders, and other key stakeholders. Ms. Miller joined SUNY System Administration from the University at Buffalo (UB) where she served as a longtime member of the faculty at the UB Law School, earning her tenure and a promotion to the rank of full professor of law. In addition to her more than 20 years as a professor specializing in immigration law, criminal procedure, and prisoner law, she also served as the University's Chief Diversity Officer and Vice Provost for Inclusive Excellence. She brings to SUNY a wealth of experience in leading diverse teams of individuals and coordinating university-wide strategies that ensure diversity, equity, and inclusion. Ms. Miller earned her J.D. from Harvard Law School, her LL.M. from the University of Wisconsin at Madison as a William H. Hastie Fellow, and her B.A. degree from Duke University as an Angier B. Duke Scholar.

ALLISON NEWMAN

Allison Newman was appointed Senior Advisor for External Affairs and Government Relations in October 2017. In this role, she oversees The State University of New York communications and marketing to all audiences and develops quality, consistent messaging that supports the mission and vision of SUNY. She is responsible for developing, implementing, and overseeing advocacy, outreach, and collaboration at the local, state, and federal levels. She has spent her career in New York State public service and higher education, most recently serving as Associate Vice President of External Relations and Administration at Rensselaer Polytechnic Institute (RPI). During her 15-year tenure at RPI, she also served as Acting Vice President of Strategic Communications and External Relations, Assistant Vice President for Government and Community Relations, and Director of Community Relations. While at RPI, she developed programs and strategies that helped the university stand as a national leader in research and education and developed key partnerships within the community and government to compound the impact of the university's work. Prior to RPI, she was Director of Corporate Relations for the NYS Higher Education Services Corporation and held multiple positions in the NYS Office of the Governor, serving both Governors Mario Cuomo and George Pataki. Ms. Newman received her B.A. in economics and legal studies from Wheaton College.

GRACE WANG

Appointed by SUNY Board of Trustees, Dr. Wang has served as Senior Vice Chancellor and previously as Vice Chancellor for Research and Economic Development since January 2017. In this role, Dr. Wang plays a lead role in designing, directing, and expanding the footprint of SUNY's research, graduate education, industry relations, and economic development activities. She supports the SUNY Chancellor in advancing SUNY's overall strategy and mission, and serves as a liaison to the SUNY Board of Trustees in the areas of research and economic development. She is committed to supporting SUNY research faculty and coordinates the SUNY Research Council, and Vice Presidents for Research Council. She works with the Research Foundation for SUNY, providing the research vision and strategic directions the organization will work to operationally support. In June 2018, SUNY Board of Trustees and SUNY Chancellor Kristina M. Johnson also appointed Dr. Wang as SUNY Polytechnic Institute Interim President. During Academic Year 2017/2018, Dr. Wang also served as Interim System Provost. In this role, Dr. Wang supported the Chancellor and Board of Trustees to drive academic programs and policies; support the university's deep commitment to diversity, equity, and inclusion; lead strategic enrollment across SUNY campuses; guide the enrichment of the educational experience; enable pathways for student success and completion; and lead the identification and implementation of best practices at scale. Prior to SUNY, Dr. Wang served as acting Assistant Director for Engineering at the National Science Foundation (NSF). Dr. Wang began her career at IBM/Hitachi Global Storage Technologies, focusing on research and development of magnetic thin film and carbon overcoat for data storage. She holds seven U.S. patents. Dr. Wang received her Ph.D. in Materials Science and Engineering from Northwestern University.

Student Housing

Residence Hall Program

SUNY's Residence Hall Program currently services 25 of the 29 SUNY Campuses across the State and serves over 70,000 students on an annual basis. These Dormitory Facilities total over 450 buildings and have evolved over time from simple living quarters to centers of activity and interaction for many SUNY students. See "PART 8 – THE RESIDENCE HALL PROGRAM" for a comprehensive description of the Residence Hall Program.

Application and Enrollment Data

Total enrollment at SUNY state-operated/funded institutions grew to over 222,000 including full and part time enrollees. Between Fall 2013 and Fall 2017, enrollment increased by 2,678 students. SUNY believes the relationship between enrollment and the Residence Hall Program utilization to be significant. Historically, approximately one-third of the students enrolled have lived in Dormitory Facilities. Continued enrollment growth of full-time students should continue to increase the demand for on-campus housing. The following table sets forth the number of applications received SUNY-wide and the percentage of those students accepted and enrolled over the past five academic years:

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SUNY Enrollment Data

Year	Description	Applicants	Applicants Accepted	% of Applicants Accepted	Enrollment	% of Applicants Enrolled	% of Accepted Applicants Enrolled
Fall 2010	First year	252,222	111,639	44%	29,921	12%	27%
	Transfer	67,233	32,655	49%	18,005	27%	55%
	Total	319,455	144,294	45%	47,926	15%	33%
Fall 2011	First year	243,279	112,062	46%	30,015	12%	27%
	Transfer	63,956	32,716	51%	18,114	28%	55%
	Total	307,235	144,778	47%	48,129	16%	33%
Fall 2012	First year	242,279	113,094	47%	30,676	13%	27%
	Transfer	61,102	31,655	52%	18,182	30%	57%
	Total	303,381	144,749	48%	48,858	16%	34%
Fall 2013	First year	246,310	114,647	47%	30,683	12%	27%
	Transfer	58,030	30,537	53%	17,882	31%	59%
	Total	304,340	145,184	48%	48,565	16%	33%
Fall 2014	First year	253,329	127,399	50%	31,211	12%	24%
	Transfer	56,193	31,418	56%	17,560	31%	56%
	Total	309,522	158,817	51%	48,711	16%	31%
Fall 2015	First year	255,083	131,784	52%	31,502	12%	24%
	Transfer	54,325	30,889	57%	16,414	30%	53%
	Total	309,408	162,673	53%	47,916	15%	29%
Fall 2016	First year	260,974	141,969	54%	32,343	12%	23%
	Transfer	55,193	31,207	57%	15,311	28%	49%
	Total	316,167	173,176	55%	47,654	15%	28%
Fall 2017	First year	276,428	14,5007	52%	33,942	12%	23%
	Transfer	58,316	32,045	55%	16,343	28%	51%
	Total	334,744	177,052	53%	50,285	15%	28%

The following are certain Fall enrollment statistics (excluding community colleges) for SUNY:

	2013	2014	2015	2016	2017
Full-Time					
Undergraduate	158,967	160,166	159,791	159,992	162,921
Graduate	24,398	23,985	24,192	24,099	24,468
Part-Time	36,394	36,876	35,959	35,770	35,048
Total Enrollment	219,759	221,027	219,942	219,861	222,437

The following are certain average annual full-time equivalent ("FTE") enrollment statistics (excluding community colleges) for SUNY:

Average Annual Full-Time Equivalent Enrollment Statistics

	2013	2014	2015	2016	2017
Full-Time					
Undergraduate	152,705	151,647	150,035	153,401	153,290
Graduate	23,381	24,868	23,774	24,595	24,785
Part-Time	18,206	17,191	18,799	18,454	18,568
Total FTE Enrollment	194,292	196,705	196,608	196,450	196,643

Financial Structure

As set forth in "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT," SUNY has several sources of revenue. Revenues and expenditures relating to SUNY's core instructional budget, (i.e., tuition and fees and State general fund support), dormitory operations (other than Dormitory Facilities Revenues), and hospital and clinics, and certain user fees are subject to State appropriation. Revenues generated from sponsored research and food service and bookstore operations that are administered by legally separate not-for-profit organizations are not subject to State appropriations.

SUNY receives an annual allotment of State funds as a transfer from the State's General Fund. The major source of revenues for the General Fund is State tax money supplemented by transfers from other funds and miscellaneous revenue sources. Transfers to SUNY from the State, along with tuition and fees, comprise SUNY's core instructional budget, and are expended within the requirements of the State Finance Law. Certain expenditures are subject to the pre-audit of the State Comptroller. Post-audits are also conducted periodically at the various campuses of SUNY by the State Comptroller. SUNY's internal audit staff also conducts periodic audits of campus activities. In addition, SUNY obtains an audit of SUNY's annual financial statements in accordance with generally accepted accounting principles by independent certified public accountants.

The annual budget request of SUNY contains its estimated financial requirements for all programs for which expenditures are subject to State appropriations, existing and proposed, and is submitted to the Governor and the legislative fiscal committees. The Governor prepares recommendations on the requests of all agencies and departments (including SUNY) which comprise the Executive Budget as submitted to the State Legislature. The State Legislature may not alter an Executive budget bill submitted by the Governor except to strike out or reduce items, but it may add items that are stated separately. Items added by the State Legislature are subject to approval by the Governor. In addition to the Executive Budget bills, the State Legislature has also enacted from time to time a "deficiency" budget bill, covering obligations incurred near the close of a fiscal period and, in some years, a "supplemental" budget bill containing amendments to the "regular" bill. The State's fiscal year begins on April 1st and ends on March 31st, while SUNY's Fiscal Year begins on July 1st and ends on June 30th. See, "Tuition and Other Unrestricted Revenue - Excelsior Scholarship Program", below, for a description of a program contained in the 2017-18 New York State Budget which will allow for eligible undergraduate students to attend any SUNY institution tuition free beginning with the 2017-18 academic year.

The majority of sponsored research that generates restricted grant revenue is operated the Research Foundation. The Research Foundation is a separate, not-for-profit educational corporation, chartered by the State Board of Regents in 1951 to administer gifts, grants and contracts for SUNY's campuses, with particular emphasis on federally-sponsored research grants. Annual audits of the financial activities of the Research Foundation are performed by independent certified public accountants, and periodic audits are performed by the State Comptroller and the Research Foundation's internal audit staff. Other programs supported by restricted revenues are operated through State treasury funds which are subject to normal State fiscal controls.

Comparative Financial Information

"APPENDIX B – SUNY ANNUAL FINANCIAL REPORT" contains the audited financial statements, including the Statements of Revenues, Expenses and Changes in Net Position for each of the Fiscal Years ended June 30, 2017 and June 30, 2016. KPMG, LLP, SUNY's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

In conjunction with the publication of its FY 2018 audited financials, SUNY will be adopting GASB 75 – "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB). Under GASB 75, SUNY is required to recognize, as a liability on its balance sheet its entire OPEB unfunded accrued actuarial liability (UAAL), estimated to be approximately $12.5 billion at June 30, 2018. The State, on behalf of SUNY, is expected to fund these OPEB obligations on a pay-as-you-go basis annually. GASB 75 differs from GASB 45 in the way it calculates the OPEB liability, including the determination of the discount rate, assumption changes based on medical trends and projected claims experience. Previously, at June 30, 2017, the OPEB liability recognized under GASB 45 was $6.2 billion.

Annual appropriations of State funds to SUNY have historically provided a significant portion of SUNY's annual revenues enabling SUNY to pay, together with its other indicated sources of revenues, its operating expenses and other required obligations. For a more complete description of such appropriations, see "Appropriations of State Funds to SUNY" below.

Appropriations of State Funds to SUNY

In addition to its own sources of revenues, the successful maintenance and operation of SUNY and its overall financial viability are dependent upon the ability and willingness of the State to continue making appropriations of State funds in the amounts which, together with other available revenues of SUNY, are sufficient to pay the operating expenses and to meet other financial obligations of SUNY. Appropriations of State funds have historically constituted a significant portion of SUNY's revenues, and no assurance can be given that State funds will be available in the future in the amounts contemplated or required by SUNY or which have been historically appropriated and paid to SUNY.

The State has made appropriations to SUNY from the General Fund. These appropriations are made in connection with the State's annual budget process and are therefore dependent upon the availability of budgetary resources and the allocation thereof.

Prior to 2012-13, a portion of the total State appropriation to this component of SUNY was offset by the application of other SUNY income for operating expenses, with the remainder of the appropriation constituting the State-funded portion. Starting in 2012-13, this process was altered, with the State-funded portion of this support being transferred multiple times a year into accounts holding other SUNY income. The history of total appropriations for the operations of SUNY which includes both State-funded support and spending authority for tuition revenue, but excludes student aid appropriations, fringe benefits, debt service for educational facilities, community colleges and other special programs, is as follows:

State-Funded and Tuition Disbursement Authority Appropriations for SUNY

State Fiscal Year Ended March 31,	Appropriated from State Purposes Account	Appropriations for the Disbursement of Tuition Revenue	Percentage State Purposes[2]	Percentage Tuition Revenue[2]
2011	$1,086,314,000[1]	$1,281,784,000	45.3%	54.7%
2012	964,578,300	1,333,984,000	42.0	58.0
2013	969,050,300	1,467,205,000	39.8	60.2
2014	971,259,860	1,573,178,800	38.2	61.8
2015	979,531,900	1,668,178,800[3]	37.0	63.0
2016	1,004,249,800	1,712,435,800	37.0	63.0
2017	1,011,590,300	1,734,435,800	36.8	63.2
2018	1,015,990,300	1,790,066,800	36.2	63.8

1 State-funded appropriation was reduced to $1,063,063,900 due to mid-year reductions in the State budget.

2 Percentages reflect final values of appropriations.

3 Does not include $19.2 million of tuition disbursement authority used from other appropriations to disburse tuition revenue.

In prior years, SUNY experienced operating cash flow deficits precipitated by cash flow difficulties at its hospitals. In connection with these cash-flow deficits, as authorized by the State Finance Law, SUNY borrowed funds with interest from the short-term investment pool ("STIP") of the State. An agreement was reached between SUNY and the State in 2000 to jointly repay the total shortfall over a period of seven to nine years. The repayment is not expected to adversely affect ongoing operations of SUNY. As of June 30, 2018, the amount outstanding under this borrowing was $19.8 million. During FY 2018, there were no payments made on the borrowing.

Tuition and Other Unrestricted Revenue

The following table presents SUNY's tuition schedule for the 2018 Fall Semester for State residents and students who do not reside in New York State:

SUNY Annual Tuition Schedule
2018 Fall Semester

	State Residents	Non-State Residents
Undergraduate	$ 6,870	$16,650
Graduate	11,090	22,650
Students of:		
Pharmacy	26,450	37,140
Law	25,410	29,500
Medicine	43,020	65,160
Dentistry	35,830	62,950
Optometry	29,240	30,150
Physical Therapy Professional	24,390	30,700
Nursing (Professional)	25,120	32,160
Physician's Assistant (Graduate)	15,450	29,390
Architecture (Masters)	14,190	24,500
Social Work (Masters)	13,080	22,210
Business Administration (Masters)	14,850	24,390

There are various tuition charges for students taking classes at off-campus locations during the summer or winter recesses. Tuition charges are fixed by the SUNY Board of Trustees and remain in effect until changed by the Board of Trustees. In addition, there are other miscellaneous charges. Pursuant to legislation enacted in 2011 and beginning in the 2011-12 academic year, the Board of Trustees increased resident undergraduate tuition by $300 in each year through the 2015-16 academic year, bringing the rate from $4,970 to $6,470. Pursuant to legislation enacted in 2017, beginning in 2017-18 and running through 2020-21, the Trustees are authorized to increase resident undergraduate tuition by not more than $200 per year, and resident undergraduate tuition for 2018-19 was accordingly increased to $6,870. ***The receipts from such tuition charges and other miscellaneous charges are not pledged to the payment of Debt Service payable on Bonds issued under the Resolution, including the Series 2018A Bonds.***

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The following table indicates the source and amount of tuition and other unrestricted revenue, exclusive of Dormitory Facilities Revenues, for each of SUNY's five most recent Fiscal Years as indicated.

Tuition and Other Unrestricted Revenue
(in thousands)

	2013	2014	2015	2016	2017
Tuition and fees*	$1,846,529	$1,970,521	$2,110,686	$2,239,519	$2,279,625
State appropriations for operations**	2,199,294	2,342,700	2,363,757	2,505,604	2,658,240
SUNY Hospital and clinics	2,538,544	2,499,595	2,634,882	2,777,827	2,722,639
Food service*	38,017	39,992	43,793	44,258	44,039
Other auxiliary*	190,771	200,437	209,917	215,580	230,350
Interest and other unres. revenue	141,562	213,294	197,546	183,188	227,746
Total	$6,954,717	$7,266,539	$7,560,581	$7,965,976	$8,162,639

Excelsior Scholarship Program

The 2017-18 New York State Budget included the first of its kind "Excelsior Scholarship Program", which allows eligible undergraduate students to attend any SUNY or City University of New York ("CUNY") institution tuition free beginning with the 2017-18 academic year.

The Excelsior Scholarship Program is administered by the Higher Education Services Corporation (HESC) and provides a tuition award of up to $5,500 to students who maintain certain credit hours, grade point average, and income level requirements.

For tuition costs above $5,500, SUNY and CUNY are required to provide an additional "Excelsior Tuition Credit" award to reduce the cost of tuition to zero for eligible students. It is expected that SUNY's cost of such Excelsior Tuition Credits will be repaid to SUNY by the State on an annual basis.

The Excelsior Scholarship Program applies to tuition only, and does not cover the cost of room and board or other costs of attendance.

Outstanding Debt

SUNY and DASNY have entered into the Financing and Development Agreement for the purpose of financing capital construction and major rehabilitation of Dormitory Facilities. Improvements to these Dormitory Facilities are financed with bonds issued by DASNY, including the Series 2018A Bonds, and debt service on the bonds is payable from Dormitory Facilities Revenues. Outstanding bonds issued under the Prior Resolution will continue to be additionally secured by SUNY's general obligation pledge. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."

Since 2003, DASNY has financed SUNY's educational and hospital facilities, other than by the issuance of refunding bonds under prior resolutions, through the issuance of personal income tax ("PIT") revenue bonds as to which a portion of the State's personal income tax revenues are pledged. During 2013, the State enacted legislation providing for the issuance of State Sales Tax Revenue Bonds to finance these purposes. DASNY educational facilities bonds, PIT, and Sales Tax bonds are repaid through appropriations from the State. The outstanding educational facilities, PIT, and Sales Tax bond debt of approximately $9.13 billion at June 30, 2018 is comprised of approximately $908 million in educational facilities debt, $6.34 billion in PIT debt, and $1.88 billion in Sales Tax bond debt.

* Gross, includes scholarship allowances applied.
** Excludes debt service appropriation for outstanding educational facilities bonds.

The table below presents the debt activity of SUNY for the five Fiscal Years indicated.

SUNY Debt Activity
(in thousands)

	2013-14	2014-15	2015-16	2016-17	2017-18
Dormitory Authority-Residence Facilities (Bonds—Prior Resolution)					
Outstanding Beginning of Period	$1,546,315	$1,215,060	$1,164,255	682,175	649,780
Issued During Period	---	---	---	---	---
Retired During Period	(49,515)	(50,805)	(53,160)	(32,395)	(29,835)
Refunding	(281,740)	---	(428,920)	---	(226,205)
Outstanding End of Period	$1,215,060	$1,164,255	$682,175	$649,780	393,740
Dormitory Authority-Educational Facilities PIT and Sales Tax (Bonds)					
Outstanding Beginning of Period	$7,209,018	$7,541,201	$7,991,574	$8,359,832	$8,133,040
Issued During Period	696,485	799,791	708,049	---	1,782,612
Retired During Period	(355,717)	(308,268)	(333,751)	($226,792)	(340,303)
Refunding	164,000	391,590	429,515	---	(449,510)
Special Defeasance	(172,585)	(432,740)	(435,555)	---	---
Outstanding End of Period	$7,541,201	$7,991,574	$8,359,832	$8,133,040	$9,125,839

Construction at SUNY

The Construction Fund is primarily responsible for the design, construction and renovation of the educational and hospital facilities of SUNY. Except for funds appropriated by the State for the payment of debt service on educational facilities bonds, the Construction Fund's principal source of revenue is the reimbursement for capital outlay from the proceeds of bonds issued by DASNY to finance educational and hospital facilities of SUNY. Campuses as well as public and private sponsors also contribute funds toward construction projects.

SUNY's construction program expended $925.8 million in Fiscal Year 2017-18 for construction of educational facilities and Dormitory Facilities. Of this amount, approximately $797.1 million was financed from state appropriated funds and approximately $128.7 million from campus funds. Of the $145.2 million expended in 2017-18 for the Residence Hall Program, approximately $113.2 million was financed with bond proceeds and $32.0 million with campus funds.

Construction and renovation of educational facilities constitute the major portion of the capital improvement program of SUNY.

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The following table presents construction receipts and disbursements in connection with SUNY's construction program for the State's five fiscal years ended March 31 of the years indicated.

SUNY Construction Receipts and Disbursements
(in thousands)

State Fiscal Year Ended March 31,

	2014	2015	2016	2017	2018
RECEIPTS:					
Bond Proceeds					
PIT and Sales Tax Bonds (Ed Facilities)	$ 960,463	$769,741	$682,282	632,279	683,931
SUNY Ed Facility Bonds	---	---	---	---	---
SUNY Dorm Facility Bonds	125,653	105,270	148,516	140,511	113,199
Campus Funds:					
Academic Program	62,710	46,684	176,490	$90,750	96,617
Residence Hall Program	30,283	26,565	32,093	$25,335	32,039
Total	$1,179,109	$948,260	$1,039,381	$888,875	925,786
DISBURSEMENTS*:					
Academic Program	$1,023,173	$816,424	$858,772	$723,029	$780,548
Residence Hall Program	155,936	131,836	180,609	$165,846	145,238
Total	$1,179,109	$948,260	$1,039,381	$888,875	$925,786

* Disbursements include the amounts paid for design, construction, equipment and property acquisition.

See "PART 8 – THE RESIDENCE HALL PROGRAM – Capital Plan" for a description of SUNY's five year Residence Hall Capital Plan and how the same is developed.

Litigation

At any given time SUNY is involved in a number of legal actions and proceedings. The greater number involves special proceedings seeking the reversal of various administrative determinations. A number of cases are pending against the State in the Court of Claims seeking damages in tort or contract cases involving SUNY. Upon the basis of information presently available, SUNY believes that there are substantial defenses in connection with such disputes. SUNY further believes that, in any event, its ultimate liability, if any, resulting from such disputes will not materially affect its financial position, will be satisfied from money available to SUNY from State appropriations and insurance funds, and will in no way affect SUNY's obligations or its ability to carry out its obligations under the provisions of the Financing and Development Agreement.

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PART 10 – DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At June 30, 2018, DASNY had approximately $51.3 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. All of DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by DASNY's client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 507 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 46 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties. The appointment to the Board by the State Comptroller is currently vacant.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of DASNY are as follows:

ALFONSO L. CARNEY, JR., *Chair*, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

JOHN B. JOHNSON, JR., *Vice-Chair*, Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

JONATHAN H. GARDNER, ESQ., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.

WELLINGTON Z. CHEN, Queens.

Wellington Z. Chen was appointed as a Member of DASNY by the Governor on June 20, 2018. Mr. Chen is the Executive Director of the Chinatown Partnership Development Corporation. In this capacity, he leads the Chinatown Partnership in implementing initiatives in infrastructure, post 9/11 rebuilding and public space improvements in a comprehensive effort to improve the environmental and the business conditions. He is a graduate of the School of Architecture and Environmental Studies at The City College of New York. Mr. Chen's term expires on March 31, 2020.

BERYL L. SNYDER, J.D., New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

PAUL S. ELLIS, ESQ., New York.

Paul S. Ellis was appointed as a Member of DASNY by the Speaker of the State Assembly on September 19, 2016. Mr. Ellis is the Managing Member of Paul Ellis Law Group LLC, a law firm with a corporate/ securities/capital markets practice with emphasis on private placements, mergers and acquisitions, venture capital/ private equity transactions and joint ventures. He previously worked for Donovan Leisure Newton & Irvine and Winston & Strawn and served in staff positions in the U.S. Senate and the Massachusetts House of Representatives. He co-founded the New York Technology Council and serves on the Board of the NY Tech Alliance and as Chairman of the Housing Committee of Bronx Community Board 8. He holds a Bachelor of Arts degree from Harvard University and a Juris Doctor degree from Georgetown University Law Center.

MARYELLEN ELIA, *Commissioner of Education of the State of New York*, Loudonville; *ex-officio*.

MaryEllen Elia was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective July 6, 2015. As Commissioner of Education, Ms. Elia serves as Chief Executive Officer of the State Education Department and as President of the University of the State of New York which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Prior to her appointment in New York, Ms. Elia served as Superintendent of Schools in Hillsborough County, Florida for 10 years. She began her career in education in 1970 as a social studies teacher in Buffalo's Sweet Home Central School District and taught for 19 years before becoming an administrator. She holds a Bachelor of Arts degree in History from Daemen College in Buffalo, a Master of Education from the University at Buffalo and a Master of Professional Studies from SUNY Buffalo.

HOWARD A. ZUCKER, M.D., J.D., *Commissioner of Health of the State of New York*, Albany; *ex-officio*.

Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that, he served as First Deputy Commissioner leading the State Department of Health's preparedness and response initiatives in natural disasters and emergencies. Before joining the State Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a Juris Doctor degree from Fordham University School of Law and a Master of Laws degree from Columbia Law School.

