

1 BEFORE THE NEW YORK STATE SENATE FINANCE
2 AND ASSEMBLY WAYS AND MEANS COMMITTEES

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2014-2015 EXECUTIVE BUDGET ON
6 HIGHER EDUCATION

7 Hearing Room B
8 Legislative Office Building
9 Albany, New York

10 February 6, 2014
11 9:32 a.m.

12 PRESIDING:

13 Senator John A. DeFrancisco
14 Chair, Senate Finance Committee

15 Assemblyman Herman D. Farrell, Jr.
16 Chair, Assembly Ways & Means Committee

17 PRESENT:

18 Senator Liz Krueger
19 Senate Finance Committee (RM)

20 Assemblyman Robert Oaks
21 Assembly Ways & Means Committee (RM)

22 Assemblywoman Deborah J. Glick
23 Chair, Assembly Higher Education Committee

24 Assemblyman Al Stirpe

Assemblyman Raymond W. Walter

Senator Gustavo Rivera

Assemblywoman Donna Lupardo

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1 2014-2015 Executive Budget
2 Higher Education
3 2-6-14

4 PRESENT: (Continued)

5 Assemblyman Chad A. Lupinacci

- 6 Assemblywoman Barbara Lifton
- 7 Assemblywoman Patricia Fahy
- 8 Assemblyman Carl E. Heastie
- 9 Assemblyman Francisco P. Moya
- 10 Assemblyman Clifford W. Crouch

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21 Senate

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1 CHAIRMAN FARRELL: Good morning. Today
2 we begin the ninth in the series of hearings
3 conducted by the joint fiscal committees of the
4 Legislature regarding the Governor's prepared
5 budget for fiscal year 2014-2015. The hearings
6 are conducted pursuant to Article 7, Section 3
7 of the Constitution and Article 2, Section 31
8 and 32A of the Legislative Law.

9 Today the Assembly Ways and Means
10 Committee and the Senate Finance Committee will
11 hear testimony concerning the budget proposals
12 for higher education.

13 I will now introduce members from the
14 Assembly, and Senator DeFrancisco, chair of the
15 Senate Finance Committee, will introduce members
16 from the Senate.

17 We have been joined by Assemblywoman
18 Glick, chair of Higher Education, Mr. Stirpe,
19 and Assemblyman Oaks.

20 ASSEMBLYMAN OAKS: Yes, and we've been
21 joined by Assemblyman Walter.

22 CHAIRMAN DeFRANCISCO: And from the
23 Senate, myself and Senator Krueger, the ranking

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member of the Finance Committee. We've been

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1 joined at the hip for a couple of weeks now.

2 CHAIRMAN FARRELL: And we've also been
3 joined by Assemblywoman Donna Lupardo.

4 But before introducing the first
5 witness, I would like to remind all of the
6 witnesses testifying today to keep your
7 statements within your allotted time limit, so
8 that everyone can be afforded the time to speak.

9 Senator, would you explain to them the
10 numbers which we're doing?

11 CHAIRMAN DeFRANCISCO: Well, we've been
12 giving each legislator seven minutes. If they
13 have more questions, they're going to have to
14 wait until the end. And if they have
15 more questions, we provide it.

16 But last night everyone took us up on
17 it. We were here from 10:00 till 8:00. So
18 hopefully we can more concise today, as long as
19 being concise with the answers. Thank you.

20 CHAIRMAN FARRELL: I hope to have a
21 voice at the end of all of this.

22 Our first witness is Dr. Nancy Zimpher,
23 chancellor of the State University of New York.

24 Good morning.

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1 CHANCELLOR ZIMPHER: Good morning. I
2 will repeat the obvious; I'm Nancy Zimpher,
3 chancellor of the State University of New York.

4 I want to thank you, Chairpersons
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5 DeFrancisco, Farrell, Glick, members of the
6 Senate and Assembly, legislative staff for
7 allowing us to the opportunity to speak today.

8 with me is President Deborah Stanley
9 from SUNY Oswego, to my left; President Harvey
10 Stenger, to my right, Binghamton University; and
11 President Cliff Wood, on the end, of SUNY
12 Rockland Community College, all of whom I've
13 asked to join me today to share their
14 perspectives on the Executive Budget.

15 2014 promises to be another exciting
16 year for the State University system. We hope
17 that together, through the continued partnership
18 we have all worked to build between SUNY, the
19 Governor, and you, our legislative champions, we
20 can develop and pass a budget that provides our
21 students and faculty with the support they need
22 to be part of SUNY's ongoing work to revitalize
23 this great state.

24 A few weeks ago I laid out, in our

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1 annual state of the University address, several
2 ways in which SUNY and its campuses, as a
3 system, are working to improve how we educate
4 New Yorkers and prepare them to become the
5 workforce and engaged citizenry of tomorrow.

6 A brief detail of initiatives and more
7 detailed versions of my remarks are included in
8 my submitted written testimony.

9 As it does every year, the Executive
10 Budget brings with it exciting new opportunities

11 for SUNY, as well as a few challenges that we
12 would like to see addressed in this session.

13 SUNY is excited to embark on proposals
14 in the Governor's Executive Budget, including
15 the creation of the first-of-its-kind new
16 College of Emergency Preparedness, Homeland
17 Security, and Cyber Security; a new School of
18 Pharmacy at Binghamton; the Governor's STEM
19 Scholarship program, and another round of the
20 highly successful NY SUNY 2020 Challenge Grants.

21 There were reductions to key access
22 programs such as ATTAIN and SUNY's highly
23 successful Educational Opportunity programs,
24 along with reductions in support for Community

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1 College Categorical Aid, most notably in our
2 childcare program. We respectfully ask that
3 these items be restored.

4 Finally, the Executive Budget did not
5 provide the financial support of \$82.2 million
6 for the collective bargaining contracts, costs
7 that are outside of SUNY's direct control for
8 our state-operated institutions. We
9 respectfully ask that these increases are funded
10 in the enacted budget.

11 SUNY recognizes that you and the
12 Governor have performed a monumental task of
13 turning around the fiscal condition of the
14 state, while still championing and investing in
15 public higher education. SUNY has been a
16 willing partner in this transformation from the

17 start, following the lead of both the Governor
18 and the Legislature through the successful
19 NY SUNY 2020 program and, more recently,
20 START-UP NY.

21 Most notably, NY SUNY 2020 legislation
22 ensured the much-needed predictable revenues
23 through fair and responsible increases in
24 tuition and maintenance of effort, that promise

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1 from the state. These revenues were directly
2 reinvested in the educational experience of our
3 students. Through this statute alone, the
4 Legislature and the Governor positively changed
5 the way SUNY was funded for years.

6 Today I would like to briefly discuss
7 additional ways we could leverage our successes
8 to could position SUNY's 64 campuses, 463,000
9 students, and 88,000 employees for even greater
10 results.

11 First, I'm sure you will agree that our
12 faculty is the foundation of SUNY's academic
13 excellence. Since the inception of NY SUNY
14 2020, all of our state-operated institutions
15 have been able to increase the educational
16 opportunities afforded to our most important
17 consumers, our students.

18 Under NY SUNY 2020, our campuses have
19 been able to employ more than 520 additional
20 instructional staff, including 270 net new
21 full-time faculty. We have increased the
22 percentage of historically underrepresented

23 minority students from 14 percent in fall 2010
24 to 18 percent in fall 2012; and we've created

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1 more than 100 new degree programs at the
2 state-operated campuses, many of which reflect
3 investments in programs that will meet the needs
4 of New York's growing workforce and economic
5 revitalization.

6 We'd like to continue that upward
7 trajectory provided by NY SUNY 2020, but that
8 requires resources. With additional state
9 resources, SUNY could set a goal of 250
10 additional full-time faculty hires beginning in
11 2014-2015. These new faculty would be focused
12 primarily on high-need/high-demand programs in
13 engineering, information technology, healthcare,
14 finance, and accounting, and in support of five
15 new Networks of Excellence that we are
16 initiating.

17 We're happy to work with you and our
18 other stakeholders to develop the best vehicle
19 to get these faculty hired, including the
20 endowment program for full-time faculty
21 forwarded by UUP and NYSUT. I'm excited by
22 their proposal, and I look forward to learning
23 more about it in the days ahead.

24 Second, while faculty are the backbone

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1 of academic excellence, we must ensure our
2 infrastructure meets the 21st-century demands in

3 order to support our students and our faculty.
4 SUNY is grateful for the \$500 million in capital
5 funds provided in the Executive Budget that are
6 directed toward critical maintenance needs.
7 We're committed to making sure our vast
8 inventory of facilities and infrastructure are
9 safe and enable us to effectively deliver our
10 educational mission.

11 Past generous investments have allowed
12 SUNY to reduce the backlog of critical
13 maintenance projects at our campuses, and
14 further funding is needed to sustain this
15 progress. Multiyear funding commitments promote
16 long-term planning and allow our campuses to
17 identify and prioritize projects over time,
18 within known funding limits, rather than
19 utilizing the reactionary "band-aid" approach
20 that is often the effect of year-at-a-time
21 funding.

22 However, if a multiyear funding
23 commitment is not possible, we recommend the
24 Legislature double the Executive Budget's

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1 capital proposal with an additional
2 \$500 million. That level of investment will
3 address high-priority campus projects that
4 advance technology innovation, promote
5 sustainability, and leverage private investment.

6 Third, as you are aware, great strides
7 have been made in recent years in increasing the
8 share of total community college operating costs

9. provided by state funds. Given the importance
10 of our community colleges to SUNY and the state,
11 especially as a key component of workforce
12 development efforts, SUNY has requested an
13 increase of \$250 to Base Operating aid. That
14 would increase the value to \$2,672, a return to
15 approximately the 2008-2009 levels of support.

16 Since the relationship between
17 localities and the state began, both sides have
18 benefited greatly from the capital program
19 between the two. For just half the cost of a
20 project, the state can ensure that the community
21 college facilities are up-to-date, safe, and
22 ready to meet the ever-changing pedagogy of
23 post-secondary education.

24 However, this year the state did not

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1 provide funding for 13 community college
2 projects at nine colleges that had received a
3 local sponsor match. SUNY is seeking an
4 additional \$57.3 million in capital funds for
5 these 13 community college projects.

6 Finally, it is no secret to anyone that
7 healthcare, hospitals, and more specifically,
8 SUNY hospitals are in a state of transition.
9 While the majority of our attention is currently
10 focused on the issues at Downstate and the
11 Long Island College Hospital, I would put forth
12 that this situation is merely the most recent of
13 operating/financial issues that have plagued
14 these institutions for years.

15 The long-term causes are varied, some
16 that we at SUNY can and have controlled, and
17 those that are far outside our ability to
18 effect. For many years I or someone in my
19 position would sit in this chair and ask you all
20 for further funding for these hospitals,
21 believing the idea that these issues could be
22 corrected through increased cash flow alone.

23 However, today, while I will ask for a
24 increase of funding, an additional

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1 \$20.7 million, I will request that this funding
2 be provided with additional legislative support
3 that will help us move forward with the
4 improvement of these hospitals and ensure that
5 they become exactly the type of institution that
6 each of our medical schools and unique
7 geographic locations requires.

8 This, of course, will require rethinking
9 structure, including governance, finance, and
10 operations. This process has already begun in
11 the Legislature with the recent bill put forth
12 by Senator LaValle that would help situate the
13 financial structure of Brooklyn, Syracuse, and
14 Stony Brook for future successes, with myriad
15 reforms and proposals provided in the Executive
16 Budget -- and, of course, the federal Medicaid
17 waiver sought to assist system transformation.

18 In addition, our hospitals have not
19 received any capital funding for the past five
20 years. We would also like to engage the

21 Legislature and the Executive in a discussion of
22 structure regarding an alternative capital
23 financing mechanism that would ensure continuous
24 access to capital markets and remove hospital

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1 debt from the state debt cap calculation, as you
2 helped us do last year with our res halls.

3 Before I ask the presidents to weigh in
4 briefly with their campus perspectives, I would
5 be remiss not to speak directly about an issue
6 that stands to endanger the vision and the good
7 work that has been spoken about today. The Long
8 Island College Hospital and Downstate Hospital
9 have been the focal point of conversation at
10 SUNY for many months now. At town halls in our
11 communities, on our campuses, and in meetings of
12 our business officers, presidents, Board of
13 Trustees, this topic has dominated if not
14 consumed the conversation.

15 In fact, so omnipresent is this topic
16 for SUNY, our expert on this topic is currently
17 unable to join us for this testimony, as she is
18 at this moment in Brooklyn speaking, as we
19 speak, on renewing a new round of proposals for
20 the operations of: Long Island College Hospital
21 that we hope will meet the needs of the
22 community, SUNY, and the hospital itself.

23 It is imperative that we reach a
24 solution for LICH. The SUNY system simply

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1 cannot afford the hundreds of millions of
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2 dollars in losses we have already incurred as a
3 result of the situation at LICH, nor can we
4 sustain the millions of dollars a month the
5 facility continues to lose. And more
6 importantly, the longer the situation continues,
7 the longer the community does not have access to
8 a long-term healthcare solution.

9 Obviously this is an issue that requires
10 focused attention by all of this in room and
11 beyond, and I hope that we can work together to
12 resolve it as soon as possible, to limit the
13 impact on our students.

14 With that, I will now ask President
15 Stenger first, then President Stanley and
16 President Wood to briefly provide you the impact
17 of the Executive Budget from a campus
18 perspective. Thank you all.

19 Harvey?

20 PRESIDENT STENGER: Thank you,
21 Chancellor.

22 On behalf of the State University of
23 New York at Binghamton, I would like to thank
24 the Legislature for holding these important

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1 public hearings.

2 I especially want to thank Chair
3 Assemblymember Deborah Glick and Chair Senator
4 Ken LaValle for their commitment to strengthen
5 public higher education in New York State. I
6 also want to thank Assemblywoman Donna Lupardo,
7 our alumnus, for her continued support for

8 Binghamton University, as well as Senator Tom
9 Libous for his support as well.

10 I am pleased to be here with Chancellor
11 Zimpher to give my support for SUNY's budget
12 request. As president of one of the four
13 research universities in the SUNY system, I
14 appreciate this opportunity to share with you
15 how important strong funding is to the
16 university and to the entire Southern Tier...

17 In December I discussed with the
18 Assembly Higher Education Committee the impact
19 that predictable tuition has had on our campuses
20 and community. In the two years that the plan
21 has been in effect, Binghamton University has
22 received approximately \$22 million in
23 incremental tuition revenue. These funds have
24 enabled us to hire 72 net new faculty and nearly

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1 100 support staff, while increasing enrollment
2 by approximately 1300 additional students.
3 These funds have been crucial to our efforts to
4 fulfill our central mission: providing
5 educational opportunities and support for
6 residents across New York State.

7 At the same time we estimate that the
8 economic impact of these additional students,
9 faculty and staff resulting from predictable
10 tuition have added more than \$30 million per
11 year to the Southern Tier's economy over the
12 past two years. This support is fostering new
13 research and scholarship on our campuses in all

14 areas of scholarship and creative activities,
15 and especially in areas that may result in new
16 industries developing in the Southern Tier.

17 we're grateful for the support we
18 receive from the Legislature. It really is
19 making a difference in the lives of students and
20 the people of our region and state.

21 However, I am concerned that
22 Binghamton's impact and trajectory of growth may
23 be adversely affected if elements of the
24 chancellor's budget request are not implemented.

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1 It's especially important that the state assume
2 support for already negotiated salary increases.
3 Binghamton has absorbed \$3.3 million in one-time
4 costs this year and will face an additional
5 \$7 million in recurring costs over the life of
6 the current contracts. This has slowed our
7 ability to hire new faculty, reducing both the
8 quality of education we can provide and our
9 output of research and scholarship.

10 Equally important, this loss in support
11 will significantly decrease our impact in a
12 region that is in significant need of economic
13 growth. Similarly, we are concerned about the
14 long-term effects of underfunding the
15 university's critical maintenance. This
16 presents a number of challenges, as the higher
17 education environment that changed radically
18 over the last several years, particularly with
19 regard to need for facilities equipped with the

20 newest technologies.

21 Binghamton received no critical
22 maintenance funding this year. Fortunately,
23 we've been able to successfully renovate a
24 number of buildings over the past year using

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1 funds appropriated in previous years. But I am
2 concerned that if critical maintenance remains
3 underfunded, we will be forced to postpone or
4 cancel a number of already planned projects.
5 This would be a grave disservice to both our
6 current and future students and would put us at
7 a long-term competitive disadvantage with regard
8 to our educational peers.

9 I strongly urge the Legislature to
10 consider Chancellor Zimpher's request for
11 additional funding for SUNY's critical
12 maintenance so that we can continue to provide
13 our students the modern high-tech learning
14 environment they require.

15 I strongly also support Chancellor
16 Zimpher's proposal to continue state support for
17 SUNY-affiliated hospitals. These hospitals
18 provide critical services for all of New York's
19 residents, yet the burden of resolving their
20 challenges seems to fall solely on the campuses
21 of the SUNY system. I strongly urge you to find
22 a way to a state-supported solution to this
23 situation.

24 I want to thank the joint committee for

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1 hearing my testimony. I recognize that the
2 state faces its own fiscal challenges, but I
3 urge you to consider the positive impact that
4 your support for SUNY has across the state. The
5 Senate and Assembly have always been strong
6 partners with us. Binghamton University values
7 this partnership, and we appreciate everything
8 you do for SUNY and Binghamton University.

9 CHANCELLOR ZIMPHER: Next is --

10 CHAIRMAN DeFRANCISCO: Excuse me.

11 Excuse me. May I interrupt just a minute?

12 CHANCELLOR ZIMPHER: Sure.

13 CHAIRMAN DeFRANCISCO: We could probably
14 read these things too. Could you tell us in
15 your own words what your problems are at your
16 respective colleges? I would think that would
17 be more effective. And if you could do that,
18 that would be great.

19 CHAIRMAN FARRELL: Then we can get to
20 the questioning, which will draw out everything
21 that you want to say.

22 CHANCELLOR ZIMPHER: Absolutely.

23 Deborah?

24 PRESIDENT STANLEY: I'll try to do that,

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1 Senator DeFrancisco.

2 I want to thank you for giving us this
3 opportunity to support Chancellor Zimpher. We
4 support her strongly in her budget request for
5 SUNY in every way.

6 You know, we've all acted as partners
7 before in so many of the difficulties and
8 challenges that have faced the State University
9 of New York. And I have worked with every
10 member of both of the Higher Ed Committees, and
11 of course my local members from Syracuse as
12 well, where our Metro Center is: Senator
13 DeFrancisco, Assemblyman Bob Oaks, and of course
14 Assemblyman Al Stirpe. We work together on
15 these issues, and we hope we can continue to.

16 What are the exact issues? Well, if we
17 look at the budget, of course Chancellor Zimpher
18 had an opportunity to go in depth in all of
19 these areas. We take a look year to year. We
20 can't help but measure where we are by virtue of
21 where we were before and where we're going in
22 the future.

23 And frankly, we have been doing really
24 well under the Rational Tuition Plan. It has

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1 been an opportunity for us to redress and
2 reverse all of the difficulties that we faced
3 during the recession.

4 For us particularly on our campus, a
5 campus of about 8300 students in a more rural
6 community, although we do operate in Syracuse as
7 well, mainly undergraduate campus -- and I speak
8 for all of the state-operated comprehensive
9 campuses, the master's granting campuses --
10 we've been able to add 40 full-time faculty
11 lines over the last three years. And that

12 started with the first year of the Rational
13 Tuition Plan. So we want to thank you for it.
14 Your foresight, your insight in enacting that
15 piece of the prior budgets has been enormously
16 successful on our campuses.

17 We have not only hired full-time
18 faculty, but we have addressed issues that
19 relate to retention and completion with
20 advisement issues. And of course we've modified
21 programs to address the connections that they
22 will have into the workforce with cooperative
23 education experiences and such.

24 So what we're concerned about. We're

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1 concerned about reversing that trend. With the
2 fact that state-negotiated salaries have not
3 been included in this budget, the increases will
4 negatively affect and really eat up everything
5 that we will have coming to us in the Rational
6 Tuition Plan this year. It will be very
7 difficult for every campus.

8 Oswego's portion alone is \$1.1 million.
9 The net of the TAP initiative for the tuition in
10 Oswego is about \$1.9 million. So there is still
11 a piece in there that we can apply to the
12 institution, but it really reduces the effect in
13 a great way.

14 As we look out for how we've been able
15 to over the past capital plans that have
16 effectively transformed our campuses for the
17 21st century, we recognize that we still have

18 critical maintenance concerns that take us back
19 to the last century. But also the new buildings
20 and the new strategies that we've put in place
21 must be supported by critical maintenance funds.

22 And the critical maintenance that is in
23 the Governor's budget we respect, but it is not
24 enough for our system to go forward. I strongly

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1 support Chancellor Zimpher's request for a
2 billion dollars, not \$500 million, to go forward
3 with critical maintenance.

4 We of course would like to have a
5 five-year capital plan. And I do think that one
6 is being at least talked about. It was such an
7 effective way to put money into our communities
8 as well. So we renovated our campuses, we
9 brought the programs up to the 21st century, and
10 we brought jobs to our local areas. So that's
11 another piece of what we're especially looking
12 for.

13 So I will say that the last piece is
14 that we do need a resolution to the hospital
15 situations in New York. We absolutely need --
16 and I believe at this point the presidents are
17 highly concerned, we are meeting on these issues
18 and throwing our support behind all of the
19 strategies that Chancellor Zimpher and her team
20 of experts have put in place. It's really
21 important that we solve this issue into the
22 future.

23 With the Rational Tuition Plan, one of

24 the pieces that was so beautiful is that we can

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1 plan, families can plan. We know how to support
2 the State University of New York. The best way
3 to support the State University of New York with
4 the hospital situations is to put that firewall
5 between the hospitals and the campuses and then
6 begin to address the inherent issues with the
7 hospital funding that must provide the
8 opportunity for service to the areas in which
9 they reside.

10 So we ask that you take on this
11 difficult problem. It's really difficult. I
12 know Chancellor Zimpher has many things that she
13 can offer to solutions.

14 I'd be happy to answer any other
15 questions. I feel very fortunate to have the
16 opportunity to speak to you today. Thank you.

17 CHANCELLOR ZIMPHER: And our closer,
18 President Wood.

19 PRESIDENT WOOD: Good morning. And
20 thank you for this opportunity.

21 And I'm here this morning not only
22 representing the 30 community colleges that are
23 part of SUNY, but also the seven community
24 college presidents that are part of CUNY,

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1 because we have the New York Community College
2 Association of Presidents. And I hope that
3 you're pleased that we came together last
4 summer, as we've done the last several years, to

5 talk about what we need to ask you for in terms
6 of Base Aid, which is our bread and butter, and
7 that we again come up with the common request
8 that you increase the Base Aid by \$250.

9 Chancellor Zimpher mentioned the
10 importance of planning. And our long-term goal
11 as community college presidents are to get the
12 State of New York to providing 33 percent of our
13 funding. And that will help us, it will help
14 your local residents, your constituents, and it
15 will help your students with our affordability.

16 So every year for the last three or four
17 years we've started out with a five-year plan
18 that in five years would get us to that
19 33 percent. So we're back again this year,
20 Year 1. If you give us a \$250 increase for FTE
21 and didn't do what we asked you to do the next
22 five years, we will get to that point. That
23 will help us plan. And, you know, our mission
24 is access and opportunity, but that also has to

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1 mean affordability.

2 The other thing I want to talk about
3 very quickly is how important it is that you
4 restore this \$57.3 million for 13 projects at
5 nine community colleges. They need those
6 facilities.

7 As you know, we have to have a
8 50 percent match. My good friend Carol McCoy at
9 Jefferson has worked really hard to come up with
10 \$7 million, and she and her county have done

11 their job. They need a new learning center.
12 They haven't had a new facility on that campus
13 since 1995. She serves 600 veterans. They need
14 a state-of-the-art learning center. So you need
15 to put that money back.

16 This whole issue of restoring the money
17 for childcare, many of our community colleges
18 have a childcare center. They need the support
19 that you provide. Remember, 40 percent of our
20 students are adults, many of whom have children.
21 Many struggle with quality affordable childcare.
22 We can give that to them at our campus. We know
23 that it's a quality childcare program because it
24 also serves as a laboratory for many of our

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1 childhood and teacher education programs.

2 So we need for you to do that for us.
3 Those two things are really, really important.

4 And then I also want to thank you for
5 the money for the job linkage programs, because
6 we've heard your message. And the chancellor
7 has heard the message, and she's told us that we
8 have to do something about remedial education.
9 We have to reduce the cost, and we have to
10 shorten the time that students spend. We need
11 to get situations into remediation, get them the
12 skills they need, get them the training they
13 need, and get them back out in the workforce,
14 and eventually if they choose to continue to
15 pursue higher education.

16 So we're using that job linkage money.

17 We have had a pilot program at Rockland this
18 past year to look at a new program put out by
19 the Carnegie Foundation to reduce the time that
20 they spend in remediation in math. We've also
21 done a similar program in English. We're
22 getting great support from the vice chancellor's
23 office. We're now bringing all of our 30
24 community colleges into this program.