ROBERT F. MUJICA, JR., *Budget Director of the State of New York,* Albany; *ex-officio*.

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

The principal staff of DASNY is as follows:

GERRARD P. BUSHELL is the President and chief executive officer of DASNY. Mr. Bushell is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Bushell was Director, Senior Institutional Advisor of BNY Mellon's alternative and traditional investment management businesses. Prior thereto, he held a number of senior advisory roles, including Director, Client Partner Group at Kohlberg Kravis Roberts & Co. (KKR), Managing Director, Institutional Sales at Arden Asset Management LLC and Head of Institutional Sales at ClearBridge: a Legg Mason Company (formerly Citi Asset Management). Mr. Bushell previously served as Director of Intergovernmental Affairs for New York State Comptroller H. Carl McCall. Mr. Bushell holds a Bachelor of Arts degree, Master of Arts degree and Ph.D. in Political Science from Columbia University.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor of Arts degree in Economics from the State University of New York at Plattsburgh and a Master of Arts degree in Business Administration from the University of Massachusetts.

KIMBERLY J. NADEAU is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Nadeau is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, budget, payroll, insurance and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. She previously was Vice President-Accounting and Controller for US Light Energy. Prior to that she was Vice President-Accounting and Controller for CH Energy Group, Inc. and held various positions culminating in a director level position at Northeast Utilities. Ms. Nadeau also held various positions with increasing responsibility at Coopers & Lybrand LLP. She holds a Bachelor of Science degree in Accounting, a Master of Business Administration with a concentration in Management and a Juris Doctor degree from the University of Connecticut. She is licensed to practice law in New York and Connecticut.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. In addition, he is responsible for the supervision of DASNY's environmental affairs unit. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor of Arts degree from the State University of New York at Albany.

STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, real property, sustainability and engineering, as well as other technical services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CAROLINE V. GRIFFIN is the Chief of Staff of DASNY. She is responsible for overseeing intergovernmental relations and managing the Communications & Marketing Department, as well as coordinating policy and operations across DASNY's multiple business lines. Ms. Griffin most recently served as the Director of Intergovernmental Affairs for Governor Andrew M. Cuomo where she worked as the Governor's liaison with federal, state and local elected officials and managed staff serving in various capacities in the Governor's Office. Prior to that she served as the Assistant Executive Deputy Secretary for Governor Andrew M. Cuomo overseeing the operations staff and Assistant Secretary for Intergovernmental Affairs for both Governor David A. Paterson and Governor Eliot Spitzer. She holds a Bachelor of Arts degree in Communications from Boston College.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all of its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2018. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 11 – LEGALITY FOR INVESTMENT AND DEPOSIT

The Act provides that the Series 2018A Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual authorities of the State may limit the investment of funds of such authorities in the Series 2018A Bonds.

The Series 2018A Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 12 – NEGOTIABLE INSTRUMENTS

The Series 2018A Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2018A Bonds.

PART 13 – TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986 (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2018A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2018A Bonds. Pursuant to the Resolutions, the Financing and Development Agreement and the Tax Certificate, DASNY and SUNY have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2018A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and SUNY have made certain representations and certifications in the Resolutions and the Tax Certificate. Co-Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Co-Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by DASNY and SUNY described above, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Nixon Peabody LLP is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. However, it is noted that solely for taxable years beginning before January 1, 2018, interest on the Series 2018A Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations under the Code.

State Taxes

Nixon Peabody LLP and Drohan Lee LLP, Co-Bond Counsel, are also of the opinion that interest on the Series 2018A Bonds is, by virtue of the Act, exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York, including The City of New York and the City of

Yonkers. Co-Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2018A Bonds nor as to the taxability of the Series 2018A Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

Original Issue Premium

Series 2018A Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2018A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Series 2018A Bonds may also result in other federal tax consequences to taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2018A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2018A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2018A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Co-Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2018A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2018A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2018A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2018A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2018A Bonds may occur. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2018A Bonds.

Co-Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2018A Bonds may affect the tax status of interest on the Series 2018A Bonds. Co-Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2018A Bonds, or the interest thereon, if any action is taken with respect to the Series 2018A Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 14 – STATE NOT LIABLE ON THE SERIES 2018A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State and that the State will not be liable on them. The Bonds are not payable from any money of DASNY other than money in the Fund.

PART 15 – COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes and bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may, in the exercise of its sovereign power, enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or bonds.

PART 16 – UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Series 2018A Bonds from DASNY at an aggregate purchase price of $151,282,078.63 (consisting of the principal amount of the Series 2018A Bonds plus net original issue premium of $17,898,489.30 less underwriters' discount of $686,410.67) and to make a public offering of the Series 2018A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The obligations of the Underwriters are subject to certain conditions precedent, and the Underwriters will be obligated to purchase all such Series 2018A Bonds if any are purchased. The Series 2018A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices or yields higher than such public offering yields, and such public offering prices or yields may be changed from time to time by the Underwriters. The Underwriters have designated Merrill Lynch, Pierce, Fenner & Smith Incorporated as their Representative.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by DASNY as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for DASNY for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of DASNY.

PART 17 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2018A Bonds are subject to the approval of Nixon Peabody LLP, New York, New York, and Drohan Lee LLP, New York, New York, Co-Bond Counsel to DASNY, whose approving opinions will be delivered with the Series 2018A Bonds. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Cozen O'Connor, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2018A Bonds or questioning or affecting the validity of the Series 2018A Bonds or the proceedings and authority under which they are to be issued.

PART 18 – RATINGS

The Series 2018A Bonds are rated "Aa3" by Moody's Investors Service, Inc. and "A+" by Fitch, Inc. An explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. There is no assurance that such ratings will prevail for any given period of time or that they will not be changed or withdrawn by the respective rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2018A Bonds.

PART 19 – FINANCIAL ADVISOR

Hilltop Securities Inc. is serving as Financial Advisor to DASNY in connection with the issuance of the Series 2018A Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2018A Bonds is contingent upon the issuance and delivery of the Series 2018A Bonds. The Financial Advisor, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2018A Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to DASNY, and as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

PART 20 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended, SUNY will enter into a written agreement (the "Continuing Disclosure Agreement") with Digital Assurance Certification LLC ("DAC"), as disclosure dissemination agent, the Trustee and the Authority. The proposed form of the Continuing Disclosure Agreement is attached hereto as "Appendix F — Proposed Form of Continuing Disclosure Agreement."

For the years ended June 30, 2015, June 30, 2016 AND June 30, 2017, SUNY made timely filings of the updated annual financial and operating information required by its Continuing Disclosure Agreement executed in connection with the issuance of the Series 2013A Bonds, the Series 2015A Bonds, the Series 2015B Bonds and the Series 2017A Bonds. However, for the years ended June 30, 2013 and June 30, 2014, SUNY inadvertently failed to include certain required tables ("SUNY Residence Hall Capital Plan by Project Type/Funding Source" and "SUNY Residence Hall Capital Plan by Sector and Campus") in such filings, which tables contain prospective information. These filing deficiencies were cured in a filing made with the MSRB's Electronic Municipal Market Access ("EMMA") System on April 22, 2015. SUNY is now current in its continuing disclosure filings.

PART 21 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning SUNY included in this Official Statement has been furnished or reviewed and authorized for use by DASNY by such sources as described below. While DASNY believes that these sources are reliable, DASNY has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. DASNY is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2018A Bonds, as to the accuracy of such information provided or authorized by it.

SUNY. SUNY provided certain information contained in this Official Statement, including the information relating specifically to SUNY contained on the cover page hereof and under the headings entitled "Summary Statement," "PART 1 – INTRODUCTION," "PART 7 – THE PROJECT," "PART 8 – THE RESIDENCE HALL PROGRAM," "PART 9 – THE STATE UNIVERSITY OF NEW YORK" and "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT." SUNY has also reviewed "PART 3 – SOURCES OF PAYMENT AND SECURITY – Covenants of SUNY," "PART 4 – DORMITORY FACILITIES REVENUE FUND," "PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS," "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS" and "PART 20 – CONTINUING DISCLOSURE." As a condition to the issuance of the Series 2018A Bonds, SUNY is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2018A Bonds, such parts do not contain any untrue statement of material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

KPMG LLP. KPMG LLP, SUNY's independent auditor, has not been engaged to perform and has not performed, since the date of its report included as APPENDIX B, any procedures on the consolidated financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement

DTC. The information regarding DTC and DTC's book-entry system has been furnished by DTC. DASNY believes that this information is reliable, but DASNY makes no representation or warranties whatsoever as to the accuracy or completeness of this information.

"APPENDIX A – CERTAIN DEFINITIONS," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" and "APPENDIX E – FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL" have been prepared by Nixon Peabody LLP, New York, New York, and Drohan Lee LLP, New York, New York, Co-Bond Counsel.

DASNY. DASNY provided the balance of the information in this Official Statement, except as otherwise specifically noted herein.

DASNY will certify that, both as of the date of this Official Statement and on the date of delivery of the Series 2018A Bonds, the information contained in this Official Statement is and will be fairly presented in all material respects, and that this Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (it being understood that DASNY has relied upon and has not undertaken independently to verify the information contained in this Official Statement relating to SUNY or the State, but which information DASNY has no reason to believe is untrue or incomplete in any material respect).

The references herein to the Act, other laws of the State, the Resolutions and the Financing and Development Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2018A Bonds are fully set forth in the Resolutions (including any Supplemental Resolutions thereto), and neither any advertisement of the Series 2018A Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2018A Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: /s/ Gerrard P. Bushell
Authorized Officer

APPENDICES

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CERTAIN DEFINITIONS

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty–day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including without limitation by the Health Care Financing Construction Act, being Title 4–B of Article 8 of the Public Authorities Law of the State.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Deferred Income Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty–day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means the fund so designated, created and established pursuant to the Resolution.

Authority means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Dormitory Authority of the State of New York.

Authority Facility has the meaning given to such term in the Financing and Development Agreement.

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice–Chair, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director, the Vice President, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Monitoring, the Managing Director of Construction, and the General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the State University, when used with reference to any act or document, means the person identified in the Resolution as authorized to perform such act or execute such document, and in all other cases means the

Chancellor, the Senior Vice Chancellor and the Secretary of the Board, and when used with reference to any act or document also means any other person authorized by resolution or by-laws of the State University to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by–laws of the Trustee.

Bond or **Bonds** means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution.

Bond Counsel means an attorney or law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under the Resolution or under a Series Resolution.

Bond Year means a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or **Holder** or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Business Day means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

Capitalized Interest means the interest on the Bonds that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Dormitory Facility.

Capitalized Interest Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Commissioner means the Commissioner of Taxation and Finance of the State, and any successor or assign of the powers, functions and duties of said Commissioner of Taxation and Finance.

Construction Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

Construction Fund means the fund so designated, created and established for a Project pursuant to the Resolution.

Cost or **Costs of the Facilities** means when used in relation to a Dormitory Facility the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Dormitory Facility, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights–of–way and licenses, (ii) costs and expenses incurred for labor and materials and payments to consultants, contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of such Dormitory Facility, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of such Dormitory Facility, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of such Dormitory Facility, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Authority or State University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of such Dormitory Facility, (vii) any sums required to reimburse the State University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with such Dormitory Facility, (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Facilities that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of such Dormitory Facility, and (ix) fees, expenses and liabilities, including attorney's fees, of the State University or the Authority incurred in connection with such Dormitory Facility or pursuant to the Resolution or to a Credit Facility, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

Cost or **Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, a Hedge Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Costs of Issuance Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

Counterparty means when used in connection with a Bond, any person with which the Authority or the State University has entered into a Hedge Agreement, provided that, at the time the Hedge Agreement is executed, the senior or uncollateralized long–term debt obligations of such person, or of any person that has guaranteed for the term of the Hedge Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, not lower than in the third highest rating category by each Rating Service. When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Authority is in default under the Resolution, which is issued or provided by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a saving and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Appendix A.

Debt Service Fund means the fund so designated, created and established pursuant to the Resolution.

Defeasance Security means:

(i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations;

(ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligations; and

(iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

provided, however, that (1) such term shall not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Determination of Taxability means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Authority shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

Dormitory Facilities Revenue Fund means the fund by that name established in the custody of the Commissioner pursuant to section 1680–q(3) of the Public Authorities Law of the State.

Dormitory Facilities Revenues means all money including rent, fees and charges, derived from the use or occupancy of Dormitory Facilities.

Dormitory Facility means a dormitory acquired or to be acquired, constructed, reconstructed, rehabilitated or improved for use by the State University, as such term is defined in section 1676(2)(a) of the Act, including any dining, parking, recreational or other facility that is necessary, usually attendant and related to a housing unit.

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a "specified private activity bond" within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing obligations; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Financing and Development Agreement means the Financing and Development Agreement, dated as of May 15, 2013, by and between the Authority and the State University, as from time to time amended, supplemented and restated in accordance with the provisions of the Resolution and thereof.

Fiscal Year means the fiscal year of the State University in effect from time to time, which until changed shall be the period of twelve (12) consecutive months beginning July 1 in any calendar year and continuing to and including June 30 of the succeeding calendar year.

Government Obligation means:

(i) a direct obligation of the United States of America;

(ii) an obligation fully insured or guaranteed as to payment by the United States of America;

(iii) an obligation to which the full faith and credit of the United States of America are pledged;

(iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Hedge Agreement means when used in connection with a Bond, any financial arrangement entered into by the Authority or the State University with a Counterparty that is or in the nature of an interest rate exchange agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or creating with respect to any Variable Interest Rate Bond the economic or financial equivalent of a fixed rate of interest on such Bond; provided, however, that no such agreement entered into by the State University shall constitute a Hedge Agreement for purposes of the Resolution unless consented to in writing by the Authority. When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

Investment Agreement means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

Lease and Agreement means that certain Lease and Agreement, by and between the Authority and the State University, dated as of September 20, 1995, as amended and restated as of September 24, 2003, and further amended by an Amendment of Lease, dated as of May 15, 2013, by and between the Authority and the State University.

Liquidity Facility means an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Maximum Annual Debt Service means, as of any date of computation, an amount equal to the greatest amount required in the then current or any future Fiscal Year to pay the sum of the principal of, whether at maturity or by virtue of a scheduled mandatory redemption, and interest on Outstanding Bonds and bonds outstanding under and within the meaning of the Prior Resolution; ***provided, however***, that for purposes of calculating Maximum Annual Debt Service, the following assumptions shall be applicable:

(i) that the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a scheduled mandatory redemption shall be included in the calculations of interest and principal payable on July 1 and January 1 of the Fiscal Year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due;

(ii) that the principal of an Option Bond Outstanding is due on its stated maturity date regardless of any optional or mandatory tenders;

(iii) that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate to its maturity, bears interest at the higher of (1) the lesser of (x) a fixed rate of interest equal to the rate, as estimated by an Authorized Officer of the Authority, after consultation with the Remarketing Agent, if any, for such Variable Interest Rate Bond if it is also an Option Bond or, if not, with an investment banking firm which is regularly engaged in the underwriting of or dealing in bonds of substantially similar character, on a day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, which such Variable Interest Rate Bond would have to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond and (y) if in connection with such Variable Rate Bonds a Hedge Agreement has been entered into, which provides that the Authority is to pay to the Counterparty an amount determined based upon a fixed rate of interest on the Outstanding principal amount of such Variable Rate Bonds or that the Counterparty is to pay to the Authority an amount determined based upon the amount by which the rate at which such Variable Rate Bonds bear interest exceeds a stated rate of interest on all or any portion of such Variable Rate Bonds, the fixed rate of interest to be paid by the Authority or the rate in excess of which the Counterparty is to make payment to the Authority in accordance with such agreement and (2) the then current rate of interest borne by such Variable Interest Rate Bonds or (3) the average rate of interest borne by such Variable Interest Rate Bonds over the shorter of the immediately preceding twelve (12) month period (including the month of such determination) or the period during which such Variable Interest Rate Bonds have been Outstanding; and

that the foreign exchange rate applicable to Bonds of a Series payable in a foreign currency shall be assumed to be the average rate of exchange of one United States dollar to such foreign currency over the shorter of the immediately preceding twelve (12) month period (including the month of such determination) or the period during which such Bonds have been Outstanding.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond as the maximum rate at which such Bond may bear interest at any time;

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

Net Revenues Available for Debt Service means, when used in connection with any Fiscal Year, the amount by which the Dormitory Facilities Revenue deposited in the Dormitory Facilities Revenue Fund during such Fiscal Year, as certified to the Authority and the State University by the Commissioner or the Commissioner's designee, exceeds the Operating Expenses for such Fiscal Year, as certified to the Authority by the chief financial officer of the State University.

Operating Expenses means all reasonable or necessary current expenses of the ordinary maintenance and repair and of operating and managing the Dormitory Facilities, including, but not limited to, all salaries, administrative, general, commercial, architectural, engineering, advertising, public notices, auditing, billing, collection and enforcement and legal expenses, costs and expenses of utility services, insurance and surety bond premiums, consultants' fees and charges, payments to pension, retirement, health and hospitalization funds, any taxes which may lawfully be imposed on a Dormitory Facility or the income or operation thereof, payments to any taxing jurisdiction in lieu of real property taxes, costs of public hearings, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair (including replacements), and all other expenses necessary, incidental or convenient for the efficient operation of the Dormitory Facilities.

Operation and Maintenance Reserve means a reserve held for the payment of Operating Expenses in excess of the amount of Dormitory Facilities Revenues available to the State University when such Operating Expenses are payable.

Option Bond means, when used in connection with a Bond, any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the

Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds; and when used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any applicable Series Resolution except:

(i) any Bond canceled by the Trustee at or before such date;

(ii) any Bond deemed to have been paid in accordance with the Resolution;

(iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

(iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond.

When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

(i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation:

(ii) Federal Agency Obligations described in clause (i) of the definition of Federal Agency Obligation;

(iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category; or

(iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least $125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than $125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Service in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral;

(vi) Investment Agreements that are fully collateralized by Permitted Collateral; and

(vii) to the extent any of the following constitute permitted investments under the "Investment Policy and Guidelines" of the Authority in effect at the time an investment is made:

(1) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, is rated in the highest short term rating category by at least two Rating Services and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least two Rating Services no lower than in the second highest rating category;

(2) an uncollateralized, unsecured certificate of deposit, time deposit or bankers' acceptance that (A) has a maturity of not more than three hundred sixty–five (365) days and (B) is issued by, or are of or with, a bank the short term obligations of which are, at the time an investment in such certificate of deposit, time deposit or bankers' acceptance is made or the same is deposited in any fund or account under the Resolution, rated "A–1" by Standard & Poor's Rating Services and "P–1" by Moody's Investors Service, Inc.; and

(3) shares or an interest in any other mutual fund, partnership or other fund whose objective is to maintain a constant share value of one dollar ($1.00) and that, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, are rated at least "Aam" or "Aam–G" by Standard & Poor's Rating Services and "Aa1" by Moody's Investors Service, Inc.

Pledged Assets means the proceeds from the sale of the Bonds, the Dormitory Facilities Revenue Fund, the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Dormitory Facilities Revenue Fund, and the Authority's right to receive the Dormitory Facilities Revenues, all funds and accounts established by the Resolution or by a Series Resolution or Supplemental Resolution, other than the Arbitrage Rebate Fund.

Prior Resolution means the Lease Revenue Bond Resolution (State University Dormitory Facilities Issue), adopted by the Authority on September 20, 1995, as amended and restated in its entirety by a First Supplemental Resolution adopted on September 24, 2003, and further amended by a Second

Supplemental Resolution adopted by the Authority on March 13, 2013, as from time to time amended, supplemented and restated in accordance with the provisions thereof.

Provider means the issuer or provider of a Credit Facility or a Liquidity Facility.

Provider Payments means the amount, certified by a Provider to the Trustee, payable to such Provider by the Authority on account of amounts advanced by it under a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

Qualified Financial Institution means any of the following entities that has an equity capital of at least $125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least $125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; ***provided, however,*** that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any

Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(v) a corporation whose obligations, including any investments of any money held under the Resolution purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

Rating Service means each of Moody's Investors Service, Inc., Standard & Poor's Global Ratings, and Fitch, Inc., which in each case has assigned a rating to Outstanding Bonds at the request of the Authority or the State University, or their respective successors and assigns.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Resolution or to the applicable Series Resolution or Bond Series Certificate.

Refunding Bonds means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

Remarketing Agent means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

Remarketing Agreement means, with respect to Option Bonds of a Series, an agreement either between the Authority and the Remarketing Agent, or among the Authority, the State University and the Remarketing Agent, relating to the remarketing of such Bonds.

Rentals mean for any particular Bond Year the amount payable by the State University during such Bond Year pursuant to Section 4.01 of the Prior Agreement.

Repair and Rehabilitation Reserve means a reserve for the payment of the costs of the repair, rehabilitation and improvement of Dormitory Facilities.

Repair and Rehabilitation Reserve Requirement shall have the meaning given to such term in the Financing and Development Agreement.

Resolution means this State University Dormitory Facilities Revenue Bond Resolution, adopted by the Authority on May 15, 2013, as from time to time amended, supplemented and restated in accordance with its provisions.

Revenues means all amounts paid to the Trustee (i) from amounts on deposit in the Dormitory Facilities Revenue Fund on account of the principal, Sinking Fund Installments and Redemption Price of and interest on Outstanding Bonds, and (ii) pursuant to Section 5.06(b), 5.07(b), 8.02 or 9.02 of the Prior Agreement.

Serial Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds or a Bond

Series Certificate, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

Sinking Fund Installment means, as of any date of calculation:

> (i) when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and
>
> (ii) when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

Standby Purchase Agreement means an agreement by and between the Authority and another person pursuant to which such person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

State means the State of New York.

State University means the State University of New York, a corporation created in the Education Department of the State and within the University of the State of New York by and under Article 8 of Title 1 of the Education Law of the State, as amended.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Resolution, any Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Resolution.

Tax Certificate means a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Tax Exempt Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

Tax Exempt Bond means any Bond as to which Bond Counsel has rendered an opinion to the effect that interest on it is excluded from gross income for purposes of federal income taxation.

Term Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Resolution and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

University Facility shall have the meaning given to such term in the Financing and Development Agreement.

Valuation Date means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on:

(i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or

(ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

Variable Interest Rate Bond means when used in connection with a Bond, any Bond which bears a Variable Interest Rate; ***provided, however,*** that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond; and when used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

SUNY ANNUAL FINANCIAL REPORT

KPMG, LLP, SUNY's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

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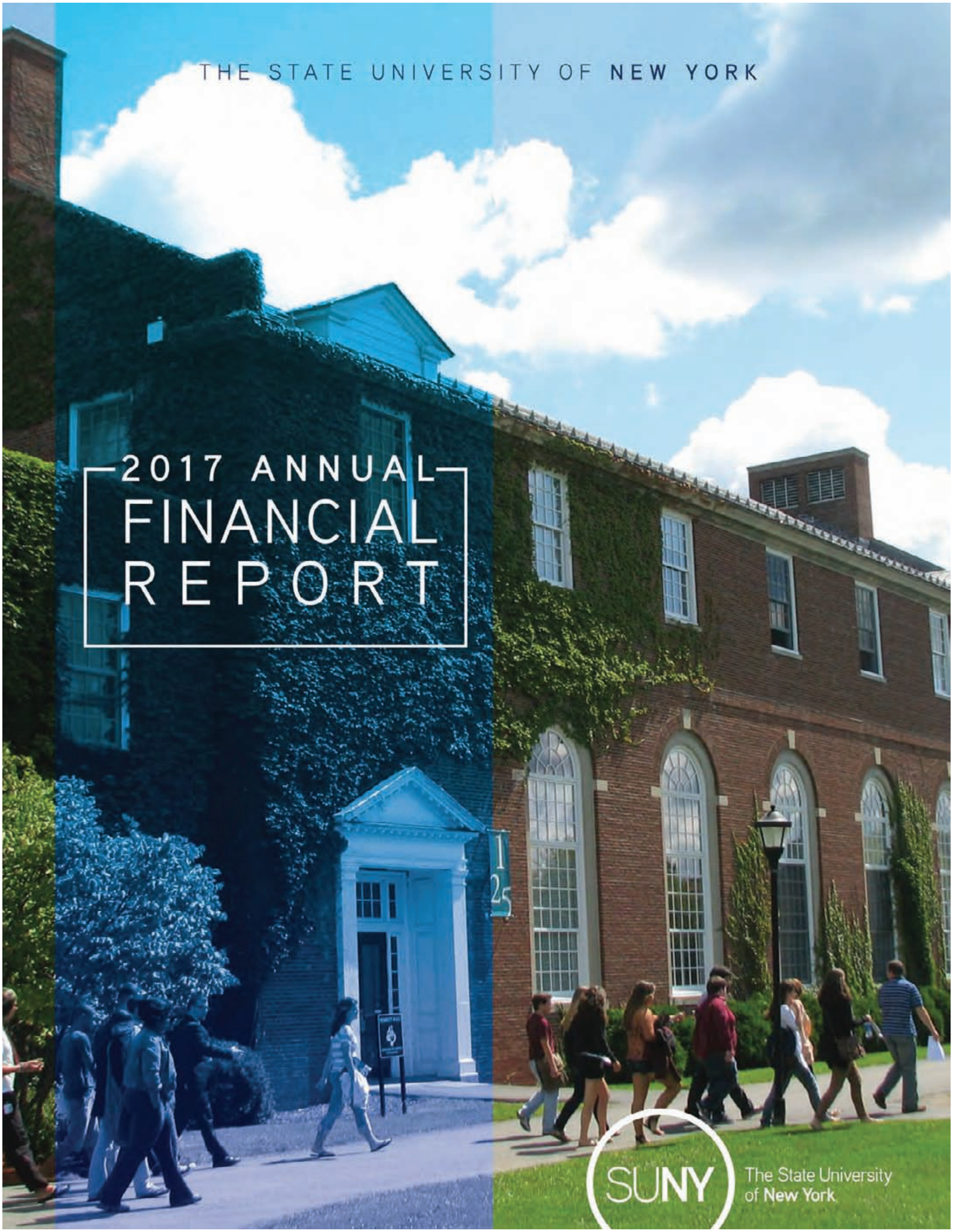
THE STATE UNIVERSITY OF NEW YORK
2017 ANNUAL
FINANCIAL
REPORT
SUNY
The State University
of New York

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A Message from the Chairman and the Chancellor

We are pleased to present the Annual Financial Report of The State University of New York, providing an overview of the State University's finances and operating results for the year ending June 30, 2017.

The preliminary enrollment headcount for Fall 2017 is 436,765, which represents an increase of 0.1 percent from last fall. Preliminary enrollment at the State-operated campuses is 223,509, up 1.7 percent over last fall, while preliminary enrollment at the community colleges is 213,256, down 1.4 percent.

This year saw the launch of the groundbreaking New York State Excelsior Scholarship, introduced by Governor Andrew Cuomo and included in the fiscal year 2017-18 State budget. This first-in-the-nation program is sure to increase interest and enrollment at the State University, making public two- and four-year colleges in New York State tuition-free for students whose families make up to $125,000 per year. This means 940,000 middle-class families and individuals will now qualify for the scholarship, putting college within reach for the next generation of New York's makers, thinkers, doers, and leaders.

The Excelsior Scholarship comes at a critical time, when nearly 70 percent of jobs across the workforce require education and training beyond high school but only 46 percent of New Yorkers hold an associate degree or higher. The Excelsior Scholarship will go a long way toward closing that gap, expanding college access to legions of New Yorkers who can build a better life through higher education. Also provided for in the state budget was a significant increase in funding for capital projects and continued state support for the cost of employee benefits for over 45,000 State University professionals.

We are also happy to report that in the 2016-17 fiscal year, key numbers for State University research through The Research Foundation for The State University of New York are up more than two percent over last year, with five of the nine university centers/doctoral campuses showing increased activity. State University faculty, students, and staff attracted $940 million in activity supporting 7,068 research, training, and public service projects, as well as 15,564 employees statewide.

The State University of New York is an excellent investment for students who seek higher education, and for New York taxpayers as well. The State University's founding and perennial commitment to New Yorkers is to provide excellent and meaningful higher education to the broadest base of our residents. And as we continue to step into the future, the State University system will deepen its commitment to fostering environmentally sustainable and responsible campuses and communities in every corner of our system and state. The State University owns and operates 40% of New York State-owned buildings, and though our physical footprint has grown by 57% since 1990, we have reduced our carbon footprint by 27% over the same time period, and the State University is on track to achieve the State goal of 30% reduction in greenhouse gas emissions by 2020, as compared to the 1990 levels.

Through the millions of New Yorkers we serve annually and our collective research and development capacity, we have both the responsibility and the power to improve our local and global communities. We take these responsibilities to heart and will continue to strive to be the best possible stewards of public dollars in order to do the most good possible through teaching, research, community service, and economic development in the state, in the country, and in the world.

Sincerely,

H. Carl McCall
Chairman

Kristina M. Johnson, Ph.D.
Chancellor

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
State University of New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the State University of New York (the University), as of and for the years ended June 30, 2017 and 2016, and the financial statements of the aggregate discretely presented component units of the University as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit certain discretely presented component units, which represent 63% of the total assets and 76% of the total revenues of the aggregate discretely presented component units. The financial statements of those entities were audited by other auditors whose reports have been furnished to us and our opinions, insofar as they relate to the amounts included for those certain discretely presented component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units identified in note 16 were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the State University of New York as of June 30, 2017 and 2016, and the changes in financial position and cash flows thereof for the years then ended, and the financial position of the aggregate discretely presented component units of the State University of New York as of June 30, 2017, and the respective changes in net assets thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter – Financial Presentation of the University

As discussed in note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, the changes in net assets, and, where applicable, cash flows of only that portion of the State of New York that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the State of New York as of June 30, 2017 or 2016, the changes in its financial position and, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the University's 2016 financial statements and, based on our audit and the reports of the other auditors, we expressed unmodified audit opinions on those audited financial statements in our report dated April 7, 2017. In our opinion, based on our audit and the reports of the other auditors, the summarized comparative information related to the aggregate discretely presented component units presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 8 to 15 and the required supplementary information on pages 53 to 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State University of New York's basic financial statements. A Message from the Chairman and the Chancellor on page 3 is not a required part of the basic financial statements, and has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2017 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

November 8, 2017

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Management's Discussion and Analysis

(Unaudited)

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2017 and 2016, the results of its operations for the years then ended, and significant changes from the previous years. Management has prepared the financial statements and related note disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related notes of the State University, which directly follow the MD&A.

For financial reporting purposes, the State University's reporting entity consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), and central services, but excluding community colleges. The financial statements also include the financial activity of The Research Foundation for The State University of New York (Research Foundation), which administers the sponsored program activity of the State University; the State University Construction Fund (Construction Fund), which administers the capital program of the State University; and the auxiliary services corporations, foundations, and student housing corporations located on its campuses.

The auxiliary services corporations, foundations, and student housing corporations meet the criteria for component units under the Governmental Accounting Standards Board (GASB) accounting and financial reporting requirements for inclusion in the State University's financial statements. For financial statement presentation purposes, these component units are not included in the reported amounts of the State University, but the combined totals of these component units are discretely presented on pages 20 and 21 of the State University's financial statements, in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB) for not-for-profit organizations.

The focus of the MD&A is on the State University financial information contained in the balance sheets, the statements of revenues, expenses, and changes in net position, and the statements of cash flows, which generally exclude the auxiliary services corporations, foundations, and student housing corporations.

Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. As disclosed in note 1 of the financial statements, the State University was required to adopt GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14.* The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement establishes an additional blending requirement for the financial statement presentation of component units. A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member. The adoption of this pronouncement required a restatement to the amounts previously reported in the financial statements and MD&A. A component unit previously included in the discretely presented reporting totals is now included in the primary reporting entity, as it meets the criteria for blended presentation.

The financial statement presentation consists of comparative balance sheets, statements of revenues, expenses, and changes in net position, statements of cash flows, and accompanying notes for the June 30, 2017 and 2016 fiscal years. These statements provide information on the financial position of the State University and the financial activity and results of its operations during the years presented. A description of these statements follows:

The *Balance Sheets* present information on all of the State University's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing the change in the State University's net position during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in these statements include items that will result in cash received or disbursed in future fiscal periods.

The *Statements of Cash Flows* provide information on the major sources and uses of cash during the year. The cash flow statements portray net cash provided by or used in operating, investing, capital, and noncapital financing activities.

Financial Highlights

The State University's net position of $(2.99) billion is comprised of $18.88 billion in total assets and deferred outflows of resources, less $21.87 billion in total liabilities and deferred inflows of resources. The net position decreased $569 million in 2017 driven by an increase in accrued other postemployment benefit (OPEB) expenses of $692 million. The State University's total revenues increased $280 million and total expenses increased $312 million in 2017 compared to 2016. The growth in revenues is primarily due to increases in other nonoperating revenues of $170 million, net realized and unrealized investment gains of $68 million, and net tuition and fees revenue of $26 million. Expense growth was driven by an overall increase in operating expenses of $410 million, or 4% compared to the prior year. These increases were offset by a decrease of $76 million in net realized and unrealized investment losses recorded in the prior year.

Balance Sheets

The balance sheets present the financial position of the State University at the end of its fiscal years. The State University's net position was $(2.99) billion and $(2.42) billion at June 30, 2017 and 2016, respectively, and experienced a decrease of $569 million in 2017, and $537 million in 2016. The State University's total assets and deferred outflows of resources increased $63 million and $1.66 billion in 2017 and 2016, respectively. Total liabilities and deferred inflows of resources during 2017 and 2016 increased $633 million and $2.20 billion, respectively. The following table reflects the financial position at June 30, 2017, 2016, and 2015 (in thousands):

	2017	2016	2015
Current assets	$ 3,623,775	3,554,432	3,488,914
Capital assets, net	12,458,133	12,103,259	11,277,517
Other noncurrent assets	2,331,549	2,321,912	2,324,818
Deferred outflows of resources	465,753	836,229	64,216
Total assets and deferred outflows of resources	18,879,210	18,815,832	17,155,465
Current liabilities	3,044,060	2,155,338	2,279,894
Noncurrent liabilities	18,687,964	18,914,501	16,688,250
Deferred inflows of resources	137,904	167,468	72,097
Total liabilities and deferred inflows of resources	21,869,928	21,237,307	19,040,241
Net investment in capital assets	1,126,096	1,144,763	1,088,762
Restricted - nonexpendable	468,873	439,759	407,723
Restricted - expendable	323,141	366,478	358,723
Unrestricted	(4,908,828)	(4,372,475)	(3,739,984)
Total net position	$(2,990,718)	(2,421,475)	(1,884,776)

Current Assets

Current assets at June 30, 2017 increased $69 million compared to the previous year. In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year). Current assets at June 30, 2017 and 2016 consist primarily of cash and cash equivalents of $2.04 billion and $1.82 billion and receivables of $1.04 billion and $1.06 billion, respectively. The increase in current assets during 2017 is primarily due to an increase of $219 million in cash and cash equivalents offset by a decrease of $177 million in deposits with bond trustees.

Current Liabilities

Current liabilities increased $889 million compared to the previous year. Current liabilities at June 30, 2017 and 2016 consist principally of accounts payable and accrued expenses of $1.50 billion and $896 million, the current portion of long-term debt and long-term liabilities of $782 million and $642 million, and unearned revenue of $540 million and $409 million, respectively. The increase in current liabilities during 2017 is primarily due to an increase of $559 million in liabilities owed to the State for project costs funded by the State in advance. The State University will relieve this liability in 2018 when bond proceeds are made available.

Capital Assets, net

The State University's capital assets are substantially comprised of State-operated campus educational, residence, and hospital facilities. Personal Income Tax (PIT) revenue bonds support the majority of the funding for construction and critical maintenance projects on State University facilities.

During the 2017 and 2016 fiscal years, capital assets (net of depreciation) increased $355 million and $826 million, respectively. The majority of the increase occurred at the State University campuses due to the completion of new building construction, renovations, and rehabilitation totaling $809 million and $1.04 billion for the 2017 and 2016 fiscal years, respectively. Equipment additions during 2017 and 2016 of $170 million and $207 million, respectively, also contributed to the increase.

A summary of capital assets, by major classification, and related accumulated depreciation for the 2017, 2016, and 2015 fiscal years is as follows (in thousands):

	2017	2016	2015
Land	$ 689,587	667,416	650,815
Infrastructure and land improvements	1,245,684	1,184,886	1,099,472
Buildings	12,969,695	12,223,238	11,320,810
Equipment, library books and other	3,121,639	3,207,151	3,129,535
Construction in progress	2,163,764	2,183,139	2,046,745
Total capital assets	20,190,369	19,465,830	18,247,377
Less accumulated depreciation:			
Infrastructure and land improvements	582,994	538,748	498,331
Buildings	4,643,010	4,332,221	4,024,619
Equipment, library books and other	2,506,232	2,491,602	2,446,910
Total accumulated depreciation	7,732,236	7,362,571	6,969,860
Capital assets, net	$ 12,458,133	12,103,259	11,277,517

Significant projects completed and capitalized during the 2017 fiscal year included construction of two new residence halls and a new computer science building at Stony Brook University, a new school of agriculture and natural resources building at the College of Cobleskill and a new academic building at Upstate Medical University. Other significant projects included rehabilitation and renovations to Tyler Hall and Park Hall at Oswego State College, renovation of the physical science building at the College at Oneonta, renovation of Caudell Hall at Buffalo State College, rehabilitation of O'Connor and Johnson Halls at Binghamton University, and renovation of the life sciences building at Stony Brook University.

Other Noncurrent Assets

Other noncurrent assets increased $10 million compared to the previous year. Noncurrent assets at June 30, 2017 and 2016 include long-term investments of $927 million and $847 million, noncurrent portion of receivables of $780 million and $789 million, deposits with trustees of $349 million and $327 million, restricted cash of $137 million and $130 million, and other noncurrent assets of $139 million and $230 million, respectively.

Noncurrent Liabilities

Noncurrent liabilities at June 30, 2017 and 2016 of $18.69 billion and $18.91 billion, respectively, are largely comprised of debt on State University facilities, other long-term liabilities accrued for postemployment and post-retirement benefits, and litigation reserves. The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is provided principally through the issuance of bonds by the Dormitory Authority of the State of New York (DASNY). The debt service for the educational facilities is paid by, or provided through a direct appropriation from, the State. The debt service on residence hall bonds is funded primarily from room rents.

A summary of noncurrent liabilities at June 30, 2017, 2016, and 2015 is as follows (in thousands):

	2017	2016	2015
Educational facilities	$ 7,774,668	8,133,041	7,741,066
Unamortized bond premium - educational facilities	618,048	653,313	598,247
Residence hall facilities	619,945	649,780	1,111,095
Unamortized bond premium - residence hall facilities	55,634	58,033	70,028
Postemployment and post-retirement	6,219,922	5,527,503	4,871,192
Litigation	656,836	663,251	562,691
Collateralized borrowings	1,019,399	1,061,257	459,541
Pension	709,440	1,054,885	397,746
Other obligations	1,014,072	1,113,438	876,644
Total noncurrent liabilities	$18,687,964	18,914,501	16,688,250

There was no new debt issued during the year for the educational and residence hall facilities programs.

The State University's credit ratings for PIT, educational and residence hall bonds were unchanged in the 2017 and 2016 fiscal years. The credit ratings at June 30, 2017 are as follows:

	PIT Bonds	Educational Facilities	Residence Halls
Moody's Investors Service	Aa1	Aa2	Aa2
Standard & Poor's	AAA	AA	AA-
Fitch	AA+	AA	AA-

During fiscal years 2017 and 2016, the long-term portion of postemployment and post-retirement benefit obligations increased $692 million and $656 million, respectively. The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their qualifying dependents as part of the New York State Health Insurance Plan (NYSHIP). The State University, as a participant in the plan, recognizes these other postemployment benefits (OPEB) on an accrual basis. The State University's OPEB plan is financed annually on a pay-as-you-go basis. There are no assets set aside to fund the plan.

The Research Foundation sponsors a separate defined benefit OPEB plan and has established a Voluntary Employee Benefit Association (VEBA) trust. Legal title to all the assets in the trust is vested for the benefit of the participants. Contributions are made by the Research Foundation pursuant to a funding policy established by its board of directors.

The long-term portion of pension liabilities decreased $345 million at June 30, 2017 mainly due to better than expected earnings on pension plan investments. Pension liabilities increased $657 million at June 30, 2016 due primarily to a decrease in the discount rate from 7.5% to 7.0% for the ERS Plan and other actuarial changes.

The State University has recorded a long-term litigation liability and a corresponding appropriation receivable of $657 million and $663 million at June 30, 2017 and 2016, respectively (almost entirely related to hospitals and clinics) for unfavorable judgments, both anticipated and awarded but not yet paid.

In March 2013, the State enacted legislation to authorize the State University to assign to DASNY all of the State University's rights, title and interest in dormitory facilities revenues derived from payments made by students and others for use and occupancy of certain dormitory facilities. The legislation authorized DASNY to issue State University of New York Dormitory Facilities Revenue Bonds payable from and secured by the dormitory facilities revenues assigned to it by the State University. These bonds are special obligations of DASNY payable solely from the dormitory facilities revenues collected by the State University as agent for DASNY. The outstanding obligations under these bonds is reported as collateralized borrowing in the State University's financial statements. In April 2017, bonds with a par amount of $345 million at a premium of $64 million were issued for purpose of financing capital construction as well as to refinance $212 million of the State University's existing residential facility obligations. The credit ratings assigned to these bonds in 2017 were as follows: Moody's (Aa3), S&P (A+), and Fitch (A+). These ratings were unchanged in 2017 and 2016.

Statements of Revenues, Expenses, and Changes in Net Position

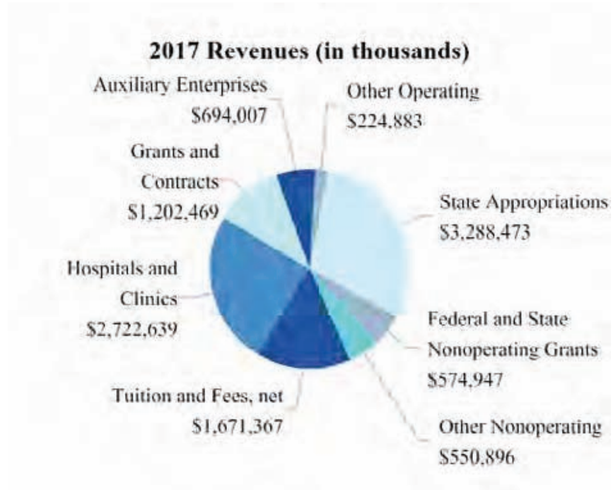
The statements of revenues, expenses, and changes in net position present the State University's results of operations, as well as nonoperating activities. Revenues, expenses, and the changes in net position for the 2017, 2016 and 2015 fiscal years are summarized as follows (in thousands):

	2017	2016	2015
Operating revenues	$ 6,515,365	6,448,951	6,258,779
Nonoperating revenues	4,269,007	4,111,656	3,858,795
Other revenues	145,309	89,219	142,364
Total revenues	10,929,681	10,649,826	10,259,938
Operating expenses	11,024,040	10,613,807	10,221,187
Nonoperating expenses	474,884	572,718	464,203
Total expenses	11,498,924	11,186,525	10,685,390
Change in net position	$ (569,243)	(536,699)	(425,452)

Total operating revenues of the State University increased $66 million in 2017 and $190 million in 2016. Nonoperating and other revenues, which include State appropriations, increased $213 million in 2017 and increased $200 million in 2016. Total expenses for 2017 and 2016 increased $312 million and $501 million, respectively.

Revenue Overview

Revenues (in thousands):	2017	2016	2015
Tuition and fees, net	$ 1,671,367	1,645,552	1,530,594
Hospitals and clinics	2,722,639	2,777,827	2,634,882
Grants and contracts	1,202,469	1,167,871	1,235,369
Auxiliary enterprises	694,007	669,585	652,421
Other operating	224,883	188,116	205,513
Operating revenues	6,515,365	6,448,951	6,258,779
State appropriations	3,288,473	3,265,314	3,135,670
Federal and State nonoperating grants	574,947	573,155	566,023
Other nonoperating	550,896	362,406	299,466
Nonoperating and other revenues	4,414,316	4,200,875	4,001,159
Total revenues	$10,929,681	10,649,826	10,259,938



Tuition and Fees, Net

Tuition and fee revenue, net of scholarship allowances, increased $26 million and $115 million in 2017 and 2016, respectively. These increases were mainly driven by a tuition rate increase for professional and nonresident tuition rates in 2017 and 2016 and also a $300 tuition rate increase for resident undergraduates in 2016. Annual average full-time equivalent students, including undergraduate and graduate, were approximately 195,700, 196,500, and 196,600 for the fiscal years ended June 30, 2017, 2016, and 2015, respectively.

Hospitals and Clinics

The State University has three hospitals (each with academic medical centers) – the State University Hospitals at Brooklyn (UHB), Stony Brook, and Upstate Medical.

Hospital and clinic revenue decreased $55 million in 2017 mainly due to a decrease of $158 million in Medicaid Disproportionate Share Hospital (DSH) program revenue offset by an increase in net patient revenues of $103 million due to volume and rate increases. Hospital and clinic revenue increased $143 million in 2016 due to an increase of $80 million and net patient revenues and $63 million in DSH revenue.

Grants and Contracts

Grants and contracts revenue increased $35 million in 2017 driven by increases in state and local grants of

$17 million, private grants and contracts of $11 million and federal grants of $7 million.

Auxiliary Enterprises

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, intercollegiate athletics, student health services, parking, and other activities. The residence halls are operated and managed by the State University and its campuses.

Auxiliary enterprise sales and services revenue increased $24 million and $17 million for fiscal years 2017 and 2016, respectively. These increases were largely due to modest increases in room and board rates.

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls. Revenue producing occupancy at the residence halls was 68,440 for the fall of 2016, a decrease of 883 students compared to the previous year. The overall utilization rate for the fall of 2016 was reported at 95 percent.

State Appropriations

The State University's single largest source of revenues are State appropriations, which for financial reporting purposes are classified as nonoperating revenues. State appropriations totaled $3.29 billion, $3.27 billion, and $3.14 billion and represented approximately 30 percent, 31 percent, and 31 percent of total revenues for fiscal years 2017, 2016, and 2015, respectively. State support (both direct support for operations and indirect support for fringe benefits, debt service, and litigation) for State University campus operations, statutory colleges, and hospitals and clinics increased $23 million in 2017 and $130 million in 2016, compared to the prior year. In 2017, State support for operating expenses increased $36 million and indirect State support for fringe benefits increased $114 million. Indirect State support for litigation and debt service decreased $115 million and $12 million, respectively, compared to the previous year.

Federal and State Nonoperating Grants

Major scholarships and grants revenue includes the State Tuition Assistance Program of $195 million and $199 million during fiscal years 2017 and 2016, respectively, and federal Pell Program revenue of $290 million in both the 2017 and 2016 fiscal years.

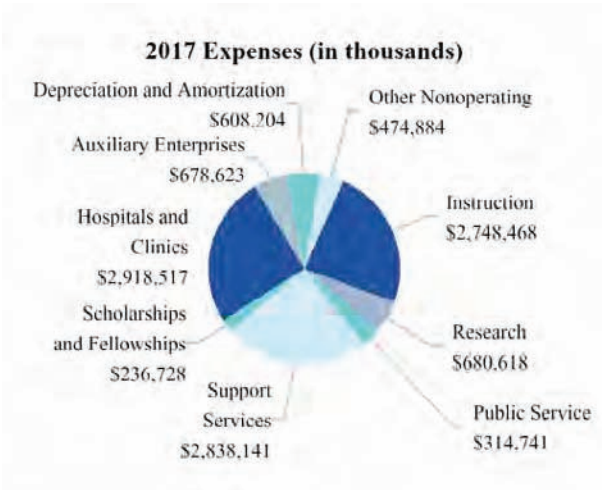
Other Nonoperating Revenues

Other nonoperating revenues increased $188 million and $63 million in 2017 and 2016, respectively. The increase in 2017 was primarily due to a $151 million increase in nonoperating revenues related to the Research Foundation OPEB plan. The Research Foundation amended their OPEB Plan, which lowered their OPEB liability, to utilize the individual Medicare health care exchange market to provide benefits to Medicare-eligible participants. The increase in 2016 was mainly due to a gain of $95 million on the disposal of Long Island College Hospital (LICH) assets offset by a $34 million decrease in capital gifts and grants.

Expense Overview

Expenses (in thousands):

	2017	2016	2015
Instruction	$ 2,748,468	2,564,186	2,469,683
Research	680,618	724,805	728,789
Public service	314,741	311,337	302,311
Support services	2,838,141	2,695,892	2,616,099
Scholarships and fellowships	236,728	234,458	237,921
Hospitals and clinics	2,918,517	2,876,470	2,690,530
Auxiliary enterprises	678,623	626,360	622,426
Depreciation and amortization	608,204	580,299	553,428
Other nonoperating	474,884	572,718	464,203
Total expenses	$11,498,924	11,186,525	10,685,390



During the 2017 fiscal year, instruction expenses increased $184 million predominately from increases of $98 million in OPEB accrual expenses and $62 million in other fringe benefit expenses. Fringe benefit expenses increased mainly due to an increase in the State fringe benefit rate from 55.88 percent in 2016 to 58.71 percent in 2017.