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1 Our goal is to reduce the time in
2 remediation and reduce the costs and get these
3 students the math skills they need in a way that
4 makes sense to them. And there is a new way to
5 teach math, and we're really going to do that
6 for our students, and that's really important.

7 And I would also say to you in terms of
8 thinking about going back to our initial request
9 for the \$250 in Base Aid, we're also doing our
10 part in economic development. You can find
11 community colleges involved from Rochester to
12 Westchester, from Clinton to Cayuga, with the
13 Regional Economic Development Councils, as I am.

14 We're fortunate enough in Rockland, in
15 January we opened a new \$2 million facility, all
16 with special funding, where we're a business
17 service centers for small businesses. We have a
18 state-of-the-art three-dimensional design center
19 for the 370 small businesses, manufacturing
20 businesses in the Hudson Valley. They can come
21 there, we can help them with the skills they
22 need, we can do the three-dimensional designs

23 they need to submit a bid.

24 we can do those things, and it's all.

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1 because of the support you've given through a
2 variety of programs that support economic
3 development and workforce initiatives in
4 New York, and we thank you for that.

5 How'd I do on my time, Chancellor?

6 CHANCELLOR ZIMPHER: You're good.

7 I want to thank our three presidents
8 because I said if other presidents came, I would
9 recognize that they are in the house. So we do
10 have President Wheeler from ESF, President Jones
11 from Albany, President Murabito from
12 Morrisville, President Capetto from Maritime,
13 and President Duffy from Adirondack. And maybe
14 more, because I can't see behind me.

15 Now we want to make a transition. We
16 know that you may have questions for our three
17 presidents, but I also in the second row have
18 the interim provost, Beth Bringsjord; our
19 interim CFO, Bob Haelen, whom you know as the
20 president of the Construction Fund; and Dr. Jim
21 Malatras, who's our chief of staff and vice
22 chancellor for policy. So maybe questions yet
23 for our three presidents, and then we will
24 transition to the leadership team.

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1 CHAIRMAN FARRELL: Thank you very much.

2 Now we're going to begin the

3 questioning. If we do finish it by 5:00
4 tonight, I think we'll have done a good job.

5 (Laughter.)

6 CHAIRMAN FARRELL: We have a lot of
7 people who want to ask questions.

8 But before we do that, I'd like to point
9 out that we've had people join us: Assemblyman
10 Heastie, Assemblywoman Fahy, Assemblywoman
11 Lifton.

12 And Mr. Oaks?

13 ASSEMBLYMAN OAKS: Yes. Assemblyman
14 Lupinacci has also joined us.

15 SENATOR KRUEGER: And we've also been
16 joined by Senator Gustavo Rivera.

17 CHAIRMAN FARRELL: And first to
18 question, Chair Deborah Glick.

19 ASSEMBLYWOMAN GLICK: Thank you very
20 much for all of the SUNY team that has come to
21 speak to us today.

22 I think you've spoken to the issue of
23 the hospitals. So while that was a question,
24 I'm going to move on and ask you about this new

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1 College for Emergency Preparedness. I'm
2 wondering whether you have existing programs at
3 different colleges and whether or not what I
4 think is \$15 million for the planning is the
5 best way to proceed, rather than supporting the
6 existing programs at a multitude of campuses.

7 CHANCELLOR ZIMPER: So it's a
8 collective effort. I'm bringing forward our

9 provost, Beth Bringsjord, so she can give you
10 the comprehensive picture of the expertise we
11 have in these areas. But as it would happen,
12 there is some of that expertise at Binghamton,
13 so we'll start with President Stenger.

14 PRESIDENT STENGER: Actually, my
15 experience at Binghamton as well as my
16 experience at Buffalo. At Binghamton University
17 we have a strong presence in cybersecurity --
18 encryption, detection of threats through the
19 software systems, the Internet. And we've been
20 working closely with the Air Force base in Rome
21 on that program for many years.

22 My previous job at Buffalo, we had a
23 strong activity in extreme events, and these are
24 for natural disasters, whether it be hurricanes

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1 or earthquakes or windstorms, and certainly the
2 testing facilities up there. So SUNY brings a
3 lot of assets to this topic of emergency
4 preparedness and all the threats that we could
5 have, both natural and non-natural, on our
6 infrastructure.

7 How we pull them all together?

8 CHANCELLOR ZIMPHER: Right. Beth?

9 PROVOST BRINGSJORD: Yes, thank you,
10 Assemblywoman Glick. Right now we're really
11 conducting a thorough audit of all of our
12 programs. We have a lot of strength, as
13 President Stenger suggested, at Binghamton and
14 at other campuses across all of our sectors.

15 So we're studying that right now. But I
16 can assure we have a lot of collective strength
17 that we would want to leverage in an endeavor
18 like that.

19 CHANCELLOR ZIMPHER: And it would be a
20 list of expertise that we could provide for you
21 in a comprehensive report shortly.

22 ASSEMBLYWOMAN GLICK: Yeah. what I'd
23 like to know is what the coursework is, whether
24 you have degrees in specific areas and whether

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1 you have master's programs. Fifteen million
2 dollars as the planning and the start-up for a
3 new college when there may be sufficient --
4 maybe there's sufficient programs out there that
5 are not being funded, that it may not be the
6 best use of state dollars.

7 So that is my concern, that we are --
8 and certainly in the City University John Jay
9 College has been in the forefront of this. So
10 it is a concern that the committee has.

11 CHANCELLOR ZIMPHER: So I think we can
12 provide not only a range of expertise, but I
13 would venture that what's missing is the
14 connection of the dots from our public and
15 private universities so that we could work
16 collectively together and in this case really
17 dominate the scene if we could coordinate our
18 expertise.

19 ASSEMBLYWOMAN GLICK: On the same tack,
20 there is a \$10 million planning item in the

21 budget for a new School of Pharmacy at
22 Binghamton. And I believe that's a relatively
23 new item and a little bit of a surprise.

24 One of our colleagues raised the

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1 question as to whether or not there's the level
2 of demand out there. As a practicing
3 pharmacist, he sees a contraction or at least a
4 limit in the number of placements available.
5 And so I guess the question is why a new School
6 of Pharmacy.

7 CHANCELLOR ZIMPHER: Do you want to
8 start?

9 PROVOST BRINGSJORD: So thank you,
10 Assemblywoman Glick.

11 Actually, we've studied this very
12 carefully, and Binghamton has been planning and
13 analyzing for quite some time here. We've
14 looked at the labor data, looked at the need.
15 And actually for every one of our spots at
16 Buffalo, there are 10 applicants. This is one
17 of the areas where there is projected
18 significant demand. And so we are supportive of
19 the Binghamton proposal.

20 And I think I'd like to turn it over to
21 President Stenger, because they really have
22 studied this very carefully.

23 PRESIDENT STENGER: And the program at
24 Binghamton, the \$10 million is actually not for

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1 planning, it's for acquiring sites, doing

2 demolition and starting the construction of a
3 building. The planning has been done. We've
4 worked on that for the last two years.

5 The demand for pharmacists nationally,
6 the Bureau of Labor Statistics shows significant
7 growth over the next 10 years. Our program will
8 be a combined program with research as part of
9 the experience of the Doctor of Pharmacy degree.
10 Pharmaceutical sciences is a strength that we
11 already have on campus.

12 And certainly while there are a large
13 number of pharmacy programs in New York State
14 producing about a thousand pharmacists a year,
15 those are at private universities. They're very
16 high cost. We believe that they're not as high
17 quality and will not provide the kind of
18 research experiences that we would, similar to
19 the Buffalo program that I was a part of when I
20 was at Buffalo.

21 So we believe the demand is there and
22 that the planning has taken place. And we'll be
23 beginning the construction near our hospital,
24 actually, in Johnson City with this initial

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1 money.

2 CHANCELLOR ZIMPER: Thank you.

3 Pardon the musical chairs, but I think
4 you want the answers, so we'll bring people as
5 needed.

6 ASSEMBLYWOMAN GLICK: We're pressed for
7 time, so I'm just going to ask you to be a
Page 31

8 little bit -- just talk about Open SUNY a little
9 bit. From a prior hearing, we had some
10 questions, and one of the questions was how many
11 programs are you planning on having run through
12 Open SUNY. And have these been approved,
13 because there was some reference in a response
14 to a number of degree programs, so I'm just
15 wondering. And later on I may follow up with a
16 little more detail on that.

17 CHANCELLOR ZIMPHER: Well, there's a lot
18 of detail to Open SUNY because it's a massive
19 initiative. We already have 150 fully online
20 degree programs.

21 The eight programs that we are launching
22 under the umbrella of Open SUNY -- sometimes we
23 say Open SUNY Plus -- is that they carry more
24 support, they carry a mentoring program, they

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1 carry a digital navigation system so that
2 students can figure out to get their degree
3 online. This is open to students across the
4 system using the expertise of the six campuses
5 initially and all of our campuses ultimately.
6 We hope that these programs will carry an
7 applied learning experience like an internship
8 or co-op.

9 And so of the 150 existing online degree
10 programs, how many of them can we ramp out to
11 this more broadly supportive degree program will
12 depend on demand. We think we're serving, in
13 our digital online program, many adults who are

14 undereducated and underprepared for the jobs of
15 the 21st century. Our target is actually
16 6.9 million New Yorkers who have nothing more
17 than a high school degree, and we think they
18 need this kind of training to stay in the
19 workforce. So we will ramp up the number of
20 programs needed to meet potentially an
21 additional population of 100,000 students over
22 the next three to five years.

23 ASSEMBLYWOMAN GLICK: Thank you.

24 CHAIRMAN FARRELL: Thank you.

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1 Senator?

2 CHAIRMAN DeFRANCISCO: Senator Krueger.

3 SENATOR KRUEGER: Thank you.

4 Good morning.

5 CHANCELLOR ZIMPER: Good morning.

6 SENATOR KRUEGER: So Nanoscale has
7 broken off as an independent college from SUNY
8 Albany. It has a better name, I'm sorry, I'm
9 shortening it. I'll get it in a second.

10 CHANCELLOR ZIMPER: That's all right.

11 SENATOR KRUEGER: Okay, you know what
12 I'm talking about.

13 CHANCELLOR ZIMPER: I think people do.

14 SENATOR KRUEGER: The College of
15 Nanoscale Science and Engineering has broken off
16 from the University of Albany. Can you talk a
17 little bit about how that's going to impact
18 either revenue generation for the new college or
19 impact loss of revenue to SUNY Albany, and how

20 we're going to deal with that?

21 CHANCELLOR ZIMPHER: Well, first,
22 Senator, I would say it continues to be a work
23 in progress. The breaking and the coupling and
24 the decoupling hasn't quite been executed, but

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1 Dr. Malatras has been constant in the
2 discussions, and you can talk about this a bit.

3 VICE CHANCELLOR MALATRAS: Senator,
4 we've been tasked by the Board of Trustees to
5 make the new arrangement happen. It hasn't
6 actually happened yet, so there is no separation
7 of Nano from University at Albany. That's what
8 we're undergoing right now.

9 And what we're trying to do is find the
10 best way of maximizing student services and
11 access under our programs now. So we actually
12 haven't actually reached a decision on how it's
13 going to happen, and it hasn't happened yet, but
14 we can fully keep the Legislature informed of
15 progress.

16 SENATOR KRUEGER: So one of my concerns
17 for multiple years is that as the Nano College
18 was being very successful, was the state sharing
19 in the financial success in the public/private
20 partnership, particularly when it came to
21 patents and other items that can generate so
22 much money.

23 So I really have the same question for
24 how will we try to make sure that the state is

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1 not just recouping its investments but in fact
2 sharing in the successes, when they occur, in
3 nanotechnology through this now new college.

4 CHANCELLOR ZIMPHER: Well, we also have
5 in the house Dr. Tim Killeen. He is the
6 president of the Research Foundation and works
7 hand in glove with the patenting and
8 commercialization efforts of Nano and all of our
9 universities across the system.

10 So I think one of the things we could
11 do, Dr. Killeen, is to provide to the Senator a
12 lengthier report over time --

13 SENATOR KRUEGER: Right.

14 CHANCELLOR ZIMPHER: -- but you might
15 want to answer just quickly about what happens
16 with patenting revenues for the State of
17 New York. Would that work, Senator?

18 SENATOR KRUEGER: And I would be very
19 happy to sit down with you at another time so we
20 don't take up a lot of time today. But I am
21 very interested in this.

22 CHANCELLOR ZIMPHER: A brief answer.

23 VICE CHANCELLOR KILLEEN: Thanks for
24 your interest.

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1 We have a good liberal policy on
2 intellectual property and tech transfer,
3 commercialization and patents that's kind of
4 within the norms of university systems. And
5 we're delighted at the success of the CNS, the

6 Center for Nanotech. And there is one already
7 spinoff that's generating resources that are
8 coming back in the form of about 40 percent
9 recovery to the campus. So the state benefits
10 from that.

11 But this is just the start of what we
12 expect to see grow over time. Thank you.

13 SENATOR KRUEGER: I look forward to
14 getting together with you to learn more. Thank
15 you.

16 I've known Mr. Malatras for a long time.
17 I didn't know you were a doctor. What's your
18 Ph.D. in?

19 VICE CHANCELLOR MALATRAS: Sadly,
20 Senator, political science. But it's a Ph.D.
21 nonetheless.

22 (Laughter.)

23 SENATOR KRUEGER: It counts.

24 There have been some scandals,

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1 Chancellor, involving SUNY Research Foundation
2 in the last year -- actually, I think as long as
3 I've been here. So I'm curious, what's going to
4 change now?

5 Are we no longer going to pay heads of
6 colleges through the SUNY Research Foundation?
7 My understanding is most universities simply
8 cover the compensation of their presidents
9 through their regular university budget.

10 CHANCELLOR ZIMPER: That's our goal,
11 Senator.

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SENATOR KRUEGER: That's your goal?

CHANCELLOR ZIMPHER: I think we've really had an incredible journey. We have totally transformed, in my view, the Research Foundation. Tim Killeen's leadership is a part of that. We've opened our books, we've tracked and accounted and been accounted for by every potential auditing perspective that the state has to offer.

And in this process, we have discovered that the goal is to have our presidential leaders, our executives, paid, compensated through state funding. That has not always been

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past practice, so it's going to take us a while to close those gaps. But it is our effort at, and I think a good one, on transparency and accountability.

SENATOR KRUEGER: And I agree with you. And so is there an overall SUNY budget available with a breakdown of how the money is being spent now? SUNY Research Foundation, excuse me.

CHANCELLOR ZIMPHER: Do you mean the Research Foundation's budget?

SENATOR KRUEGER: That's public?

CHANCELLOR ZIMPHER: Yes.

VICE CHANCELLOR MALATRAS: We can provide that, Senator. It's a public document. We can get that to your office.

SENATOR KRUEGER: Okay. I would appreciate that, if you could send that to me.

18 All right, I have just a minute or two
19 left in this round. START-UP NY. So there
20 were, I guess, scheduled 10 hotspots for the
21 fiscal years 2013, 2014 -- I guess five in
22 2013-2014 and five in 2014-2015. Have any of
23 those been identified in this fiscal year? And
24 has anything started up with any of your college

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1 campuses?

2 CHANCELLOR ZIMPHER: We share in
3 oversight of START-UP with Empire State
4 Development, and Dr. Malatras is our key
5 liaison.

6 VICE CHANCELLOR MALATRAS: Senator, are
7 you referring to the Innovation Hotspots, sort
8 of the focus of the start-up companies?

9 SENATOR KRUEGER: Yes.

10 VICE CHANCELLOR MALATRAS: I believe
11 five were announced last year. And I think the
12 second five are going to be announced this year.
13 I'm not certain that these five have been
14 announced, but we'll have to check back on their
15 announcement. This is a joint partnership.
16 This is run through the Governor's office, not
17 us.

18 SENATOR KRUEGER: And have you made any
19 formal contracts with any specific companies
20 under START-UP NY at any of your campuses?

21 VICE CHANCELLOR MALATRAS: That process
22 is still underway, Senator. We've had a lot of
23 success getting our campus plans in and

24 approved. We have over about 40 campuses which

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1 have submitted plans right now. So I think very
2 quickly, as the Chancellor has been saying,
3 within the quarter you'll see partnerships with
4 private industry being made.

5 SENATOR KRUEGER: And I guess a
6 follow-up question for Mr. Malatras --

7 VICE CHANCELLOR MALATRAS: It's a great
8 law, Senator. It was well-written.

9 (Laughter.)

10 SENATOR KRUEGER: We can talk about
11 that. I was one of the people who voted against
12 it. I actually believe in broad-based tax
13 reductions.

14 VICE CHANCELLOR MALATRAS: My feelings
15 are only a little bit hurt, but that's --

16 SENATOR KRUEGER: No, you're not
17 really. Your feelings are not hurt. I know
18 you.

19 (Laughter.)

20 CHAIRMAN DeFRANCISCO: I voted against
21 it too, so don't get too --

22 VICE CHANCELLOR MALATRAS: We all have
23 our crosses to bear.

24 SENATOR KRUEGER: Bipartisanship here

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1 in the Senate.

2 VICE CHANCELLOR MALATRAS: I feel like
3 I'm getting piled up on now, all these no votes.

4 SENATOR KRUEGER: And now my seconds.
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5 have gone away. I'm sorry, so one of the --

6 CHAIRMAN DeFRANCISCO: Your time's up.

7 (Laughter.)

8 SENATOR KRUEGER: You're on my side, so
9 you can't cut me off.

10 (Laughter.)

11 SENATOR KRUEGER: One of my additional
12 concerns with START-UP NY, or potentially an
13 advantage for us, the types of businesses that
14 are sort of intended to be operating within the
15 CUNY/SUNY model would also be likely high-tech.
16 So is there something in the arrangement that
17 will be made that ensures intellectual property
18 rights are also shared with the campuses?

19 VICE CHANCELLOR MALATRAS: That's part
20 of the entire program, right? That arrangement
21 gets worked out with our campuses, with
22 oversight from the chancellor, who's had a very
23 active role in making sure that happens, the RF
24 with Dr. Tim Killeen, as well as ESDC.

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1 Part of this is commercializing our
2 collective brain power at our SUNY, CUNY and
3 private campuses. What we're losing now is that
4 brain power to other states who have now
5 capitalized on our ideas. So that's all part of
6 this. We want to keep it in New York, want the
7 state have a part of it, we want our SUNY
8 campuses to have a part of it, and we want our
9 students to share in that collective success.
10 That's why we want these businesses on our

11 campuses, working with our faculty and our
12 students.

13 CHANCELLOR ZIMPHER: Any partnership,
14 senator, must be aligned with the mission of
15 that campus. And we do know that in terms of
16 everybody's opinion on this legislation, that's
17 one of the pivotal conditions. You have to be
18 partnering with a business or industry that
19 meets the mission of your institution.

20 SENATOR KRUEGER: So the campuses will
21 actually have the ability to ensure negotiated
22 intellectual property and patent rights?

23 VICE CHANCELLOR MALATRAS: Yes.

24 SENATOR KRUEGER: That won't be

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1 controlled by Economic Development, that will be
2 within the purview of the campuses?

3 CHANCELLOR ZIMPHER: Well, we have a
4 standard set of policies around each of these,
5 which is the same for every campus. So this is
6 a part of the standard guidelines for every
7 campus.

8 SENATOR KRUEGER: Thank you. My time is
9 up. I may come back for a second round.

10 CHAIRMAN FARRELL: Thank you very much.
11 Assemblyman Heastie.

12 ASSEMBLYMAN HEASTIE: Good morning,
13 Chancellor, and to the team.

14 And, Doctor, I want to add my comments
15 to that too. I had no idea that you were a
16 doctor either. But congratulations. And

17 political science isn't a bad topic to have up
18 here, particularly.

19 So, Chancellor, I know that we've
20 always had discussion on, you know, the rational
21 tuition. And you know, as I've always said to
22 you, it was personally one of the toughest votes
23 that I ever took. Because I continue to say --
24 and I'm going to say this at every hearing --

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1 that I'm always going to be concerned at the
2 level of student debt for college students. For
3 one who -- I graduated from Stony Brook
4 20-something years ago, and I'm still paying my
5 undergraduate student loan. So I'm always going
6 to make that point.

7 So is there anywhere within the SUNY
8 system that kind of tracks the percentages of
9 what student debt is?

10 CHANCELLOR ZIMPHER: Yes. I find
11 myself -- because I really respect the story
12 that you have told over time. I wish we had had
13 then what we have now. We have a mechanism
14 called Smart Track, which lays out, first of
15 all, very openly what it costs to go to college
16 at SUNY. How you could manage your finances
17 without overextending yourself in personal debt.
18 It gives us an early warning signal when
19 students are overextending themselves in debt.

20 We actually have one of the lower rates
21 of student debt across the SUNY system of any
22 system in the country. But we were the first

23 full system in the country to adopt this
24 electronic system of tracking students and the

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1 money they are spending to go to college and the
2 debt they are accruing.

3 so I think we're buying down student
4 debt by making it more obvious how to use
5 student loans wisely, how to stay on track, how
6 to get the courses you need, which also saves
7 you money and gets you graduated on time.

8 so I think today we would have had a
9 better outcome for you, and that's our goal for
10 all of our students. It's called SUNY Smart
11 Track.

12 ASSEMBLYMAN HEASTIE: And just one more
13 question, on the enrollment. I'm sure
14 enrollment is increasing, so I'd like to know,
15 what is SUNY's plan to deal with that? I know
16 in a conversation that I had with President
17 Stanley of Stony Brook, he told me the
18 applications were, you know, going through the
19 roof. So I'm just curious as to what's the
20 long-term plan on applications and trying to
21 accommodate the long list of people who want to
22 go to our fine SUNY system.

23 CHANCELLOR ZIMPHER: well, I think one
24 of our goals is to spread the wealth. We have

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1 campuses with a very high amount of applicants,
2 and we have other campuses that might have

3 capacity. Actually, the demographic for the
4 traditional-age college student is flattening
5 and decreasing. And so we are looking at -- so
6 I guess the answer is we're not growing as much
7 as you might think, even with the big demand on
8 certain of our campuses.

9 And so I think, Beth, our enrollment is
10 slightly down by about 2 percentage points.
11 We're going to grow that back. And then you
12 just heard me say we're targeting another
13 hundred thousand adults to serve through our
14 digital work.

15 But I think another way you're asking
16 the question is in campuses that can't
17 accommodate all the demand that's there, how can
18 we get those great students at some of our other
19 campuses that can accommodate them? And that's
20 what we're working on.

21 Beth manages enrollment processes, and
22 you might want to add.

23 PROVOST BRINGSJORD: So I think one of
24 the key things here is providing the programs to

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1 students that are high-demand or high-need so
2 that students get the kind of preparation that
3 will place them into careers down the road.

4 So we do have a process called Strategic
5 Enrollment Management where we look at the mix
6 of programs across our campuses. And many of
7 our campuses are working together to provide
8 programs that are high-cost where there might

9 not be the demand legally, but jointly they can
10 offer it using technology through Open SUNY.

11 So I think we can attract higher members
12 and provide better support across the state
13 through technology, through collaboration among
14 our campuses. Because the demand is uneven
15 given the demographics in certain parts of the
16 state.

17 ASSEMBLYMAN HEASTIE: Thank you. Thank
18 you.

19 CHAIRMAN FARRELL: Thank you.
20 We've been joined by Assemblyman Moya.
21 Ask a question, Senator?

22 CHAIRMAN DeFRANCISCO: Yes, I have a few
23 different areas, and we'll see how far I go with
24 it. But it's my understanding that the RFP

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1 process for bids to take over -- is it LICH?

2 CHANCELLOR ZIMPHER: LICH.

3 CHAIRMAN DeFRANCISCO: -- were due this
4 past Monday?

5 CHANCELLOR ZIMPHER: Yes.

6 CHAIRMAN DeFRANCISCO: I'm sure you
7 haven't had a chance to review them and the
8 like. But do you anticipate from discussions
9 with maybe questions that were asked, because
10 the process was going on, whether there is some
11 plan that appears to make some sort of sense to
12 end the agony over that horrible decision for
13 SUNY to take over LICH?

14 CHANCELLOR ZIMPHER: I think, Senator,

15 you would have to know that our highest hope is
16 that one of these proposals from the five
17 initial respondents -- we reopened it, we asked
18 them to resubmit their proposals, they did come
19 in on Monday. We will hear these proposals
20 publicly tomorrow morning in New York City.

21 And we are very, very hopeful that one
22 of these proposals will meet the multiple
23 interests that we have to balance, because this
24 is the solution for us.

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1 CHAIRMAN DeFRANCISCO: Okay. And I'm
2 not suggesting that it was SUNY's decision to
3 take over LICH a few years ago, because I know
4 it wasn't. But you're kind of saddled with it
5 at this point in time, and it's a drain on so
6 many other institutions.

7 which brings me to my second point.
8 SUNY Upstate has basically done much of what
9 it's supposed to do. It's cut back on beds,
10 it's cut in various areas, it consolidated with
11 another hospital, so instead of four hospitals
12 in the Syracuse area, there's three.