Support services, which include expenses for academic support, student services, institutional support, and operation and maintenance of plant, increased $142 million between fiscal years 2017 and 2016. This increase was mainly due to increases of $75 million in OPEB accrual expenses and $64 million in other fringe benefit expenses. Support services increased $80 million between 2016 and 2015.

In the State University's financial statements, scholarships used to satisfy student tuition and fees (residence hall, food service, etc.) are reported as an allowance (offset) to the respective revenue classification up to the amount of the student charges. The amount reported as expense represents amounts provided to the student in excess of State University charges.

Expenses at the State University's hospitals and clinics increased $42 million in 2017 and $186 million during 2016. The increase during 2017 is mainly due to increases of $61 million in personal service costs, $35 million in OPEB accrual expenses, $27 million in other fringe benefit expenses, and $22 million in supplies and contractual service expenses. These increases were offset by a decrease of $117 million in litigation accruals. The increase during 2016 is mainly due to increases of $60 million in personal service costs, $55 million in litigation accruals, and $52 million in supplies and contractual service expenses.

Depreciation and amortization expense recognized in fiscal years 2017 and 2016 totaled $608 million and $580 million, respectively. Other nonoperating expenses were $475 million and $573 million for the years ended June 30, 2017 and 2016, respectively. Other nonoperating expenses during fiscal year 2016 included realized and unrealized losses on investments of $76 million as well as an asset impairment of $38 million for LICH.

Economic Factors That Will Affect the Future

The State University is one of the largest public universities in the nation, with headcount enrollment of approximately 223,500 for fall 2017, on twenty nine State-operated campuses and five statutory colleges. Full-time equivalent (FTE) enrollment, excluding community colleges, for the fiscal year ended June 30, 2017 is approximately 195,700, a slight decrease compared to June 30, 2016.

The State University's student population is directly influenced by State demographics, as the majority of students attending the State University are New York residents. Beginning with the 2017-18 fiscal year, legislation was passed enacting the Excelsior Scholarship Program to provide tuition-free college at New York's public colleges and universities to families making up to $125,000 a year phased in over three years. The State University will see an increase in enrollment due to this new program.

New York State appropriations remain the largest single source of revenues. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support. For the most recent fiscal year, State appropriations totaled $3.29 billion which represented 30 percent of the total revenues of the State University. State appropriations consisted of direct support ($1.12 billion), fringe benefits for State University employees ($1.62 billion), debt service on educational facilities ($527 million), and litigation support ($18 million). Debt service on educational facilities is paid by the State in an amount sufficient to cover annual debt service requirements; pursuant to annual statutory provisions, each of the State University's three teaching hospitals must reimburse the State for their share of debt service costs to finance their capital projects.

The State University depends on the State to provide appropriations in support of its capital program. While the increased level of support planned for the Educational Facilities Program ($550 million planned annually through 2021-22) will provide much needed funding to address the significant needs of nearly 1,900 aging academic buildings and the State University's vast infrastructure, the $550 million planned for each of the next four years will be subject to annual appropriation by the Executive and the Legislature. In addition, the planned level of new support ($2.8 billion), as well as prior year unspent appropriations totaling $1.9 billion, must be accommodated within significantly reduced annual spending limits established in the 2017-18 Enacted State Five-Year Capital Program and Financing Plan. Managing the disbursements associated with this level of appropriation will require careful monitoring and accurate predicting of project disbursements to ensure minimal disruption to the capital program.

The State University hospitals, which are all part of larger State University Academic Health Centers at Brooklyn, Stony Brook and Upstate Medical, serve large numbers of patients who are uninsured, under-insured or covered by Medicare and Medicaid programs. As a result, the Hospital's continued viability is directly linked to appropriate levels of funding from Medicare, Medicaid and the Medicaid DSH Programs. The New York State Department of Health has proposed limits on funds it will contribute towards DSH funding for the State's public hospitals. The cuts being discussed are material in nature and would adversely impact the Hospital's revenue stream and income if enacted. The Affordable Care Act and renewed health care reform efforts at the Federal level also pose threats to future DSH funding. At this time however, the outcome of these deliberations are uncertain.

With the pressure to reduce the Federal Budget deficit, it is also anticipated that both the federal and state governments will be under pressure to reduce their overall spending in future years. These spending reductions could result in significant cuts to the hospitals' Medicare and Medicaid rates and the State's Support for Costs of State Sponsorship, having a negative impact on overall revenue.

Balance Sheets

June 30, 2017 and 2016
In thousands

Assets and Deferred Outflows of Resources	**2017**	**Restated 2016**
Current Assets:		
Cash and cash equivalents	$ 2,040,114	1,821,322
Deposits with bond trustees	209,975	386,936
Short-term investments	252,918	216,204
Accounts, notes, and loans receivable, net	640,521	633,603
Appropriations receivable	165,020	162,495
Grants receivable	236,933	264,007
Other assets	78,294	69,865
Total current assets	3,623,775	3,554,432
Noncurrent Assets:		
Restricted cash and cash equivalents	136,789	129,623
Deposits with bond trustees	349,483	326,571
Accounts, notes, and loans receivable, net	121,270	123,859
Appropriations receivable	658,368	664,690
Long-term investments	927,058	847,378
Other noncurrent assets	138,581	229,791
Capital assets, net	12,458,133	12,103,259
Total noncurrent assets	14,789,682	14,425,171
Total assets	**18,413,457**	**17,979,603**
Deferred outflows of resources	465,753	836,229
Total assets and deferred outflows of resources	**$ 18,879,210**	**18,815,832**
Liabilities, Deferred Inflows and Net Position		
Current Liabilities:		
Accounts payable and accrued liabilities	1,502,982	896,400
Unearned revenue	540,379	408,637
Long-term debt - current portion	488,890	356,457
Long-term liabilities - current portion	293,007	285,950
Other liabilities	218,802	207,894
Total current liabilities	3,044,060	2,155,338
Noncurrent Liabilities:		
Long-term debt	9,503,459	9,942,001
Long-term liabilities	8,891,328	8,587,996
Refundable government loan funds	138,916	141,378
Other noncurrent liabilities	154,261	243,126
Total noncurrent liabilities	18,687,964	18,914,501
Total liabilities	**21,732,024**	**21,069,839**
Deferred inflows of resources	137,904	167,468
Total liabilities and deferred inflows of resources	**21,869,928**	**21,237,307**
Net Position:		
Net investment in capital assets	1,126,096	1,144,763
Restricted - nonexpendable:		
Instruction and departmental research	232,865	194,701
Scholarships and fellowships	112,943	106,523
General operations and other	123,065	138,535
Restricted - expendable:		
Instruction and departmental research	120,295	104,135
Scholarships and fellowships	63,751	55,079
General operations and other	139,095	207,264
Unrestricted	(4,908,828)	(4,372,475)
Total net position	**(2,990,718)**	**(2,421,475)**
Total liabilities, deferred inflows and net position	**$ 18,879,210**	**18,815,832**

See accompanying notes to the financial statements.

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2017 and 2016

In thousands

	2017	Restated 2016
Operating revenues:		
Tuition and fees	$ 2,279,625	2,248,043
Less: scholarship allowances	(608,258)	(602,491)
Net tuition and fees	1,671,367	1,645,552
Federal grants and contracts	636,096	628,917
State and local grants and contracts	172,727	156,089
Private grants and contracts	393,646	382,865
Hospitals and clinics	2,722,639	2,777,827
Sales and services of auxiliary enterprises:		
Residence halls, net	461,907	450,584
Food service and other, net	232,100	219,001
Other sources	224,883	188,116
Total operating revenues	**6,515,365**	**6,448,951**
Operating expenses:		
Instruction	2,748,468	2,564,186
Research	680,618	724,805
Public service	314,741	311,337
Academic support	598,377	552,763
Student services	394,086	367,897
Institutional support	1,116,085	1,071,044
Operation and maintenance of plant	716,963	670,301
Scholarships and fellowships	236,728	234,458
Hospitals and clinics	2,918,517	2,876,470
Auxiliary enterprises:		
Residence halls	399,958	356,326
Food service and other	278,665	270,034
Depreciation and amortization expense	608,204	580,299
Other operating expenses	12,630	33,887
Total operating expenses	**11,024,040**	**10,613,807**
Operating loss	**(4,508,675)**	**(4,164,856)**
Nonoperating revenues (expenses):		
State appropriations	3,288,473	3,265,314
Federal and State nonoperating grants	574,947	573,155
Investment income, net	67,910	56,453
Net realized and unrealized gains (losses)	67,793	(75,919)
Gifts	100,116	130,023
Interest expense on capital related debt	(463,946)	(458,296)
(Loss) gain on disposal of plant assets	(10,938)	86,711
Other nonoperating revenues (expenses), net	169,768	(38,503)
Net nonoperating revenues	**3,794,123**	**3,538,938**
Loss before other revenues and gains	**(714,552)**	**(625,918)**
Capital appropriations	57,723	25,164
Capital gifts and grants	61,130	31,223
Additions to permanent endowments	26,456	32,832
Decrease in net position	**(569,243)**	**(536,699)**
Net position at the beginning of year, as restated	**(2,421,475)**	**(1,884,776)**
Net position at the end of year	**$ (2,990,718)**	**(2,421,475)**

See accompanying notes to the financial statements.

Statements of Cash Flows

For the Years Ended June 30, 2017 and 2016
In thousands

		2017	Restated 2016
Cash flows from operating activities:			
Tuition and fees	$	1,678,006	1,638,843
Grants and contracts:			
Federal		649,157	630,418
State and local		207,026	210,130
Private		471,400	464,083
Hospital and clinics		2,650,912	2,903,869
Personal service payments		(4,330,457)	(4,313,809)
Other than personal service payments		(2,575,248)	(2,552,800)
Payments for fringe benefits		(556,865)	(554,392)
Payments for scholarships and fellowships		(257,139)	(263,376)
Loans issued to students		(27,611)	(24,784)
Collection of loans to students		25,071	25,014
Auxiliary enterprise charges:			
Residence halls		457,100	453,459
Food service and other		227,561	213,140
Other receipts		206,115	151,674
Net cash used by operating activities		**(1,174,972)**	**(1,018,531)**
Cash flows from noncapital financing activities:			
State appropriations:			
Operations		1,120,468	1,089,416
Debt service		631,353	498,799
Federal and State nonoperating grants		574,905	573,159
Private gifts and grants		101,655	104,791
Proceeds from short-term loans		110,964	90,637
Repayment of short-term loans		(99,644)	(96,561)
Direct loan receipts		1,156,323	1,155,383
Direct loan disbursements		(1,156,323)	(1,155,383)
Other receipts (payments)		52,737	(16,574)
Net cash provided by noncapital financing activities		**2,492,438**	**2,243,667**
Cash flows from capital and related financing activities:			
Proceeds from capital debt		57,890	1,951,348
Capital appropriations		53,702	26,383
Capital grants and gifts received		63,058	31,733
Proceeds from sale of capital assets		1,295	98,853
Purchases of capital assets		(242,306)	(191,962)
Payments to contractors		(876,407)	(998,256)
Principal paid on capital debt and leases		(355,454)	(1,346,307)
Interest paid on capital debt and leases		(525,082)	(507,456)
Deposits advanced from State		559,143	—
Deposits with bond trustees		154,362	(27,787)
Net cash used by capital and related financing activities		**(1,109,799)**	**(963,451)**
Cash flows from investing activities:			
Proceeds from sales and maturities of investments		221,094	371,448
Interest, dividends, and realized gains on investments		66,928	41,306
Purchases of investments		(269,731)	(398,326)
Net cash provided by investing activities		**18,291**	**14,428**
Net change in cash		**225,958**	**276,113**
Cash - beginning of year		**1,950,945**	**1,674,832**
Cash - end of year	**$**	**2,176,903**	**1,950,945**
End of year cash comprised of:			
Cash and cash equivalents		**2,040,114**	**1,821,322**
Restricted cash and cash equivalents		**136,789**	**129,623**
Total cash and cash equivalents	**$**	**2,176,903**	**1,950,945**

Statements of Cash Flows (continued)

For the Years Ended June 30, 2017 and 2016

In thousands

		2017	Restated 2016
Reconciliation of net operating loss to net cash used by operating activities:			
Operating loss	$	(4,508,675)	(4,164,856)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense		608,204	580,299
Fringe benefits and litigation		1,634,464	1,525,573
Change in assets and liabilities:			
Receivables, net		16,817	207,023
Other assets		434,973	32,087
Accounts payable and accrued liabilities		22,386	(145,607)
Unearned revenue		(158,942)	70,703
Other liabilities		775,801	876,247
Net cash used by operating activities	**$**	**(1,174,972)**	**(1,018,531)**
Supplemental disclosures for noncash transactions:			
New capital leases / debt agreements	$	57,890	2,242,206
Fringe benefits provided by the State	$	1,616,627	1,497,863
Litigation costs provided by State	$	17,837	27,710
Noncash gifts	$	4,298	4,413
Unrealized gains (losses) on investments	$	65,083	(61,747)

See accompanying notes to the financial statements.

State University of New York Component Units
Balance Sheet

June 30, 2017 (with comparative financial information as of June 30, 2016)
In thousands

Assets	2017	Restated 2016
Cash and cash equivalents	$ 237,196	274,209
Accounts and notes receivable, net	38,441	47,117
Pledges receivable, net	183,121	156,803
Investments	2,321,273	2,045,905
Assets held for others	30,979	40,597
Other assets	63,275	73,631
Capital assets, net	552,447	548,365
Total assets	**$ 3,426,732**	**3,186,627**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	59,973	58,927
Deferred revenue	18,625	14,851
Deposits held in custody for others	171,910	164,373
Other liabilities	80,875	81,096
Long-term debt, net	346,844	360,201
Total liabilities	**678,227**	**679,448**
Net Assets:		
Unrestricted:		
Board designated for:		
Fixed assets	226,009	204,839
Campus programs	113,381	110,786
Investments	215,140	189,098
General operations and other	89,988	89,749
Undesignated	171,682	147,858
Total unrestricted net assets	816,200	742,330
Temporarily restricted:		
Scholarships and fellowships	215,651	172,702
Campus programs	492,568	455,469
Research, general operations and other	363,344	321,595
Total temporarily restricted net assets	1,071,563	949,766
Permanently restricted:		
Scholarships and fellowships	387,831	361,540
Campus programs	384,678	364,324
Research, general operations and other	88,233	89,219
Total permanently restricted net assets	860,742	815,083
Total net assets	**2,748,505**	**2,507,179**
Total liabilities and net assets	**$ 3,426,732**	**3,186,627**

See accompanying notes to the financial statements.

State University of New York Component Units
Statement of Activities

For the Year Ended June 30, 2017 (with summarized financial information for the year ended June 30, 2016)
In thousands

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	Restated 2016 Total
Revenues:					
Contributions, gifts and grants	$ 45,127	117,237	46,277	208,641	208,601
Food service	305,843	—	—	305,843	289,766
Other auxiliary services	80,296	—	—	80,296	77,793
Rental income	69,209	479	—	69,688	65,947
Sales and services	13,753	2,364	—	16,117	30,297
Program income and special events	42,031	1,633	1	43,665	46,485
Investment income, net	9,835	21,892	137	31,864	31,019
Net realized and unrealized gains (losses)	59,351	135,672	678	195,701	(21,870)
Change in value of split interest agreements	3,048	(214)	1,981	4,815	(745)
Other sources	11,776	2,372	14	14,162	20,139
Endowment earnings transferred	—	365	(365)	—	—
Net assets released from restrictions	158,820	(158,820)	—	—	—
Total revenues	**799,089**	**122,980**	**48,723**	**970,792**	**747,432**
Expenses:					
Food service	259,107	—	—	259,107	246,138
Other auxiliary services	66,869	—	—	66,869	66,980
Program expenses	121,863	—	—	121,863	117,667
Health care services	6,956	—	—	6,956	20,790
Payments to the State University:					
Scholarships and fellowships	60,463	—	—	60,463	57,076
Other	68,904	—	—	68,904	50,300
Real estate expenses	45,906	—	—	45,906	46,272
Management and general	55,585	—	—	55,585	54,837
Fundraising	25,651	—	—	25,651	25,122
Other expenses	18,162	—	—	18,162	16,455
Total expenses	**729,466**	**—**	**—**	**729,466**	**701,637**
Change in net assets	**69,623**	**122,980**	**48,723**	**241,326**	**45,795**
Net asset reclassification	**4,247**	**(1,183)**	**(3,064)**	**—**	**—**
Total change in net assets	**73,870**	**121,797**	**45,659**	**241,326**	**45,795**
Net assets at the beginning of year, restated	**742,330**	**949,766**	**815,083**	**2,507,179**	**2,461,384**
Net assets at the end of year	**$ 816,200**	**1,071,563**	**860,742**	**2,748,505**	**2,507,179**

See accompanying notes to the financial statements.

Notes to Financial Statements

June 30, 2017 and 2016

1. Summary of Significant Accounting Policies and Basis of Presentation

Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the reporting entity is based primarily on the notion of financial accountability, defined in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. Separate legal entities meeting the criteria for inclusion in the blended totals of the State University reporting entity are described below. The State University is included in the financial statements of the State of New York (State) as an enterprise fund, as the State is the primary government of the State University.

The Research Foundation for The State University of New York (Research Foundation) is a separate, private, nonprofit educational corporation that administers the majority of the State University's sponsored programs. These programs are for the exclusive benefit of the State University and include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The Research Foundation provides sponsored programs administration and innovation support services to State University faculty performing research in life sciences and medicine; engineering and technology; physical sciences and energy; social sciences; and computer and information services. The activity of the Research Foundation has been included in these financial statements using GASB measurements and recognition standards. The financial activity was primarily derived from audited financial statements of the Research Foundation for the years ended June 30, 2017 and 2016.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to and for the exclusive benefit of the State University and, therefore, the financial activity related to the Construction Fund is included in the State University's financial statements as of the Construction Fund's fiscal years ended March 31, 2017 and 2016.

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statement information of the statutory colleges of Cornell University and Alfred University has been included in the accompanying financial statements.

Most of the State University's campuses maintain auxiliary services corporations and some campuses maintain student housing corporations. These corporations are legally separate, nonprofit organizations which, as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. Almost all of the State University campuses also maintain foundations, which are legally separate, nonprofit, affiliated organizations that receive and hold economic resources that are significant to, and that are entirely for the benefit of the State University, and are required to be included in the reporting entity using discrete presentation requirements. As a result, the combined totals of the campus-related auxiliary service corporations, student housing corporations and foundations are separately presented as an aggregate component unit on pages 20 and 21 of these financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB). All of the financial data for these organizations was derived from each entity's individual audited financial statements, the majority of which have a May 31 or June 30 fiscal year end. The combined totals are also included in the financial statements of the State's discretely presented component unit combining statements.

During 2017, the State University adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14.* This Statement establishes an additional blending requirement for the financial statement presentation of component units. A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in GASB Statement 14, as amended.

Notes to Financial Statements

June 30, 2017 and 2016

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

This pronouncement required a restatement to the State University's financial statements as of July 1, 2015. A component unit previously included in the discretely presented reporting totals is now included in the primary reporting entity, as it meets the criteria for blended presentation (see note 15).

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations, do not meet the criteria for inclusion, and are not included in the accompanying financial statements.

The State University administers State financial assistance to the community colleges in connection with its general oversight responsibilities pursuant to New York State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by the GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of classified balance sheets, which separately classify deferred outflows of resources and deferred inflows of resources; statements of revenues, expenses, and changes in net position, which distinguish between operating and nonoperating revenues and expenses; and statements of cash flows, using the direct method of presenting cash flows from operations and other sources.

The State University's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the State University's operating and capital appropriations from the State, federal and State financial aid grants (e.g., Pell and TAP), investment income gains and losses, gifts, and interest expense.

Net Position

Resources are classified for accounting and financial reporting purposes into the following four net position categories:

<u>Net investment in capital assets</u>
Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

<u>Restricted – nonexpendable</u>
Net position component subject to externally imposed conditions that the State University is required to retain in perpetuity.

<u>Restricted – expendable</u>
Net position component whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

<u>Unrestricted component of net position</u>
The unrestricted component of net position includes amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted – expendable funds, when available, prior to unrestricted funds.

Notes to Financial Statements

June 30, 2017 and 2016

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Revenues

Revenues are recognized in the period earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenses arising from nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications for 2017 and 2016 were reported net of scholarship discount and allowance amounts of $106.2 million and $105.4 million for residence halls and $42.3 million and $40.8 million for food service and other auxiliary services, respectively.

Cash and Cash Equivalents

Cash and cash equivalents are defined as current operating assets and include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools, which are included in short-term and long-term investments on the accompanying balance sheets.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent unspent funds under various capital financing arrangements, cash held for others, and cash restricted for loan and residence hall programs.

Investments

Investments in marketable securities are stated at fair value based upon quoted market prices. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted – nonexpendable net position if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted – expendable net position as provided for under the terms of the gift, or as unrestricted. At June 30, 2017 and 2016, the State University had $251 million and $198 million available for authorization for expenditure, including $163 million and $125 million from restricted funds and $88 million and $73 million from unrestricted funds, respectively.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy for Cornell University as a whole, including investments that support the statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. The Board applies the “prudent person” standard when making its decision whether to appropriate or accumulate endowment funds in compliance with the New York Prudent Management of Institutional Funds Act (NYPMIFA). Investments in the pool are stated at fair value and include limited use of derivative instruments including futures, forward, options and swap contracts designed to manage market exposure and to enhance the total return.

Alternative investments are valued using current estimates of fair value obtained from the investment managers in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment managers' estimates may differ from the values that would have been used had a ready market existed.

Capital Assets

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building renovations and additions costing over $100,000 and equipment items with a unit cost of $5,000 or more are capitalized. Equipment under capital leases is stated at the present value of minimum lease payments at the inception of the lease. Generally, the net interest cost on debt during the construction period related to capital projects is capitalized. Capitalized interest totaled $20 million and $14 million in the 2017

Notes to Financial Statements

June 30, 2017 and 2016

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

and 2016 fiscal years, respectively. Intangible assets, including internally generated computer software with costs of $1 million or more are capitalized. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art or intangible assets, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 2 to 50 years.

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by a college or university that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the college or university that is applicable to a future reporting period. Deferred inflows and deferred outflows of resources include amounts related to changes in the net pension liability of the State University's cost sharing pension plans. Deferred outflows of resources also include losses resulting from refinancing of debt which represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt.

Compensated Absences

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum total of 40 days.

Fringe Benefits

Employee fringe benefit costs (e.g., health insurance, workers' compensation, and post-retirement benefits) for State University and statutory employees are paid by the State on behalf of the State University (except for the State University hospitals and Research Foundation, which pay their own fringe benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

Pensions

For the cost-sharing multiple employer pension plans the State University participates in, this Statement requires that a portion of the Plan's net pension liability (asset), as well as deferred inflows and outflows from pension activities be reflected in the reported amounts on the balance sheet. The State University is considered a participating employer of the New York State and Local Retirement System (ERS) and New York State Teachers' Retirement System (TRS) pension plans. During 2017, the State University also became a participating employer in the New York State and Local Police and Fire Retirement System (PFRS) due to new legislation that was passed in 2015-16 allowing State University Police employees to be included in this retirement system. As a result, the State University has recorded a participating proportion of the net pension liability (asset) and related deferrals of the TRS, ERS and PFRS plans, respectively. Also, the State University administers a single-employer defined benefit plan for which the State University reports the entire net pension liability and related deferred inflows and deferred outflows. This plan is frozen and is further described in note 8 to the financial statements. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to and deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by those plans.

Postemployment and Post-retirement Benefits

Postemployment benefits other than pensions are recognized on an actuarially determined basis as employees earn benefits that are expected to be used in the future. The amounts earned include employee sick leave credits expected to be used to pay for a share of post-retirement health insurance.

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Tax Status

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations. The Research Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally tax-exempt on related income, pursuant to Section 501(a) of the Code.

Reclassifications

Certain amounts displayed in the 2016 financial statements have been reclassified to conform to the 2017 presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. The most significant estimates relate to the allowance for uncollectible receivables, valuation of certain investments measured at net asset value, and certain actuarial assumptions that affect the medical malpractice claims and postemployment benefit and pension obligations. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and cash equivalents and restricted cash represent State University funds held in the State treasury, in the short-term investment pool (STIP), in State bank accounts, unexpended escrow funds for equipment financing, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes. The pooled balances are limited to legally-stipulated investments which include obligations of, or are guaranteed by, the United States; obligations of the State and its political subdivisions; commercial paper; and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the State University.

The custodial credit risk is the risk that, in event of the failure of a depository financial institution, the State University will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For campus State bank accounts the State requires that its depository banks pledge collateral or provide a surety bond based on actual and average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in its name on behalf of the State University and are valued on a monthly basis.

The New York State Comprehensive Annual Financial Report contains the GASB Statement No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by a pledging financial institution; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates' name at June 30, 2017 and 2016, are as follows (in thousands):

		Category (a)	Category (b)	Category (c)
2017	$	59,442	90,209	2,490
2016	$	37,403	91,019	2,159

3. Deposits with Bond Trustees

Deposits with bond trustees primarily represent DASNY bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds that have been designated for capital projects and equipment.

The State University's deposits with bond trustees, which include cash and investments, are registered in the State University's name and held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately $149 million and $127 million at June 30, 2017 and 2016, respectively. The market value of investments held and maturity period are displayed in the following table (in thousands):

Fiscal Year 2017

Type of Investments	Fair Value	Level 1	Level 2	Less than 1 year	1-5 years
U.S. Treasuries	$ 333,484	402	333,082	333,390	94
Federal Agencies*	77,034	—	77,034	77,034	—
Total	$ 410,518	402	410,116	410,424	94

Fiscal Year 2016

Type of Investments	Fair Value	Level 1	Level 2	Less than 1 year	1-5 years
U.S. Treasuries	$ 417,482	—	417,482	416,637	845
Federal Agencies*	168,527	—	168,527	127,509	41,018
Total	$ 586,009	—	586,009	544,146	41,863

**Rating on investments are AA / Aaa / AAA*

4. Investments

Investments of the State University are recorded at fair value. Investments include those held by the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, the Construction Fund, and State University campuses.

For financial reporting purposes, assets attributable to the statutory colleges at Cornell University and Alfred University are held in Cornell University's and Alfred University's entire portfolio of investments and are invested in external investment pools. The assets are not managed by, or attributable to, any individual college and the statutory colleges do not have the authority to manage investment assets independently. The fair value of the statutory colleges' investments is primarily based on the unit value of the pools and the number of shares owned in the various investment pools. The table below presents the unit value of each external investment pool, in addition to the fair value (in thousands) of assets attributable to statutory colleges at June 30.

4. Investments (continued)

	2017		2016	
	Unit Value	**Fair Value**	**Unit Value**	**Fair Value**
Cornell Statutory Colleges:				
Endowments:				
Long-term investment pool	$ 55.51	849,338	52.32	771,006
Charitable gift annuities master trust units	1.68	9,849	1.47	11,544
Charitable trusts:				
Endowment strategy	55.00	24,814	51.97	23,571
Common trust fund - growth	38.00	6,306	32.81	5,918
Common trust fund - income	12.76	2,326	13.22	2,247
Common trust fund - premier	8.52	593	8.37	574
Pooled life income funds:				
PLIF A	1.36	652	1.32	665
PLIF B	2.54	742	2.43	987
Alfred Ceramics:				
Endowment long-term investment pool	6.74	21,549	6.21	19,731
Total external investment pools		$ 916,169		836,243

The Research Foundation maintains a diverse investment portfolio and follows an investment policy and asset guidelines approved and monitored by its board of directors. The portfolio is mainly comprised of mutual funds, exchange-traded funds and alternative investments of high quality and liquidity. Investments are held with the investment custodian in the Research Foundation's name.

Investments of the Construction Fund are made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy and consist primarily of obligations of the United States government and its agencies. These investments are held by the State's agent in the Construction Fund's name.

Except for investments reported at net asset value (NAV) or its equivalent as a practical expedient to estimate fair value, fair value is measured using three levels:

Level 1: Investments include cash and money market funds, equity and fixed income securities with observable market prices. Fair value is readily determinable based on quoted market prices in active markets for those securities.

Level 2: Investments whose inputs are other than quoted prices in active markets that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies.

Level 3: Investments have significant unobservable inputs. The inputs into the determination of fair value are based on the best information available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for investments measured at fair value:

Mutual funds and exchange traded funds are reported at current quoted fair values as of the balance sheet date.

Investments in limited liability partnerships and corporations represent investments measured at NAV or its equivalent and consist of hedge funds of funds, real estate, domestic and foreign equity funds, fixed income securities and private equity funds in various investment vehicles. These investments, which are not exchange traded, do not have readily determinable fair values.

Notes to Financial Statements

June 30, 2017 and 2016

4. Investments (continued)

These investments are typically redeemable at NAV under the terms of the investment agreements. Estimates of fair value are made using NAV per share or its equivalent as a practical expedient and are not required to be categorized in the fair value hierarchy.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the State University believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a materially different fair value measurement at the reporting dates.

The composition of investments at June 30, 2017 and 2016 is as follows (in thousands):

Investments at June 30, 2017	**Total**	**Level 1**	**Level 2**	**Level 3**
Investments by fair value level:				
Cash and money market funds	$ 56,206	55,689	517	—
U.S. Treasury bills	30,035	30,035	—	—
U.S. Treasury notes and bonds	138	138	—	—
Municipal bonds	110	—	110	—
U.S. fixed income	720	680	40	—
Mutual funds - non-equities	25,587	24,386	1,201	—
U.S. equities	10,742	10,742	—	—
Foreign equities	8,571	8,571	—	—
Global equities	942	942	—	—
Real estate	6,435	6,435	—	—
Multi-strategy funds	1,959	1,959	—	—
Other	1,490	10	13	1,467
Total investments by fair value level	142,935	139,587	1,881	1,467
Investments measured at NAV:				
External investment pools	916,169			
Global equities	36,109			
Private equity	15,160			
Hedged equities	31,615			
Multi-strategy funds	18,932			
Credit securities	11,418			
Other	7,638			
Total investments measured at NAV	1,037,041			
Total investments	$ 1,179,976			

Notes to Financial Statements

June 30, 2017 and 2016

4. Investments (continued)

2017 redemption disclosures for investments measured at NAV (in thousands):

	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
External investment pools	$ 916,169	Monthly	Two months
Global equities	36,109	Monthly, quarterly, annually	15 to 90
Private equity	15,160	N/A - see below	N/A
Hedged equities	31,615	Quarterly	90
Multi-strategy funds	18,932	Monthly, Quarterly	45 to 95
Credit securities	11,418	Monthly, Quarterly	30 to 45
Other	7,638	N/A	N/A
Total investments measured at NAV	$ 1,037,041		

Investments at June 30, 2016	**Total**	**Level 1**	**Level 2**	**Level 3**
Investments by fair value level:				
Cash and money market funds	$ 33,755	32,741	1,014	—
U.S. Treasury bills	30,288	30,288	—	—
U.S. Treasury notes and bonds	121	121	—	—
Municipal bonds	158	—	158	—
U.S. fixed income	22,392	22,348	44	—
Global fixed income	8	8	—	—
Mutual funds - non-equities	1,490	—	1,490	—
U.S. equities	7,999	7,999	—	—
Foreign equities	4,933	4,933	—	—
Global equities	810	810	—	—
Real estate	7,292	6,717	—	575
Commodities	4,650	4,650	—	—
Emerging markets	2,077	2,077	—	—
Other	1,954	359	1	1,594
Total investments by fair value level	117,927	113,051	2,707	2,169
Investments measured at NAV:				
External investment pools	836,243			
Global equities	25,101			
Private equity	12,761			
Hedged equities	29,921			
Multi-strategy funds	29,281			
Credit securities	6,613			
Other	5,735			
Total investments measured at NAV	945,655			
Total investments	$ 1,063,582			

4. Investments (continued)

2016 redemption disclosures for investments measured at NAV (in thousands):

		Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
External investment pools	$	836,243	Monthly	Two months
Global equities		25,101	Monthly, quarterly, annually	30 to 90
Private equity		12,761	N/A -see below	N/A
Hedged equities		29,921	Monthly, Quarterly	90
Multi-strategy funds		29,281	Monthly, Quarterly	45 to 95
Credit securities		6,613	Quarterly	30 to 45
Other		5,735	N/A	N/A
Total investments measured at NAV	$	945,655		

External investment pools represents ownership in Cornell University's and Alfred University's long-term investment pools (LTIP) or other split interest agreement pools. The objective of the LTIP investment policy is to maximize total return within a reasonable risk parameter - specifically, to achieve a total return, net of investment expenses, of at least 5% in excess of inflation as measured by a rolling average of the Consumer Price Index.

Private equity fund investments include non-controlling shares or interests in funds where the controlling general partner serves as the investment's manager. Such investments are generally not eligible for redemption from the fund or general partner, but can potentially be sold to third-party buyers in private transactions. It is the intent to hold these investments until the fund has fully distributed all proceeds to the investors. The State University has unfunded commitments to private equity investments as of June 30, 2017 and 2016 of approximately $7.5 million and $10.9 million, respectively.

Investment income is reported net of investment fees of approximately $6 million for both the June 30, 2017 and 2016 fiscal years. The State University did not have any exposure to foreign currency risk for investments held at June 30, 2017 and 2016.

At June 30, 2017 and 2016, the State University had non-equity investments and maturities as summarized in Table A.

Table A *(in thousands)*

	Fiscal Year 2017					Fiscal Year 2016				
Investment Type	**Market Value**	**Less than 1 yr**	**1-5 yrs**	**6-10 yrs**	**More than 10 yrs**	**Market Value**	**Less than 1 yr**	**1-5 yrs**	**6-10 yrs**	**More than 10 yrs**
U.S. Treasury bills	$ 30,035	30,035	—	—	—	30,288	30,288	—	—	—
U.S. Treasury notes/bonds	138	138	—	—	—	121	121	—	—	—
Municipal bonds	110	—	110	—	—	158	45	—	113	—
Fixed income & mutual funds - non-equities	26,307	—	1,747	23,431	1,129	23,170	—	1,981	20,957	232
Total investments	$ 56,590	30,173	1,857	23,431	1,129	53,737	30,454	1,981	21,070	232

4. Investments (continued)

Credit quality ratings of the State University's investments in debt securities, as described by Moody's, S&P, and Fitch as of June 30, 2017 and 2016, are summarized in Table B.

Table B *(in thousands)*

Credit Rating	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Not Rated**
Investment Type - 2017							
Municipal bonds	$ —	—	—	—	—	—	110
Fixed income and mutual funds - non-equities*	24,458	—	905	224	—	—	720
Total	$ 24,458	—	905	224	—	—	830
Investment Type - 2016							
Municipal bonds	$ —	45	—	—	—	—	113
Fixed income and mutual funds - non-equities*	21,754	—	1,184	232	—	—	—
Total	$ 21,754	45	1,184	232	—	—	113

**based on average credit quality of holdings*

5. Accounts, Notes, and Loans Receivable

At June 30, accounts, notes, and loans receivable are summarized for years 2017 and 2016, as follows (in thousands):

	2017	2016
Tuition and fees	$ 48,425	47,074
Allowance for uncollectible	(11,117)	(10,872)
Net tuition and fees	37,308	36,202
Room rent	13,066	12,249
Allowance for uncollectible	(3,199)	(2,936)
Net room rent	9,867	9,313
Patient fees, net of contractual allowances	843,562	871,621
Allowance for uncollectible	(359,701)	(383,464)
Net patient fees	483,861	488,157
Other, net	90,556	85,164
Total accounts and notes receivable	621,592	618,836
Student loans	165,416	162,744
Allowance for uncollectible	(25,217)	(24,118)
Total student loans receivable	140,199	138,626
Total, net	$ 761,791	757,462

Notes to Financial Statements

June 30, 2017 and 2016

6. Capital Assets

Capital assets, net of accumulated depreciation, totaled $12.46 billion and $12.10 billion at fiscal year ends 2017 and 2016, respectively. Capital asset activity for fiscal years 2017 and 2016 is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and added to the related capital assets category.

***Table C** (in thousands)*

	Restated July 1, 2015	Additions	Closed Projects & Retirements	June 30, 2016	Additions	Closed Projects & Retirements	June 30, 2017
Capital assets:							
Land	$ 650,815	18,322	1,721	667,416	22,595	424	689,587
Infrastructure and land improvements	1,099,472	97,712	12,298	1,184,886	72,152	11,354	1,245,684
Buildings	11,320,810	1,043,853	141,425	12,223,238	808,766	62,309	12,969,695
Equipment, library books and other	3,129,535	219,403	141,787	3,207,151	190,947	276,459	3,121,639
Construction in progress	2,046,745	1,035,300	898,906	2,183,139	929,992	949,367	2,163,764
Total capital assets	18,247,377	2,414,590	1,196,137	19,465,830	2,024,452	1,299,913	20,190,369
Less: accumulated depreciation:							
Infrastructure and land improvements	498,331	50,424	10,007	538,748	53,369	9,123	582,994
Buildings	4,024,619	395,211	87,609	4,332,221	366,923	56,134	4,643,010
Equipment, library books and other	2,446,910	180,018	135,326	2,491,602	187,912	173,282	2,506,232
Total accumulated depreciation	6,969,860	625,653	232,942	7,362,571	608,204	238,539	7,732,236
Capital assets, net	$11,277,517	1,788,937	963,195	12,103,259	1,416,248	1,061,374	12,458,133

7. Long-term Liabilities

The State University has entered into capital leases and other financing agreements with DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), PIT Revenue Bonds, various state sponsored equipment leasing programs, and private financing arrangements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

Notes to Financial Statements

June 30, 2017 and 2016

7. Long-term Liabilities (continued)

Total obligations as of June 30, 2017 and 2016, other than facilities obligations, which are included as of March 31, 2017 and 2016, are summarized in Table D.

Table D *(in thousands)*

For the 2017 Fiscal Year	July 1, 2016	Additions	Reductions	June 30, 2017	Current Portion
Long-term debt:					
Educational facilities	$ 8,359,832	—	226,792	8,133,040	358,372
Unamortized bond premium - educational facilities	688,578	—	35,265	653,313	35,265
Residence hall facilities	682,175	—	32,395	649,780	29,835
Unamortized bond premium - residence hall facilities	60,432	—	2,399	58,033	2,399
Capital lease arrangements	418,388	57,890	56,442	419,836	56,719
Other long-term debt	89,053	6	10,712	78,347	6,300
Total long-term debt	10,298,458	57,896	364,005	9,992,349	488,890
Other long-term liabilities:					
Postemployment and post-retirement	5,527,503	1,254,300	561,881	6,219,922	—
Collateralized borrowing	1,095,300	—	34,043	1,061,257	41,858
Litigation	697,996	2,207	9,350	690,853	34,017
Pension	1,080,636	337,026	683,298	734,364	24,924
Other long-term liabilities	472,511	163,291	157,863	477,939	192,208
Total other long-term liabilities	8,873,946	1,756,824	1,446,435	9,184,335	293,007
Total long-term liabilities	$19,172,404	1,814,720	1,810,440	19,176,684	781,897

For the 2016 Fiscal Year	Restated July 1, 2015	Additions	Reductions	June 30, 2016	Current Portion
Long-term debt:					
Educational facilities	$ 7,991,574	1,137,563	769,305	8,359,832	226,791
Unamortized bond premium - educational facilities	630,148	134,444	76,014	688,578	35,265
Residence hall facilities	1,164,255	—	482,080	682,175	32,395
Unamortized bond premium - residence hall facilities	72,999	—	12,567	60,432	2,399
Capital lease arrangements	155,769	331,089	68,470	418,388	48,899
Other long-term debt	106,232	13	17,192	89,053	10,708
Total long-term debt	10,120,977	1,603,109	1,425,628	10,298,458	356,457
Other long-term liabilities:					
Postemployment and post-retirement	4,871,192	962,330	306,019	5,527,503	—
Collateralized borrowing	467,425	639,108	11,233	1,095,300	34,043
Litigation	592,829	129,261	24,094	697,996	34,745
Pension	424,659	956,012	300,035	1,080,636	25,751
Other long-term liabilities	451,628	180,777	159,894	472,511	191,411
Total other long-term liabilities	6,807,733	2,867,488	801,275	8,873,946	285,950
Total long-term liabilities	$16,928,710	4,470,597	2,226,903	19,172,404	642,407

Notes to Financial Statements

June 30, 2017 and 2016

7. Long-term Liabilities (continued)

Educational Facilities

The State University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State. There was no new debt issued during 2017 for the educational facilities program.

Residence Hall Facilities

The State University has entered into capital lease agreements for residence hall facilities. DASNY bonds for most of the residence hall facilities, and these bonds have a maximum 30-year life and are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the State University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. As of March 31, 2017, $93.5 million of outstanding educational facilities obligations and $206.8 million of residence hall obligations were considered defeased.

Requirements of the long-term debt obligations as of June 30, 2017 are as follows (in thousands):

Fiscal Year(s)	Educational Facilities		Residential Facilities		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 358,372	402,955	29,835	31,268	100,683	26,578	488,890	460,801
2019	285,901	387,118	25,810	29,924	98,028	24,632	409,739	441,674
2020	229,649	375,188	21,935	28,827	88,231	22,576	339,815	426,591
2021	242,300	365,402	19,095	27,882	81,533	20,443	342,928	413,727
2022	352,520	353,987	20,010	26,925	76,153	18,298	448,683	399,210
2023-27	2,009,352	1,474,057	112,155	118,642	324,967	58,697	2,446,474	1,651,396
2028-32	1,627,766	1,012,612	97,995	93,032	211,787	9,092	1,937,548	1,114,736
2033-37	1,547,525	614,207	147,430	63,490	119,021	3,459	1,813,976	681,156
2038-42	1,217,205	235,285	162,815	22,014	91,053	1,286	1,471,073	258,585
2043-47	262,450	21,873	12,700	318	18,073	—	293,223	22,191
Total	$ 8,133,040	5,242,684	649,780	442,322	1,209,529	185,061	9,992,349	5,870,067
	Interest rates range from 1.39% to 5.88%		Interest rates range from 3.0% to 5.0%		Interest rates range from 1.0% to 8.28%			

Collateralized Borrowing

In March 2013, the State enacted legislation amending the Public Authorities Law and Education Law of the State. The amendments, among other things, authorized the State University to assign to DASNY all of the State University's rights, title and interest in dormitory facilities revenues derived from payments made by students and others for use and occupancy of certain dormitory facilities. The amendments further authorize DASNY to issue State University of New York Dormitory Facilities Revenue Bonds payable from and secured by the dormitory facilities revenues assigned to it by the State University. The enacted legislation also created a special fund to be held by the State's Commissioner of Taxation and Finance on behalf of DASNY. All dormitory facilities revenues collected by the State University are required to be deposited in this special fund.

7. Long-term Liabilities (continued)

The outstanding obligations under these bonds are reported as collateralized borrowing in the State University's financial statements since these bonds are not payable from any money of the State University or the State and neither the State University nor the State has any obligation to make any payments with respect to the debt service on the bonds. The pledged revenues recognized during the fiscal years ended June 30, 2017 and 2016 amounted to $554.3 million and $536.8 million, respectively. There were principal payments of $29.6 million and $6.8 million and interest payments of $47.7 million and $29.6 million during fiscal years 2017 and 2016, respectively. Total principal and interest outstanding on the bonds at June 30, 2017 were $955.8 million and $487.0 million, respectively, payable through July 1, 2045.

During April 2017, bonds with a par amount of $344.7 million at a premium of $64.0 million were issued for purpose of financing capital construction as well as to refinance $211.7 million of the State University's existing residential facility obligations. The result will produce an estimated savings of $19.7 million in future cash flow, with an estimated present value gain of $19.4 million.

These bonds are special obligations of DASNY payable solely from the dormitory facilities revenues collected by the State University as agent for DASNY.

8. Retirement Plans

Retirement Benefits

The three major defined benefit retirement plans State University employees participate in are ERS, PFRS and TRS. ERS and PFRS are cost-sharing, multiple-employer, defined benefit public plans administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a ten-member board. The State University reported amounts include the net pension liability (asset) for employees of the State University that participate in ERS, PFRS and TRS pension plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law and may only be amended by the Legislature with the Governor's approval. These plans offer a wide range of programs and benefits. ERS, PFRS and TRS benefits vary based on the date of membership, years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. Each plan provides a permanent annual cost-of-living increase to both current and future retired members meeting certain eligibility requirements. Participating employers are required under law to contribute to these plans on an actuarially determined rate. For ERS and PFRS this rate is determined annually by the State Comptroller. The average contribution rate for fiscal year ended March 31, 2017 for ERS and PFRS was approximately 15.5 percent and 24.3 percent of payroll, respectively. For TRS, this rate is determined by the TRS Board on annual basis and was 13.3 percent of payroll for the year ended June 30, 2016.

ERS, PFRS and TRS provide retirement benefits as well as death and disability benefits through a range of programs. Benefits vary based on the date of membership, years of credited service and final average salary, as well as vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. For those members joining prior to January 1, 2010 benefits generally vest after five years of credited service. For those joining after January 1, 2010 (ERS and TRS) and January 9, 2010 (PFRS) benefits generally vest after 10 years of credited service. The NYSRSSL provides that all participating employers in ERS, PFRS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined ERS and TRS after July 27, 1976 and before January 1, 2010 (January 9, 2010 PFRS), and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after January 1, 2010 (January 9, 2010 PFRS) and before April 1, 2012 are required to contribute 3.5 percent of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employee contributions are deducted from their salaries and remitted on a current basis to ERS, PFRS and TRS.

The State University administers a single-employer defined benefit plan, "the Upstate Medical University Retirement Plan for Former Employees of Community General Hospital (CGH)" (Upstate Plan). This plan provides for retirement benefits for former employees of CGH, and can be amended subject to applicable collective bargaining and employment agreements. For those who opted out of this plan, benefit accruals were frozen. No new participants can enter this plan. The State University established a

8. Retirement Plans (continued)

Pension Oversight Committee (Committee) which has the primary fiduciary responsibility oversight of the Upstate Plan. The Committee is permitted to invest plan assets pursuant to various provisions of State law, including the State Retirement and Social Security Law (RSSL).

The Upstate Plan provides retirement, disability, termination and death benefits to plan participants and their beneficiaries. Pension benefits are generally based on the highest five-year average compensation of the final ten years of employment, and years of credited service as outlined in the plan. Covered employees with five or more years of service are entitled to a pension benefit beginning at normal retirement age (65). Participants with less than five years of service are not vested. Participants become fully vested after five years of service. The funding policy is to contribute enough to the plan to satisfy the annual required contributions (ARC) and the employer contributions. Employees do not contribute to the Plan.

For ERS, PFRS, TRS and the Upstate Plan, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. In addition, for each plan, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from participating employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each plan. For 2017 and 2016, ERS and PFRS used a discount rate of 7.0 percent for both years. TRS used a discount rate of 7.5 percent and 8.0 percent for fiscal years 2017 and 2016, respectively. The Upstate Plan used a discount rate of 6.5 percent for both years. The total contributions made to the ERS, TRS and Upstate Plan during 2017 and 2016 were $197.9 million and $214.8 million, $16.7 million and $19.6 million, and $2.8 million and $2.0 million, respectively. Total contributions made to PFRS during 2017 were $2.5 million. At June 30, 2017 and 2016, the total net pension liability, included in long-term liabilities, for these plans was $551.4 million and $873.7 million, respectively. Additionally, at June 30, 2017 and 2016, there is deferred outflows of resources of $413.3 million and $780.0 million, and deferred inflows of resources of $127.8 million and $157.4 million, respectively. There was also a pension asset, included in other noncurrent assets, of $77.2 million at June 30, 2016. For the fiscal years ended June 30, 2017 and 2016, the State University recognized pension expense of $312.1 million and $300.7 million, respectively.

ERS and PFRS– The State University recognized a net pension liability of $510.4 million and $859.3 million for its proportionate share of the ERS net pension liability at June 30, 2017 and 2016, respectively. The State University also recognized a net pension liability of $21.8 million for its proportionate share of the PFRS net pension liability at June 30, 2017. The State University's proportionate share of the net pension liability was determined consistent with the manner in which contributions to the pension plan are determined and was based on the ratio of the State University's total projected long-term contribution effort to the total ERS and PFRS projected long-term contribution effort from all employers. The net pension liability at June 30, 2017 was measured as of March 31, 2017, and was determined by an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The net pension liability at June 30, 2016 was measured as of March 31, 2016, and was determined by an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The proportionate share of the net pension liability for ERS was 5.43 percent measured at March 31, 2017 compared to 5.35 percent measured at March 31, 2016. The proportionate share of the net pension liability for PFRS was 1.05 percent measured as of March 31, 2017.

For the fiscal years ended June 30, 2017 and 2016, the State University recognized pension expense related to ERS of $282.6 million and $300.0 million, respectively. At June 30, 2017 and 2016, the State University reported deferred outflows and deferred inflows of resources related to ERS from the following sources (in thousands):

8. Retirement Plans (continued)

	2017		2016	
	Deferred Outflows of Resources:	Deferred Inflows of Resources:	Deferred Outflows of Resources:	Deferred Inflows of Resources:
Differences between expected and actual experience	$ 12,791	77,510	4,342	101,862
Changes of assumptions	174,377	—	229,162	—
Net difference between projected and actual earnings on pension plan investments	101,951	—	509,813	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,359	34,659	3,350	27,893
Total	$ 295,478	112,169	746,667	129,755

Amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:	
2018	$ 86,785
2019	86,785
2020	80,973
2021	(71,234)

For the fiscal year ended June 30, 2017, the State University recognized pension expense related to PFRS of $12.5 million. At June 30, 2017, the State University reported deferred outflows and deferred inflows of resources related to PFRS from the following sources (in thousands):

	2017	
	Deferred Outflows of Resources:	Deferred Inflows of Resources:
Differences between expected and actual experience	$ 2,859	3,765
Changes of assumptions	10,736	—
Net difference between projected and actual earnings on pension plan investments	3,255	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	508	1,789
Total	$ 17,358	5,554

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:	
2018	$ 4,022
2019	4,022
2020	3,779
2021	(398)
2022	379

8. Retirement Plans (continued)

The actuarial valuations as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017, and the actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016, included the following actuarial assumptions.