13 And what's so troubling about this
14 business is it seems that the more you fail, the
15 more you're rescued. So what I'm concerned
16 about is when the next round of grants go or the
17 next round of distributional hospital funding
18 takes place, that the hospitals that showed
19 failure and need rescuing will be recognized,
20 and those that have done what they were supposed

21 to do that still have trouble are going to get
22 the short end of the stick.

23 So I guess just my message is -- it's
24 not really a question -- my message will you

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1 please keep that in mind as you're adjusting
2 various things. And that's also for the
3 Governor's office as well, because it's just
4 simply not fair. We've got to resolve problems,
5 but on the other hand, those that did the right
6 thing might have more difficulty showing
7 efficiencies now that they've been doing them a
8 long time.

9 Secondly, remediation. I ask you about
10 this all the time. There's no -- there used to
11 be \$1.7 million to address remediation community
12 colleges, I think it was in last year's budget.
13 It wasn't in the Governor's budget this year.

14 I think last year you told me that the
15 discussions that began about a year and a half,
16 two years ago as to how to deal with this
17 remediation issue, that there wasn't a common
18 ground reached between CUNY and SUNY as to
19 evaluating whether someone needs remediation.
20 Is that correct? Was my recollection correct?

21 CHANCELLOR ZIMPHER: Well, it feels to
22 me, Senator, that in the area of remediation
23 there are like a thousand stabs at it, and none
24 of them significant enough to really get to the

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1 issue that we think is most important.

2 And we have arrived, you're kind of the
3 first publicly to hear this after the state of
4 the University address -- and you might not have
5 picked it up that day -- that we think there
6 needs to be an universal diagnostic early in the
7 high school years that tells us exactly whether
8 our high school students are on track to
9 successfully complete college-level courses.

10 And I think that we're coming really
11 close to the decision that the administration of
12 the PSAT in the late sophomore/early junior year
13 could that at that universal diagnostic to right
14 at that time get students the help they need so
15 that we're not teaching twice.

16 CHAIRMAN DeFRANCISCO: And is CUNY on
17 the same page with that being the diagnostic?
18 Because I just can't --

19 CHANCELLOR ZIMPHER: I think a lot of
20 the students who matriculate to CUNY have access
21 to the PSAT in the New York City schools.

22 CHAIRMAN DeFRANCISCO: But that wasn't
23 the question. Does CUNY have the same feeling
24 as SUNY does about that being the diagnostic?

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1 CHANCELLOR ZIMPHER: well, I think they
2 use it already. I can't speak for them. But I
3 think we can speak with them.

4 CHAIRMAN DeFRANCISCO: Okay, well, I'll
5 ask the chancellor there.

6 I guess if we can't agree on the
7 diagnostic it's going to be very difficult to

8 get to Step 2. And this is an excellent idea.
9 The test is already taken. You'd think it would
10 mean something.

11 Secondly, what I've been espousing for
12 several years now is it just seems logical to me
13 that in the senior year of high school, when
14 kids are basically let out early if they've got
15 all their required credits and start some
16 phony-baloney job and then go on to college and
17 need remediation, I think the time would be much
18 better spent doing the remediation there and --

19 CHANCELLOR ZIMPHER: We agree. We
20 totally agree. And I think we and CUNY will
21 agree as well. We just need the time to work it
22 out.

23 CHAIRMAN DeFRANCISCO: Okay. I don't
24 want the answer now, because it will probably be

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1 a while to get -- it's more complicated. But I
2 would love it, I would just love it if you can
3 tell me, after communicating with the head of
4 CUNY, number one, whether there's an agreement
5 on the diagnostic and, number two, what the
6 Legislature has to do to make that quite simple
7 suggestion actually a reality, rather than
8 spend --

9 CHANCELLOR ZIMPHER: Cosponsor the bill.

10 SENATOR DeFRANCISCO: Okay, tell me what
11 the bill's got to say, with CUNY, and that would
12 be fabulous.

13 CHANCELLOR ZIMPHER: We would agree,
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14 absolutely.

15 CHAIRMAN DeFRANCISCO: Okay. Okay.
16 Because if you're not on job release, you're in
17 study halls or you're just wasting time, and
18 that's just incredible.

19 Syracuse has the Say Yes program.
20 Incredible to me that if you're going to get a
21 full tuition scholarship by simply graduating,
22 that there isn't another requirement that the
23 person has to have the necessary competencies
24 take college. If a free college education isn't

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1 an incentive enough to not need remediation, I
2 don't know what is.

3 So I don't know what if any control or
4 what if any -- I know it's not in your
5 bailiwick, but I just wanted to get it off my
6 chest. And this seemed to be a good time.

7 (Laughter.)

8 CHANCELLOR ZIMPER: Well, Senator, I
9 couldn't agree with you more. We actually have
10 a number of community partnerships across the
11 state in the same vein as Say Yes -- in
12 Rochester, called Rock the Future; in Albany,
13 called the Albany Promise. And it's all about
14 ensuring that a high school graduate is
15 college-ready.

16 And when I say teach twice, I mean pay
17 twice. Why are we teaching twice, paying twice?
18 We get it. It's a long haul. And I think the
19 outcome of this hearing today that could lead to

20 a universal diagnostic like the PSAT, we could
21 all go home and say we did our work.

22 CHAIRMAN DeFRANCISCO: Thank you.

23 CHAIRMAN FARRELL: Assemblyman Walter.

24 ASSEMBLYMAN WALTER: Thank you,

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1 Chairman.

2 Thank you, Chancellor and the gang.

3 Appreciate you being here.

4 A couple of questions. I appreciated
5 what President Stanley had to say about the
6 rational tuition and the effects that the salary
7 increases, UUP salary increases -- they're not
8 being funded in the budget by the state. It
9 equates to about an \$80 million budget cut
10 across the four university centers. And the
11 result is that much of the tuition increases are
12 going to pay for those salary increases.

13 Would you go as far as saying that the
14 failure of the state to fund those salary
15 increases is really a failure of the
16 maintenance-of-effort provision?

17 CHANCELLOR ZIMPHER: Well, speaking of
18 cutting to the chase, I think what we all
19 understand is a tight budget situation. Once
20 again, we've dug ourselves out of incredible
21 debt, but we're not quite there yet.

22 We wanted to impress upon you that we
23 have used rational tuition wisely. We have
24 added faculty and student services, and we want

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1 to maintain that momentum. And we've given you
2 today two options: Restore the gap in employee
3 benefits as a result of the labor contracts,
4 and/or fund this faculty growth, the UUP likes
5 to call it an endowment. I don't think it's for
6 us to decide how to fix the problem, but I think
7 you've nailed the issue.

8 ASSEMBLYMAN WALTER: Thank you. Thank
9 you.

10 Sticking to finances, the DOB-imposed a
11 spending cap for SUNY really poses a challenge
12 too some of the universities who have already
13 spent all of their old money because they really
14 don't have an opportunity to spend the new money
15 going forward. Has there been talk about
16 changing the way that the debt cap is calculated
17 on SUNY?

18 CHANCELLOR ZIMPHER: You're right in
19 Mr. Haelen's sweet spot.

20 SUNY CFO HAELEN: Yeah. I mean, the
21 debt cap does put a limitation on our spending.
22 And that is a debt cap that was created in 2000.
23 And I don't know the wherewithal for SUNY to
24 open up those conversations and see if there's a

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1 way to revisit that area. But it is a concern,
2 based on our capital needs, to keep our
3 facilities in a state of good repair.

4 ASSEMBLYMAN WALTER: Thank you. That's
5 something we need to really take a hard look at.

6 So if we can continue that conversation, I would
7 love to take a deeper look at how we can address
8 that issue.

9 And I tread lightly here considering I'm
10 sitting next to Assemblywoman Lupardo, but
11 regarding the pharmacy school, I want to take
12 off on and echo what Assemblywoman Glick had
13 said.

14 Now, my understanding is there's been a
15 60 percent increase in the number of accredited
16 pharmacy schools and programs and a 70 percent
17 increase in the number of pharmacy graduates
18 nationwide since 2000. Is it really wise to
19 invest in another pharmacy school in the SUNY
20 system when, one, we're not truly funding
21 adequately our existing pharmacy school?

22 And I know President Stenger has got a
23 different hat on than he used to have, so he
24 surely has a different perspective now. But is

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1 that really the wise thing to do considering
2 that, number one, we're not truly fully funding
3 our existing pharmacy school and, two, the
4 number of pharmacy graduates that are increasing
5 over the next few years nationwide?

6 CHANCELLOR ZIMPHER: So between Beth and
7 President Stenger, we might be able to address
8 this.

9 PROVOST BRINGSJORD: So as I said
10 before, we really have studied the data very
11 carefully. And there is demonstrable need.

12 Yes, there's been a growth in pharmacy because
13 the profession is very much needed. And there
14 was probably a gross, gross, gross undersupply
15 in 2000. So there's a bit of catch-up.

16 I think there's an issue here of access
17 to affordable pharmacy education. And you know,
18 we really have studied these numbers very
19 carefully. And as President Stenger pointed
20 out, when we develop a new program it goes
21 through a very thorough vetting process that
22 involves our finance office, all of our IR
23 folks. And of course on the campus they've
24 sought out external review. I mean, I think I

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1 assure you there is demonstrable need.

2 The other thing that we haven't
3 mentioned up to this point is we are very much
4 encouraging our campuses to work together, so
5 there is opportunity, I think, to share some of
6 the costs between the two institutions. And
7 that is something that I spoke specifically to
8 in the letter approving -- at this point they're
9 in the process of proposing, developing the full
10 proposal. It's an approved letter of intent.

11 So we have a ways to go. But I can
12 assure you, very careful planning. And we are
13 convinced of the demonstrable need. So I'll
14 turn it over to President Stenger.

15 CHANCELLOR ZIMPHER: Speak to the
16 program sharing, since you wear those two hats.

17 PRESIDENT STENGER: Yes. Certainly I

18 knew the program at Buffalo quite well, as the
19 interim provost overseeing it. The pharmacy
20 program at Buffalo is an outstanding program.
21 It is a unique program in the State of New York.

22 If you look at the other pharmacy
23 programs in the State of New York, at
24 D'Youville, Saint John Fisher, St. John's,

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1 Albany School of Pharmacy, they're pharmacy
2 programs. They're Doctor of Pharmacy programs.
3 They're large. I don't want to call them degree
4 mills, but they're there really as cash cows for
5 some of those universities. They're not
6 addressing some of the important research needs
7 that are in the area of pharmaceutical sciences.

8 I'm not going to criticize them too
9 much, but another public opportunity that is
10 focused on developing a great Doctor of Pharmacy
11 program that also brings in those research
12 aspects I think is needed in this state.

13 The tuition of our program for an
14 in-state student will be about half that of a
15 student at a private university, so it will be
16 an affordable path for students. And the
17 tuition for pharmacy programs is still
18 significant that it doesn't require state
19 support outside the tuition that we would
20 receive from these Doctor of Pharmacy students.

21 As I said before, the Bureau of Labor
22 Statistics shows that these rapid growths in
23 pharmacists and now the Doctor of Pharmacy,

24 which is the required degree to be a practicing

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1 pharmacist, is not meeting the demand for the
2 growth in pharmacists across the entire
3 United States. I think New York might be a
4 little more close to balance, but certainly the
5 rest of the country is not.

6 And we believe that Doctor of Pharmacy
7 pharmacists will be the primary caregiver in
8 many rural areas, similar to the Doctor of
9 Nursing Practice. So the opportunities for
10 their careers is just beginning to be developed.

11 PRESIDENT STENGER: I'd be very
12 interested in hearing some of the proposals for
13 the cost-sharing and getting some of that
14 information. Thank you.

15 CHANCELLOR ZIMPHER: Thank you. Thanks.

16 CHAIRMAN FARRELL: Assemblywoman Lifton.

17 ASSEMBLYWOMAN LIFTON: Thank you very
18 much. Good morning --

19 CHANCELLOR ZIMPHER: Good morning.

20 ASSEMBLYWOMAN LIFTON: -- Chancellor and
21 other educators. Dr. Malatras, nice to see you
22 in your new hat.

23 So there are lots of issues. And I
24 think the Open SUNY and the online stuff is

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1 pretty controversial at this point with a lot of
2 people. We have a lot of questions, I have a
3 lot of questions, and we could spend all seven
4 minutes on that. Perhaps we could do more

5 in-depth somehow on that. You know, when you
6 say 150 existing degree programs, I don't really
7 know what that means. Does that mean people are
8 getting four-year degrees totally online --

9 CHANCELLOR ZIMPHER: Yes.

10 ASSEMBLYWOMAN LIFTON: -- with 150
11 programs? Wow.

12 So I want to know more about that, how
13 successful that is. I'm hearing concerns from
14 people that I know that are experts in this area
15 that say, you know, it doesn't really work very
16 well to try to get a four-year degree online,
17 it's a high failure rate and so on. So I'd like
18 us to look more at that. I'd like information
19 from you, if I could, about that.

20 But let me focus on a couple of my
21 favorite issues, sort of perennial favorite
22 issues: Access for students. Of course a
23 critical piece of the SUNY mission, access. And
24 also the issue of adjunct faculty a little bit

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1 more, full-time versus adjunct.

2 So how are we doing on access? Do we
3 have data on access for low-income students, for
4 low-income families, or even working
5 middle-class families? Are we keeping data on
6 family income? You know, given the Rational
7 Tuition Policy, given the increase in demands
8 there are on families, I'm wondering -- and the
9 attempts to, you know, put in scholarship monies
10 to help low-income families and so on, I don't

11 know whether that's just TAP or whether there's
12 other money there for poor students. But are we
13 seeing changes? Do we have clear data on it,
14 are we seeing any changes in the student body
15 across SUNY in terms of family income?

16 CHANCELLOR ZIMPHER: Well, let me say,
17 first of all, I welcome the opportunity to brief
18 any and all of you on this concept of Open SUNY.
19 It is a very hot topic. Digital learning is on
20 the forefront of everybody's discussion. We are
21 learning a lot about how to do it right.

22 And so I'd like to follow up in a couple
23 of briefings or a webinar or whatever is the
24 most economical way to engage you while we

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1 develop those programs, because I think you'll
2 be pretty impressed with the breadth and scope
3 of what we're trying to do for New Yorkers.

4 That said, we are growing a more diverse
5 population. The numbers are very conclusive.
6 And we have faithfully implemented that
7 component of rational tuition which serves
8 low-income students. We parse out a portion of
9 that tuition to close the gap from tuition to
10 TAP. We're very proud of that. We've been very
11 faithful to that.

12 Beth, you might want to comment on the
13 progress we're making on a more diversified
14 student body, by income, by race, and by
15 ethnicity.

16 ASSEMBLYWOMAN LIFTON: I'm particularly

17 concerned about the income issue, because that's
18 what access originally meant.

19 PROVOST BRINGSJORD: So I can speak to
20 that. I can speak to that at two levels.

21 So the chancellor is absolutely right.
22 You know, we do continue our commitments,
23 particularly around I'll mention race first.

24 So one of the programs that I think you

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1 all know very well is our EOP program, which
2 serves low-income students and is really one of
3 the most successful programs in the country.
4 And we do serve 10,000 students in that program
5 every year. So that was one of the programs
6 that was cut, and we are asking for restoration
7 of that program. We have many, many more
8 applicants than we can serve with that program.

9 So that's an important program with a
10 very, very high success rate, a success rate is
11 that comparable to -- approaching comparability
12 to our non-EOP students. So a great, great,
13 great program.

14 One of the ways that we track our
15 service to low-income students is through our
16 Pell-eligible recipients. And I would say that
17 we are maintaining that commitment and we do
18 continue to benchmark that nationally. We could
19 get into a lot of specific data around this. I
20 think it probably would be good to follow up
21 with a briefing specific to that area.

22 But again, I'll return to programs like
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23 EOP, and some of our other outreach programs
24 like EOC and ATTAIN, these are very important

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1 for reaching low-income populations.

2 ASSEMBLYWOMAN LIFTON: I'm particularly
3 interested in the actual data and how it's
4 changing over time and whether we're fulfilling
5 our mission.

6 PROVOST BRINGSJORD: We could get you
7 that. We could get you a data break.

8 ASSEMBLYWOMAN LIFTON: So I'd love more
9 of a sit-down with you and getting into the
10 weeds on that issue.

11 PROVOST BRINGSJORD: Sure.

12 CHANCELLOR ZIMPHER: And you've always
13 supported those programs, and we're going to
14 need your help again this year.

15 ASSEMBLYWOMAN LIFTON: And you know
16 we're very supportive of those opportunity
17 programs.

18 In the area of FTEs on adjunct, I'm
19 hearing the word "modest" increases in FTEs. Is
20 that an accurate description? Are we talking
21 about a particular rate? Do we have a plan? Is
22 there any kind of planning around we want to get
23 to this -- you talk about benchmarks quite a
24 bit. Do we have any plan in benchmarks that we

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1 want to arrive at in terms of going back to --
2 you know, the numbers have dropped quite a bit

3 in terms of FTEs over time. So is there any
4 kind of plan to improve that?

5 where are we exactly on the increase in
6 FTEs? And does it vary across SUNY, across
7 campuses? Do we see it concentrated more in a
8 few campuses, or is it across the board in terms
9 of the -- I guess a slight increase that we're
10 seeing over the last year or two?

11 CHANCELLOR ZIMPHER: As I pass this off
12 to Beth, I only want to say that we think the
13 progress we've made on net new faculty through
14 rational tuition is profound: 270 net new
15 faculty appointments, full-time faculty, and
16 we'd like to take it to another 250 with the
17 recommendation we're making on the budget.

18 But we're working at that balance
19 between full-time and part-time faculty. Do you
20 want to speak to that, Beth?

21 PROVOST BRINGSJORD: Just to amplify on
22 the chancellor's comments, you know, one of the
23 measures that we do track is the percentage of
24 full-time. And it does vary between the

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1 state-operated campuses and the community
2 colleges in particular.

3 So for our state-operated campuses,
4 we're hovering around 60 percent of full-time
5 faculty. We would like to see that higher. We
6 know that full-time faculty is an important
7 benchmark for quality. But we also really value
8 our adjuncts who are close to the field. So we

9 have to find the mix.

10 You know, the chancellor has it in her
11 testimony, we would like to build on those
12 recent faculty hires that have been supported
13 through the rational tuition legislation. So
14 one of the things that we've also done is really
15 try to target faculty hires around high-need
16 programs. We've invested in that. We have an
17 Empire Innovation Program for very promising
18 research faculty where we will provide some
19 supplement and start-up packages. These are
20 smaller programs.

21 The bigger need I think is the number we
22 put out that there, that goal for maybe this
23 year of an additional 250 full-time faculty. It
24 would be wonderful. So we would welcome your

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1 support.

2 And again, we could provide, I think,
3 more detail on these trends that could be very
4 helpful to you.

5 ASSEMBLYWOMAN LIFTON: Thank you. I'd
6 be interested no knowing about the salaries of
7 adjunct faculty, what they're making per course
8 that they teach in particular.

9 PROVOST BRINGSJORD: Okay.

10 CHAIRMAN FARRELL: Thank you.

11 ASSEMBLYWOMAN LIFTON: Thank you. Thank
12 you very much.

13 CHAIRMAN FARRELL: Assemblyman Oaks.

14 ASSEMBLYMAN OAKS: Thank you,

15 Chancellor, for being here. The presentation
16 and responses have been extremely helpful.

17 In 2012 I believe SUNY was directed to
18 issue a report on the chargeback for community
19 colleges and that whole issue. Have we made
20 progress on that, the whole methodology of
21 paying? I know that's a challenge to a lot of
22 our localities as they deal with making those
23 payments.

24 SUNY CFO HAELEN: We have just recently

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1 completed that report, and it was submitted to
2 the Assembly, Senate and the Executive earlier
3 this week. So we have come up with a
4 recommendation for consideration.

5 ASSEMBLYMAN OAKS: Thank you. I look
6 forward to reading that.

7 Obviously high-tech is key. I had the
8 chance to be at the opening at the Shineman
9 Center in Oswego as they have new facilities and
10 trying to focus on some of the STEM area, adding
11 electrical and computer engineering as a
12 program. SUNY-wide, are we making those strides
13 across SUNY to meet those needs?

14 CHANCELLOR ZIMPHER: In the STEM fields?
15 Beth?

16 PROVOST BRINGSJORD: Well, we have grown
17 our STEM programs and grown our STEM
18 enrollments. But I think I mentioned previously
19 we do have this program, our high-needs program,
20 where we look specifically at those areas where

21 we don't have sufficient capacity to meet the
22 need in New York State and beyond. And very
23 often those programs do run into those high-tech
24 areas that you speak of.

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1 So we've invested considerably in
2 engineering, renewable clean energy,
3 biotechnology. But we need to keep going. you
4 know, we need to keep leveraging those precious
5 resources and matching campuses' own
6 investments. So we make commitments at system,
7 we know that our campus presidents are making
8 very hard decisions about where they grow
9 programs to meet needs, and we've seen
10 tremendous growth in those STEM fields. So I
11 think it's responsive.

12 We could get you also a more thorough
13 list of the program developments over the last
14 two or three years.

15 CHANCELLOR ZIMPHER: And we do certainly
16 embrace the new STEM scholarships proposed in
17 the Executive Budget for top 10 percent students
18 who major in STEM fields coming to a SUNY or
19 CUNY campus. That's exciting as well.

20 We have an NSF-funded STEM mentoring
21 program where our graduate students are actually
22 dipping into the middle schools to mentor
23 students early on so that they choose STEM
24 fields as careers, and then we're building out

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1 our what we call high-needs programs to serve

2 the STEM needs.

3 ASSEMBLYMAN OAKS: Just the last
4 question, I represent an area that's the
5 southern border of Lake Ontario. We get pounded
6 with a fair amount of lake-effect snow
7 occasionally.

8 I see that SUNY Oswego actually has got
9 a grant to study lake-effect snow, and a
10 substantial one from the National Science
11 Foundation. At the same time, the Governor is
12 talking about weather forecasting and being more
13 specific. If we get some synergy between that
14 project and the Governor's goal of doing better
15 weather forecasting and working with SUNY
16 overall on that type of effort --

17 CHANCELLOR ZIMPHER: I really think that
18 is precisely the intent of this new college.
19 It's not so much a new college as it is
20 coordinating the expertise within SUNY that
21 already exists. So Oswego has this expertise,
22 and so does UAlbany; can we ensure that they're
23 working together? We heard from Binghamton as
24 well. I think Binghamton works with Broome.

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1 But it's the coordination and the
2 collective impact of getting all these
3 disciplines integrated that this new college, if
4 we take it as the soft definition of a college,
5 is really coordinating across SUNY a major
6 program in weather detection, disaster relief,
7 cybersecurity. It's a huge opportunity for us,
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8 and we'd like to step right up.

9 ASSEMBLYMAN OAKS: Thank you very much.

10 CHAIRMAN FARRELL: Thank you.

11 Assemblywoman Lupardo.

12 ASSEMBLYWOMAN LUPARDO: Thank you,
13 Mr. Chair. Hello, Chancellor.

14 CHANCELLOR ZIMPHER: Good morning.

15 ASSEMBLYWOMAN LUPARDO: Nice to see you
16 again.

17 CHANCELLOR ZIMPHER: Thank you.

18 ASSEMBLYWOMAN LUPARDO: I have two
19 questions for you and then one question
20 regarding the pharmacy school.

21 The first question has to do with the
22 community college projects. I'm trying to
23 understand the relationship between the Regional
24 Economic Development Councils and the funding

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1 for those projects. I can't speak for all 13,
2 but certainly one in my district was a priority
3 project for the regional council.

4 Can you explain how those decisions are
5 made and what the interface is between the
6 regional councils and the decision to not fund
7 the community college projects?

8 CHANCELLOR ZIMPHER: Well, on the ground
9 I think that's why we wanted President Wood
10 here, because not all of the 13 communities that
11 came up with the match did it through our EDCs,
12 but some did.

13 PRESIDENT WOOD: The projects that are
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14 submitted to the Regional Economic Development
15 Councils through what they call a consolidated
16 funding application are looking for projects
17 that absolutely have jobs at the end. That's
18 the biggest priority. They're looking for
19 collaborations between the college and business
20 or between the community and business, and those
21 are how those get to be priority projects.

22 So if it were a building, for instance,
23 an automotive technology facility at a community
24 college that was working with local car

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1 dealerships and they were going to do something
2 in terms of training their employees, that might
3 get some spin.

4 CHANCELLOR ZIMPHER: Did all 13 come
5 necessarily through our EDCs?

6 PRESIDENT WOOD: No.

7 CHANCELLOR ZIMPHER: Some come just from
8 the county.

9 PRESIDENT WOOD: Some come just from the
10 county, and these are long-standing projects
11 that they've needed and they've identified and
12 they've got their 50 percent match. And I would
13 suspect that presidents, though, have looked to
14 see if it is a possibility. We certainly do
15 that with ours.

16 ASSEMBLYWOMAN LUPARDO: But all 13 of
17 these projects were lumped together, regardless
18 of how much they had been a priority for a
19 regional council.

20 PRESIDENT WOOD: But they wouldn't meet
21 all of the criteria.

22 ASSEMBLYWOMAN LUPARDO: I see.

23 PRESIDENT WOOD: But I'd be happy to
24 talk to you about that some time and show it to

‡
1 you.