Assumptions	2017	2016
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.5 percent	2.5 percent
Salary scale	3.8 percent (ERS), 4.5 percent (PFRS)	3.8 percent (ERS)
Investment rate of return, including inflation	7 percent compounded annually, net of investment expenses	7 percent compounded annually, net of investment expenses
Cost of living adjustments	1.3 percent annually	1.3 percent annually
Decrements	Developed from each Plan's 2015 experience study for period Apri1 1, 2010 through March 31, 2015	Developed from each Plan's 2015 experience study for period Apri1 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014
Discount rate	7.0 percent	7.0 percent

Best estimates of arithmetic real rates of return for each major asset class included in the ERS and PFRS target asset allocation as of March 31, 2017 and 2016 are as follows:

	2017		2016	
Asset Class	Target Allocation	Long-term expected real rate of return *	Target Allocation	Long-term expected real rate of return *
Domestic equities	36%	4.55%	38%	7.30%
International equities	14	6.35	13	8.55
Private equities	10	7.75	10	11.00
Real estate	10	5.80	8	8.25
Absolute return strategies	2	4.00	3	6.75
Opportunistic portfolio	3	5.89	3	8.60
Real assets	3	5.54	3	8.65
Bonds and mortgages	17	1.31	18	4.00
Cash	1	(0.25)	2	2.25
Inflation-indexed bonds	4	1.50	2	4.00
Total	100%		100%	

*Real rates of return are net of a long-term inflation assumption of 2.5%.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the State University, calculated using the discount rate of 7.0 percent as well as what the State University's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) and 1 percentage point higher (8.0%) than the current year rate (in thousands):

8. Retirement Plans (continued)

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
ERS Net Pension Liability (Asset)	$ 1,630,169	510,416	(436,332)
PFRS Net Pension Liability (Asset)	$ 61,781	21,793	(11,748)

The ERS and PFRS retirement systems issue a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position. The report may be obtained at http://www.osc.state.ny.us/retire/about_us/financial_ statements_index.php.

The ERS plan allows participating employers to amortize a portion of their annual pension costs. The amounts amortized will be paid back with interest over 10 years. The State University participates in this program and the total pension payable included in long-term liabilities at June 30, 2017 and 2016 is $182.9 million and $206.9 million, respectively.

TRS – The State University recognized a net pension liability of $8.7 million at June 30, 2017 and a net pension asset of $(77.2) million at June 30, 2016 for its proportionate share of the TRS net pension liability (asset). The State University's proportionate share of the net pension liability (asset) was based on the ratio of the State University's actuarially determined employer contribution to the total TRS actuarially determined employer contribution. The net pension liability (asset) reported at June 30, 2017 was measured as of June 30, 2016, and was determined by an actuarial valuation as of June 30, 2015, with update procedures used to roll forward the total pension liability (asset) to June 30, 2016. The net pension liability (asset) reported at June 30, 2016 was measured as of June 30, 2015, and was determined by an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability (asset) to June 30, 2015. The proportionate share of the net pension liability (asset) was 0.817% measured at June 30, 2016 compared to 0.743% at June 30, 2015.

For fiscal years ended June 30, 2017 and 2016, the State University recognized pension expense (benefit) related to TRS of $13.6 million and $(5.2), respectively. At June 30, 2017 and 2016, the State University reported deferred outflows and deferred inflows of resources related to TRS from the following sources (in thousands):

	2017		2016	
	Deferred Outflows of Resources:	Deferred Inflows of Resources:	Deferred Outflows of Resources:	Deferred Inflows of Resources:
Differences between expected and actual experience	$ —	2,841	—	2,139
Changes in assumptions	49,818	—		
Net difference between projected and actual earnings on pension plan investments	19,664	—	—	24,399
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	5,215	—	1,032
Employer contributions subsequent to measurement date	24,697	—	23,746	—
Total	$ 94,179	8,056	23,746	27,570

At June 30, 2017 and 2016, $24.7 million and $23.7 million were reported as deferred outflows of resources related to pensions resulting from the State University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2018 and 2017, respectively. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Notes to Financial Statements

June 30, 2017 and 2016

8. Retirement Plans (continued)

Year Ended June 30:		
2018	$	5,263
2019		5,263
2020		20,534
2021		15,783
2022		6,795
Thereafter		7,788

The actuarial valuations as of June 30, 2015, with update procedures used to roll forward the total pension liability to June 30, 2016, and the actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension asset to June 30, 2015, included the following actuarial assumptions.

Assumptions	2017	2016
Inflation	2.5 percent	3.0 percent
Projected salary increase	Rates differ based on service. They have been calculated based upon recent TRS member experience and range from 1.9 percent to 4.72 percent	Rates differ based on age and gender. They have been calculated based upon recent TRS member experience and range from 4.01 percent to 10.91 percent
Investment rate of return, including inflation	7.5 percent compounded annually, net of expenses, including inflation	8.0 percent compounded annually, net of expenses, including inflation
Cost of living adjustments	1.5 percent compounded annually	1.625 percent compounded annually
Actuarial assumptions	Based on results of an actuarial experience study for the period July 1, 2009 and June 30, 2014	Based on results of an actuarial experience study for the period July 1, 2005 and June 30, 2010
Mortality improvement	Society of Actuaries' Scale MP-2014	Society of Actuaries' Scale AA
Discount rate	7.5 percent	8.0 percent

Best estimates of arithmetic real rates of return for each major asset class included in TRS target asset allocation as of the valuation date of June 30, 2016 and June 30, 2015 for reporting at June 30, 2017 and 2016 were as follows:

	2017		2016	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equities	37%	6.1%	37%	6.5%
International equities	18	7.3	18	7.7
Real estate	10	5.4	10	4.6
Private equities	7	9.2	7	9.9
Domestic fixed income securities	17	1.0	17	2.1
Global fixed income securities	2	0.8	2	1.9
Mortgages	8	3.1	8	3.4
Short-term	1	0.1	1	1.2
Total	100%		100%	

*Real rates of return are net of a long-term inflation assumption of 2.1% for 2015 and 2.3% for 2014.

8. Retirement Plans (continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the State University, calculated using the discount rate of 7.5% as well as what the State University's net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) and 1-percentage point higher (8.5%) than the current year rate (in thousands):

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	$ 114,100	8,745	(79,621)

The TRS retirement system issues a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position. The report may be obtained at: https://www.nystrs.org/Library/Publications/Annual-Report.

Upstate Plan – At June 30, 2017 and 2016, the State University recognized a net pension liability of $10.5 million and $14.4 million, respectively, based on the net pension liability as reported by the plan as follows (in thousands):

	2017	2016
Total pension liability	$ 105,954	104,611
Plan fiduciary net position	95,459	90,223
Net pension liability	$ 10,495	14,388
Ratio of plan fiduciary net position to total pension liability	90.1%	86.3%

The total pension liability was measured as of January 1, 2017 and was determined by using an actuarial valuation as of January 1, 2017. For the years ended June 30, 2017 and 2016, the State University recognized pension expense of $3.4 million and $5.9 million related to the Upstate Plan.

At June 30, 2017, the State University reported deferred outflows and deferred inflows of resources related to the Upstate Plan from the following sources (in thousands):

	2017		2016	
	Deferred Outflows of Resources:	Deferred Inflows of Resources:	Deferred Outflows of Resources:	Deferred Inflows of Resources:
Differences between expected and actual experience	$ 200	—	604	—
Net difference between projected and actual earnings on pension plan investments	4,098	1,331	5,463	43
Changes in assumptions	—	695	754	—
Employer contributions subsequent to measurement date	2,000	—	2,800	—
Total	$ 6,298	2,026	9,621	43

At June 30, 2017 and 2016, $2.0 million and $2.8 million were reported as deferred outflows of resources related to pensions resulting from the State University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2018 and 2017, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow (in thousands):

8. Retirement Plans (continued)

Year Ended June 30:	
2018	$ 531
2019	1,026
2020	1,040
2021	(325)

Membership of the Upstate Plan at January 1, 2017 totaled 1,564 members, comprised of 421 active members, 408 inactive vested members, and 735 retirees and beneficiaries currently receiving benefits. Membership of the Upstate Plan at January 1, 2016 totaled 1,607 members, comprised of 465 active members, 439 inactive vested members, and 703 retirees and beneficiaries currently receiving benefits. The actuarial assumptions included in the January 1, 2017 and 2016 measurements included an inflation factor of 3.0 percent, projected salary increases of 3.5 percent and investment rate of return of 6.5 percent. Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted back to 2006 using Scale MP-2014, and then projected with mortality improvements using Scale MP-2016 on a fully generational basis.

Best estimates of arithmetic real rates of return for each major asset class included in the Upstate Plan's target asset allocation as of December 31, 2016 and 2015 for reporting at June 30, 2017 and 2016 were as follows:

	2017		**2016**	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	50%	4.60	50%	5.10
Non-U.S. Equities	15	4.50	15	5.00
Fixed Income	30	0.75	30	0.75
Alternatives (Real Assets)	5	3.5	5	3.75
	100%		100%	

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability calculated using the discount rate of 6.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate (in thousands):

	1% Decrease (5.5%)	Current Discount (6.5%)	1% Increase (7.5%)
Net Pension Liability	$ 22,574	10,495	302

The Upstate Plan issues a stand-alone financial report on a calendar year basis (i.e., December 31) that includes disclosure about the elements of the pension plan's basic financial statements. These financial statements are prepared on the accrual basis of accounting in accordance with GAAP, with investments reported at fair value and benefits recognized when due and payable in accordance with the terms of the Upstate Plan. The pension plan fiduciary net position has been determined on the same basis used by the pension plan. The schedule of changes in the net pension liability for the Upstate Plan are reflected in the Required Supplementary Information on page 56. The pension plan financial statements may be requested at FOIL@upstate.edu.

ORP – State University employees may also participate in an Optional Retirement Program (ORP) under IRS Section 401(a), which is a multiple-employer, defined contribution plan administered by separate vendors – TIAA-CREF, Fidelity, Metropolitan Life, VALIC, and VOYA. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to

8. Retirement Plans (continued)

an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP. State University employer contributions of $232.7 million and $237.9 million and employee contributions of $27.5 and $26.7 million were made during fiscal years 2017 and 2016, respectively.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The ORP financial reports can be obtained by requesting them from their respective corporate offices.

The Research Foundation maintains a separate non-contributory plan through TIAA-CREF for substantially all nonstudent employees. Contributions are based on a percentage of earnings and range from 8 percent to 15 percent, depending on date of hire. Employees become fully vested after completing one year of service. Contributions are allocated to individual employee accounts. The payroll for Research Foundation employees covered by TIAA-CREF for its fiscal years ended June 30, 2017 and 2016 was $368.3 million and $371.2 million, respectively. The Research Foundation pension contributions were $31.4 million and $31.3 million for 2017 and 2016, respectively. These contributions are equal to 100 percent of the required contributions for each year.

Postemployment and Post-retirement Benefits

The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their survivors as part of the New York State Health Insurance Plan (NYSHIP). NYSHIP offers comprehensive benefits through various providers consisting of hospital, medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority to establish and amend the benefit provisions offered. NYSHIP is considered an agent multiple-employer defined benefit plan, is not a separate entity or trust, and does not issue stand-alone financial statements. The State University, as a participant in the plan, recognizes these other postemployment benefit (OPEB) expenses on an accrual basis.

Employee and retiree contribution rates for NYSHIP are established by the State and are generally 12 percent for enrollee coverage and 27 percent for dependent coverage. NYSHIP premiums are being financed on a pay-as-you-go basis. The State University's OPEB obligation and funded status of the plan for the years ended June 30, 2017, 2016, and 2015 were as follows (in thousands):

	2017	2016	2015
Annual OPEB cost	$ 1,187,413	922,570	926,232
Benefits paid	(309,251)	(283,650)	(263,780)
Increase in OPEB obligation	878,162	638,920	662,452
Net obligation at beginning of year	5,319,305	4,680,385	4,017,933
Net obligation at end of year	$ 6,197,467	5,319,305	4,680,385
Funded Status:			
Actuarial accrued liability (AAL)	17,698,742	14,427,276	14,427,276
Actuarial value of OPEB plan assets	—	—	—
Unfunded AAL (UAAL)	$ 17,698,742	14,427,276	14,427,276
Actuarial valuation date	April 1, 2016	April 1, 2014	April 1, 2014
Funded ratio	—	—	—
Covered payroll	$ 3,785,002	3,600,635	3,336,622
UAAL as a % of covered payroll	468%	401%	432%

8. Retirement Plans (continued)

The components of the State University's OPEB obligation at June 30, 2017 and 2016 include the total annual required contribution (ARC) of $1.22 billion and $939.4 million, ARC reduction of $172.8 million and $164.5 million, and interest costs of $140.2 million and $147.7 million, respectively.

The initial unfunded accrued actuarial liability is being amortized over an open period of thirty years using the level percentage of projected payroll amortization method.

The actuarial valuation utilizes a frozen entry age actuarial cost method. The actuarial assumptions include a 2.637 percent discount rate, payroll growth rate of 3.0 percent, and an annual healthcare cost trend rate for medical coverage of 6.75 percent initially, reduced by decrements to a rate of 4.75 percent after 7 years.

Projections of benefits are based on the plan and include the types of benefits provided at the time of each valuation. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of future events, and actual results are considered for future valuations. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

The Research Foundation sponsors a separate single employer defined benefit post-retirement plan that covers substantially all nonstudent employees. The plan provides post-retirement medical benefits and is contributory for employees hired after 1985.

In fiscal years 2011 and 2013, the Research Foundation amended the plan to increase the participant contribution rates for those hired after 1985 with the specific rates to be determined based on an employee's years of service.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors. Assets are held in a Voluntary Employee Benefit Association (VEBA) trust and are considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards. The plan issued stand-alone financial statements for the 2016 calendar year.

The Research Foundation's OPEB obligation and funded status of the plan for the years ended June 30, 2017, 2016 and 2015, respectively, were as follows (in thousands):

	2017	2016	2015
Annual OPEB cost (benefit)	$ (155,364)	39,760	59,177
Benefits paid	(11,461)	(11,659)	(10,859)
Contribution to plan	(18,918)	(10,709)	(10,362)
Change in OPEB obligation	(185,743)	17,392	37,956
Net obligation at beginning of year	208,198	190,806	152,850
Net obligation at end of year	$ 22,455	208,198	190,806
Funded status:			
Actuarial accrued liability (AAL)	229,243	400,221	359,877
Actuarial value of OPEB plan assets	217,425	176,347	169,827
Unfunded AAL (UAAL)	$ 11,818	223,874	190,050
Actuarial valuation date	June 30, 2017	June 30, 2016	June 30, 2015
Funded ratio	95%	44%	47%
Covered payroll	$ 237,950	239,443	235,284
UAAL as a % of covered payroll	5%	93%	81%

8. Retirement Plans (continued)

The components of the Research Foundation OPEB obligation at June 30, 2017 and 2016 include the total ARC of $52.8 million and $230.6 million, ARC reduction of $222.3 million and $204.2 million, and interest costs of $14.1 million and $13.4 million. The unfunded actuarial accrued liability is amortized over one year. The cost of the benefits provided under this plan is recognized on an actuarially determined basis using the projected unit cost method. Under this method, actuarial assumptions are made based on employee demographics and medical trend rates to calculate the accrued benefit cost. The actuarial assumptions include a 6.75 percent discount rate, and an initial healthcare cost trend rate range of 7.5 percent grading down to 5.0 percent in 2022 and later. A blended discount rate was utilized using the expected investment return on investments of the plan and investments held in the operational pool expected to be used to fund future OPEB obligations.

9. Commitments

The State University has entered into contracts for the construction and improvement of various projects. At June 30, 2017 and 2016, these outstanding contract commitments totaled approximately $800 million and $900 million, respectively.

The State University is also committed under numerous operating leases covering real property and equipment. The Research Foundation also contracts with various entities to lease space as part of its mission to support the State University research and university-industry-government partnerships. Rental expenditures reported for the years ended June 30, 2017 and 2016 under such operating leases were $55.4 million and $50.9 million, respectively. The following is a summary of the future minimum rental commitments under real property and equipment leases with terms exceeding one year (in thousands):

Year(s) Ending June 30:		
2018	$	50,465
2019		49,501
2020		45,255
2021		36,520
2022		29,269
2023-27		78,299
2028-32		37,641
2033-98		23,806
Total	$	350,756

10. Contingencies

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation, arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the medical malpractice liability includes incurred but not reported (IBNR) loss estimates. The estimate of IBNR losses is actuarially determined based on historical experience using a discount rate of 2.6 percent to calculate the present value of estimated future cash payments. The State University has recorded a liability and a corresponding appropriation receivable of approximately $691 million and $698 million at June 30, 2017 and 2016, respectively (almost entirely related to hospitals and clinics).

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising

Notes to Financial Statements

June 30, 2017 and 2016

10. Contingencies (continued)

from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

In 2011 a separate entity, Staffco of Brooklyn, LLC (StaffCo), was created as a single member Limited Liability Company of the Health Science Center at Brooklyn Foundation, Inc. to provide non-physician staffing to the State University. As of August 1, 2017, StaffCo became the employer of the former staff of Southampton Hospital in support of Stony Brook's expansion of its hospital operations to Southampton Hospital. The State University is responsible for reimbursing Staffco for its direct and indirect costs relating to the non-physician staffing. StaffCo contributes to a multiemployer defined benefit pension plan (multiemployer plan) under the terms of a collective-bargaining agreement that covers union-represented employees. Under this multiemployer plan, assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If StaffCo were to stop participating in the multiemployer plan, Staffco may be required to pay this multiemployer plan an amount based on the underfunded status of the multiemployer plan, referred to as a withdrawal liability. In this case, the State University may be required to pay Staffco the amount of the withdrawal liability. Due to the recent restructure of StaffCo operations, the exposure to withdrawal liability is no longer an imminent or immediate possibility.

11. Related Parties

The State University's single largest source of revenue is State appropriations. State appropriations take the form of direct assistance, debt service on educational facilities, fringe benefits for State University employees, and litigation expenses for which the State is responsible. State appropriations totaled $3.29 billion and $3.27 billion and represented approximately 30 percent and 31 percent of total revenues for the 2017 and 2016 fiscal years, respectively. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

12. Federal Grants and Contracts and Third-Party Reimbursement

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government. Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from the hospitals' established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals' established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payor cost reimbursement items.

13. Condensed financial statement information of the Research Foundation

The condensed financial statement information of the Research Foundation, contained in the combined totals of the State University reporting entity in accordance with GASB accounting and reporting requirements, is shown below (in thousands):

Condensed Balance Sheets

	2017	2016
Assets:		
Current assets	$ 447,149	434,383
Capital assets	395,256	522,082
Other assets	6,808	8,648
Total assets	$ 849,213	965,113
Liabilities:		
Total current liabilities	370,976	343,273
Total noncurrent liabilities	392,635	681,024
Total liabilities	763,611	1,024,297
Net Position:		
Invested in capital assets, net	(3,654)	69,715
Unrestricted	89,256	(128,899)
Total net position	85,602	(59,184)
Total liabilities and net position	$ 849,213	965,113

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2017	2016
Operating revenues:		
Federal grants and contracts	$ 522,585	491,236
State grants and contracts	112,510	111,352
Private grants and contracts	215,323	202,472
Other operating revenues	63,778	58,360
Total operating revenues	914,196	863,420
Operating expenses:		
Instruction	90,373	96,353
Research	484,861	504,799
Public service	108,220	106,173
Institutional support	126,001	137,609
Other operating expenses	40,327	37,901
Depreciation and amortization expense	68,696	65,651
Total operating expenses	918,478	948,486
Operating loss	(4,282)	(85,066)
Net nonoperating revenues (expenses)	149,068	(41,928)
Change in net position	144,786	(126,994)
Net position at the beginning of the year	(59,184)	67,810
Net position at the end of the year	$ 85,602	(59,184)

13. Condensed financial statement information of the Research Foundation (continued)

Condensed Statements of Cash Flows

	2017	2016
Cash flows from operating activities	$ 97,213	111,717
Cash flows from noncapital financing activities	11,321	(5,924)
Cash flows from capital and related financing activities	(93,062)	(97,243)
Cash flows from investing activities	(16,062)	(7,994)
Net change in cash	(590)	556
Cash - beginning of year	741	185
Cash - end of year	$ 151	741

14. Subsequent Events

In July 2017, Sales Tax Revenue Bonds were issued with a par amount totaling $584 million for the purpose of financing capital construction and major rehabilitation for educational facilities. Personal Income Tax Revenue Bonds (PIT) were also issued with a par amount of $413 million in order to refund $450 million of the State University's existing educational facilities obligation. In October 2017, PIT Bonds were issued with a par amount of $39 million for the purpose of financing capital construction and major rehabilitation for hospital facilities.

The State University Board of Trustees approved Stony Brook University Hospital to enter into an agreement with Southampton Hospital Association (SHA) to affiliate with Southampton Hospital. The agreement has the State University leasing the Southampton Hospital building and equipment from SHA. This affiliation agreement was approved by New York State on August 1, 2017.

The State University considers events or transactions that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements covering the year ended June 30, 2017 were available to be issued on November 8, 2017 and subsequent events have been evaluated through that date.

15. Restatement

The provisions of GASB Statements No. 80 have been applied to the beginning of the 2016 fiscal year net position. The following is a reconciliation of the total net position as previously reported at July 1, 2015 to the total restated net position (in thousands):

Total net position as previously reported at July 1, 2015	$ (1,885,778)
Change due to adoption of GASB Statement No. 80	1,002
Total net position at July 1, 2015 (restated)	$ (1,884,776)

As the result of adopting GASB Statement No. 80, one component unit which was reported in the totals of the discretely presented component units is now blended in the consolidated financial reporting entity of the State University.

16. Component Units

The reported totals of the discretely presented component units include campus-related foundations, auxiliary services corporations, and student housing corporations. These related entities are campus-based, legally separate, nonprofit organizations. The campus-related foundations are responsible for the fiscal administration of revenues and support received for the promotion,

16. Component Units (continued)

development and advancement of the welfare of campuses, the State University and its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. The auxiliary services corporations act as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. In addition, the reported amounts include student housing corporations, nonprofit organizations that operate and administer certain housing and related services for students.

All these organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual audited financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a May 31 or June 30 fiscal year end. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards.

Separately issued financial statements of the component unit entities may be obtained by writing to:

The State University of New York
Office of the University Controller
State University Plaza, N-514
Albany, New York 12246

Net Asset Classifications

Unrestricted net assets represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University campus and affiliated entity programs and activities. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted only by the donors' wishes.

Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments of the State University discretely presented component units were $2.32 billion and $2.05 billion as of June 30, 2017 and 2016, respectively.