2 ASSEMBLYWOMAN LUPARDO: Okay, all right.

3 A question about the hospitals. You
4 talked about the lack of capital funding
5 potentially jeopardizing hospitals'
6 accreditation. You also talked about various
7 operating and financial issues in your
8 testimony. And then you said that "ultimately
9 this will require rethinking structure,
10 including governance, financial and operations."

11 I'm wondering if you have some ideas on
12 how we might expedite that conversation.
13 Because I feel that there's some ambivalence on
14 the part of some folks about whether we ought to
15 be in the hospital business in the first place,
16 and I do sense some urgency for those of us who
17 really value and rely upon SUNY Upstate, and
18 certainly in my neck of the woods.

19 So I was just curious if there's
20 something we could do to really undertake that
21 conversation in haste.

22 CHANCELLOR ZIMPHER: Well, I think,
23 interestingly, a good starting point is the
24 sustainability request made of Downstate, which

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1 was legislatively driven and approved.

2 And it gave us a whole template for how
3 to deal with state regulations vis-a-vis the
4 operation of hospitals. Partly it's obviously a
5 huge funding gap that we just can't close
6 anymore without the state's help, and, second,
7 the kind of regulatory environment that makes it
8 difficult for our public hospitals to compete
9 with private hospitals.

10 So I think -- and I'm sure Dr. Malatras
11 saw the sustainability bill as it was
12 evolving -- that there are some elements of that
13 legislation that could drive the conversation
14 going forward. I feel it would be a good place
15 to start.

16 Bob?

17 SUNY CFO HAELEN: I was just going to
18 say Senator LaValle had submitted a bill that
19 would also help this dialogue, in that it
20 separates out the hospital revenues from the
21 rest of SUNY's revenues. So as a first step,
22 that is something we should be discussing.

23 ASSEMBLYWOMAN LUPARDO: Okay. Good to
24 know.

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1 I just have a couple of quick pharmacy
2 school questions perhaps for President Stenger.

3 CHANCELLOR ZIMPHER: Harvey?

4 ASSEMBLYWOMAN LUPARDO: President
5 Stenger, just a couple of quick questions.

6 There's a \$10 million appropriation in the
7 budget. Can you just explain what we get for
8 \$10 million?

9 PRESIDENT STENGER: We're working with
10 the Village of Johnson City and the Town of
11 Union in the last two weeks to identify parcels
12 in their town that would be logical locations
13 within walking distance of UHS Wilson Hospital.

14 You know Johnson City pretty well;
15 there's three or four fairly large old
16 industrial sites, some left over from the
17 Endicott Johnson Shoe Company, as well as the
18 BAE site. So we're looking at those. Purchase
19 cost and demolition are in the \$2 million to
20 \$3 million for many of these sites. They're
21 five to 13 acres in scale. And we're making
22 progress with the local support to decide which
23 one would be best. And then design and
24 beginning the construction would be the next two

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1 parts of that expenditure for \$10 million.

2 ASSEMBLYWOMAN LUPARDO: Do you have an
3 estimate of what the full project will cost?

4 PRESIDENT STENGER: Yes. We propose
5 that the full project would be \$60 million over
6 the course of three years.

7 ASSEMBLYWOMAN LUPARDO: And do you plan
8 on spending the \$10 million without a full
9 commitment for the rest of the money?

10 PRESIDENT STENGER: We believe that the
11 rest of the money is, if not fully committed, is

12 something that we would work very closely with
13 you and with Senator Libous on.

14 ASSEMBLYWOMAN LUPARDO: Thanks.

15 CHAIRMAN FARRELL: Thank you.

16 Assemblywoman Fahy.

17 ASSEMBLYWOMAN FAHY: Thank you, Chair.

18 Good morning, and thank you again for
19 the testimony. Just a few questions, so many
20 have already been addressed. But just I want to
21 reiterate a couple of things and then just
22 follow up on some of your comments.

23 The first was on the PSAT, the universal
24 diagnostic tool. I'm intrigued. Glad you

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1 called it diagnostic, and glad you're using an
2 existing test. But then what? You know, it's
3 one thing to diagnose and to recognize concerns.
4 Then what? In other words, so if you begin to
5 use this, what's the plan? And we see that
6 students are in need, we kind of know lots of
7 students are in need. What would be the plan on
8 what to address then or how to go forward?

9 PROVOST BRINGSJORD: So we would
10 actually engage others in really developing a
11 full plan here.

12 But we have been speaking with the
13 College Board on this. What we really envision
14 is some kind of regularized college day or
15 college week at all of our high schools in
16 New York State where, early on, kids are talking
17 about going to college.

18 So in the first year, you start talking
19 about you get ready, you know you're going to
20 take the PSAT in the 10th grade.

21 You take the PSAT in the 10th grade, and
22 the diagnostic information is not just about
23 curricular revision, but it also provides
24 students and parents with the kind of

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1 information they need to know whether they're on
2 track. Do you need more math, do you need more
3 English, is your writing behind? So that then
4 you can find some supplementary instruction.
5 And SUNY stands ready to support that kind of
6 additional instruction.

7 Eleventh grade, take the PSAT again.
8 And other states have adopted this kind of
9 pattern so you see how far along have I come.
10 And then you're geared up for SAT or ACT or for
11 whatever. But along the way, you have a lot of
12 information and you can identify the pieces that
13 are needed. Parents, students, faculty will
14 know what pieces are needed for supplement. And
15 we have a lot of expertise that we can provide
16 there.

17 The other thing that the chancellor
18 called for in her State of the University
19 address was four years of math. And we can
20 provide a lot of support there. We know a lot
21 of our high schoolers do not take math in the
22 12th grade, and then they come to college and
23 have to take college-level math. They're way

24 behind, they're rusty. We don't want to see

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1 that gap. And we help provide college-level or
2 developmental courses that get college credit in
3 that last senior year.

4 So we see it as sort of a package. And
5 we would love to work with you more closely on
6 that.

7 ASSEMBLYWOMAN FAHY: Are most high
8 schools now applying the PSAT in freshman and
9 sophomore year? I mean, I know it's growing in
10 the last few years.

11 PROVOST BRINGSJORD: So you probably
12 know that New York State has a very high PSAT
13 penetration rate. The numbers for 10th grade
14 PSAT are around 50 percent. But it really
15 varies across a school district, and the more
16 affluent kids are taking it in the 10th grade.
17 And the less affluent, the higher-need students
18 are not getting access to that.

19 The other thing that early PSAT does is
20 get you on a track for potential Merit
21 Scholarships, potential AP, a whole host of
22 opportunities.

23 ASSEMBLYWOMAN FAHY: Thank you. I
24 welcome more follow-up on that.

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1 Then community colleges. A couple of
2 comments. I'm obviously very supportive and
3 intrigued with the proposal to increase the Base
4 Operating Aid, the \$250, and very encouraged

5 with the charge-back. That wasn't mentioned
6 today. As you know, that's a particular concern
7 here. Locally, it's caused a tremendous amount
8 of tension. We have one of the highest
9 disparity rates here, other than the Fashion
10 Institute. But other than that, we have the
11 highest disparity in terms of what the
12 sponsoring county provides versus what the
13 surrounding counties.

14 And I know a report was called for last
15 year, and we are changing some of the
16 methodologies for following that. But is there
17 anything you can speak to in terms of trying to
18 address that issue? It really has been a very
19 sensitive one here in terms of tensions between
20 the counties.

21 CHANCELLOR ZIMPHER: Bob?

22 SUNY CFO HAELEN: Yes, certainly.

23 As I mentioned before, the report was
24 submitted earlier this week. And it is a very

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1 difficult situation. And I think the complexity
2 of all the different counties and colleges and
3 where they are in relationship to their
4 charge-back rate make it even more difficult.

5 So what we did was worked with the
6 colleges as well as the Association of Counties
7 and batted some ideas around about a formula, an
8 equitable formula by which to view the
9 charge-back issue.

10 And with any formula there are going to
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11 be some winners and losers. But nonetheless, I
12 think we came up with a uniform methodology that
13 you could consider.

14 ASSEMBLYWOMAN FAHY: Okay. All right.
15 Well, if you can follow up with us on that
16 report. We looked for it, and I didn't realize
17 it was issued. So I'd appreciate that.

18 Just a last couple of things. START-UP
19 NY, I want to associate some of my comments with
20 Senator Krueger's, even though I happen to be
21 one of those that voted for it. It was probably
22 one of the more difficult votes that I took last
23 year.

24 VICE CHANCELLOR MALATRAS: Thank you,

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1 Assemblywoman. I really appreciate it. It kept
2 me my job for a while longer.

3 SENATOR KRUEGER: I still like you.

4 ASSEMBLYWOMAN FAHY: But as you may have
5 known or read, I had very, very serious
6 reservations on it. In the end I supported it
7 because I had to take the gamble on jobs.

8 But my reservations still continue.
9 Last week we had the new mayor of Albany up here
10 testifying, and she is making a very compelling,
11 compelling case in terms of the fact that almost
12 60 percent of Albany's land or property is
13 tax-exempt. This just kind of fuels that issue.

14 And one of the changes that was made
15 before that bill was passed was to add a focus
16 on disadvantaged communities. And I will say --

17 I'm wearing my UAlbany purple today. I will say
18 UAlbany has been terrific in also consulting and
19 giving us heads up on their preliminary plans to
20 move forward on START-UP.

21 But I just have to reiterate my concern.
22 It's not just targeting disadvantaged areas,
23 it's making sure that faculty, businesses,
24 staff, support personnel that are coming in as

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1 well, that we are targeting -- if folks are not
2 going to pay income tax for a number of years,
3 we at least have to get their property taxes and
4 getting them investing in the communities of
5 needs.

6 And so I just -- I'm a little bit
7 familiar with UAlbany, but if you can expand on
8 how you're rolling this out to really target
9 areas where there is the need to provide those
10 jobs in our most disadvantaged areas as well as
11 the need for property tax for those coming in to
12 buy homes in the areas.

13 VICE CHANCELLOR MALATRAS:

14 Assemblywoman, the one thing that was clear in
15 the legislation, and it's important to
16 reiterate, is we don't confer any new benefit
17 for campuses to take properties off the tax
18 rolls.

19 We want them to use their campuses,
20 which are already property-tax-free. And if
21 they do decide to go off campus where you are
22 paying property taxes, they will continue to pay

23 property taxes on that property unless they work
24 out an agreement with the local municipality.

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1 So it does not affect Albany or any of the
2 cities that face high properties off their tax
3 rolls.

4 The other thing we want to drive, too --
5 and the chancellor has been working on this with
6 folks at Albany, is how do you drive investment,
7 because many of our campuses are in suburban
8 areas, into our inner cities which need this the
9 most because they've witnessed the population
10 loss. So you have less people to pay more taxes
11 that go up every year. Right? Less people who
12 just pay more who are there.

13 The University of Buffalo has done
14 particularly well in the healthcare quarter.
15 They've gone back downtown as opposed to staying
16 out in the suburban regions.

17 The University at Albany, which the
18 chancellor could speak to, or President Jones,
19 they're focused not only on their campus but how
20 do you incentivize and how do you redevelop the
21 downtown area in Albany as a way of growing the
22 tax base -- not necessarily for the businesses
23 on the campus, but more people are buying homes
24 in the community, more people are paying sales

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1 tax for services.

2 So it's a multipronged approach, not

3 just to strengthen our campuses but to
4 strengthen our urban, rural and suburban areas
5 where we can.

6 ASSEMBLYWOMAN FAHY: Great. Thank you,
7 I'm out of time. I meant those who are coming
8 in with these businesses buying homes in those
9 economically disadvantaged areas.

10 VICE CHANCELLOR MALATRAS: Right.

11 ASSEMBLYWOMAN FAHY: Thank you.

12 CHAIRMAN FARRELL: Thank you.

13 Assemblyman Stirpe.

14 ASSEMBLYMAN STIRPE: Good morning,
15 Chancellor, and your team.

16 CHANCELLOR ZIMPHER: Good morning.

17 ASSEMBLYMAN STIRPE: First, I just
18 wanted to make a statement that I completely
19 agree with what you and President Stanley said
20 about the transformative power of the five-year
21 capital plan. We saw that in our area with SUNY
22 ESF, SUNY Upstate, OCC. And it helped the
23 community a lot, especially right in the middle
24 of the recession. There were a lot of jobs that

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1 came that way. So I think you have a lot of
2 support for something like that.

3 Let's go to SUNY 2020. And last year
4 budget had a third round of SUNY 2020 projects.
5 I just wanted to know what's the status of those
6 applications and when will the awards be
7 announced.

8 VICE CHANCELLOR MALATRAS: Assemblyman,

9 those applications are currently in. The review
10 process is beginning, I believe now. It's a
11 partnership with SUNY and Empire State
12 Development Corporation. So I think those are
13 underway. That should be announced in
14 relatively short order.

15 ASSEMBLYMAN STIRPE: You know, now that
16 some of the 2020 projects are underway, is any
17 of the tuition money being used to finance those
18 projects?

19 SUNY CFO HAELEN: No. No. Two of the
20 institutions said they would be providing
21 financial resources to pay some of the capital
22 costs, but that was not coming out of tuition,
23 that was supposed to be coming out of other
24 revenues that were generated as a result of

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1 expanding research in other areas.

2 ASSEMBLYMAN STIRPE: Is there any risk
3 that, you know, the focus on this 2020 capital
4 displaces any funding for economic buildings on
5 the SUNY campuses or any other critical
6 maintenance projects?

7 SUNY CFO HAELEN: The way the financial
8 structure works for the state is everything is
9 subject to a bond cap. So that is all programs,
10 not only SUNY but CUNY and other state agencies.

11 So there's a limit to how much the state
12 can borrow in its entirety. So as soon as
13 someone does get funding, that means somebody
14 else does not get funding. So there's a

15 concentrate off of priorities given that limit
16 on the amount of debt that can be issued.

17 VICE CHANCELLOR MALATRAS: But to your
18 specific question, Assemblyman, no academic
19 programs are being displaced under the SUNY 2020
20 program. In fact, if anything, it's to add
21 academic components to go along with the
22 economic initiatives in each case. And we can
23 provide that to you too.

24 SUNY CFO HAELEN: So in that case, SUNY

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1 is getting the benefit of additional bond cap to
2 progress that project.

3 ASSEMBLYMAN STIRPE: How about a
4 question about community colleges, because we
5 talked about a five-year plan to get the state's
6 portion of that back up to 33 percent.

7 What's the current breakdown between
8 state and county and community college right
9 now?

10 CHANCELLOR ZIMPHER: Whoever gets the
11 mic first wins the prize.

12 (Laughter.)

13 VICE CHANCELLOR MALATRAS: This is a
14 quiz for our new CFO, so you have to give him a
15 moment.

16 SUNY CFO HAELEN: I've got a nice chart
17 if I can find it.

18 PRESIDENT WOOD: But it's less than
19 30 percent overall. It varies, but it's
20 certainly less than 30 percent, I think, on all

21 30 of the colleges.

22 ASSEMBLYMAN STIRPE: I just wondered how
23 much the county was putting in also.

24 SUNY CFO HAELEN: 26.4.

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1 ASSEMBLYMAN STIRPE: Thank you. Do you
2 know how much the county puts in?

3 PRESIDENT WOOD: How much the county?

4 SR. VICE CHANCELLOR DUNCAN-POITIER:
5 Thirty-four percent county.

6 ASSEMBLYMAN STIRPE: Okay, thank you.
7 You know, last year SUNY released some
8 recommendations to improve the TAP program. And
9 are there any recommendations that SUNY would
10 prioritize?

11 VICE CHANCELLOR MALATRAS: Assemblyman,
12 in that case to what we did for you -- and we
13 can have our team go through it in great detail.
14 We provided options. We were really asked to
15 run a bunch of financial analysis, look at how
16 we can change the program. So we did that. If
17 you wanted to do full TAP, here's what it would
18 cost. If you wanted to increase it over time,
19 this is what it would cost. So we can go
20 through that in great detail.

21 It was less about the recommendations.
22 I think it was options for the Legislature to
23 consider in deliberating whether or not to
24 change the TAP program. So we tried to provide

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1 that information for you.

2 ASSEMBLYMAN STIRPE: Thank you.

3 CHAIRMAN FARRELL: Thank you.

4 Assemblyman Moya.

5 ASSEMBLYMAN MOYA: Thank you very much.

6 Chancellor, thank you again for your

7 testimony and for being here today.

8 You know, the DREAM Act has been heavily

9 discussed and debated throughout the State of

10 New York. As one of the leading advocates for

11 the DREAM Act, my question is, will you advocate

12 for the New York State DREAM Act and pressure

13 the Senate and the Governor to support this

14 program?

15 CHANCELLOR ZIMPHER: I think our --

16 (Discussion off the record.)

17 ASSEMBLYMAN MOYA: I apologize,

18 Mr. Chairman. Let me move forward with the

19 question of is SUNY and CUNY and the individual

20 colleges, or your individual colleges, taking

21 any action to target school-run scholarship

22 towards Dreamers?

23 CHANCELLOR ZIMPHER: Well, first of all,

24 we have, as of our SUNY Board of Trustees,

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1 spoken on the DREAM Act through a resolution.

2 Secondly, our entire diversity agenda

3 targets a broad base of low-income students. I

4 agree with you, it really starts with income

5 disparities and then focuses beyond that on

6 race, ethnicity, gender and other diversities.

7 So that has been our core principle on diversity

8 probably since our founding.

9 ASSEMBLYMAN MOYA: And you've done a
10 tremendous job. You know, I have to say that
11 the majority of Dreamers that are actually
12 enrolled in college are SUNY and CUNY students.
13 We're advocating for more for them to have the
14 same opportunities that all New Yorkers have
15 with that ability to go to college. And I want
16 to commend you on that. I think more can be
17 done.

18 My other question is, according to the
19 State Education Department, only 7.3 percent of
20 the English language learners are graduating
21 college and are career-ready. When these
22 students enter college, what steps are you
23 taking to help them graduate in four years? And
24 what additional supports are you providing?

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1 CHANCELLOR ZIMPER: I think Provost
2 Bringsjord can speak to that.

3 I only want to say of all the core
4 values of the State University of New York, it
5 is that education doesn't begin for students
6 when they hit our doors. We have an immense
7 obligation to work with early childhood, with
8 our K-12 partners so that remediation, our
9 English language proficiency is well in hand
10 before that student graduates from high school.

11 And we are prepared to work and we do
12 work with our K-12 and early childhood partners
13 toward that end. In the meantime, you have to

14 fix things while we're moving, and that is our
15 second-language programs.

16 PROVOST BRINGSJORD: Well, thank you
17 very much for your question.

18 You're absolutely right, the ESL
19 needs are really huge. And over this past year
20 we've worked with our campus presidents, CAOs
21 and actually members of the Legislature have
22 been very interested in tracking our progress
23 around the revision of our non-credit remedial
24 policies, which include a substantial amount of

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1 ESL instruction.

2 One of the things that we put in place
3 is very strong accountability measures, so that
4 these students are tracked and we know their
5 success rates. You know, we're actually tying
6 that to our standard student information system
7 so we can really track how effective we are
8 across institutions.

9 And there's also an awful lot of sharing
10 across our institutions in terms of best
11 practices. So I could turn to President Wood,
12 probably, if you would like more information.
13 But we can also provide an additional piece I
14 think on all that we're doing around ESL,
15 because the needs are really growing.

16 ASSEMBLYMAN MOYA: That would be great,
17 thank you.

18 PRESIDENT WOOD: First of all, thank you
19 for your interest in the DREAM Act and for those

20 students who -- I'm in Rockland County. We have
21 a huge immigrant population, and we get a number
22 of students who graduate from Rockland County
23 public schools that we can give in-county
24 tuition but they're not eligible for financial

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1 aid. And they really are disenfranchised.

2 And at our college, we've raised some
3 money through our foundation to have some
4 scholarships for those students, because in a
5 way they're not able to represent themselves,
6 and that's really, really important.

7 Those students who have been in the
8 public schools who come to us have better
9 language skills that the students who did not go
10 through the public schools. We have a big ESL
11 program. And what we try is to do is we're
12 trying to move them for quickly, give them
13 intensive language, and then identify some
14 college courses that they can take and put them
15 together in cohorts so that we can teach them
16 and fit the course with faculty who are
17 sensitive to those programs.

18 And I know my colleagues are doing that
19 who have significant immigrant populations as
20 well.

21 I don't know if that answered your
22 question, but I got to say what I wanted to say.

23 (Laughter.)

24 ASSEMBLYMAN MOYA: Yes. That was good,

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1 thank you.

2 PROVOST BRINGSJORD: I'll just add one
3 other thing. In addition to our community
4 colleges, of course, we provide ESL instruction
5 through our ECOs and our ATTAIN labs.

6 ASSEMBLYMAN MOYA: Thank you.

7 CHAIRMAN FARRELL: Thank you.

8 Senator?

9 CHAIRMAN DeFRANCISCO: Senator Rivera.

10 SENATOR RIVERA: Thank you,

11 Mr. Chairman.

12 Good morning, Doctor. Good morning,
13 Doctor. Is anybody else up there a doctor?

14 (Laughter.)

15 CHANCELLOR ZIMPHER: And Doctor, Doctor.

16 SENATOR RIVERA: Doctor, Doctor.

17 And I've got to say before I go into my
18 questions, the energy of that gentleman,
19 President Wood, although he was speaking from
20 back there, like {deepening voice}.

21 (Laughter.)

22 SENATOR RIVERA: Love that. You are
23 doing a very good job, sir.

24 (Applause.)

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1 SENATOR RIVERA: I have two community --
2 I have one, Bronx Community College is in my
3 district. Ulster Community College is south of
4 me, but many of my constituents go there. So
5 you are doing a very good job of representing

6 the community college presidents, so I just
7 wanted to point that out.

8 I wanted to, Doctor, go back to talk
9 about START-UP NY. I know that there was a
10 couple of questions that were asked, and I had
11 to be outside for a little bit so some of this
12 might have been answered already. But for the
13 record again, and I know I break your heart a
14 little bit, I voted against it as well.

15 VICE CHANCELLOR MALATRAS: And you told
16 me ahead of time, so I appreciate your letting
17 me down early, Senator.

18 SENATOR RIVERA: Exactly. So you had
19 your time to kind of deal with your emotions.

20 (Laughter.)

21 SENATOR RIVERA: So let's talk about
22 obviously, as you said, the program is still in
23 its infant stages. One of the questions that I
24 had, you already answered; it's going to be kind

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1 of managed and the oversight is going to be both
2 from you folks and from Empire State
3 Development.

4 I wanted to talk about the parameters of
5 failure or success. How is it going to be
6 measured? One of the concerns that I had, and I
7 know I expressed it to you before, was the fact
8 that I certainly want for there to be economic
9 development, I certainly want new jobs to come
10 to different parts of the state. And community
11 colleges are places where many folks, not only

12 from my district but all across the state go to
13 be able to be more successful in the long term.

14 But you have businesses literally that
15 are outside the campus gates, and they are
16 paying, they are going to be paying taxes, and
17 they might not have the -- they will not have
18 the benefits of a business that's just right
19 inside. So I want to talk about how are you
20 going to measure whether something is
21 successful, if something fails. How are you
22 going about that?

23 VICE CHANCELLOR MALATRAS: Well,
24 Senator, on the business aspect, everybody is

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1 eligible. A new York State business can expand
2 their business and, if they're creating net new
3 jobs, those net new jobs can qualify under the
4 program. So it's not just businesses coming
5 from outside the state or new businesses unknown
6 to their regions. If the businesses in those
7 regions want to create new jobs, great.

8 There's also a focus on start-up
9 companies. If you went to Ithaca, for
10 instance -- and their start-ups are leaving
11 because they can't stay in the business
12 environment. We allow, we issued a special
13 provision to allow our start-ups, who aren't new
14 companies, as they grow to hatch from a start-up
15 into a tax-free zone to get those benefits.

16 So I think it applies not only to
17 companies coming from outside the state, new

18 companies unknown to the region, but those
19 companies in those regions that want to expand.
20 So we're very proud of that.

21 Another key piece of this as a success
22 is two things for SUNY and the chancellor.
23 First, just any new jobs. It doesn't cost
24 really anything to the state except for some

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1 forecasted revenue growth to do this. We're
2 already a tax-free zone, we don't pay property
3 taxes on our campuses. Now there are no sales
4 taxes. So it's already a benefit to give.

5 What we needed was the flexibility of
6 our campuses to actually enter into business
7 arrangements under the law, which you provided,
8 which we really appreciate. Not you directly,
9 but others, thank you.

10 But the real piece that we've seen is a
11 core academic tie to this mission of the
12 START-UP program. We are seeing great
13 innovative new programs starting across the
14 state under the program. I'll give one example,
15 not the colleges, because they're still working
16 it out.

17 They want to bring a microbrewery -- and
18 everybody kind of laughs, why a microbrewery.
19 First, it's big to the region. Secondly, it's a
20 whole new set of applied chemistry that the
21 campus doesn't have as an academic program.

22 SENATOR RIVERA: Yeah, chemistry.

23 VICE CHANCELLOR MALATRAS: They don't

24 turn water into wine magically, I found out,

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1 there's actually chemistry involved in all that.

2 But that, there are new academic
3 components. So our success is new jobs, new
4 academic programs to give our kids a chance to
5 actually get into the workforce, meeting the
6 requirements of what workforce requirements need
7 today. We're not always meeting those needs.
8 This will help facilitate that process.

9 SENATOR RIVERA: Since I have limited
10 time, I wanted to dig down a little deeper.

11 Since there might be certainly space
12 within the university that might be used for
13 this that will not be used for an academic
14 purpose or strictly an academic purpose, as you
15 said, you want to make sure that you partnership
16 up with companies that provide some academic --
17 there's an academic component that's included in
18 it. But there's not going to be a strictly
19 academic component, it's not going to be class
20 space, et cetera, it's going to be for the
21 business.

22 So there might be some space limitations
23 that occur. There might be some construction,
24 we still have to figure that out, right, within

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1 the boundaries of the university, for a space
2 that might not be used, then, for academic
3 purposes after that.

4 VICE CHANCELLOR MALATRAS: Absolutely.
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5 But remember, the law was very clear, and that
6 was very important for the Legislature and even
7 the Governor working on this. The law does not
8 allow for any displacement of academic programs.
9 Right? So you can't just come in and say --

10 SENATOR RIVERA: That being said,
11 expansion of academic programs might be, you
12 know, hindered, potentially.

13 One of the things that I wanted to ask
14 is as far as the tax abatements and all the
15 stuff that the businesses are going to have to
16 do, is there some assistance -- or what kind of
17 support systems will be in place, since we want
18 to make sure that, you know, any businesses
19 that -- I did vote against it, but now it's
20 coming to my backyard. Bronx Community College
21 is right in the middle of my district, it's
22 going to come in there, so I want to make sure
23 that what happens there is something that is
24 positive both for the university and the

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1 community at large.

2 So what kind of systems are being set up
3 at the state so that any businesses that go into
4 this program are doing what they need to do
5 correctly so that they are not taking advantage
6 of things that they shouldn't take advantage of
7 and are instead obeying the parameters of the
8 program and producing good results?

9 VICE CHANCELLOR MALATRAS: Well, there's
10 two questions there, really.

11 The first question is we're going to
12 make sure there's a review process at SUNY, the
13 Research Foundation and ESDC, to make sure
14 they're complying with the law so those things
15 that you're talking about just don't happen.
16 And we were very particular about that, given
17 the recent history of the Empire Zones and other
18 programs. It was very clear that we needed to
19 build in strong accountability measures, so
20 those are there.

21 The second piece, which I think is the
22 more interesting piece, is that START-UP is part
23 of a larger sort of innovative agenda
24 established by the Governor and the state and

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1 the Legislature who voted for it. Part of it is
2 giving the support to the businesses that they
3 need just to learn how to start a business. A
4 start-up often doesn't know how to do that.

5 Under Dr. Killeen and others, we're
6 creating the Innovation Network to provide those
7 support services, whether it's accounting and
8 patent offices, whether it's a lawyer, to help
9 actually facilitate development of ideas into
10 business opportunities.

11 Likewise, you approved in the budget
12 last year a \$50 million venture capital fund to
13 help companies, especially in the high-tech
14 space, grow. So you have the start-up program
15 and you have all these other component pieces
16 working together to give those supports to

17 companies as we continue to grow the innovation
18 agenda in the state.

19 SENATOR RIVERA: I might come back
20 later, but Doctor, Doctor, President Wood and
21 other folks, thank you so much.

22 Thank you, Mr. President.

23 CHAIRMAN FARRELL: Thank you.

24 Assemblyman Lupinacci.

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1 ASSEMBLYMAN LUPINACCI: Good morning,
2 Chancellor. Thank you. I just had several
3 questions.

4 The first question, and I know some of
5 my colleagues have already touched upon it, Open
6 SUNY. And in terms of the amount of money, I
7 mean, that's going to be placed aside for
8 faculty development and such. I know you've
9 spoken that there were over a hundred programs
10 and degrees that are available, but I'm talking
11 more about where do we bridge the gap between
12 the classroom experience and the online
13 experience in terms of interaction between the
14 students and the teachers, and the socialization
15 skills within the classroom.

16 And I guess the other question I have is
17 about basically almost like a security-type
18 question: How do we know that the students that
19 taking online courses and will be participating
20 in the online degrees are the actual students?
21 So if you could just reach that in terms of the
22 amount of money and what kind of protocols are

23 being taken.

24 CHANCELLOR ZIMPHER: Well, you're pretty

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1 informed, because these are the universal
2 concerns that people have.

3 First of all, can we help our faculty
4 bridge their own experience in teaching live
5 classes historically or traditionally into the
6 kind of course development you have to have to
7 go digital. And so we need to provide the kind
8 of professional development. And we've set
9 aside time and resources to build a center for
10 faculty online teaching excellence, because we
11 want to do it right.

12 We also want our regular full-time
13 faculty engaged. There are models across the
14 country where the only people who offer the
15 online courses are part-time adjunct faculty.
16 Again, as Beth said, not that we don't need
17 their expertise, but we want the online
18 instruction delivered by the same full-time
19 competent faculty.

20 So we're supporting anybody over
21 20 years old into the new digital age, how do
22 you make that transition. We use the term
23 "hybrid." A lot of students will take some on
24 campus and some online.

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1 So the second issue is the security
2 issue. It's very big with us. We have

3 mechanisms that we know are being used around
4 the country that we're going to use as well to
5 make sure that student is the student taking the
6 course. We have online mentoring so that we're
7 actually following students to make sure any of
8 their concerns are met.

9 So I think we have to put all the
10 support in place that makes open SUNY really
11 unique and of course high quality. We're not
12 interested in a second-class delivery of
13 instruction.

14 ASSEMBLYMAN LUPINACCI: My second
15 question has to do with relationship building
16 with high schools and such. And I know we've
17 spoken about at the community college and many
18 of our four-year institutions that there's a
19 growing amount of money that has to go towards
20 remediation, especially in basic math, reading
21 and writing.

22 And basically I represent SUNY
23 Farmingdale, I'm very privileged to represent
24 that school, and they have a great partnership

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1 with the local high schools in STEM development
2 and the middle school programs and a lot of
3 mentoring that goes on. Do we see this across
4 the SUNY system in terms of a lot of
5 partnerships? If you could just comment in
6 terms of the partnerships that created between
7 the high schools and the SUNY schools to try to
8 bridge that gap.

9 And maybe one of the reasons that we
10 need more remediation is that we have more
11 people that are going to college today that
12 didn't have the opportunity in the past. But,
13 you know, what kind of efforts is the SUNY
14 system trying to do to reduce remediation?

15 CHANCELLOR ZIMPHER: Well, I really
16 appreciate the fact that that's right, more
17 people accessible to postsecondary education,
18 more people going to have more challenges. And
19 it does differentiate itself by income.

20 I think the philosophy of the State
21 University of New York is that every one of our
22 campuses should be reaching out to elementary
23 and secondary education, and all of them do in
24 one way or another. We have a network of

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1 early-college high schools. Last year, as you
2 know, we added these Pathways to Technology
3 early-college high schools, and we're working
4 hand in glove particularly with our community
5 colleges and business and industry.

6 I feel -- my frustration is that we're
7 doing a lot of things for remediation but it's
8 not adequately moving the dial. And that's why
9 we're looking for an early diagnostic so that we
10 can create a pathway that serves the student as
11 the student is diagnosed with need and we fix it
12 once and for all where it occurs. We don't wait
13 till the 13th year till they enter college to
14 figure out they've got a deficiency in their

15 curriculum.

16 so that's our plan. I think you can
17 help us. I will take away from this day your
18 interest and willingness in partnering with us
19 and certainly our CUNY colleagues to really fix
20 this for New York. I think we have a plan and a
21 pathway.

22 ASSEMBLYMAN LUPINACCI: And just one
23 last question. I know obviously SUNY has an
24 excellent statewide reputation, a national

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1 reputation, and you're building an international
2 reputation. And I just didn't know at the SUNY
3 level if there was more money benchmarked to
4 expand the international reputation.

5 For example, SUNY Farmingdale cooperates
6 with the Dominican Republic for international
7 students, so it's really building up a brand
8 name within the Dominican Republic. Do you see
9 expanding that program to build up the
10 international brand? And is there money
11 earmarked in your budget to do that?

12 CHANCELLOR ZIMPHER: Well, one of our
13 six goals in our Power of SUNY strategic plan
14 the last five years has been the expansion of
15 our international programming and our SUNY
16 globaling initiatives.

17 Provost Bringsjord, do you want to add?

18 PROVOST BRINGSJORD: So we have many
19 students going overseas, we have many
20 dual-degree programs. We are really pushing for

21 more internationalization across the system.

22 So there are a number of issues we could
23 give you a full briefing on. Hubert Keen and
24 his team at Farmingdale are doing great things.

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1 We have a number of programs, we're bringing
2 students in, they're engaged in undergraduate
3 research and they stay in New York. And that's
4 very exciting. So I think we could provide a
5 lot more detail on that.

6 Your question about marketing, we do see
7 an opportunity to sort of bring open SUNY and
8 our international efforts together in very
9 effective marketing, international marketing,
10 because there are all kinds of pathways to
11 higher education in the United States. And
12 we've really only scratched the surface on those
13 marketing techniques.

14 ASSEMBLYMAN LUPINACCI: Thank you.

15 CHAIRMAN FARRELL: Senator?

16 CHAIRMAN DeFRANCISCO: Senator Krueger.

17 SENATOR KRUEGER: Hi again.

18 I so appreciate my colleague opening up
19 the questions about the online courses. And I
20 know, Chancellor, you had discussed how you're
21 looking very carefully and having a team working
22 at it.

23 I just want to refer you to a study that
24 was recently released by the University of

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1 Pennsylvania studying a million users in open
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2 online courses known as MOOCs. And the
3 University of Pennsylvania study showed that on
4 average, only half of those who register for a
5 course ever even viewed one lecture and only
6 about 4 percent completed the courses.

7 And that San Jose State in California,
8 which was marketed as this great new model of
9 success, has actually closed out their program
10 because of failure and the famous professors and
11 private company Udacity that was coordinating
12 with them have said this isn't working, we need
13 to go back to square one.

14 In addition, the studies on default
15 rates of students that go to the online
16 universities -- I'm not comparing them to SUNY,
17 I'm simply referencing the online schools which
18 we don't actually allow here in New York, but
19 you can still get their courses -- the default
20 rates are disproportionately high.

21 So I'm all for innovation and exploring
22 ways that you can perhaps combine some online
23 education with students in the classroom, but
24 the research results are actually very

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1 disturbing about what is happening in places
2 that rush to this as an option. So I'm just
3 urging careful evaluation of the research.

4 CHANCELLOR ZIMPHER: I appreciate it,
5 Senator. And I think in the briefing that we
6 might offer you we would distinguish
7 terminology. A massively open online course

8 experience is quite different. That's the study
9 that Pennsylvania is discussing, which is the
10 massive access to something comparable to
11 perhaps a one-hour credit course on a topic.
12 There's great attrition, we know that.

13 That's really not what our basic online
14 courses and degree programs are all about.
15 They're much more anchored in a fully developed
16 curriculum. The population, we're not aiming at
17 thousands of students on one course offering by
18 one professor. It's just such a different
19 world.

20 And all I want to do today is to
21 establish that the critique of MOOCs is very
22 different than the mainstream critique of basic
23 online courses and online degree programs. We
24 ourselves have been a party to a study two years

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1 ago with the University of Maryland and CUNY on
2 an online statistics course which was
3 delivered in the spirit of a traditional course
4 but online. The success rate was very high.
5 what we learned about how students learn was
6 exceptional.

7 So the world is divided between this
8 technique of the MOOC versus basic fundamental
9 online instruction. And we would want to make
10 those distinctions.

11 SENATOR KRUEGER: Thank you. Thank
12 you.

13 CHAIRMAN FARRELL: Assemblywoman Glick,
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14 beginning the second round.

15 ASSEMBLYWOMAN GLICK: I'll be mindful of
16 that, Mr. Chairman.

17 The STEM scholarship that is proposed by
18 the Governor in his budget, I understand its
19 designed to draw more quality students to SUNY
20 who might otherwise go to private universities,
21 because there's a lot of competition to get
22 those students into different schools because
23 they come with a -- they're more likely to
24 succeed.

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1 I am wondering what you understand or
2 what you hope to have at SUNY in relation to
3 that. Is that going to include nursing programs
4 as well?

5 CHANCELLOR ZIMPHER: So how broadly do
6 we define it.

7 ASSEMBLYWOMAN GLICK: How is it going to
8 be defined? Have you had any conversations with
9 the Governor's office about how it would be
10 designed? And would it also include things that
11 might also be science-related to renewable
12 energy and so forth.

13 PROVOST BRINGSJORD: So yes on the
14 latter, renewable energy. Usually healthcare is
15 out of the standard definition of STEM:
16 science, technology, engineering and
17 mathematics. We of course have invested quite
18 heavily in our nursing programs and are doing in
19 fact one of our launch programs, the program at

20 Delhi, the online RN to Baccalaureate, is
21 probably one of our fastest-growing programs in
22 the system because there is a huge need there.

23 But the STEM scholarships right now are
24 for STEM, and the definition is science,

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1 technology, engineering and mathematics.

2 CHANCELLOR ZIMPHER: So
3 discipline-based.

4 PROVOST BRINGSJORD: Discipline-based,
5 yeah.

6 ASSEMBLYWOMAN GLICK: My concern would
7 be -- and I would hope you'd have these
8 conversations both with secondary education
9 individuals as well as with the Governor's
10 office. I would not want to see Year 1, 2 and 3
11 have a disproportionate gender imbalance.

12 And I am very happy that there is this
13 potential for bright young students to get
14 access to an education at the rate that many of
15 us did who went to SUNY or CUNY when there
16 wasn't tuition, so I think that's great. But I
17 would not want to see the result that a large
18 number of young men get access and young women
19 do not.

20 The other question I have, and this sort
21 of relates, it seems to me that SUNY has a very
22 large number of programs in teacher education
23 across many campuses. The State Education
24 Department, at the urging of the Governor, has

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1 added yet another test for certification, and
2 that's the edTPA, which I have heard from many
3 people, similar to the Common Core, the students
4 who are being held to that certification test
5 have not been in courses that have focused on
6 what might be that series of standards. And
7 it's of concern that we are changing the
8 landscape without proper warning, preparation.

9 There are professors from your various
10 colleges who have raised concerns about this and
11 whether there could be a delay. The budget
12 language said that -- and we'll bring this up
13 with SED -- that it was time to create
14 standards. It did not say implement immediately
15 a new test.

16 So I'm wondering if you've heard from
17 your campuses or whether you have any concerns
18 about new teachers who may have paid and will
19 have to pay for their education and their
20 student loans and not necessarily be certified.

21 CHANCELLOR ZIMPHER: So just to parse
22 the issue a bit, I think the effort in the past
23 years for this country to create an elevated set
24 of standards called the Common Core is precisely

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1 what this country needed to do to be
2 internationally competitive.

3 I do also understand that implementing
4 the Common Core has its controversies and its
5 issues, especially linked to how you account for

6 or test or assess competence. I do hope we
7 won't throw the baby out with the bath. I think
8 we need to stay the course with these Common
9 Core standards.

10 EdTPA is that proposed standard for
11 assessing the readiness of our graduates to
12 enter the teaching profession. We have been
13 funded by the State Education Department over
14 the last nearly two years to address this issue
15 in our teacher education programs, which is I
16 think 17 programs across the system. We
17 graduate 5,000 teachers a year. This is
18 critically important to us. And so we've been
19 working really hand in glove with the state
20 department to make sure that the Common Core is
21 infiltrated into our teacher education programs
22 and to make sure that our graduates are ready
23 and can succeed and do well on this test.

24 There are some hiccups in the process,

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1 and I feel like we're working daily with SED and
2 with our campuses to work them out. You would
3 expect that.

4 But we do know of the concerns that
5 you've addressed. We hear them regularly. And
6 that's why we're organized with each of our
7 teacher education programs to address them.

8 ASSEMBLYWOMAN GLICK: One last question.

9 In a briefing paper that was sent to me
10 on Open SUNY, there is a part that says once
11 students are accepted into the Open SUNY degree

12 program, they'll be assigned an individual to
13 act as their personal online learning concierge.

14 I am wondering, who is that person? Is
15 it a graduate assistant? Is it someone from the
16 school? Is it someone from the vendor?

17 CHANCELLOR ZIMPHER: Yes. We expect
18 that these online mentors will have the
19 expertise we know they need to assist students,
20 and it could be some of our graduate students.
21 It could be local teachers who are in
22 partnership with us in our local communities.
23 It's an array of talent.

24 Do you want to add?

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1 PROVOST BRINGSJORD: Yes. So that is
2 why we're starting out with eight programs in
3 this SUNY Plus endeavor, because we're really
4 sort of testing the waters and what it means to
5 have this fully sort of scaled-up version of our
6 online programs.

7 I want to just go back to a previous
8 comment that was made about the MOOC versus
9 online. You know, SUNY has been engaged in
10 online learning for a long time. We were one of
11 the first adopters in the country. And we
12 started out slow with four programs in '95-'96,
13 and we've grown to 12,000 courses. And 150
14 fully online, but almost 400 mixed, you know;
15 partially online programs.

16 We have a lot of faculty expertise and
17 we really are focusing a lot on our faculty

18 development, faculty support, and the research
19 component, so that we can really study what's
20 most effective.

21 So we're providing -- that's a key
22 component of the Open SUNY difference. Because
23 these programs do exist. But we're trying to
24 wrap those programs and then eventually all of

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1 our programs around the kinds of services that
2 really do make a difference in student success
3 and effective teaching. So there's a research
4 piece, a faculty development piece, a student
5 support piece. And I do think that we would
6 really welcome the opportunity to provide
7 additional information.

8 ASSEMBLYWOMAN GLICK: I think that's --
9 you know, I have warmed to the idea of online
10 learning. But I do think that the personnel
11 associated with it should come from the
12 university. It is an education issue. And I am
13 not crazy about the notion of outsourcing.

14 CHANCELLOR ZIMMER: Well, I don't think
15 our partners in K-12, many of whom have Ph.D.s
16 and were educated by us, are -- they aren't
17 outsourced. They are ours.

18 ASSEMBLYWOMAN GLICK: I don't mean to --
19 I don't see that as outsourcing. But perhaps if
20 a contract includes the vendor and vendor
21 personnel rather than --

22 CHANCELLOR ZIMMER: No, we don't -- we
23 don't have that in mind.

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ASSEMBLYWOMAN GLICK: well, that was the

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1 question.

2 CHANCELLOR ZIMPHER: This is a
3 home-grown effort. And I think what will
4 distinguish us over time is that you will see us
5 using the same quality faculty and staff for our
6 online degree programs that we use on our
7 on-campus residential programs. That's going to
8 be our standard of excellence.

9 ASSEMBLYWOMAN GLICK: Thank you.

10 CHANCELLOR ZIMPHER: Thank you.

11 CHAIRMAN FARRELL: Assemblywoman Lifton.

12 ASSEMBLYWOMAN LIFTON: Thank you,
13 Mr. Farrell.

14 Thank you, second round. So I guess
15 we're all disclosing our position on START-UP.
16 I also voted against it, based on the issue of
17 tax fairness and, you know, people feeling at
18 the local level we pay taxes, why shouldn't
19 everyone pay taxes. Everyone needs services,
20 everyone should pay for it.

21 So there was that feeling, but I also
22 had the concern that coming from university,
23 coming from academe, my father was a university
24 professor, so I feel sensitivity to these

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1 issues. And one of my concerns about this was
2 that, you know, the university, academe does
3 reach. And sometimes that research is critical
4 of corporations or corporate practices or a
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5 particular technology, let's say, a new
6 technology. Let's say nanotech, let's say
7 cybersecurity, let's say genomics. You know,
8 there are certainly issues in Big Pharm and all
9 that.

10 So my concern was that it might be very
11 tricky for university leadership, presidents, to
12 end up with sort of a conflict of interest. And
13 how do we make sure that there's a very, very
14 strong wall up between faculty doing their
15 research very independently, untainted by
16 pressures from private corporations that are
17 right there, sitting right there in their
18 campus, and are they going to be -- is there
19 going to be pressure from, hmm, let's leave that
20 topic alone or maybe we'll defund that research,
21 that's critical of the business sitting in our
22 midst.

23 So that's a concern for me. How do you
24 make sure that wall is very strong and that just

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1 doesn't happen?

2 VICE CHANCELLOR MALATRAS: Put aside our
3 ethics guidance and requirements under the law
4 that our faculty have. Let me just give you, as
5 the new guy, how I feel our faculty respond.

6 I presented START-UP NY in front of the
7 Faculty Senate, which is our faculty leaders.
8 They didn't mind in the least bit being critical
9 of a program on their campus already. They are
10 very independently minded people. We instill

11. that independence in them every day. And I
12. don't think anything is going to change their
13. behavior. If they think they should be critical
14. of an issue, of an idea, of a company, they're
15. going to. That is something that we at SUNY
16. encourage, and it thrives. And they are not
17. unhappy or they are not in the least bit
18. concerned about telling me, the chancellor, the
19. Governor, Bob, anybody of their unhappiness with
20. anything if it infringes on their academic
21. independence.

22. And this dovetails into the chancellor's
23. idea of that's why we come out strongly against
24. boycotts for any boycott's sake. We are about

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1. academic independence, and I don't think you'll
2. see any issues there with our faculty, quite
3. frankly.

4. ASSEMBLYWOMAN LIFTON: Thank you.

5. Can I ask just a quick question to talk
6. about how we deal with at-risk kids and the
7. remediation? Didn't we already have good
8. programs like the Liberty Partnership Program,
9. for instance, that identified at-risk kids in
10. high school, mentored them, took them through
11. and got them into college? Didn't we have high
12. success rates with a program like the Liberty
13. Partnership?

14. CHANCELLOR ZIMPER: You know, the way I
15. would answer that is we have a thousand really
16. successful programs. What we don't have is

17 comprehensive penetration, or we wouldn't have
18 an \$80 million bill on remediation.

19 So I think we all would agree that we
20 have ways that work, but we have to apply them
21 universally, collectively, and that's the big
22 turn in the road for me. We're going to get
23 ourselves organized around what works, a limited
24 set of strategies, the universal PSAT being one

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1 of them, and that's what we're going to do. And
2 we've got to see this success rates improve.

3 So I think we can draw on Liberty and
4 other programs as well.

5 ASSEMBLYWOMAN LIFTON: Thank you very
6 much.

7 CHANCELLOR ZIMPHER: Thank you.

8 CHAIRMAN FARRELL: To close, Assemblyman
9 Stirpe. One question.

10 (Laughter.)

11 ASSEMBLYMAN STIRPE: Thank you. That's
12 all I have is one. It's about the hospitals.

13 And, you know, we know about the
14 problems the hospitals are having and
15 everything. And as a bonus, in the Executive
16 Budget they get a \$21 million cut. And my
17 question is, how is this really going to affect
18 the operations of these hospitals? I mean, what
19 services are actually going to be affected?

20 CHANCELLOR ZIMPHER: Well, the one
21 answer is that we are in a comprehensive review
22 with Downstate, and to that extent with Upstate,

23 and with the help of Stony Brook and Buffalo --
24 even though Buffalo doesn't run its own

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1 hospitals -- to shift, to downsize, to follow
2 the Affordable Care Act in terms of what
3 services need to be offered by a hospital and
4 otherwise in satellite care centers. So that's
5 the challenge in front of us.

6 And I can say, in spite of the fact that
7 LICH is the common discussion of Downstate,
8 their progress in creating, really transforming
9 Downstate in the image of your legislation is
10 working and is progressing. And they are
11 downsizing. And they're being very selective
12 about the services they offer. It's working.
13 It's just incredibly overshadowed by this
14 immense fiscal drain caused by not reaching a
15 LICH decision.

16 ASSEMBLYMAN STIRPE: Thank you.

17 CHAIRMAN FARRELL: Thank you very much.
18 Senator?

19 CHAIRMAN DeFRANCISCO: And I'll close.
20 Just a couple of questions on START-UP.

21 While the bill was being put together,
22 there was some concern that there might be
23 competition of the new people coming in with
24 local existing businesses. Are there any

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1 guidelines or regulations that have been put
2 together that would avoid that?

3 VICE CHANCELLOR MALATRAS: Yes, Senator,
4 a couple of different things. In the final
5 legislation we did add an anti-competition
6 provision. That's now set forth in regulation.
7 we can get that process to you to make sure that
8 happens.

9 But more importantly than that, we don't
10 ever want to get to that. What we wanted up
11 front was coordination and consultation with the
12 local communities with our campuses so we don't
13 even get to that point of saying is there
14 anti-competition in that.

15 So the law actually specifically
16 requires consultation with the communities,
17 consultation with our faculty, consultation with
18 local IDAs and economic development entities, to
19 avoid going down that path of invoking a process
20 of anti-competition.

21 CHAIRMAN DeFRANCISCO: That was the easy
22 question.

23 (Laughter.)

24 VICE CHANCELLOR MALATRAS: Well, then

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1 I'm in real trouble, Senator.

2 (Laughter.)