The composition of investments is as follows (in thousands):

	2017	2016
Equities - domestic	$ 678,027	601,787
Equities - international	416,988	313,964
Non-equities	528,648	503,897
Multi-strategy funds	204,892	189,718
Equity partnerships	195,619	158,816
Hedge funds	157,918	153,475
Real assets/real estate	119,837	107,384
Other investments	19,344	16,864
Total investments	$ 2,321,273	2,045,905

16. Component Units (continued)

Capital Assets

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled $552.4 million and $548.4 million at fiscal year end 2017 and 2016, respectively. Capital asset classifications are summarized as follows (in thousands):

	2017	2016
Land and land improvements	$ 36,035	34,124
Buildings	675,141	656,368
Equipment	126,738	120,899
Artwork and library books	29,686	29,201
Construction in progress	26,676	23,147
Total capital assets	894,276	863,739
Less accumulated depreciation	341,829	315,374
Capital assets, net	$ 552,447	548,365

Long-term Debt

The component units have entered into various financing arrangements, principally through the issuance of Industrial Development Agency, Local Development Corporation, and Housing Authority bonds, for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:	
2018	$ 13,786
2019	13,615
2020	13,825
2021	13,869
2022	14,081
Thereafter	289,855
	359,031
Less: unamortized debt issuance costs	12,187
	$ 346,844

Restatement of the beginning of the year net assets

The adoption of GASB Statement No. 80 required a restatement of the discretely presented component unit financial statements as of July 1, 2015, as a component unit previously included in the discrete presentation meets the criteria for blending in the State University reporting entity. In addition, a campus-related foundation restated net assets to correct for an error in its classification of net asset accounts and to properly segregate amounts that are more properly classified as an agency account liability. The following is a reconciliation of the total net assets as previously reported at July 1, 2015 to the total restated net assets (in thousands):

Total net assets as previously reported at July 1, 2015	$ 2,468,717
Change due to adoption of GASB Statement No. 80	(1,625)
Change due to correction of an error	(5,708)
Total net position at July 1, 2015 (restated)	$ 2,461,384

16. Component Units (continued)

Condensed financial statement information

The table below displays the combined totals of the foundations (including student housing corporations) and auxiliary services corporations (ASCs) (in thousands):

Combined Balance Sheets

	2017			2016		
	Foundations	ASC	Total	Foundations	ASC	Total
Assets:						
Investments	$ 2,244,724	76,549	2,321,273	1,982,218	63,687	2,045,905
Capital assets, net	435,676	116,771	552,447	445,680	102,685	548,365
Other assets	373,166	179,846	553,012	407,072	185,285	592,357
Total assets	$ 3,053,566	373,166	3,426,732	2,834,970	351,657	3,186,627
Liabilities:						
Other liabilities	227,134	104,249	331,383	210,263	108,984	319,247
Long-term debt, net	322,953	23,891	346,844	337,718	22,483	360,201
Total liabilities	550,087	128,140	678,227	547,981	131,467	679,448
Net Assets:						
Unrestricted	571,520	244,680	816,200	522,640	219,690	742,330
Temporarily restricted	1,071,349	214	1,071,563	949,509	257	949,766
Permanently restricted	860,610	132	860,742	814,840	243	815,083
Total net assets	2,503,479	245,026	2,748,505	2,286,989	220,190	2,507,179
Total liabilities and net assets	$ 3,053,566	373,166	3,426,732	2,834,970	351,657	3,186,627

Combined Statements of Activities

	2017			2016		
	Foundations	ASC	Total	Foundations	ASC	Total
Revenues:						
Contributions, gifts and grants	$ 208,641	—	208,641	208,501	100	208,601
Food and auxiliary services	—	386,139	386,139	—	367,559	367,559
Other revenue	363,837	12,175	376,012	164,753	6,519	171,272
Total revenues	572,478	398,314	970,792	373,254	374,178	747,432
Expenses:						
Food and auxiliary services	—	325,976	325,976	—	313,118	313,118
Program expenses	121,863	—	121,863	117,667	—	117,667
Other expenses	225,783	55,844	281,627	222,538	48,314	270,852
Total expenses	347,646	381,820	729,466	340,205	361,432	701,637
Total change in net assets	224,832	16,494	241,326	33,049	12,746	45,795
Net asset reclassification	(8,342)	8,342	—	—	—	—
Total change in net assets	216,490	24,836	241,326	33,049	12,746	45,795
Net assets at the beginning of year, restated	2,286,989	220,190	2,507,179	2,253,940	207,444	2,461,384
Net assets at the end of year	$ 2,503,479	245,026	2,748,505	2,286,989	220,190	2,507,179

Required Supplementary Information

(Unaudited)

Schedule of Funding Progress
Other Postemployment Benefits and Post-Retirement Benefits

(Amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UALL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
State University Plan:						
April 1, 2016	$ —	$ 17,699	$ 17,699	—%	$ 3,785	468%
April 1, 2014	—	14,427	14,427	—%	3,337	432%
April 1, 2012	—	13,933	13,933	—%	3,201	435%
Research Foundation Plan:						
June 30, 2017	$ 217	$ 229	$ 12	95%	$ 238	5%
June 30, 2016	176	400	224	44%	239	93%
June 30, 2015	170	360	190	47%	235	81%

Required Supplementary Information

(Unaudited)

Schedule of the State University's Proportionate Share of the ERS and PFRS Net Pension Liability

(Amounts in millions)

	2017		2016	2015
	ERS	**PFRS**	**ERS**	**ERS**
Proportion of the net pension liability	5.43%	1.05%	5.35%	5.32%
Proportionate share of the net pension liability	$ 510.4	21.8	859.3	179.8
Covered-employee payroll plan year	$ 1,413.7	35.6	1,405.6	1,262.1
Proportionate share of the net pension liability as a % of its covered payroll	36.1%	61.2%	61.1%	14.2%
Pension plan's fiduciary net position as a % of the total pension liability	94.7%	93.5%	90.7%	97.9%

Changes in benefit terms. There were no significant legislative changes in benefits from the April 1, 2016 and 2015 actuarial valuations.

Changes of assumptions. There were no significant changes in actuarial assumptions for the April 1, 2016 actuarial valuation. For the April 1, 2015 actuarial valuation the discount rate was reduced to 7.0% from 7.5%.

Methods and assumptions used in calculations of actuarially determined contributions. The April 1, 2014 and 2015 actuarial valuation determines the employer rates for contributions payable in fiscal year 2016 and 2017, respectively.

Schedule of Employer Contributions for the ERS Plan

(Amounts in millions)

	2017	2016	2015
Actuarially determined contribution	$ 197.9	214.8	242.2
Contributions in relation to the actuarial determined contribution	$ 197.9	214.8	242.2
Contribution deficiency	—	—	—
Covered-employee payroll for fiscal year ended June 30th	$ 1,432.7	1,418.8	1,384.2
Contribution as a percentage of covered-employee payroll	13.8%	15.1%	17.5%

Schedule of Employer Contributions for the PFRS Plan

(Amounts in millions)

	2017	2016	2015
Actuarially determined contribution	$ 2.5	—	—
Contributions in relation to the actuarial determined contribution	$ 2.5	—	—
Contribution deficiency	—	—	—
Covered-employee payroll for fiscal year ended June 30th	$ 36.4	—	—
Contribution as a percentage of covered-employee payroll	6.9%	—%	—%

Schedules are intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

(Unaudited)

Schedule of the State University's Proportionate Share of the TRS Net Pension Liability (Asset)

(Amounts in millions)

	2017	2016	2015
Proportion of the net pension liability (asset)	0.82%	0.74 %	0.71 %
Proportionate share of the net pension liability (asset)	$ 8.7	(77.2)	(79.6)
Covered-employee payroll	$ 141.9	145.2	140.7
Proportionate share of the net pension liability (asset) as a % of its covered payroll	6.1%	(53.2)%	(56.6)%
Pension plan's fiduciary net position as a % of the total pension liability	99.01%	110.46 %	111.48 %

Change in benefit terms. There were no significant legislative changes in benefits for the June 30, 2015 and 2014 actuarial valuations.

Changes of assumptions. Significant changes in assumptions include a change for the pensioner mortality improvement actuarial valuation from the Society of Actuaries' Scale AA to Scale MP-2014 and a change in the discount rate from 8.0% to 7.5%. For other changes in assumptions see page 41.

Schedule of Employer Contributions for the TRS Plan

(Amounts in millions)

	2017	2016	2015
Actuarially determined contribution	$ 16.7	19.6	17.2
Contributions in relation to the actuarial determined contribution	$ 16.7	19.6	17.2
Contribution deficiency	—	—	—
Covered-employee payroll for fiscal year ended June 30th	$ 144.6	141.9	145.2
Contribution as a percentage of covered-employee payroll	11.55%	13.81%	11.81%

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

(Unaudited)

Schedule of Changes in the Net Pension Liability and Related Ratios for the Upstate Plan

(Amounts in millions)

	2017	2016	2015
Total pension liability:			
Service cost	$ 0.7	0.8	0.9
Interest	6.6	6.5	6.0
Changes of assumptions	—	—	5.8
Difference between expected and actual experience	0.3	1.0	0.4
Changes in assumptions	(1.4)	—	
Benefit payments	(4.9)	(7.0)	(3.8)
Net change in total pension liability	1.3	1.3	9.3
Total pension liability, beginning	104.6	103.3	94.0
Total pension liability, ending (a)	105.9	104.6	103.3
Plan fiduciary net position:			
Employer contributions	2.8	2.0	3.5
Net investment income (loss)	7.4	(0.7)	5.9
Benefit payments	(4.9)	(7.0)	(3.8)
Administrative expenses	(0.1)	(0.2)	(0.1)
Net change in fiduciary net position	5.2	(5.9)	5.5
Fiduciary net position, beginning	90.2	96.1	90.6
Fiduciary net position, ending (b)	95.4	90.2	96.1
Net pension liability, ending (a) - (b)	$ 10.5	14.4	7.2
Ratio of fiduciary net position to total pension liability	90.1%	86.3%	93.0%
Covered-employee payroll	$ 27.3	29.9	33.6
Net pension liability as a percentage of covered-employee payroll	38.4%	48.0%	21.3%

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Required Supplementary Information

(Unaudited)

Schedule of Employer Contributions for the Upstate Plan

(Amounts in millions)

	2016	2015	2014	2013	2012	2011*
Actuarially determined contribution (1)	$ 2.6	1.9	1.5	2.6	3.0	1.2
Contributions in relation to the actuarial determined contribution (2)	$ 2.8	2.0	3.5	2.6	3.0	1.2
Contribution excess	$ 0.2	0.1	2.0	—	—	—
Covered-employee payroll (3)	$ 27.3	29.9	33.6	36.0	16.0	21.9
Contribution as a percentage of covered-employee payroll	10.24%	6.76%	9.02%	7.14%	18.57%	5.44%

* Period from July 7, 2011 through December 31, 2011.

(1) The actuarially determined contribution includes normal costs, adjustments made to record the reconciliation of projected salary to actual salary and miscellaneous accounting adjustments.

(2) The contributions in relation to the actuarially determined contribution reflects actual payments.

(3) Covered-employee payroll represents pensionable payroll at the end of each Plan year. It is not practicable to obtain covered employee payroll amounts at the end of each fiscal year.

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Notes for the Plan

Changes in benefit terms. There was no significant legislative changes in benefits for the January 1, 2017 actuarial valuation.

Changes in assumptions. The actuarial assumptions for the mortality basis used for the January 1, 2017 actuarial valuation where changed from the RP-2014 Mortality Tables with fully generational improvements using Scale MP-2015 to the RP-2014 Mortality Tables, by gender, with fully generational improvements using Scale MP-2016.

Methods and assumptions used in calculations of actuarially determined contributions. The January 1, 2017 actuarial valuation determines the employer rates for contributions payable in 2017. The following actuarial methods and assumptions were used:

Investment rate of return - 6.5%

Amortization method - Level dollar, 20 year closed

Remaining amortization period - 16.5 years

Asset valuation method - Market value

Inflation - 3.0%

Compensation - 3.5% increases, limited to a maximum of $265,000

Termination - 1992 Vaughn Select and Ultimate Table

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Trustees
State University of New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the State University of New York (the University) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 8, 2017. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

KPMG

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

November 8, 2017

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2017 ANNUAL FINANCIAL REPORT

The State University of New York

State University Plaza, Albany, NY 12246

www.suny.edu

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT

The following is a brief summary of certain provisions of the Financing and Development Agreement pertaining to the Series 2018A Bonds and the Dormitory Facilities. Such summary does not purport to be complete and reference is made to the Financing and Development Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Assignment and Consideration

The State University simultaneously with the execution of the Financing and Development Agreement shall execute and deliver to the Authority an assignment assigning to the Authority all of the State University's rights, title and interest in and to the Dormitory Facilities Revenues and the State University's right to receive the Dormitory Facilities Revenues. As consideration for such assignment, the State University shall be entitled to the continuing right to receive the Residual Dormitory Facilities Revenues as provided in the Financing and Development Agreement, and the Authority agrees to use its best efforts to sell and issue Bonds from time to time for the benefit of the State University and to apply the proceeds thereof for one or more of the purposes for which Bonds are permitted by the Resolution to be issued and to apply the proceeds thereof for such purposes. Notwithstanding the foregoing, the Authority shall not be obligated to issue Bonds and the failure of the Authority to issue Bonds shall not release the State University from any of the provisions of the Financing and Development Agreement.

(Section 2.01)

Establishment of Fees and Charges

(a) The Authority appoints the State University as its agent to establish and impose rents, charges and fees charged students and other persons for use and occupancy of each Dormitory Facility. The State University may designate the chief fiscal officer of each college or other institution, or such other officer or employee of such college or institution as the State University may designate, to establish and impose such rents, charges and fees. Subject to the rights of the Authority pursuant to the Lease and Agreement, the amounts, time and manner of payment of all rents, charges and fees charged students and other persons relating to Dormitory Facilities, including rentals charged students and other persons for occupancy of rooms in the Dormitory Facilities, shall be fixed by the State University; provided, however, that the amounts, time and manner of payment thereof shall comply with the provisions of the Financing and Development Agreement described below under the heading "Rents, Fees and Charges."

(b) Notwithstanding the foregoing, the State University and the Authority, upon exercise by the Authority of the remedies provided in the Lease and Agreement or upon the termination of the Lease and Agreement, each agree that:

(i) The Authority, upon thirty (30) days prior written notice to the State University, may revise the amount of any rents, charges and fees charged students and other persons for the use or occupancy of one or more Dormitory Facilities. The State University, at any time, shall have the right to consult with the Authority concerning the amounts fixed or to be fixed for such rents, charges and fees.

(ii) The State University shall adopt and amend from time to time, as it may consider to be necessary, rules and regulations requiring suspension of any student or other person who shall fail to make payment of any such rents, charges and fees on or before the date when due; provided, however, that the State University, with the written approval of the Authority in any case involving undue hardship, may extend the time within which payment thereof must be made. In the event that a student shall withdraw, be dismissed, or for any other reason cease to be enrolled prior to the expiration of a semester, such student shall be entitled to a rebate of so much of the rents, charges and fees, which are due and owing or have been paid for such semester, as the State University by rule or regulation shall have determined to be equitable under the circumstances.

(iii) The State University covenants to adopt and amend from time to time, as may be necessary, reasonable and proper rules and regulations to preserve good order in the Dormitory Facilities and to impose upon students and other persons charges for reimbursement for damage to, or destruction of any Dormitory Facility, which rules and regulations shall also require the appropriate authorities to take disciplinary action against any student or other person who shall violate any rules or regulations or who shall fail to pay any charge for such reimbursement imposed by the State University.

(Section 2.03)

Collection and Payment

The Authority appoints the State University as its agent to collect, receive, remit and account for all Dormitory Facilities Revenues. The State University may designate the chief fiscal officer of each college or other institution, or such other officer or employee of such college or institution as the State University may designate, to act on its behalf to collect, receive, remit and account for Dormitory Facilities Revenues. The State University covenants to diligently collect and enforce the obligations of each student or other person using or occupying a Dormitory Facility to pay the rents, fees or charges imposed by the State University for such use and occupancy. All Dormitory Facilities Revenues, as collected by the State University, acting by and through the officers designated as its agents for collection, shall be paid to the Commissioner for deposit to the Dormitory Facilities Revenue Fund.

If required by the Authority, any such officer or employee designated by the State University to collect, receive, remit and account for Dormitory Facilities Revenues pursuant to the Financing and Development Agreement, shall annually execute and file with the Authority a bond conditioned that such officer or employee will truly keep, pay over, and account for all Dormitory Facilities Revenues belonging to the Authority coming into the hands of such officer or employee as the Authority's agent. Such bond shall be in such form and such amount and issued by such sureties as the Authority may require and approve. The Authority at any time may require such agent to file a new bond for such bond with such sureties as the Authority may approve. Any expense occasioned by the execution of a bond required pursuant to the Financing and Development Agreement shall be paid by the Authority.

(Section 2.04)

Residual Dormitory Facilities Revenues

The Residual Dormitory Facilities Revenues on deposit in the Dormitory Facilities Revenue Fund during any Fiscal Year shall be paid to the State University at such times and in such amounts as the Authority and the State University shall direct by written direction to the Commissioner. The amounts so paid shall be free and clear of any pledge, lien or charge thereon created by the Resolution or the 1995 Resolution, and shall be the absolute property of the State University available to it for any lawful purpose of the State University, including, but not limited to, the costs of operating, maintaining, repairing and replacing Dormitory Facilities, and their fixtures furnishings and equipment. The Authority agrees to cooperate with the State University in determining the amount of Residual Dormitory Facilities Revenues that are on deposit in the Dormitory Facilities Revenue Fund from time to time, and to execute and deliver all documents and instruments, if any, as may be reasonably required by the Commissioner as a condition to payment of Residual Dormitory Facilities Revenues. Further, the Authority covenants and agrees to prepare and submit to the Commissioner, on or prior to June 1 of each Fiscal Year and in such form as the Commissioner may reasonably require, the certification required by Section 1680–q(3)I of the Act.

(Section 2.05)

Construction of Facilities

The Authority, subject to the availability of money therefor in the Construction Account, shall acquire, design, construct, reconstruct, rehabilitate, improve, furnish and equip the Dormitory Facilities as provided in the Financing and Development Agreement; except that in the case of a Dormitory Facility that is a "Defeased Facility" within the meaning of the Lease and Agreement, the Authority shall acquire, design, construct, reconstruct, rehabilitate, improve, furnish and equip the Defeased Facilities as directed by the State University using only the money made available to it for such purpose.

Unless otherwise agreed by the Authority and the State University with respect to a Dormitory Facility as set forth in the Financing and Development Agreement with respect to University Facilities, the Authority shall be responsible for the design, acquisition, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of the Dormitory Facilities, supervision of construction, acceptance of a completed Dormitory Facility or part thereof, and all other matters incidental to performance of the duties and powers expressly granted in the Financing and Development Agreement to the Authority in connection with the acquisition, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of the Dormitory Facilities.

(Section 3.02)

Payment of Costs of the Facilities

(a) Costs of the Facilities shall be paid by the Authority from amounts held in the Construction Account established by the Resolution upon receipt:

(i) in the case of Authority Facilities, of a valid invoice or contractor requisition, approved in accordance with the Authority's policies and procedures, stating the name of the payee, the purpose of the payment in terms sufficient for identification, and the amount of the payment; and

(ii) in the case of University Facilities, of a certificate executed by an Authorized Officer of the State University requesting payment or reimbursement for Costs of such Facilities, (A) identifying each of the University Facilities in connection with which payment or reimbursement is to be made, (B) describing in reasonable detail the vendor, the invoice(s) to be paid, the purpose or purposes for which such payment or reimbursement is to be made by the Authority, (C) stating that each such purpose constitutes a necessary part of the Costs of such Facilities, and (D) submitting with such certificate, a W-9 for each vendor as well as any of the information needed by the Authority to make any such payment.

(b) The Authority covenants to pay or reimburse the State University, from the proceeds of Bonds, if available, for amounts advanced or expenses incurred by the State University if reimbursement thereof will not adversely affect the exclusion of interest on any Bonds from gross income for purposes of federal income taxation. The State University agrees to submit to the Authority the documents required by paragraph (a) above and such other documents as may be reasonably required by the Authority to establish the amount and purposes of such advances or expenses and to enable the Authority to make payment or reimbursement thereof in accordance with the provisions of the Resolution relating to the application of money in the Construction Account.

(Section 3.06)

Operation, Maintenance and Repair

Except as otherwise provided in and subject to the provisions of the Lease and Agreement, the State University shall be responsible for, and pay all costs of, operating the Dormitory Facilities, maintaining them in good condition, and making all necessary repairs and replacements, interior and exterior, structural and non–structural; *provided, however,* that the State University shall not be obligated to pay the costs thereof paid by any person (other than the Authority) to whom a Dormitory Facility has been sublet in accordance with the Lease and Agreement.

(Section 4.01)

Budget and Capital Plan

The State University covenants that not less than thirty (30) days prior to the commencement of each Fiscal Year it will prepare and submit to the Authority, and thereafter implement: (i) a budget for the such Fiscal Year, which provides adequate funds for the operation and maintenance of each Dormitory Facility in good condition and for the making of all necessary repairs and replacements; (ii) a Capital Plan that will provide adequate resources for all necessary repairs and replacements of the Dormitory Facilities; and (iii) a certification that the budget and capital plan submitted to the Authority complies with the requirements described in this paragraph of the Financing and Development Agreement, and that the State University is in compliance with all other requirements of the Financing and Development Agreement and of the Lease and Agreement.

(Section 4.02)

Additions, Enlargements and Improvements

The State University shall have the right at any time and from time to time, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Dormitory Facility, as the State University shall deem necessary or desirable in connection with the use thereof; *provided, however,* that no addition to or enlargement, improvement, expansion, repair, reconstruction or restoration of, a Dormitory Facility which requires structural change of the Dormitory Facility, or which modifies or changes any aspect or feature thereof designed or intended to protect the life or provide for the safety of the occupants of the Dormitory Facility, shall be made by the State University without the prior written consent of the Authority. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Dormitory Facility or its use as a Dormitory Facility. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the Dormitory Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Leased Property shall be and become a part of the Leased Property and be the property of the Authority.

(Section 4.04)

Additional Rights of the State University

The Authority agrees that the State University shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such standard office partitions, railings, doors, gates, counters, lighting fixtures, gasoline or natural gas storage tanks and pumps, signs and such other equipment in or upon a Dormitory Facility as may in State University's judgment be necessary for its purposes together with the non–exclusive rights, options and privileges with others in connection with Permitted Encumbrances, to erect towers (together with all necessary guy wires and anchors), antennas and associated communications equipment on the exterior portion of buildings. It is further understood and agreed that anything erected or installed under the provisions of the Financing and Development Agreement by the State University shall be and remain the personal property of the State University and shall not become part of the Leased Property, and may be removed, altered or otherwise changed, upon or before the termination of the Financing and Development Agreement.

(Section 4.05)

Insurance

(a) At the times specified in the Financing and Development Agreement the Authority shall, to the extent reasonably obtainable, maintain or caused to be maintained with responsible insurers, approved by the Authority, for the benefit of the Authority and the State University, the following kinds and the following amounts of insurance with respect to each Dormitory Facility, with such variations as shall reasonably be required to conform to customary insurance practice and approved by the Authority:

(i) Builder's Risk Insurance which will protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, and vandalism and malicious mischief. The limits of liability shall be on a one hundred per centum (100%) completed value basis on the insurable value of such Facility, including materials connected therewith whether in or adjacent to the structure insured and materials in place or to be used as part of the permanent construction. Such insurance shall be maintained until the insurance required by subparagraph (iv) below has been obtained. All such policies required by this subparagraph shall name the Authority and the State University as named insured, as their respective interests may appear;

(ii) Comprehensive Boiler and Machinery Insurance under the customary form of policy in use in the State providing coverage in an amount and with such deductibles, if any, as may be acceptable to the Authority. Such insurance shall be maintained commencing on the date such Dormitory Facility is occupied or any object insured thereunder is accepted. All such policies required by this subparagraph shall name the Authority and the State University, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of any loss to be made payable, except as may otherwise be required by Financing and Development Agreement, directly to the Authority for use in accordance with the Financing and Development Agreement;

(iii) Comprehensive General Liability Insurance as broad as the standard coverage form in use in the State which shall not be circumscribed by any endorsements limiting the breadth of coverage which is not approved in writing by the Authority. The policy shall include an endorsement (broad form) for contractual liability and shall name the Authority and the State University as named insureds, as their respective interests may appear. Limits of liability shall not be less than a combined limit of $2,000,000 per occurrence for bodily injury liability and property damage liability with such deductible amounts per person and in the aggregate as shall be acceptable to the Authority. Such insurance shall be maintained at all times during the Lease Term;

(iv) Property Insurance in an amount not less than eighty per centum (80%) of the full replacement cost of the Dormitory Facility (meaning replacement cost without allowance for depreciation), exclusive of excavations, foundations and similar property customarily excluded under the standard coverage form in use in the State and providing for protection against loss resulting from fire, lightning, the standard extended coverage insurance perils, vandalism and malicious mischief. All such policies required by this subparagraph shall name the Authority and the State University as named insured, as their respective interest may appear and shall contain standard clauses which provide for the net proceeds of any loss to be made payable, except as may otherwise be required by the Financing and Development Agreement, directly to the Authority for use in accordance with the Financing and Development Agreement. Such insurance with respect to any building or improvement shall be maintained at all times after completion of construction thereof; and

(v) Business Interruption Insurance in an amount agreed to by the parties to the Financing and Development Agreement during such time or times as the use of all or any of the Dormitory Facilities or any part thereof may be totally or partially interrupted as a result of damage or destruction resulting from perils insured against as described in subparagraph (iv) above. All such insurance shall be carried for the benefit of the Authority and shall name the Authority as the named insured. Each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Commissioner for deposit to the Dormitory Facilities Revenue Fund.

(b) In addition to the foregoing insurance to be obtained by the Authority, the State University shall provide Worker's Compensation and Employers Liability Insurance and each other form of insurance from injuries, sickness, disability or death of employees as the State University may be required by law to provide.