3 CHAIRMAN DeFRANCISCO: The harder
4 question is -- and this is I just don't
5 understand how it could possibly be done. A new
6 company, no matter what their main operation is,
7 no matter what their main goal is, everybody has
8 IT people, computer people, personnel that do

9 various back-office things. How does an
10 existing company, who has a great group of those
11 employees, ever compete with a new company
12 coming in, even if they don't sell the same
13 widgets, to keep their employees from a company
14 that could give them free taxes for 10 years?

15 VICE CHANCELLOR MALATRAS: Well,
16 Senator, it's a multipronged approach.

17 First of all, we don't think that
18 necessarily happens all the time. Many
19 companies now, before START-UP, got different
20 tax benefits. Some got Excelsior benefits, some
21 got Power for Jobs. So there was already a
22 little bit of what we would call an unequal
23 playing field.

24 But more importantly, we wanted to lure

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1 new businesses in for our communities. At the
2 same time, the Governor I think made clear, and
3 you'll have to ask Bob Megna and those folks
4 while you do a tax package of helping businesses
5 across the board, upstate manufacturing tax
6 credit, property tax reduction credit. So while
7 you're trying to lure in new businesses, also
8 reducing the overall tax burden for the state.

9 So I think it was a multipronged
10 approach.

11 CHAIRMAN DeFRANCISCO: I'm an employee
12 of an existing company. Somebody offers me the
13 same job, the same pay, and says I don't have to
14 pay any income taxes for 10 years. What am I

15 going to do? No matter what your multipronged
16 approach is, what do I do as an employee? What
17 choice do I take? I'm going to take the
18 10 years free taxes, aren't I? No matter what
19 benefits for everybody else.

20 So the reason I'm bringing it up again
21 is that this is a serious problem. Whether you
22 can get a solution to it or not, I just think it
23 ought to be thought out very, very carefully.

24 CHANCELLOR ZIMPHER: I think I would add

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1 we've got a geographic distribution problem too.
2 So while it may appear easy to steal employees
3 from one business to another, what's not been
4 easy is distributing business and industry
5 across upstate New York.

6 So I think the particular answer might
7 be, well, I could not pay taxes, but I'd be
8 going to a community far from where I now live.
9 So hopefully it won't negatively affect existing
10 businesses because we're trying to grow in
11 geographies that have been underserved.

12 CHAIRMAN DeFRANCISCO: Good try.

13 (Laughter.)

14 CHANCELLOR ZIMPHER: I gave it my best.

15 CHAIRMAN DeFRANCISCO: Thank you very
16 much. And thank you for our discussions on the
17 homeland security issue.

18 CHANCELLOR ZIMPHER: It's our privilege.
19 thank you.

20 CHAIRMAN DeFRANCISCO: Okay, thank you.

21 CHAIRMAN FARRELL: Thank you all very
22 much.

23 CHANCELLOR ZIMPHER: Thank you.

24 CHAIRMAN FARRELL: Next we will have

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1 William Kelly, interim chancellor, City
2 University of New York.

3 And as you're leaving, folks, can we
4 keep it down to a hum.

5 CHAIRMAN DeFRANCISCO: Whenever you're
6 ready.

7 INTERIM CHANCELLOR KELLY: Thank you,
8 sir. Good morning.

9 Good morning, Chairman DeFrancisco,
10 Chairman Farrell, Chairperson Glick, other
11 members of the Finance and Assembly Ways and
12 Means Committees, staff and guests. I am Bill
13 Kelly, the interim chancellor of the City
14 University of New York. I want to thank you for
15 the opportunity to speak today about CUNY in the
16 2014-2015 state executive budget.

17 I will ask, if I may, my colleagues, the
18 senior officers of the university, to introduce
19 themselves, starting on my left.

20 SR. VICE CHANCELLOR HERSHENSON: Jay
21 Hershenson, senior vice chancellor for
22 university relations and Secretary to the Board
23 of Trustees.

24 VICE CHANCELLOR SAPIENZA: Good morning.

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1 I'm Matt Sapienza. I'm the vice chancellor for
Page 115

2 budget and finance.

3 VICE CHANCELLOR WEINSHALL: I'm Iris
4 weinshall, the vice chancellor for facilities
5 planning and construction.

6 INTERIM CHANCELLOR KELLY: Thank you
7 all. Thank you for being with us.

8 First and most important, I want to
9 thank you for your long-standing support. Both
10 the Senate and the Assembly have demonstrated a
11 deep commitment to higher education. Your
12 advocacy on behalf of our students, faculty, and
13 staff has undergirded our efforts to ensure
14 access and excellence.

15 I'm not going to insult you by reading a
16 20-page document; I believe you have copies of
17 that. What I'm going to do is to touch on some
18 of the highlights and then be responsive to your
19 questions. Any of the details are embedded in
20 the document you have before you.

21 I want to begin with the Rational
22 Tuition Plan and note that it has brought
23 unprecedented stability to our colleges, enabled
24 us to develop and execute long-term planning,

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1 something that was not possible for the
2 University before that measure was installed:
3 It has given our families and our students
4 predictable tuition costs. They've eliminated
5 those unanticipated spikes that swamp budgets and
6 derail prospects.

7 As we enter into the fourth year of the
Page 116

8 model, we are comfortable in saying that its
9 impact has been significant, positive and
10 calculable. We're grateful to you and to
11 Governor Cuomo for understanding the critical
12 role that education plays in the lives of
13 New Yorkers and for implementing a policy that
14 secures its promise.

15 We are, of course, like our colleagues
16 at SUNY, concerned about the gap that continues
17 to widen in the maximum TAP and the tuition
18 that's charged. This year the cumulative cost
19 to the University of filling that gap,
20 \$29 million. That grows to \$42 million and, in
21 the outyear, \$54 million. These are dollars
22 that are not being directed to the needs of the
23 students who are paying the tuition. And we
24 call your attention, I'm sure a redundant act,

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1 to this problem and look for your help in
2 resolving it.

3 Our enrollment has increased by about
4 10 percent since 2008, fairly level across the
5 last three years. Currently we have 270,000
6 students, which is an all-time high. We serve
7 an additional 248,000 in continuing ed and
8 certificate courses. CUNY is a vast enterprise;
9 it's the largest fully integrated university
10 system in the United States and, I would argue,
11 in the world.

12 I want to say a quick word about the
13 diversity of our student body, which I think is
Page 117

14 unique. We have currently students from
15 200 countries, 29 percent white, 28 percent
16 Hispanic, 25 percent black, 18 percent Asian.
17 We're moving demographically toward one-fourth,
18 one-fourth, one-fourth, one-fourth. It's a
19 source of great pride and pleasure for us.
20 About 30 percent of our students were born
21 outside the U.S. mainland, 40 percent report an
22 annual household income of less than \$20,000.
23 It gives you some sense of the diversity --
24 racial, ethnic, socioeconomic -- that we are

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1 dealing with.

2 I want to note the extraordinary success
3 of our students during the last decade of CUNY
4 life. They win more and more major prizes all
5 of the time, NSF Graduate Awards, Rhodes
6 Scholarships, Fulbrights, Harry Truman
7 Scholarships, Goldwater Scholarships, it's just
8 been a remarkable record of success in that
9 regard.

10 Macaulay Honors College, which I think
11 you probably know about, now has a ratio of
12 applicants to acceptance of 23 percent, one of
13 the most selective colleges in the region if not
14 the country. We're excited about the Governor's
15 STEM scholarship proposal; again, bringing more
16 high-achieving students into our University.

17 Thank you again for being our sustaining
18 partner in this exercise, impossible without the
19 generous support of the state. And we continue

20 to depend and rely on that visionary engagement.

21 I want to begin by talking about a
22 number of our budget priorities. Again, I've
23 spelled them out in the document. But let me
24 begin by talking about our community colleges,

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1 say a word about their mission, their
2 achievement, their needs.

3 Our community colleges, we have seven,
4 serve 98,000 students. Almost three-quarters of
5 those students have graduated from New York
6 City. Eighty-eight percent of those students
7 entered CUNY with remedial needs in at least one
8 area. As you know, we have a long time ago
9 removed remediation out of the four-year
10 colleges, we're focused at the community
11 colleges. Many of those students face
12 significant personal and financial challenges.
13 Our goal is to help them overcome obstacles and
14 prepare them to compete successfully for jobs
15 that will enable them to make their transit into
16 middle-class lives, something that CUNY
17 historically has always done.

18 As I think you probably know, much
19 depends on than effort. We are in a moment in
20 the life of our nation, the life of the world,
21 in which the great divide is educational. We
22 live in a knowledge economy. Those students who
23 have education have an opportunity to prosper.
24 Those who don't are constantly consigned to

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1 marginal enterprises. In a number of ways we've
2 been trying to address that. One I would note
3 is the job linkage program where we have been
4 working closely with state agents to ensure that
5 our students at community colleges move into
6 employment.

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The Executive Budget, as you know,
recommends a flat Base Aid. That
recommendation, which is about \$2,400, is below
the fiscal 2009 level of \$2,675. Both CUNY and
SUNY are seeking an increase of \$250 in that
Base Aid. It will enable CUNY and SUNY as well
to provide the support, the attention that these
students need to move into the middle-class
world to which they aspire.

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The second issue on community college
that I wanted to bring to your attention, we've
been addressing, has to do with degree
completion. This is a national conversation
about the perception of low graduation rates --
wasted support, in some people's eyes.

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Across the country the data most
frequently cited is that three-year graduation
rates for first-time freshmen are about

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22 percent nationally -- that's at the
three-year mark -- and 16 percent in urban
institutions. Four-year rates are 27 and 20
percent, respectively. The six-year graduation
rates are about 56 percent nationally and

6 50 percent at urban institutions. When one
7 looks at those rates, then, more than 40 percent
8 of the students who began at community colleges
9 haven't graduated after six years.

10 There's some need for qualification
11 here. If a student leaves a two-year college
12 and moves to a four-year college, that's
13 attrition, that's not marked as the success that
14 it is. Some students aren't looking to complete
15 degrees when they arrive. Others, because of
16 their vulnerabilities, educational backgrounds,
17 are always at risk when they arrive.

18 All of that said, the numbers are too
19 low, and our focus over the last few years has
20 been to do more in that regard. I think we've
21 succeeded. I think we have some really
22 remarkable programs and data to report that has
23 to do, on one hand, with remediation -- I heard
24 some of the conversation earlier -- but, more

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1 important, I think with the social mobility that
2 our University tries to provide.

3 And I wanted to talk to you about a
4 couple of those programs in particular where we
5 are seeking supplemental support from your
6 efforts.

7 First, Accelerated Study in Associate
8 Programs. There's more data here than I will
9 cover in these remarks. But you may well have
10 heard about this program. Its acronym is ASAP.
11 There's been a lot of national attention, highly

12 laudatory pieces in the Chronicle of Higher
13 Education and The Atlantic, and most recently on
14 the op-ed page of The New York Times, where the
15 program was being offered as a national model
16 for moving people through community colleges for
17 addressing questions of remediation.

18 The data is quite spectacular. By
19 September 2010 -- the program began in 2007 --
20 55 percent of the students who enrolled in the
21 program received an associate's degree within
22 three years. The control group had a graduation
23 rate of 24 percent. In 2009, we expanded it to
24 include students who came to community colleges

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1 with remedial needs. There the graduation rate
2 was 20 percent higher than the control groups
3 that we looked at.

4 The takeaway from ASAP is that students
5 in the program graduate at more than three
6 times, more than three times the national
7 average for students in urban community
8 colleges. We think we've learned some important
9 lessons about how one works with students with
10 remedial needs in a timely, efficient,
11 economically reasonable fashion. And we are now
12 focused on extending the program to more of our
13 community college students.

14 This fall we expect to enroll more than
15 4,000 students in the program, and we have
16 larger ambitions still. But to extend the
17 impact of this extraordinary program -- and

18 again, I'm happy to provide more detail about
19 it -- we need additional state support. And
20 frankly I'm hard-pressed to think of an
21 investment more likely to yield high returns,
22 not only measured in impact on individual lives,
23 but also the impact of lowering the cost of
24 completed degrees.

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1 Second, I'd like to mention CUNY Start,
2 where we also look for additional support. CUNY
3 Start is a remarkable program. We were
4 concerned that students who arrived at community
5 colleges had many remedial needs. As I said
6 earlier, 88 percent of those students who arrive
7 have at least one remedial need. By the time
8 remediation was attended to, they had used up
9 significant numbers of their TAP dollars and
10 their support; the capacity to complete their
11 degree was compromised.

12 CUNY Start suggests that students delay
13 their enrollment, their matriculate enrollment
14 for a semester and enrolls them in an intensive
15 remediation program at the cost to them of \$75,
16 their TAP resources not depleted.

17 The results, to say they are encouraging
18 is an understatement of the first order. After
19 one semester, 75 percent of CUNY Start students
20 achieved proficiency in reading compared to
21 33 percent in the control group; 62 percent
22 achieved proficiency in writing, compared to
23 26 percent of the control group. Students

24 needing remediation in math, 53 percent of those

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1 students achieved proficiency in this program
2 compared to 10 percent of the control group.

3 The completion rates for students who
4 begin the program, 90 percent. I think most
5 important, the analysis that we've been able to
6 do in this preliminary phase of the program
7 tells us that the students who complete the
8 program take and earn more credits with a higher
9 GPA and have stronger retention rates than
10 similar non-CUNY Start student.

11 This fall we'll have 3500 students in
12 that program. As with ASAP, we hope to grow it
13 significantly. But in both cases these programs
14 where we have done controlled, double-blind
15 experiments that demonstrate that this works
16 become models for national practice, are more
17 expensive for students in the direct costs,
18 certainly not in the long-term costs in terms of
19 cost of degree production. But we need
20 additional support to expand the program to
21 other students. We think the data is there, we
22 think these are strong investments.

23 Other issues that I want to call to your
24 attention and seek your support, the top

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1 priority has been and continues to be funding
2 for hiring of new faculty. Over the last
3 10 years we have achieved at CUNY a 23 percent
4 net increase in full-time faculty. But the

5 surge in enrollment, as CUNY has become an
6 extremely attractive destination for high school
7 students, has not kept pace. We continue to
8 play catch-up, trying to add faculty so that the
9 rate of instruction by full-time faculty does
10 not decline, in fact increases.

11 So we are asking and hoping to hire an
12 additional 425 faculty. Nothing, I would press
13 upon you, as important to our success as
14 building a world-class faculty, and we need your
15 support to continue that effort.

16 I want to say a couple of words about
17 unfunded mandatory expenses. I've talked about
18 the challenge that the TAP gap, if you'll
19 excuse that infelicitous phrase, has caused for
20 us. But there are two other areas that I want
21 to bring to your attention. One has to do with
22 the annual step increases that have been
23 negotiated. I'm sure you're familiar with this
24 as well, a somewhat different situation at CUNY

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1 than at SUNY.

2 But historically the annual cost
3 associated with salary step increases at the
4 senior colleges have been covered in the state
5 budget. In the 2014-2015 Executive Budget,
6 there is no appropriation for these mandatory
7 costs, and that's been true for the last two
8 fiscal years. Each year the gap widens. Each
9 year our capacity to close it without reducing
10 the services we offer our students diminishes,

11 particularly sensitive as tuition increases and
12 our capacity to direct those dollars to
13 immediate student needs is compromised.

14 Second, I want to say a little bit about
15 the Decade of Science. This is in the
16 conversation that is both statewide and national
17 about the importance of STEM disciplines.

18 We will open the extraordinary, just an
19 amazing building -- I urge it upon you, if you
20 are in New York City and have an opportunity, I
21 would love to show it to you -- our Advanced
22 Science Research Facility. It's set and poised
23 to be one of the most significant centers in the
24 state for advancing scientific knowledge,

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1 particularly as New York City becomes a site of
2 technological enterprise and development.

3 We've recruited top-level researchers.
4 We're ecstatic with the building. We are
5 grateful, extremely grateful to the state for
6 providing the capital funding to build ASRC, but
7 we need corresponding funds to staff and
8 maintain it.

9 At this level, as I'm sure you
10 appreciate, when you're doing cutting-edge
11 research the instrumentation needs to be
12 constantly refreshed and you need to bring the
13 most talented researchers from across the
14 country and indeed the world to do that work.
15 That's expensive. We do not wish to have this
16 extraordinary building and not take full

17 advantage of its capacities.

18 Let me note in very broad strokes a few
19 other areas of operational need before I turn to
20 capital issues.

21 I want to say just a word about
22 Single Stop, which is a national program which
23 offers one-stop assistance to students for
24 benefits screening, tax prep, legal services,

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1 healthcare. The goal is to increase student
2 retention, particularly among those of our
3 population who lack the social capital to sort
4 things themselves, to put them in touch with
5 programs for which they are eligible but are
6 unaware.

7 Between 2009 and 2012, that was
8 \$66 million. We're looking to expand it to
9 CUNY's senior college population, which in many
10 ways, from a socioeconomic point of view, is not
11 very different from the population at our
12 community colleges:

13 College Now, this is a program where
14 we've had a very, very robust relation with the
15 Department of Education. We do lots of
16 programs. College Now, early-college high
17 schools, College Focus, constantly working as
18 closely as we can with the good folks at DOE.
19 We look forward to extending that relationship
20 in the new administration.

21 College Now provides college credit
22 courses, prep classes, workshops, summer

23 programs, access to campus facilities. It's
24 really helped with strong retention and

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1 graduation rates, particularly for Hispanic and
2 black students and for students with low scores
3 in their English language test in high school.
4 We're looking for some support to expand that
5 program.

6 We're concerned about the reduction in
7 childcare funding at community colleges by half
8 a million dollars. Fifteen percent of our
9 students CUNY-wide support children. That
10 percentage is much higher at community colleges.
11 Quality childcare, I need not tell you, is
12 essential to the retention and long-term success
13 of those students.

14 We are a leader in the nation in terms
15 of the services and programs we offer returning
16 veterans. We're looking to have some help in
17 identifying trained student affairs
18 professionals who are up to speed with the
19 particular needs of that population, we're
20 looking for some help there.

21 I want to say a word about CUNY LEADS,
22 which is another one of these experimental
23 programs that we've launched that has had just
24 staggeringly good results. This is a program

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1 done in partnership with SED to facilitate
2 academic and career outcomes for students with

3 disabilities. Currently, 86 percent of the
4 students enrolled in this program -- that's the
5 retention rate, are still enrolled. Those who
6 are job-ready have a 71 percent employment rate
7 compared to 56 percent nationally. This works.
8 It's a great advantage for these students.
9 We're very proud of the program and look for
10 some additional help.

11 The Black Male Initiative, the BMI
12 program, again, something that we feel is at the
13 heart of our mission. It's designed to address
14 the education, retention and graduation and
15 ultimately the underrepresentation of
16 African-American men in higher education, and
17 particularly in urban circumstances.

18 Eight years ago we began this program,
19 it started at Medgar Evers, and BMI in that
20 period has amassed an impressive record of
21 mentoring, counseling, retention, graduation.
22 Only the City of New York during this period,
23 through the City Council, has provided funding.
24 We are hopeful that the state will initiate a

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1 similar model to match the city's commitment and
2 allocation.

3 Again, more to say about any of these,
4 but let me say a few words about capital, and
5 then I will ask you if you have questions.

6 CHAIRMAN FARRELL: If this is the short
7 one, I'm glad I didn't get the long one.

8 (Laughter.)

9 INTERIM CHANCELLOR KELLY: I'm doing it
10 quickly, sir, as quickly as I can.

11 Our capital program, actually you have
12 this in our Gold sheet, different projects. We
13 have a list of those priorities. We are, like
14 many colleges, dealing with an aging physical
15 plant. We're looking for support of our
16 critical maintenance needs. You've been
17 generous in the past. We've done I think very
18 good work and very prudent work with what we
19 have been made available. We're looking for
20 another \$258 million in critical maintenance.

21 Again, we're delighted about the new
22 second phase of the CUNY 2020 program and are
23 very excited about working with everyone on
24 START-UP, I know you've been talking a good deal

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1 about that.

2 Major projects underway, nothing but
3 good news there. Vice Chancellor Weinshall
4 would be happy to give you a progress report on
5 those. And we are looking at new projects as
6 well, one particularly at LaGuardia Community,
7 Lehman College, York. The York project, the
8 Staten Island High Performance Computational
9 Center; Lehman College in the Bronx, that's
10 nursing education; and the new Roosevelt Hall at
11 Brooklyn.

12 These are critical to our academic work.
13 I feel that we have been extraordinarily prudent
14 with the funding that the state has provided.

15 It's been a huge job infusion for the City of
16 New York. Last year fully 20 percent, a
17 staggering number of construction projects in
18 the five boroughs were CUNY-related. We feel
19 that this is CUNY not just in the city but in
20 the state, working in their interest.

21 Thanks for your patience. I'm going to
22 stop; I take Chairman Farrell's caution to
23 heart. Again, we salute your commitment, and
24 I'm happy to address any questions you may have.

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1 CHAIRMAN FARRELL: Thank you very much.
2 We've been joined by Assemblyman Crouch.
3 To question, Assemblywoman Glick, chair
4 of the Higher Education Committee.

5 ASSEMBLYWOMAN GLICK: Thank you.
6 We've been given a lot of information,
7 and some of this is very familiar to me. But I
8 would like to get some answers regarding a
9 program that whenever I ask about it, the
10 central administration has great enthusiasm and
11 I have always left with the feeling that it is
12 either complete or just about to be, and then I
13 talk to people at the campuses and get a very
14 different sense.

15 So CUNY First, how much has it cost so
16 far?

17 INTERIM CHANCELLOR KELLY: I was sure
18 you were going to ask, so I have the data at
19 hand. Let me answer these questions not in a
20 vague way.

21 The original planned cost, \$293 million.
22 Current plan cost remains 293. We expect to
23 bring it on budget, which is remarkable in a
24 project of this scale. And what we have

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1 expended to date is \$225 million.

2 we have 15 colleges where the program is
3 fully rolled out, 220,000 of our students are
4 now operating off the platform. The last
5 rollout will be at the graduate school, and
6 that's that March 2015.

7 So by the middle of 2015 we will be
8 complete with the program, but it has not been a
9 kind of tread water. As I say, we've spent
10 \$225 million, we're coming in on budget, we have
11 150 colleges fully up and running, and we are on
12 schedule to finish by March of 2015.

13 ASSEMBLYWOMAN GLICK: So aside from the
14 Graduate Center, how many other campuses do you
15 envision?

16 INTERIM CHANCELLOR KELLY: All 24
17 colleges will be included. Fifteen are
18 finished, nine are in the progress. The last
19 that has not -- they are in rollout now. The
20 final one that's still pending, and that's why
21 we're saying March rather than the end of this
22 year, is the Graduate School at University
23 Center, because there are a number of programs
24 subsumed under that umbrella. It's a fairly

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1 complicated piece to deal particularly with
Page 132

2 financial aid issues that involve both doctoral
3 students and undergraduates.

4 This has not been easy, but I think we
5 have come a very long way. We had no choice. I
6 mean, we had legacy systems that were no longer
7 supported by anyone that were kind of held
8 together by scotch tape, staples and folks who
9 were about to retire and knew liquidities of the
10 system.

11 ASSEMBLYWOMAN GLICK: Since you
12 mentioned financial aid, there were a number of
13 problems that seem to have been related to --
14 well, I'm assuming it was related to CUNY First
15 at a couple of the different campuses that came
16 to my attention. Students weren't getting --
17 were essentially told that their financial aid
18 wasn't available, or wouldn't be, and they had
19 problems registering or they were told that
20 their registration was voided.

21 I understand that, you know, these large
22 systems, they're complex, they're every
23 difficult, we've seen other things in the City
24 of New York that have gone south in a very big

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1 way, so we understand that these systems are
2 difficult. But the impact to the actual
3 students or to adjunct professors who didn't get
4 paid for, you know, a couple of months, those
5 are real people. And the sense of urgency, I
6 didn't get a sense of urgency when raising those
7 concerns.

8 So I'm just wondering, if somebody has a
9 problem, who do they call? Other than me.

10 INTERIM CHANCELLOR KELLY: I was going
11 to say --

12 ASSEMBLYWOMAN GLICK: They certainly
13 can, and I'm happy that they did.

14 INTERIM CHANCELLOR KELLY: Their elected
15 representative would be my answer.

16 Three things. First, in terms of the
17 urgency of this problem, there is nothing more
18 urgent, in my view, than failing the people we
19 are stewards for, whether that is an adjunct who
20 works in one of our classrooms or a student who
21 comes in good faith to the college. When these
22 issues occur, we respond rapidly and, at least
23 on the checklist I've demanded from people,
24 effectively.

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1 The second issue is you're quite
2 correct, this is a vast system -- again,
3 approximately 500,000 students at 24 colleges.
4 There will be glitches in any such system. But
5 I would say that the glitches in this one, after
6 the first year or so when we learned important
7 lessons, have been relatively modest compared to
8 the scale.

9 The third thing I would say is that --
10 let me just cut through the chase here and say
11 that if people have issues with that, they
12 should contact me and then I will triage and
13 send along.

14 On the adjunct question, there's nothing
15 more critical at the moment. At our last
16 president's meeting, I think I bored everybody
17 to tears with a long speech about this. We are
18 working with colleagues both at the PSC and at
19 the University to find other more effective ways
20 to respond to adjunct need in this regard. I
21 take these concerns seriously, in short.