I All insurance policies obtained by the Authority under the Financing and Development Agreement shall be open to inspection by the State University, the 1995 Trustee and the Trustee at all reasonable times. A complete description of all such policies shall be furnished annually by the Authority to the State University, the 1995 Trustee and the Trustee, and if any change shall be made in any such insurance, a description and notice of such change shall be furnished by the Authority to the State University, the 1995 Trustee and the Trustee at the time of such change. If, after consultation with the State University, a loss deductible for insured property perils or liability is selected and incorporated into the Authority's property or liability coverages, the State University shall then be responsible for the amount of the deductible that the Authority shall incur from each loss for insured perils or liability.

(d) Notwithstanding any of the foregoing provisions described under the heading "Insurance," the Authority shall not be required to obtain or maintain any class or type of insurance required by the Financing and Development Agreement for which it is authorized and able to provide and maintain an appropriate substitute self–insurance arrangement under which the State University and the Authority would be fully protected from loss or general public liability arising from its ownership or interest in the Dormitory Facilities, or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Dormitory Facilities upon damage, loss or destruction thereof, to the extent equivalent to that described in clauses (i) through (iv), inclusive, of paragraph (a) above. No such arrangement or arrangements shall be substituted for the insurance required to be obtained and maintained pursuant to the foregoing provisions under the heading "Insurance," unless and until each such arrangement shall have been recommended by an insurance consultant selected by the Authority.

I In lieu of separate policies, the Authority may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required in the Financing and Development Agreement, in which event it shall deposit with the State University a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Facilities.

(f) The State University assumes all risks that the proceeds of any insurance may be inadequate to repair, reconstruct or restore the Dormitory Facilities or fully to indemnify the State University or Authority against or to reimburse the State University or the Authority for any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required by the Financing and Development Agreement.

(Section 4.06)

Use of Facilities

The State University will not sell, sublease or otherwise dispose of, encumber or permit the use of a Dormitory Facility if the same would adversely affect the exclusion of interest on any of the Bonds issued under the Resolution from gross income for purposes of federal income taxation. Prior to permitting any use other than by the State University in furtherance of its educational purposes or entering into any lease or sublease or disposing of any Dormitory Facility, the State University shall give not less than thirty (30) days prior written notice thereof to the Authority.

(Section 7.03)

Covenant Not to Affect the Tax Exempt Status of the Bonds

The State University (i) will take no action, or permit any action to be taken, with respect to a Dormitory Facility which will impair the exclusion of interest on any Bond from gross income for purposes of federal income taxation; (ii) invest or otherwise use the proceeds of any Bonds in a manner which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to any Bond; or (iii) purchase or permit the purchase by any "related person," as defined in Section 147(a) (2) of the Code, pursuant to an arrangement, formal or informal, of any Bonds in an amount related to the amount of any obligation to be acquired by the Authority from the State University. In addition, the State University shall keep detailed records relating to (i) the use of the proceeds of the Bonds paid to the State University for payment of Costs of each State University Facility sufficient to identify the amount of proceeds from each Series of Bonds have been expended for Costs of such University Facility, and (ii) the non-governmental use and occupancy of each Dormitory Facility and the period of time over which such use continued.

(Section 7.04)

Creation of Liens

The State University shall not create, cause to be created or suffer or permit the creation of any lien or charge on the Dormitory Facilities Revenues.

(Section 7.10)

Rents, Fees and Charges

The State University covenants that the rents, fees and charges established and imposed by it and payable during each Fiscal Year for the use and occupancy of Dormitory Facilities shall be at least sufficient at all times: (i) to pay when due the Rentals payable by the State University during such Fiscal Year pursuant to the Lease and Agreement, (ii) to pay when due, interest on Outstanding Bonds payable during such Fiscal Year and the principal or Sinking Fund Installments of all Outstanding Bonds payable on or prior to July 1 of the next succeeding Fiscal Year; (iii) to pay the costs of operation, maintenance, repair and replacement of the Dormitory Facilities budgeted by the State University for such Fiscal Year; (iv) to maintain the Dormitory Income Account Reserve at the Dormitory Income Account Reserve Requirement; (v) to maintain the Operation and Maintenance Reserve and the Repair and Rehabilitation Reserve at their respective requirements; and (vi) to pay the Administrative Expenses for such Fiscal Year. For the purpose of the preceding sentence, the amounts referred to in (i), (ii), (iv), (v) and (vi) above for a Fiscal Year shall be the amounts set forth in the certification made by the Authority and delivered to the Commissioner and the State University on or before June 1 immediately preceding such Fiscal Year pursuant to §1680–q(3)I of the Act.

(Section 7.11)

Covenant to Deliver Certificate Required by Resolution

Upon request of the Authority, the State University shall deliver to the Authority a certificate, as required by the Resolution in connection with the issuance by the Authority of additional bonds under the Resolution, detailing the Operating Expenses of the State University for each of the two immediately preceding Fiscal Years.

(Section 7.13)

Events of Default

An "event of default" or a "default" shall mean, whenever they are used in the Financing and Development Agreement, any one or more of the following events:

(a) Failure by the State University to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the State University by the Authority, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the State University has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions;

(b) Any representation or warranty of the State University contained in the Financing and Development Agreement shall have been at the time it was made or is thereafter untrue in any material respect;

I The State University shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the State University seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the State University shall authorize any of the actions set forth above in this subparagraph I; or

(d) An order or decree appointing a receiver of one or more of the Dormitory Facilities or any part thereof shall be entered with the consent or acquiescence of the State University or such order or decree shall be entered without the acquiescence or consent of the State University if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

(Section 8.01)

Remedies

Whenever any event of default referred to above under the heading “Events of Default” shall have happened and be continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the State University under the Financing and Development Agreement.

(Section 8.02)

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2018A Bonds and the Project. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Contract with Bondholders

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds, over any other Bonds except as expressly provided in or permitted by the Resolution.

(Section 1.03)

Additional Obligations and Refunding Bonds

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds or bonds outstanding under and within the meaning of the Prior Resolution. The Authority may issue Refunding Bonds in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Resolution and of the Series Resolution authorizing such Series of Refunding Bonds.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or as determined in accordance with the Series Resolution authorizing such Refunding Bonds or the Bond Series Certificate relating to such Series of Refunding Bonds.

Except as otherwise provided in the Resolution as described below under the heading "Creation of Liens", the Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien created by the Resolution, or prior or equal to the rights of the Authority and Holders of Bonds as provided by the Resolution.

(Sections 2.04 and 2.05)

Pledge

The Pledged Assets are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge made by the Resolution is subject and subordinate only to the pledge of the Dormitory Facilities Revenue Fund and the Dormitory Facilities Revenues in the Dormitory Facilities Revenue Fund made by the Authority pursuant to the Prior Resolution. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the Pledged Assets shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the

Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed.

(Section 5.01)

Establishment of Funds and Accounts

The following funds and accounts are established by the Resolution and, except for the Construction Account, which shall be held and maintained by the Authority, shall be held and maintained by the Trustee:

Construction Fund;
  Construction Account;
  Costs of Issuance Account; and
  Capitalized Interest Account;
Debt Service Fund; and
Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution or any Bond Series Resolution, the Authority may for purposes of internal accounting establish such other accounts or subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; *provided, however*, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of the Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of the proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified in the Resolution and in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in the Construction Account, the Costs of Issuance Account and the Capitalized Interest Account of the Construction Fund the respective amounts required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall deposit in the Construction Account any money paid to it pursuant to the Resolution, including the proceeds of any insurance of condemnation award. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance of the Bonds, Capitalized Interest on the Bonds and the Costs of the Facilities.

Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment.

Upon written direction of an Authorized Officer of the Authority, the Trustee shall on or before an interest payment date transfer money from the Capitalized Interest Account to the Debt Service Fund in the amount specified in such direction.

Payments for Costs of a Facility shall be made by the Authority in accordance with the Financing and Development Agreement.

(Section 5.04)

Deposit and Allocation of Revenues

The Revenues shall upon receipt by the Trustee be deposited or paid by the Trustee as follows in the following order of priority:

First: To the Debt Service Fund (a) the amount necessary to make the amount in the Debt Service Fund equal to the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

Third: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund the amount set forth in such direction; and

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Dormitory Facilities, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Financing and Development Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

(Section 5.05)

Debt Service Fund

The Trustee shall on each interest payment date out of the Debt Service Fund:

(a) the interest due and payable on all Outstanding Bonds on such interest payment date;

(b) the principal amount due and payable on such interest payment date on all Outstanding Bonds; and

I the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds on such interest payment date.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

Money in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable on and prior to the next succeeding July 1 assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of any Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund, such money shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority given pursuant to the Resolution to the redemption of Bonds as provided in the Resolution, at the Redemption Prices specified in the applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the Authority for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in the Facilities Account at such times and in such amounts as set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date on which all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by each

Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Investment of Funds and Accounts

Money held under the Resolution by the Trustee or the Authority, if permitted by law, shall, as nearly as may be practicable, be invested in Government Obligations, Federal Agency Obligations Exempt Obligations; *provided, however,* that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution. Investments to be made by the Trustee pursuant to the Resolution as described in this paragraph shall be made upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested).

Permitted Investments purchased as an investment of money in any fund or account under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account under the provisions of this section, Permitted Investments shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held.

(Section 6.02)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the Pledged Assets; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurred indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Pledged Assets which are of equal priority with the lien created and the pledge made by the Resolution.

(Section 7.06)

Events of Default

Each of the following constitutes an "event of default" under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) Payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or

I With respect to the Bonds of any Series, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, or, if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

I An "Event of Default" under and as defined in the Prior Resolution has occurred and is continuing; or

(f) With respect to a Tax Exempt Bond, there has been a Determination of Taxability.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default (other than under paragraph I and paragraph (f) of the provision of the Resolution summarized above under the caption *"Event of Default"*), then and in every such case the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall, by a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in the Bonds or any Series Resolution to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under each Series

Resolution (other than principal amounts payable only because of a declaration and acceleration under this section) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution, the Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph I and paragraph (f) of the provision of the Resolution summarized above under the caption *"Event of Default"*, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or any Series Resolution or in aid or execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under each Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of any Series Resolution or of the Bonds, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution and in any Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Resolution), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds has become or been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

The provisions of this section are in all respects subject to the provisions of the Resolution.

Whenever money is to be applied by the Trustee pursuant to the provisions of this section, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with this section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

(Section 11.05)

Termination of Proceedings

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Provider, the State University and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or in the case of an event of default described in subparagraph I under the heading "Event of Default" above, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Series Resolution, provided such direction shall be in accordance with law or the provisions of the Resolution and of each Series Resolution and the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or, in the case of an event of default under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Modification and Amendment Without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

I To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Pledged Assets or of any other money, securities or funds;

(f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions; or

(g) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Holders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority.

(Section 9.02)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as set forth in the provision of the Resolution summarized below under the caption *"Consent of Bondholders"*, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof, or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption *"Powers of Amendment"* and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in this section. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for below is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to Bondholders either by mailing or publication shall be required.

(Section 10.03)

Amendment of Agreements

The Financing and Development Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; ***provided, however,*** that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; ***provided, further,*** that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by the Resolution.

The Financing and Development Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Dormitory Facilities or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Financing and Development Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Financing and Development Agreement. Except as otherwise provided in this Section, the Financing and Development Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of this Section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this Section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however,*** that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: **"Auction Rate Bond"** means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; **"Auction Date"** means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **"Winning Bid Rate"** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of this Section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Financing and Development Agreement or the Lease and Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the State University, the Authority and all Holders of Bonds.

For all purposes of this Section, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

Bonds owned or held by or for the account of the Authority or the State University shall not be deemed Outstanding for the purpose of the consent provided for in this Section, and neither the Authority nor the State University shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

(Section 7.11)

Defeasance

If the Authority shall pay or cause to be paid to the Holders of the Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Pledged Assets to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. The securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Financing and Development Agreement.

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds; *provided, however*, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Financing and Development Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (b) of the preceding paragraph, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the second paragraph of this section only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to the second paragraph of this section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee, after such date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged and the Holders shall look only to the Authority for payment of such Bonds; *provided, however*, that, before being required to make any such payment to the Authority, the Trustee may, at the expense of the Authority cause to be published in an Authorized

Newspaper a notice that such money remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL RELATING TO THE SERIES 2018A BONDS

[Date of Issuance]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $134,070,000 aggregate principal amount of State University of New York Dormitory Facilities Revenue Bonds, Series 2018A (the "Series 2018A Bonds"), by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, created and existing under and pursuant to the Constitution and statutes of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act").

The Series 2018A Bonds are being issued and sold pursuant to the Act, the State University Dormitory Facilities Revenue Bond Resolution, adopted by the Authority on May 15, 2013 (the "Resolution"), the Series 2018A Resolution Authorizing the Issuance of a Series of State University Dormitory Facilities Revenue Bonds in an amount not to exceed $150,000,000, adopted by the Authority on September 12, 2018 (the "Series 2018A Resolution"), and the Bond Series Certificate, dated as of September 25, 2018, relating to the Series 2018A Bonds (the "Bond Series Certificate"). Said resolutions and the Bond Series Certificate are herein collectively called the "Resolutions." Capitalized terms used but not defined herein have the respective meanings given to them in the Resolutions.

The Series 2018A Bonds are part of an issue of bonds of the Authority (the "Bonds") which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2018A Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2018A Bonds, only upon the terms and conditions set forth in the Resolutions and such Bonds, when issued, will with the Series 2018A Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolutions.

The Series 2018A Bonds are issuable in the form of fully registered Bonds in the denomination of $5,000 or integral multiples thereof. The Series 2018A Bonds are numbered consecutively from one upward in order of issuance.

The Series 2018A Bonds are dated their date of delivery and will bear interest at the rates and mature on July 1 of each of the years and in the principal amounts set forth below:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2019	$2,445,000	4.00%	2030	$5,630,000	5.00%
2020	3,470,000	5.00	2031	5,920,000	5.00
2021	3,640,000	5.00	2032	6,200,000	5.00
2022	3,820,000	5.00	2033	6,540,000	5.00
2023	4,010,000	5.00	2034	2,955,000	5.00
2024	4,205,000	5.00	2035	3,100,000	5.00
2025	4,400,000	5.00	2036	3,270,000	5.00
2026	4,635,000	5.00	2037	3,425,000	5.00
2027	4,865,000	5.00	2038	3,590,000	5.00
2028	5,115,000	5.00	2043	20,860,000	5.00
2029	5,360,000	5.00	2048	26,615,000	5.00

The Series 2018A Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as provided in the Resolutions.

Pursuant to an amendment to the Public Authorities Law and Education Law of the State of New York (Chapter 57 of the Laws of 2013, Part B), the State University has executed an assignment, assigning all of its rights in and to the Dormitory Facilities Revenues to the Authority. The Authority and the State University of New York (the "State University") have entered into a Financing and Development Agreement, dated as of May 15, 2013 (the "Agreement"), by which the State University is required to establish fees and charges for use and occupancy of the Dormitory Facilities and bill and collect Dormitory Facilities Revenues on behalf of the Authority. All Dormitory Facilities Revenues collected by the State University will be deposited in the Dormitory Facilities Revenue Fund and principal and Redemption Price of and interest on Outstanding Bonds, including the Series 2018A Bonds will be payable from the Dormitory Facilities Revenue Fund. The Pledged Assets have been pledged by the Authority for the benefit of the holders of the Outstanding Bonds, including the Series 2018A Bonds, for the payment of the principal or Redemption Price of or interest on Outstanding Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder, including the Series 2018A Bonds.

2. The Series 2018A Resolution has been duly adopted in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their terms.

3. The Series 2018A Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2018A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled, together with all other Bonds issued under the Resolutions, to the equal benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Agreement and the Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. [1]The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2018A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause

[1] [1] This opinion to be given by Nixon Peabody LLP only.

the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2018A Bonds. Pursuant to the Series 2018A Resolution, the Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code (the "Tax Certificate"), the Authority, and the State University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2018A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the State University have made certain representations and certifications in the Series 2018A Resolution, the Agreement and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with certain covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

6. Interest on the Series 2018A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Series 2018A Bonds and the Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2018A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2018A Bonds, or the interest thereon, if any action is taken with respect to Series 2018A Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Agreement by the State University. We have assumed the due authorization, execution and delivery of the Agreement by the State University.

Very truly yours,

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FORM OF CONTINUING DISCLOSURE AGREEMENT

AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

State University of New York Dormitory Facilities Revenue Bonds, Series 2018A

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the "Disclosure Agreement"), dated as of October 11, 2018, is executed and delivered by the Dormitory Authority of the State of New York (the "Issuer" or "DASNY"), the State University of New York (the "Obligated Person"), U.S. Bank National Association, as Trustee (the "Trustee") and Digital Assurance Certification, L.L.C. ("DAC"), as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute "advice" within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer, the Obligated Person or anyone on the Issuer's or the Obligated Person's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Dissemination Agreement" means that agreement, dated January 31, 2005, as amended to the date hereof, by and between the Disclosure Dissemination Agent and the Issuer pursuant to which disclosure dissemination services are to be provided by the Disclosure Dissemination Agent.

"Disclosure Representative" means the chief financial officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Obligated Person's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means the Dormitory Authority of the State of New York, as conduit issuer of the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

"Resolution" means DASNY's bond resolution(s) pursuant to which the Bonds were issued.

"Trustee" means U.S. Bank National Association and its successors and assigns.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, not later than 150 days after the end of each fiscal year of the Obligated Person, (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2018, such date and each anniversary thereof, the "Annual Filing Date." Promptly upon receipt of an electronic copy of the Annual Report, and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access ("EMMA") System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if audited financial statements are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer and the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and , at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person hereby irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;

(iii)upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to the Section 4(c) of this Disclosure Agreement:

1. Principal and interest payment delinquencies;
2. Non-Payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, IRS notices or events affecting the tax status of the securities;
7. Modifications to rights of securities holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Ratings changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
14. Merger, consolidation, or acquisition of the Obligated Person, if material; and
15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "derivative or other similar transaction;" and
11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"

5. “budget;”

6. “investment/debt/financial policy;”

7. “information provided to rating agency, credit/liquidity provider or other third party;”

8. “consultant reports;” and

9. “other financial/operating data;”

(viii) provide the Obligated Person and the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Issuer, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person shall consist of the following: (a) operating data and financial information of the Residence Hall Program of the type included in the Official Statement in tables in “PART 8 - THE RESIDENCE HALL PROGRAM” under the headings “Dormitory Facilities – Available Beds by Campus,” “Residence Hall Program – Historical Occupancy,” “Residence Hall Program – Historical Growth of Available Beds,” “SUNY Residence Hall Program – Students Choosing to Live on Campus,” “Dormitory Facilities Occupancy,” “Dormitory Facilities Standard Double Room Rates,” “Residence Hall Program – Collection Rates,” “SUNY Residence Hall Capital Plan by Project Type/Funding Source,” “SUNY Residence Hall Capital Plan by Sector and Campus,” “Dormitory Facilities Debt Service Coverage,” “Off-Budget Housing Occupancy by Sector and Campus” and “Historical Off-Budget Housing Occupancy,” (b) operating data and financial information of SUNY of the type included in the Official Statement in tables in “PART 9 - THE

STATE UNIVERSITY OF NEW YORK" under the headings "SUNY Enrollment Data," "Certain Fall Enrollment Statistics (Excluding Community Colleges)," "Average Annual Full-Time Equivalent Enrollment Statistics," "State-Funded and Tuition Disbursement Authority Appropriations for SUNY," "SUNY Annual Tuition Schedule," "Tuition and Other Unrestricted Revenue," "SUNY Debt Activity" and "SUNY Construction Receipts and Disbursements," (c) operating data and financial information of SUNY of the type included in "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT" including SUNY's annual financial statements prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issues by the Comptroller General of the United States to the MSRB through its EMMA System, if and when such statements are available commencing with the fiscal year ending June 30, 2018, and (d) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the SUNY and the Residence Hall Program and in judging the financial and operating condition of SUNY and the Residence Hall Program; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an "obligated person" (as defined by the Rule), which have been previously filed the Securities and Exchange Commission or available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;

7. Modification to rights of the security holders, if material;

8. Bond calls, if material;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Tender Offers;

13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(13) of this Section 4: For the purposes of the event described in subsection (a)(13) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify DASNY, the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, DASNY or the Trustee shall promptly notify the Obligated Person and also may notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Issuer, the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer or the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer or the Obligated Person desires to make, contain the written authorization of the Issuer or the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer or the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. <u>Additional Disclosure Obligations</u>.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. <u>Voluntary Filing</u>.

(a) The Issuer or the Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the date the Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer or Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event

Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person, with the approval of DASNY, from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement pursuant to the Disclosure Dissemination Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer or the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Issuer or the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Issuer or the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer or the Obligated Person at all times.

THE OBLIGATED PERSON, TO THE EXTENT AUTHORIZED BY THE NEW YORK STATE COURT OF CLAIMS ACT AND TO THE EXTENT NOT OTHERWISE PROHIBITED BY STATE LAW AND DECISIONS THEREUNDER, AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4(b) hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under said Section 4(b). DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Issuer, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, DASNY, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person, the Trustee or the Issuer and the assumption by any such successor of the covenants of the Obligated Person, the Trustee or the Issuer hereunder;

(iv) to add to the covenants of the Obligated Person, the Issuer or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person, the Issuer or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[remainder of page left intentionally blank]

The Disclosure Dissemination Agent, the Issuer, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:____
Name:______________________________________
Title:_______________________________________

STATE UNIVERSITY OF NEW YORK,
Obligated Person

By:____
Name:______________________________________
Title:_______________________________________

DORMITORY AUTHORITY OF THE STATE OF NEW YORK,
Issuer

By:____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _______________________________________
Name: _____________________________________
Title: ______________________________________

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Dormitory Authority of the State of New York
Obligated Person(s):	State University of New York
Name of Bond Issue:	State University of New York Dormitory Facilities Revenue Bonds, Series 2018A
Date of Issuance:	October 11, 2018
Date of Official Statement:	September 25, 2018

Maturity	CUSIP No.	Maturity	CUSIP No.
07/01/2019	64990GGY2	07/01/2030	64990GHK1
07/01/2020	64990GGZ9	07/01/2031	64990GHL9
07/01/2021	64990GHA3	07/01/2032	64990GHM7
07/01/2022	64990GHB1	07/01/2033	64990GHN5
07/01/2023	64990GHC9	07/01/2034	64990GHP0
07/01/2024	64990GHD7	07/01/2035	64990GHQ8
07/01/2025	64990GHE5	07/01/2036	64990GHR6
07/01/2026	64990GHF2	07/01/2037	64990GHS4
07/01/2027	64990GHG0	07/01/2038	64990GHT2
07/01/2028	64990GHH8	07/01/2043	64990GHU9
07/01/2029	64990GHJ4	07/01/2048	64990GHV7

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer	Dormitory Authority of the State of New York
Obligated Person:	State University of New York.
Name of Bond Issue:	State University of New York Dormitory Facilities Revenue Bonds, Series 2018A
Date of Issuance:	October 11, 2018

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of October 11, 2018, by and among the Obligated Person, the Dormitory Authority of the State of New York, as Issuer, U.S. Bank National Association, as Bond Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by ______________.

Dated:______________________________

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Person

____

cc: Issuer
Obligated Person

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

____

Issuer's Six-Digit CUSIP Number:

____

____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1.______"Principal and interest payment delinquencies;"
2.______"Non-Payment related defaults, if material;"
3.______"Unscheduled draws on debt service reserves reflecting financial difficulties;"
4.______"Unscheduled draws on credit enhancements reflecting financial difficulties;"
5.______"Substitution of credit or liquidity providers, or their failure to perform;"
6.______"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7.______"Modifications to rights of securities holders, if material;"
8.______"Bond calls, if material;"
9.______"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and
15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

____

Name: ____________________________________Title: ____________________________________

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of October 11, 2018 by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

____

Issuer's Six-Digit CUSIP Number:

____

____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1.______"amendment to continuing disclosure undertaking;"
2.______"change in obligated person;"
3.______"notice to investors pursuant to bond documents;"
4.______"certain communications from the Internal Revenue Service;"
5.______"secondary market purchases;"
6.______"bid for auction rate or other securities;"
7.______"capital or other financing plan;"
8.______"litigation/enforcement action;"
9.______"change of tender agent, remarketing agent, or other on-going party;"
10._____"derivative or other similar transaction;" and
11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

____

Name: ________________________________ Title: ______________________________________

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of October 11, 2018 by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

____

Issuer's Six-Digit CUSIP Number:

____

____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1.______"quarterly/monthly financial information;"
2.______"change in fiscal year/timing of annual disclosure;"
3.______"change in accounting standard;"
4.______"interim/additional financial information/operating data;"
5.______"budget;"
6.______"investment/debt/financial policy;"
7.______"information provided to rating agency, credit/liquidity provider or other third party;"
8.______"consultant reports;" and
9.______"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

____

Name: ____________________________________Title: ____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK • STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES REVENUE BONDS, SERIES 2018A

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Printed by: ImageMaster, LLC
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