22 ASSEMBLYWOMAN GLICK: I very much
23 appreciate that.

24 Now, I know you were in the room when I

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1 raised the question around STEM scholarships.
2 Obviously it's a boon to any of the
3 universities, whether it's SUNY or CUNY, to be
4 able to attract the best students from the top
5 10 percent, which are frequently given
6 scholarships to private universities. So I
7 understand from a competitive point of view that
8 that's a good thing.

9 Not only do I reiterate my concern that
10 it not be a major gender imbalance, but in
11 Washington they're starting to talk about STEAM,
12 not STEM. And that's adding arts.

13 Now, in New York City in particular, our
14 economy is very, very much driven by attracting
15 people to our cultural facilities, the theater
16 and so forth. And it would seem to me that we
17 have a number of really terrific programs at the
18 various schools. And I'm wondering if you've
19 had any conversations or intend to have any

20 conversations about the possibility of looking
21 at this area more broadly.

22 INTERIM CHANCELLOR KELLY: Yeah,
23 preaching to the choir. These are areas that I
24 think are at the bedrock of the university

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1 education.

2 I'm concerned about narrowing such
3 education. I'm a firm believer in the liberal
4 arts, both as a general education device but
5 also as an animating presence in a university
6 curriculum. I think that's particularly
7 important in New York City, where one could
8 argue that our economic interests are as closely
9 tied to the arts as they are to technology.

10 This is an issue that we continue to
11 examine and continue to invest in. Yesterday I
12 was at a meeting where we were identifying arts
13 groups in the city and trying to create
14 possibilities for them to operate as
15 in-residents across the University. So I hear
16 you and agree.

17 ASSEMBLYWOMAN GLICK: The Guttman
18 Community College is a new college, and I'm
19 wondering if -- I know it was started with
20 generous outside support, and I'm wondering
21 whether that is continuing or is it now just
22 part of your array of community colleges. To
23 what extent is that adding a more -- you know,
24 an additional burden on the community college

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1 side?

2 INTERIM CHANCELLOR KELLY: The endowment
3 from the Charles and Stella Guttman Foundation,
4 very generous, it endows the college and it also
5 creates a \$9 million endowment to help students
6 transfer from community college to senior
7 college. Extremely grateful to the foundation
8 for its support.

9 What Guttman does for us is to give us
10 an opportunity to see what happens if you build
11 a community college de novo. As is the case
12 with ASAP, I didn't mention the Guttman data
13 because there's not enough of it, but it's
14 certainly trending to suggest ways in which
15 Guttman becomes leaven for our curricular
16 exercises at the other colleges.

17 So is this part of our budgetary
18 responsibility? It is. But does it contribute
19 significantly, not simply to the students who
20 enroll at Guttman but also to the University,
21 particularly the community college base, in
22 identifying modalities to solve some of the
23 intractable issues.

24 Yesterday there was a long and laudatory

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1 piece in Inside Higher Education talking about
2 Guttman as another one of two models, ASAP being
3 the other, that suggest ways of enhancing and
4 improving community college education across the
5 United States.

6 ASSEMBLYWOMAN GLICK: I'll come back for
7 a couple of other questions on my second round.

8 INTERIM CHANCELLOR KELLY: Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 Senator?

11 CHAIRMAN DeFRANCISCO: Senator Krueger.

12 SENATOR KRUEGER: Thank you.

13 Good afternoon, everyone.

14 INTERIM CHANCELLOR KELLY: Good
15 afternoon.

16 SENATOR KRUEGER: You talked about the
17 new CUNY Advanced Science Research Center up at
18 CCNY, and I was looking online at the pictures.
19 How are you integrating it with actual teaching
20 students? How does that work?

21 INTERIM CHANCELLOR KELLY: I'm sorry?

22 SENATOR KRUEGER: How will classes for
23 students be integrated into a freestanding
24 science research center?

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1 INTERIM CHANCELLOR KELLY: In three
2 ways.

3 There's a high school outreach program
4 that will involve high school kids during the
5 year; there's a special facility within the
6 building for them. We're looking to expand that
7 into summer programs as well.

8 Our undergraduate and graduate students
9 will work in these laboratories. As you know,
10 laboratories are never freestanding. The
11 critical instruction at this level of science

12 happens in the lab, one-on-one or in teams. So
13 we will have teams that involve high school
14 students, college students and graduate
15 students.

16 SENATOR KRUEGER: And so you'll be
17 moving your Ph.D. programs in this field into
18 that facility?

19 INTERIM CHANCELLOR KELLY: No, the Ph.D.
20 programs will continue to be based in
21 laboratories at the colleges where the
22 instruction continues.

23 But those faculty -- I mean, it's a
24 false distinction in a way. The faculty who are

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1 working at the ASRC have their base faculty
2 appointments at one of the colleges. So they
3 are faculty members at City or at Hunter or one
4 of the other colleges. Their students, the
5 people who work with them, are students there.
6 But the administrative -- the home base, if you
7 will, of the doctoral programs will not be there
8 but be, rather, at the colleges. The space
9 there is devoted not to administration of
10 doctoral programs but to the conducting of
11 high-end science.

12 SENATOR KRUEGER: I don't know whether
13 you were in the room when I asked SUNY about the
14 Research Foundation and the transparency. I'll
15 ask you the same question. Is the budget of the
16 CUNY Research Foundation available, with how
17 much money there is and how it's spent?

18 INTERIM CHANCELLOR KELLY: It is. It's
19 a transparent entity, has I think been well-led
20 and has avoid some of the legal issues that
21 other research foundations around the country
22 have encountered.

23 SENATOR KRUEGER: So where would we find
24 the data?

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1 INTERIM CHANCELLOR KELLY: I'm going to
2 ask Matthew, since he made the trip, to actually
3 have a voice here.

4 SENATOR KRUEGER: Might as well have a
5 reason to be here, right?

6 VICE CHANCELLOR SAPIENZA: Thank you.
7 The Research Foundation annually puts out
8 financial statements, and it's on the Research
9 Foundation's website as well. We can certainly
10 send you the link to that and the financial
11 statements themselves.

12 SENATOR KRUEGER: Chancellor, in your
13 testimony you highlight some national data about
14 graduation rates in urban centers at three years
15 and at farther out in community college and
16 senior colleges, but you don't put data for CUNY
17 specifically.

18 INTERIM CHANCELLOR KELLY: I do have
19 that data, and I can certainly get it to you.

20 It's consistent with national urban --
21 in some -- in the first step it's a point or two
22 below, and at the end it's a point or two above.
23 But roughly the same. But I'll be happy to get

24 that to you, Senator Krueger.

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1 SENATOR KRUEGER: Thank you.

2 And I'm sure you heard this, and I might
3 be jumping a question that I think my colleague
4 was going to ask. So SUNY seems to be very
5 interested in using the PSAT as an evaluative
6 tool in high school to determine what kind of
7 additional services are needed before they get
8 to college. Is that -- does CUNY share that
9 position?

10 INTERIM CHANCELLOR KELLY: We've had a
11 very long history. As I said earlier,
12 88 percent of our students at community colleges
13 come with remedial needs. Our approach has been
14 to identify the need for remediation in the SAT
15 test, follow with our own assessment tests in
16 all three areas, then identify students that can
17 be benefited by early intervention, like the
18 CUNY start program that I've talked about.

19 And our response to this is twofold.
20 One, to work very aggressively with DOE to work
21 within the high schools -- I mentioned three of
22 those programs earlier, I won't repeat them --
23 and then to spend a significant amount of energy
24 and resource to develop effective interventions

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1 given the populations that we're working with.

2 ASAP, what we're doing at Guttman, CUNY
3 Start, these are national models. And we've
4 come to them after a long stretch and long

5 experience. I began with the community colleges
6 because I think this is really where we have the
7 opportunity to crack what has been a very hard
8 nut for higher education across the United
9 States.

10 SENATOR KRUEGER: I know you're
11 supporting the increased full-time equivalent
12 amount for the community colleges. I share the
13 university's proposal to do so. How is your
14 space needs at the community colleges at this
15 point in time?

16 INTERIM CHANCELLOR KELLY: Depends on
17 the community college you're talking about. But
18 the short answer is bursting at the seams. We
19 have 274,000 matriculate students, 98,000 of
20 them at community colleges. That is a dramatic
21 growth from when the physical plants were
22 constructed.

23 So I can ask Vice Chancellor Weinshall
24 to say a word about that, if she would.

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1 VICE CHANCELLOR WEINSHALL: The
2 chancellor is right. I mean, we are bursting at
3 the seams. Just to give you a sense, at BMCC,
4 which is our community college in Lower
5 Manhattan, we're running classes seven days a
6 week, about 18 hours each day.

7 So clearly we are in desperate need not
8 only of more space, but I think the chancellor
9 touched on this in his testimony, we're in
10 desperate need of renovated space. A lot of our

11 space is outdated. Our labs, our classrooms
12 have really not kept pace with the teaching
13 standards that are used throughout the
14 university systems worldwide. So we are always
15 looking for ways to increase our space, to
16 expand it and to renovate it. And many of our
17 community colleges have started to lease space
18 outside of their campus walls. So again, in the
19 case of BMCC, we are in a number of office
20 buildings downtown to be able to accommodate our
21 great need of space.

22 SENATOR KRUEGER: And just very quickly,
23 I think you were also here when I was voicing a
24 bit of a concern about online course models for

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1 SUNY. Now, CUNY is a different geography than
2 SUNY and different student population. I'm just
3 wondering what if anything you have learned to
4 date for yourselves.

5 INTERIM CHANCELLOR KELLY: It's a very
6 difficult different population and geographic
7 sense, as you say.

8 I am no great fan of silver bullets,
9 that this is going to solve all of our economic
10 and pedagogic needs. I have read the report
11 from Penn, the earlier one from Berkeley, the
12 one from the State of Georgia and the one from
13 Illinois, all of which raise the concerns that
14 you've addressed.

15 Our view -- my view, at any rate, is
16 that it's a tool, and it is a tool that can be

17 deployed in a variety of circumstances, whether
18 you're talking about flipped classrooms, whether
19 you're talking about virtual laboratories,
20 whether you're talking about shared resources
21 across a 24-college system. These are things
22 that we are focused on given our particular
23 circumstance.

24 We have an initiative called CUNY

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1 Advance. Again, not to create MOOCs -- I think
2 that's not just yesterday's news, but last
3 decade's news -- but to focus on the ways in
4 which the investments we've made in technology
5 can be most effectively deployed in the interest
6 of our students.

7 A good deal of our faculty recruitment
8 exercise, particularly in the last year, has
9 been focused on identifying the very best people
10 in the country and persuading them to join us in
11 that enterprise.

12 SENATOR KRUEGER: I'm going to take one
13 more quick question. Because I do know of the
14 space concerns and of your coordination with the
15 public school system, have you explored using
16 public school space in the evenings or weekends
17 for some of the class space you need?

18 INTERIM CHANCELLOR KELLY: Iris?

19 ASSEMBLYWOMAN WEINSTEIN: The answer is
20 yes and no. It all depends on the school and
21 whether we can make an arrangement with the DOE.
22 The school clearly has to be ADA-compliant. you

23 know, some of the other older public schools are
24 not. But we have worked in some instances with

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1 the DOE, and we've had some good relationships
2 also with the Catholic schools in New York City
3 as well.

4 So the answer is yes, but probably not
5 as much as we probably should have.

6 SENATOR KRUEGER: Thank you. Thank you.

7 CHAIRMAN FARRELL: Senator?

8 CHAIRMAN DeFRANCISCO: I've got to leave
9 for about 15 minutes, so I just want to follow
10 up on that PSAT standard.

11 INTERIM CHANCELLOR KELLY: Right.

12 CHAIRMAN DeFRANCISCO: Now, you say that
13 you want early intervention. When is early,
14 according to your --

15 INTERIM CHANCELLOR KELLY: Our
16 intervention programs begin in the second year
17 of high school.

18 Again, the scale that we're engaging,
19 both at the DOE and at the University, makes it
20 difficult to say that we are going to do this
21 for every student in the system who requires
22 remediation. But all of those programs, and
23 every year they continue to grow, focus from the
24 second year of high school on.

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1 There are a number -- Jay, do you know
2 exactly the number of college high schools

3 present on our campuses, for example?

4 SR. VICE CHANCELLOR HERSHENSON: Just
5 very quickly, we have over 22 high schools that
6 are either on or adjacent to CUNY colleges, and
7 we are serving annually 20,000 high school
8 students in our College Now program; 28,000
9 registrants -- because there are some
10 duplicates. That's in over 450 high schools of
11 the city. So that is our largest intervention
12 program.

13 INTERIM CHANCELLOR KELLY: DOE has -- I
14 mean, this is from them, not from me, but I take
15 their word, and am proud of it, that the
16 relationship between New York City DOE and City
17 University is more robust than any parallel
18 systems in the country, not just in terms of
19 numbers, which you would expect, but percentage
20 of students involved in these exercises.

21 CHAIRMAN DeFRANCISCO: And you still,
22 because you can't serve every student, you still
23 have remediation programs at CUNY when students
24 come to college.

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1 INTERIM CHANCELLOR KELLY: That is
2 correct, sir.

3 CHAIRMAN DeFRANCISCO: And what
4 percentage of the students coming into college
5 need remediation?

6 INTERIM CHANCELLOR KELLY: At the senior
7 colleges, the four-year colleges, zero. At the
8 community colleges, 88 percent.

9 CHAIRMAN DeFRANCISCO: Okay. So what's
10 wrong with making the identification early and
11 starting the remediation in high school
12 after the PSAT is taken to identify those
13 children?

14 INTERIM CHANCELLOR KELLY: Nothing at
15 all, sir. We're happy to work with both DOE, we
16 continue to do that, and with our colleagues at
17 SUNY.

18 CHAIRMAN DeFRANCISCO: Okay. In other
19 words, what I guess I'm asking, it's not
20 mutually exclusive, is it?

21 INTERIM CHANCELLOR KELLY: It is not. I
22 mean, what we decided a long time ago was that
23 we would provide as many interventions as
24 possible. The earlier you identify the issue

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1 and the earlier you respond, the better.

2 Our concern, my concern is how do you
3 respond in the most effective way. People have
4 been throwing money at remediation for decades
5 and decades. A concern is identification,
6 certainly. But then what are the interventions
7 that actually work?

8 CHAIRMAN DeFRANCISCO: Well, isn't
9 actually going to class a senior year some type
10 of intervention before you have to pay it at the
11 college level? I mean, do you agree that in
12 many instances when students have the number of
13 credits they need, they do not have to take any
14 other classes in their senior year and still get

15 a diploma?

16 INTERIM CHANCELLOR KELLY: I am not up
17 to speed on data on that point. But I would
18 certainly agree that if a student has a remedial
19 need, we identify it and -- CUNY starts with
20 that, identifying them, making certain that we
21 reach them early in the going.

22 CHAIRMAN DeFRANCISCO: Okay. So I guess
23 the last question would be, so CUNY would be
24 willing to at least sit down with

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1 Chancellor Zimpher --

2 INTERIM CHANCELLOR KELLY: Of course.

3 CHAIRMAN DeFRANCISCO: -- and to try to
4 figure out how the senior year could be more
5 productive in this process so that we don't have
6 88 percent going to CUNY that have a degree that
7 means little.

8 INTERIM CHANCELLOR KELLY: Again, if I
9 just might, it's not 88 percent that's -- we've
10 heard there in the past, and I know that's not
11 what you meant, sir. But it's 88 percent of the
12 CUNY community college population, zero percent,
13 zero, of the four-year college population.

14 But yes, we work well SUNY in a number
15 of ways, and I'll be very happy to have that
16 conversation.

17 CHAIRMAN DeFRANCISCO: Great. Thank you
18 very much.

19 INTERIM CHANCELLOR KELLY: Thank you,
20 sir.

21 CHAIRMAN FARRELL: Thank you.
22 Assemblyman Moya.
23 ASSEMBLYMAN MOYA: Thank you.
24 Thank you, Chancellor. Thank you for

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1 everyone being here today for this testimony.
2 And to Jay, always a pleasure to see you.
3 I just wanted to ask a couple of quick
4 questions. One is of particular concern, which
5 is -- I think you touched upon it a little bit,
6 but CUNY's higher education opportunity
7 programs, SEEK and the College Discovery, were
8 reduced in 2013-2014 levels. I'm just curious
9 of how this reduction would affect your ability
10 to provide comprehensive academic support to
11 assistant students who otherwise might not be
12 able to attend college due to their educational
13 and financial circumstances.

14 INTERIM CHANCELLOR KELLY:

15 Significantly. That's why it's one of the items
16 on our Gold Sheet, one of our priority items to
17 restore. These are programs that have offered
18 opportunity to a generation, at this point, if
19 students, and they have offered the kind of
20 opportunity and access that the University is
21 about. Losing them would be a significant
22 problem for those students and for us.

23 ASSEMBLYMAN MOYA: And another question
24 is in an effort to help educate the English

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1 language learners in our public schools, what
Page 149

2 steps has CUNY been taking to enroll students in
3 teacher preparation programs that lead to a
4 teacher certification in the bilingual education
5 for English as a second language?

6 INTERIM CHANCELLOR KELLY: Our teacher
7 education programs at the senior colleges have
8 been leaders, as you know, sir, in this effort,
9 and we continue to work in that direction. It's
10 again in our DNA.

11 ASSEMBLYMAN MOYA: I know. And thank
12 you for that, because it provides a tremendous
13 service for a lot of students that I represent
14 in my district.

15 One quick thing, which is my last
16 question here, is if the state increased the
17 maximum TAP award for SUNY and CUNY, which would
18 save significant money because it would help
19 reduce the SUNY and CUNY tuition credit
20 obligation, would you use some of these savings
21 to help strengthen the programs for ELLs?

22 INTERIM CHANCELLOR KELLY: Yes, of
23 course. There's a panoply of programs, that
24 among them, that we wish to support if we had

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1 additional resources to do it.

2 As you can look at our Gold Sheet, you
3 see where our priorities reside. We would
4 certainly do that. We'd reinvest them in
5 student-based programs, and that would be one of
6 the lead programs, from our point of view.

7 ASSEMBLYMAN MOYA: Great. Thank you so
Page 150

8 much.

9 INTERIM CHANCELLOR KELLY: Thank you,
10 sir.

11 CHAIRMAN FARRELL: Thank you.
12 Senator?

13 SENATOR KRUEGER: I don't believe we
14 have any other Senators.

15 CHAIRMAN FARRELL: Thank you.
16 Assemblyman Lupinacci.

17 ASSEMBLYMAN LUPINACCI: Good afternoon.

18 INTERIM CHANCELLOR KELLY: Good
19 afternoon.

20 ASSEMBLYMAN LUPINACCI: Thank you for
21 joining us today. And I just had several
22 questions.

23 The first one being if we look at the
24 community college-based aid in terms of

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1 2009 versus the present amount -- and obviously
2 when there's a flat line in aid such as this, it
3 has a cumulative effect over years -- what goals
4 or aims have you had to set aside or push back
5 from since 2009, and where do you think it's
6 going to go in the future years? Because
7 obviously you've had to probably --

8 INTERIM CHANCELLOR KELLY: Right.

9 ASSEMBLYMAN LUPINACCI: -- reorder
10 certain types of goals and things. If you just
11 speak briefly about the impact of it.

12 INTERIM CHANCELLOR KELLY: You've heard
13 me describe these innovative programs that we

14 are advancing and are very excited about.
15 They're expensive. And if we do not have the
16 resources to do them, they are scaled back. So
17 that instead of having 8,000 students in an
18 ASAP, or 6,000 students in CUNY Start, we're not
19 able to provide that level of support. It then
20 cascades down to every other program that we try
21 to do, especially as our enrollment increases.

22 ASSEMBLYMAN LUPINACCI: And I know
23 remedial classes have been a large part of the
24 conversation and such. And if you could just

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1 give us a little bit of background on the trend
2 in class size, especially at the remedial level.

3 Have you attained a certain class size
4 that you think works best? Have you had
5 increased class size based on the aid? If you
6 could just discuss that a little bit.

7 INTERIM CHANCELLOR KELLY: This also
8 goes to your last question.

9 As resources are pressed, size of
10 classes increase. Both at CUNY and nationally,
11 the rough cut is 25 is about as large a class as
12 you can if you were expecting to succeed in
13 remedial activities. That's the goal that we
14 have set for ourselves.

15 ASSEMBLYMAN LUPINACCI: Thank you.

16 INTERIM CHANCELLOR KELLY: Thank you,
17 sir.

18 CHAIRMAN FARRELL: Thank you.

19 Assemblywoman Glick to close.
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20 ASSEMBLYWOMAN GLICK: Just a couple of
21 follow-up questions.

22 Have you been hearing from any of your
23 programs directors who deal with teacher
24 education concerns about edTPA and what seems to

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1 be a rapid implementation as opposed to a slower
2 rollout?

3 INTERIM CHANCELLOR KELLY: Of course we
4 have. I think everyone involved in that
5 enterprise has been hearing those concerns.

6 I've talked to our people at the
7 colleges, the person at the chancellor's office who is
8 the coordinator for them, and I've had two
9 conversations with Commissioner King on the
10 subject.

11 I heard Chancellor Zimpher's response.
12 I would echo the part about a commitment to
13 standard and to preparing teachers to succeed in
14 implementing the Common Core.

15 But as in any rollout, there are
16 implementation issues. This is one of them. We
17 are using the resources, \$10 million that the
18 state has provided, to help train teachers. I
19 think we're making progress there. But there
20 are disjunctions between intent and practice,
21 and I think that we were on track to begin to
22 address and solve those problems. I can't tell
23 you we have solved them, but I can say that
24 Commissioner King and I have talked at length

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1 about remedial activity in that way, a different
2 kind of remediation, fixing that system.

3 ASSEMBLYWOMAN GLICK: Did you -- in
4 conversations with the directors of teacher ed
5 programs, do they feel that they need another
6 year or they need -- do you have a target in
7 terms of bringing everybody up to speed? It's,
8 you know, rather difficult to be at your last
9 semester and be held to a standard that may be
10 where we want to wind up, but if you're the
11 guinea pig, for some it might be very difficult.
12 So have you had that conversation about the
13 timeline?

14 INTERIM CHANCELLOR KELLY: Well, what
15 you've just said has been the substance of that
16 conversation. And we are not interested in one,
17 two, three or fixes, we're trying to deal with
18 the human beings who are involved at this point.

19 ASSEMBLYWOMAN GLICK: Do you have or can
20 you get us what your per-student cost is for
21 ASAP? I looked for it, I didn't see that.

22 INTERIM CHANCELLOR KELLY: I have a
23 number, but I'm going to ask Matthew to be more
24 precise than I would be able to be.

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1 VICE CHANCELLOR SAPIENZA: Sure.

2 The ASAP program costs us about \$4,000
3 per student more than it does for the other
4 community college students. Now, that number
5 was much higher when we first rolled out the

6 program, it was well over \$6,000 per student.
7 But because of scale issues and, more
8 importantly, because of efficiencies that we
9 have found in the program over the years, we've
10 been able to bring that down. So it's about
11 \$4,000 more per student, for an ASAP student,
12 than it is for a regular community college
13 student.

14 ASSEMBLYWOMAN GLICK: When I first heard
15 about ASAP, it was at Queensborough. Is it
16 now -- is it at all campuses, all of the
17 community colleges, is it only at a few? I'm
18 just trying to get a handle on what we would
19 need to do to give you, you know, more support,
20 what it would require.

21 VICE CHANCELLOR SAPIENZA: It's at all
22 of our community colleges.

23 The Guttman Community College is
24 actually modeled after the ASAP program. So

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1 while Guttman doesn't have a specific ASAP
2 program, the entire curriculum in college is
3 modeled after it.

4 And we're actually starting to roll it
5 out to two of our senior colleges as well that
6 have associate degree programs. We'd like to
7 not only roll it out to all of our senior
8 colleges with associate degree programs, but we
9 want to expand the number of students that we
10 have in the ASAP program overall. Our target is
11 we'd like to have at least 4,000 students in the

12 ASAP program this coming fall.

13 And one of the things that I'd like to
14 point out about the program, and actually give
15 the university's gratitude towards the
16 Legislature, is last year \$1.7 million was added
17 for the first time to the ASAP program in the
18 state budget. Historically, it's been
19 100 percent funded by the City of New York. So
20 we were really grateful for that support.

21 Unfortunately, that was not included in
22 the Executive Budget for this year, and so it's
23 really critical --

24 ASSEMBLYWOMAN GLICK: Nothing we added

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1 was, so don't feel --

2 VICE CHANCELLOR SAPIENZA: No, no, we
3 understand. We understand. But that's really
4 critical for us to get that restoration and then
5 look for additional support so that we can go
6 forth with our planned expansion.

7 ASSEMBLYWOMAN GLICK: Well, it's helpful
8 for us to know what the per-student cost is so
9 we have some idea of what kind of -- you know,
10 how much we're actually -- how much bang for our
11 buck we're adding to any budget discussion. So
12 I appreciate those details.

13 VICE CHANCELLOR SAPIENZA: Thank you.

14 CHAIRMAN FARRELL: Thank you very much.

15 INTERIM CHANCELLOR KELLY: Thank you
16 very much. Thank you for your time.

17 CHAIRMAN FARRELL: Dr. John King,

18 commissioner, New York State Education
19 Department.

20 Good morning and welcome. And I did not
21 show up last week, so is this the same book
22 you're giving us this week?

23 COMMISSIONER KING: It's different, but
24 there's some overlap.

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1 CHAIRMAN FARRELL: I see. But you're
2 going to do the portion that's relevant, the
3 thin portion that's relevant?

4 (Laughter.)

5 COMMISSIONER KING: Yes, sir.

6 CHAIRMAN FARRELL: Thank you, Doctor.

7 COMMISSIONER KING: Thank you. Thank
8 you, Chairman Farrell, Chairperson Glick, and
9 the other members of the Senate and Assembly
10 here today.

11 I'm joined by our Executive Deputy
12 Commissioner Beth Berlin, our Deputy
13 Commissioner for the Professions Doug Lentivech,
14 and our Deputy Commissioner for Higher Education
15 John D'Agati.

16 In my testimony before you on P-12
17 education I had the opportunity to talk about
18 the state's progress towards the goal of college
19 and career-readiness for all of our students.
20 Today I'll focus my comments, my brief comments
21 on quality and affordable opportunities to
22 pursue higher education and professional
23 opportunities and the link between those higher

24 education and professional opportunities and our

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1 state's economic well-being.

2 Although our state's graduation rates
3 from high school have steadily increased over
4 the last decade even as we've raised standards,
5 just 74 percent of our students today graduate
6 from high school. And of those students who
7 start ninth grade four years earlier, just a
8 third, after four years of high school, graduate
9 prepared for success in college and careers.

10 You heard today from the SUNY chancellor
11 and CUNY interim chancellor about the challenge
12 of remediation. More than a quarter of our
13 students in higher education are required to
14 take remedial courses. A majority of students
15 in our community colleges are required to take
16 remedial courses, and in our highest-needs
17 communities, as you heard from Interim
18 Chancellor Kelly, the numbers are as high as
19 80-plus percent of students required to take
20 remedial courses.

21 Those remedial courses take a toll on
22 students and their families. They require them
23 to pay for the acquisition of knowledge and
24 skills that they should have gotten for free our

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1 K-12 system. And the more remedial courses a
2 student takes, the less likely that student is
3 to graduate from college.

4 As I travel around the state I hear
Page 158

5 regularly from parents who describe their
6 experience graduating from high school thinking
7 they were prepared, finding themselves on a
8 college campus, discovering that they are
9 underprepared, required to take remedial
10 courses, and they want something different for
11 their children.

12 And that goal, ensuring that all of our
13 students leave the K-12 system prepared for
14 success in college and careers, drove the
15 adoption of the Regents' Reform Agenda in 2009
16 and the work we did on our Race to the Top
17 application, which was successful in 2010.

18 One particular area of focus in that
19 Reform Agenda is improving teacher and principal
20 preparation, ensuring that the graduates of our
21 teacher and principal preparation programs have
22 both the content knowledge and the real-world
23 classroom and school skills they need to succeed
24 with a more diverse population of students and

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1 the more challenging standards that students
2 must meet in the 21st century.

3 I would call your attention especially
4 to pages 31 through 42 of the materials that
5 describe the five-year process we've been
6 engaged in around the development and
7 implementation of new certification assessments
8 and the significant investment of Race to the
9 Top resources in supporting SUNY and CUNY and
10 the Commission on Independent Colleges and

11 Universities in their work with their faculties
12 to prepare students for these new certification
13 assessments.

14 In closing, I would ask specifically
15 that you consider support for three programs
16 that we believe can help us to ensure that our
17 students most in need have the opportunity to
18 take advantage of higher education.

19 We talk in the materials about the Board
20 of Regents proposal for sustainable funding for
21 early-college high school programs and P-TECH
22 programs, programs that blend early-college high
23 school and readiness for the workforce. We know
24 that students enrolled in these programs

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1 nationally and in New York are more likely to
2 graduate from high school, more likely to go on
3 to college, and more likely to graduate from
4 college.

5 Second, the Board of Regents has long
6 supported efforts to ensure that our
7 undocumented students have access to financial
8 aid. We would urge you to support the New York
9 Education Equity for Dreamers Act, our New York
10 State DREAM Act, the goal being to ensure that
11 our undocumented students who are part of our
12 K-12 system have the opportunity to take
13 advantage of higher education and the skills
14 that they will gain there to contribute to our
15 state's economy and our state's future.

16 And finally, we talk in the materials
Page 160

17 about investing in the higher education
18 opportunity programs.

19 Chancellor Zimpher and Interim
20 Chancellor Kelly talked about the parallel
21 programs at SUNY and CUNY to the HEOP program,
22 which is focused on our independent colleges and
23 universities. These kinds of programs that
24 provide additional support to our disadvantaged

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1 students help ensure that they actually
2 graduate. Students who are enrolled in HEOP
3 programs graduate at a rate many times over
4 those disadvantaged students who do not have the
5 opportunity to enroll in such programs.

6 Only through the collaboration across
7 our P-20 system can we ensure that all of our
8 students are ready for college and career
9 success, that all of our students get the skills
10 they need through higher education, that they
11 are prepared for the economy of the 21st century
12 and they're able to contribute as citizens.

13 I look forward to your questions.

14 CHAIRMAN FARRELL: Thank you.

15 First to question, Assemblywoman Glick.

16 ASSEMBLYWOMAN GLICK: Thank you very
17 much, Commissioner.

18 I think you were here when I raised the
19 question at least with the interim chancellor
20 from CUNY and raised the same question with
21 Chancellor Zimpher. The issue is not whether or
22 not standards should be reviewed. The world

23 changes. Things are more complex than when I
24 went to school. So I appreciate the fact that

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1 we might want to avail ourselves of different
2 modalities of teaching, in response to changes
3 in technology at the very least, let alone the
4 more expansive information that we want to
5 convey to students.

6 And I appreciate you including the
7 budget language that relates to edTPA. When I
8 heard someone say we should have a bar exam for
9 teachers, I said, "Oh, my goodness, we've never
10 had a certification test for teachers? I'm
11 surprised. My sister was a teacher. I think
12 there was a certification test." So this notion
13 that there should be a bar exam as if there had
14 never been some hurdle over which students who
15 sought to get a license didn't have to jump.

16 So if the test needed to be -- you know,
17 there needed to be a change in the level of the
18 exam or the material covered, it seemed -- I
19 guess what I'm saying is I'm not happy with the
20 buzzwords and having public policy based on the
21 notion that a casual comment made becomes the
22 sound bite, the sound bite becomes the policy,
23 and then everybody scrambles to make the policy
24 reflect the sound bite.

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1 So I look at the budget language and it
2 says "a portion of the funds appropriated herein

3 shall be used to create standards for a teacher
4 and principal bar exam certification program
5 that would include a common set of
6 professionally rigorous assessments to ensure
7 the best-prepared educators are entering the
8 public school system."

9 I didn't see an "implemented
10 immediately." I didn't see that in the
11 language. So I'm hearing from people who are
12 very concerned, educators who are having
13 students who are in the middle of their
14 education -- who might be able to have
15 adjustments to their education -- feeling like
16 they're going to be held to a standard that
17 they're not prepared for, certainly those
18 students who are at the very end of their
19 education.

20 So I guess the question is, did we move
21 too quickly? Are we rethinking that? Are we
22 taking just a momentary pause? Are we going to
23 ensure that students who are well-qualified but
24 perhaps haven't been prepared for, will they

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1 have to go back to ground zero, will they have
2 to take another two years in order to be able to
3 be certified? Especially considering that
4 roughly, you know, half the teachers leave the
5 profession in the first five years.

6 COMMISSIONER KING: Appreciate the
7 question.

8 So drawing your attention to pages 35

9 and 36, it's worth going back to when the
10 Regents and department began this work in 2009.
11 As part of our Regents Reform Agenda that the
12 Regents established in 2009, we committed then
13 to upgrading our certification assessments, in
14 part in response to the very concern you raised
15 at the end of your question about the number of
16 teachers who we lose early in their careers.

17 oftentimes, early-career teachers will
18 say they felt inadequately prepared for the
19 realities of the classroom. And so we committed
20 in 2009 to change our certification assessments
21 in three important ways. One, to make sure that
22 the content knowledge expectations matched our
23 academic standards. Two, to ensure that teacher
24 preparation programs focus on the skills

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1 students need to work with our diverse student
2 population -- English language learners,
3 students with disabilities -- to work
4 effectively with families and communities. And
5 three, to ensure that teacher preparation
6 programs focus on what we describe as clinically
7 rich preparation, the hands-on kinds of learning
8 opportunities that teachers need to be
9 successful in the classroom.

10 And we embarked on similar changes to
11 principal preparation.

12 We invested over \$20 million in
13 clinically rich teacher preparation pilot
14 programs across the state, and we invested now

15 \$11.5 million in partnerships around
16 professional development with SUNY, CUNY and the
17 Commission on Independent Colleges and
18 Universities so that they could support their
19 faculty in preparing for these new certification
20 assessments.

21 We've heard the concern about time and
22 faculty members wanting more time to adjust
23 their curricula, so the Board of Regents delayed
24 the new certification assessments, which were

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1 scheduled to go into effect spring of 2013,
2 until spring of 2014. So we delayed by a year
3 the implementation. So we're now in the fifth
4 year of this work across our campuses.

5 There's no question that the level of
6 preparation and work across campuses is uneven,
7 and we are monitoring that closely. Students
8 have begun taking the assessments. The early
9 results are promising, but we want to monitor it
10 closely. We are speaking with all three sectors
11 on really a weekly basis to get a sense of how
12 it's going on campuses. And as Interim
13 Chancellor Kelly said, we're going to continue
14 to make adjustments to make sure that we support
15 students.

16 So we're mindful of the concern, and
17 we're going to continue to work with the sectors
18 to ensure that students have opportunities to
19 retake the assessments, either in whole or in
20 part. Many of the campuses have designed

21 special courses to support students who need to
22 retake elements of their certification
23 assessments. So we're going to continue to work
24 closely with them and monitor closely as we see

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1 how students do over time.

2 ASSEMBLYWOMAN GLICK: All enterprises --
3 and the State Education Department isn't
4 different from these. I worked in production
5 for many years. So the engineering department
6 would say: This is how we're going to do things
7 from now on. And then the people who on the
8 ground had been doing a certain task for the
9 last 20 years were not going to be able to
10 respond to the change in methodology that was
11 required by the engineering department without
12 additional supports.

13 And it just seems like the discussion up
14 here was far more advanced than the
15 communication down here. So I am happy to hear
16 that there is going to be some additional
17 support, and I would hope that that also meant
18 not delaying people's ability to get into a
19 profession for which they are largely prepared
20 but have not been prepared for a specific
21 assessment regimen. So I'm happy to hear it.

22 And it is so bizarre to see John sitting
23 at that side of the table. But it's good to see
24 you, John.

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1 Thank you.

2 CHAIRMAN FARRELL: Thank you.

3 Senator?

4 SENATOR KRUEGER: Thank you.

5 Good afternoon. Sorry I had to run out,
6 but I've already caught up and read everything.

7 Proprietary schools. A new law was
8 passed, and the national data is fairly
9 terrifying about default rates in certain
10 for-profit institutions. And I even saw a
11 recent story that the AGs from 13 states have
12 started a national investigation.

13 What are we doing to make sure that
14 students in New York aren't using their limited
15 dollars and an enormous amount of loan money
16 that they are ultimately obligated for, to end
17 up having to default and not getting the
18 education that they need in today's world and
19 having cut off their opportunity to then be able
20 to go to a qualified school to provide them the
21 skills they need?

22 COMMISSIONER KING: Thanks for the
23 question.

24 So let me start on non-degree-granting

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1 proprietary schools, and then I'll ask John to
2 comment further on degree-granting institutions,
3 particularly some of the online institutions,
4 which I think are in particular need of careful
5 attention, not just at the state level but at
6 the federal level.

7 Last year a bill was passed related to
Page 167

8 the non-degree-granting proprietary schools that
9 allowed us to improve our enforcement
10 capabilities, to upgrade our technology, to add
11 staff, to monitor what is a growing area. We
12 are moving forward with those changes. There
13 are schools that have been closed, there are
14 investigations that we have referred to the
15 proper authorities, and so forth. And we will
16 continue to do that.

17 In the degree-granting environment,
18 there are proprietary colleges that have done an
19 excellent job in the state for a very long time
20 and follow all of the state's laws and
21 regulations and expectations. But there is this
22 growing category of schools that are online
23 schools that operate not as New York
24 institutions but advertise to New York students,

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1 and that is a challenge.

2 Monitoring how students take advantage
3 of those distance learning opportunities or
4 online opportunities is a particular challenge
5 in which we really need the federal government
6 to intervene with a stronger regulatory regime.
7 But I'll ask John to expand on that.

8 DEPUTY COMMISSIONER D'AGATI: I would
9 just add that we have taken steps to monitor and
10 track complaints much more closely, and even
11 anonymous complaints. In the past we had not
12 looked at anonymous complaints. But we are
13 tracking those now and making that information

14 available to, for example, accreditors, regional
15 accreditors of these institutions, so that
16 there's information that is being shared so that
17 people are aware when the level of complaint
18 goes up.

19 SENATOR KRUEGER: Now, there are
20 degree-granting that are the bad guys also. I
21 mean, you jumped immediately to the onlines.
22 But are you playing any role in tracking the
23 default rates of, you know, in-place schools
24 here in New York? And what can we do about the

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1 bad ones?

2 DEPUTY COMMISSIONER D'AGATI: Yes, we do
3 track default rates, and in fact we are very
4 careful to look at default rates if a college is
5 looking for a new program, or for colleges
6 looking to get accredited.

7 And again, we push back. And if they
8 are somewhat off of the mean for default rates,
9 which should be around 6 or 7 percent, if it
10 goes a little bit above that we push back and we
11 do inform the federal government. If we feel
12 that there's default rates combined with
13 complaints, we can let the let the federal
14 government know as well.

15 SENATOR KRUEGER: And my understanding
16 is that there's a new way to try to hide default
17 rates by pressuring students into forbearance,
18 as supposed to defaulting. Which I guess
19 prevents them from defaulting in the short term,

20 but actually makes the situation worse longer
21 term. Do you have an ability to monitor that as
22 well?

23 DEPUTY COMMISSIONER D'AGATI: The
24 default rate calculation is established at the

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1 federal level. And we have spoken to the
2 federal government and expressed an interest in
3 them changing that. That work is being done, I
4 believe, by the Higher Education Services
5 Corporation.

6 SENATOR KRUEGER: So there isn't a way
7 to actually track how many students have applied
8 for forbearance, as opposed to fallen into
9 default?

10 DEPUTY COMMISSIONER D'AGATI: We do not
11 track that right now, no.

12 SENATOR KRUEGER: So I should ask HESC
13 when they get here. All right, thank you.

14 And you also referenced the online and
15 that you had created a task force in your
16 testimony. Are you coordinating with SUNY and
17 CUNY in any way, since they were here and I
18 asked both of them about their efforts?

19 COMMISSIONER KING: Yes. And so they
20 are participating in our work on distance
21 learning, online learning.

22 The challenge that we have is our
23 regulatory authority is over bricks and mortar
24 institutions in the state. So when you have

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1 these online providers from other states, that
2 are operating from other states serving New York
3 students, that becomes a challenge. That's why
4 I say we need really federal intervention to
5 regulate those more strongly or to give states
6 more authority to regulate those institutions if
7 students are using federal funding to
8 participate in their programs.

9 SENATOR KRUEGER: Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 Assemblyman Moya.

12 ASSEMBLYMAN MOYA: Thank you.

13 Thank you so much for being here,
14 Commissioner. I'll be very brief. I just
15 wanted to commend you for the great work in
16 including, expanding access to higher education
17 for the New York State DREAM Act.

18 And I'm glad that you acknowledge what
19 it would mean to the state where our economic
20 growth would depend on a highly educated and
21 vibrant workforce. And I just wanted to commend
22 you for that work. Thank you.

23 COMMISSIONER KING: Thank you. Thank
24 you for your leadership on that issue.

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1 CHAIRMAN FARRELL: Thank you.

2 Senator?

3 CHAIRMAN DeFRANCISCO: Were you here
4 when I asked about the remediation? Obviously
5 it would result, if we did something like

6 identifying deficiencies from the PSAT,
7 obviously there would be a lot more work that
8 would be required or a lot more things that
9 would have to be done before they get to
10 college.

11 Do you think this is doable? And would
12 you at least discuss it with the two chancellors
13 and see if we can come up with a system? And if
14 it means more funding somehow, rather than
15 wasting the funding later on, it would be an
16 ultimate savings, I think.

17 COMMISSIONER KING: Yes, I think that is
18 exactly right directionally. I worry that
19 senior year in many of our high schools is not
20 well spent by some of our students.

21 I think one of the challenges is that,
22 as I think you know, CUNY has a systemwide set
23 of common expectations for what is required in
24 order to enroll in credit-bearing courses. SUNY

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1 is working towards that kind of systemwide
2 standard.

3 But it would be helpful if SUNY, CUNY
4 and the department could agree on a common set
5 of standards, whether it's performance on the
6 PSAT or on the Regents exams or on the SAT, so
7 that students are clear if they meet that bar
8 they'll be able to enroll in credit-bearing
9 courses, and then the remediation can occur in
10 response to student performance.

11 CHAIRMAN DeFRANCISCO: Well, that was

12 what I was trying to get, some type of
13 understanding that they'll at least talk to
14 those standards. Because it's been a year,
15 maybe -- it's been more, actually, since we
16 talked about the same thing. So thank you very
17 much.

18 CHAIRMAN FARRELL: Thank you.

19 Assemblyman Lupinacci.

20 ASSEMBLYMAN LUPINACCI: Good afternoon,
21 Commissioner. I had several questions.

22 The first one I just wanted to ask was
23 in terms of the Pathways in Technology, the
24 P-TECH schools, in terms of the success they

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1 have had so far and where you see the program
2 expanding over the next few years.

3 COMMISSIONER KING: So in New York the
4 P-TECH school, the original model for this
5 network of schools was a partnership between
6 CUNY, New York City DOE and IBM.

7 That school is still relatively early.
8 It hasn't graduated its first class yet. But
9 their initial classes have performed on Regents
10 exams at a much higher level than similar
11 students demographically.

12 That's a school that opened in a
13 building that was a failing high school. And
14 they are getting great outcomes, and they serve
15 a large number of African-American and Latino
16 male students, a student population that often
17 struggles across our state. So we are very

18 impressed with the results at P-TECH.
19 In partnership with the Legislature and
20 the Governor last year, we were able to provide
21 both state funding and Perkins Act federal
22 funding to support the scale-up of that
23 initiative to 16 sites. And there's a map in
24 here that describes all of the sites around the

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1 state.

2 we would like to see that continue to
3 grow. There was a lot of enthusiasm not only
4 among K-12 and higher ed institutions but
5 business leaders who wanted to create these
6 kinds of partnerships because they see it as
7 critical to building a future workforce.

8 Nationally, early-college high schools,
9 which function on a similar model -- students
10 complete high school, they get an associate's
11 degree -- have a great track record. There was
12 a large-scale study that was done in Texas that
13 compared similar students demographically and
14 found dramatic gains in terms of the students'
15 likelihood of graduating from high school, going
16 on to college, persisting in college, which is
17 often a challenge for our high-needs students,
18 persisting from freshman to sophomore year and
19 then ultimately graduating.

20 So we're very encouraged by the early
21 evidence across the country and in New York and
22 would love to work together to ensure that we
23 can grow that effort.

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1 the diagrams you enclosed, I think it was on
2 page 34 of your presentation, spoke about
3 teachers coming out of school and such. And the
4 largest certification class, which it has been
5 over the past several decades, has always been
6 elementary to early childhood. And I know we
7 have an emphasis on the STEM program and the
8 interlink between our middle schools, high
9 schools and matriculation up through college.

10 What is the State Ed Department going to
11 do to make sure that we attract a lot of people
12 to those areas, such as mathematics and the
13 sciences, and what incentives are we giving them
14 to make sure that we, you know, continue to
15 attract the best and most qualified to those
16 areas?

17 COMMISSIONER KING: I'll let John expand
18 on this, but as part of Race to the Top we
19 funded a number of clinically rich teacher
20 preparation programs around the state to try to
21 get at high-needs areas: STEM, teachers who are
22 prepared to work with bilingual students,
23 English language learners, programs that are
24 focused on students with disabilities.

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1 One particularly impressive program that
2 we supported is training earth science teachers
3 through the American Museum of Natural History,
4 which is now producing cohorts of very capable

5 earth science teachers with very strong content
6 knowledge. But sustaining that program beyond
7 the Race to the Top funding will be a challenge
8 for those institutions.

9 We have a number of other smaller
10 teacher preparation programs which John can
11 describe that are targeted towards areas of high
12 need. But we've really got to work with the
13 institutions to shift the advising to students.
14 We have seen, in recent years, an increase in
15 students getting dual certification, so
16 elementary certification plus certification for
17 working with students with disabilities, which
18 is, as you could see from this data, in the
19 students' interests in terms of their likelihood
20 of getting jobs. But there's definitely more
21 work to be done in this area.

22 John, you want to add something?

23 DEPUTY COMMISSIONER D'AGATI: Sure.

24 There are a couple of programs, there's

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1 the Teacher Leader Quality Program and also the
2 Teacher Opportunity Core Program, and these
3 support teachers who want to go into the STEM
4 fields as well.

5 But we do work with the programs. And
6 as the commissioner mentioned, advising students
7 to go into those areas is critical, as opposed
8 to just allowing the student to pick based on a
9 general, you know, this is what I would kind of
10 like to do, without realizing the opportunities

11 to go into the STEM fields.

12 ASSEMBLYMAN LUPINACCI: And just one
13 last question.

14 I know we've spoken about remediation
15 with SUNY and CUNY and I know the Senator
16 alluded to it a little while ago. When we look
17 in terms of remediation, you know, people say
18 that sometimes it could be that we offer more
19 people the opportunity to go to college, which
20 is good today, and maybe our curriculum changes
21 haven't kept pace with that. Or maybe the
22 senior year isn't that well spent because we
23 give optional in terms of math and science in
24 that senior year.

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1 Based on your expertise, where do you
2 believe we can really try to make less of a gap
3 from that senior year to freshman year in terms
4 of college transition? Where do you think we
5 need to target resources so our students are
6 better prepared for college?

7 COMMISSIONER KING: There are three
8 things. You're asking exactly the right
9 question.

10 I think one is are we doing as much as
11 we can at every grade level, P through 12, to
12 ensure that students have the math and literacy
13 skills that will have them on track to do
14 credit-bearing coursework. And that's the goal
15 of our work on the Common Core standards and
16 raising standards across the state generally.

17 Second, the issue you raise about
18 students' preparation in senior year, especially
19 around math -- we only require three years of
20 math. If students don't take that fourth year
21 of math, when they sit for the placement test it
22 may have been a year since they've really taken
23 a meaningful math course.

24 So shifting how K-12 districts think

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1 about the senior year I think is critical, so
2 that students are prepared when they go in the
3 summer or in fall of their freshman year to take
4 those placement tests.

5 And then the third is for our
6 highest-needs students, the value of bridge
7 programs either before they enter or after
8 they've entered, to support them in their first
9 year, programs like the ASAP programs and
10 others. Those kind of supports have a very
11 strong track record of success for high-needs
12 students.

13 Oftentimes the adjustment is very
14 significant for our highest-needs students. If
15 they can do work in the summer, let's say before
16 senior year, and the summer after senior year,
17 that prepares them for college-level coursework,
18 helps them get a sense of what it is to manage
19 their own workload, the way they will act on a
20 college campus, that can make a huge difference
21 for student success.

22 ASSEMBLYMAN LUPINACCI: Thank you.

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CHAIRMAN FARRELL: Thank you.

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Assemblywoman Fahy.

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ASSEMBLYWOMAN FAHY: Thank you,

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Mr. Chair.

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Thank you. And I'm sorry I missed some of your testimony, I had stepped away from this morning. But thank you for being here again and your testimony.

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7

A few comments and just a few questions.

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One of the first things you mentioned in the budget was the HEOP program, the Higher Ed Opportunity Program. And it really does have an impressive graduation rate in comparison to those that aren't exposed.

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I see it's at level funding. What's the waiting list there? Or what would be the universe if we really did try to expand that and serve all those in need?

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COMMISSIONER KING: We have asked for an additional \$4 million in funding for the HEOP program. There was I think a million dollars in additional funding in last year's budget.

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You know, I think the reality is we end up spending the money anyway. Because if students don't have the support, they start at a higher ed institution, they use federal money or

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state money, and they don't succeed. So the

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investment is better in a program like HEOP or

3 the parallel programs at SUNY and CUNY.

4 So it's really a question of
5 prioritizing that investment now rather than
6 allowing those students to start and drop out
7 and ultimately end up less prepared for the
8 workforce.

9 EX. DEP. COMMISSIONER BERLIN:

10 Assemblymember, I also want to point out that
11 the Legislature did add funding last year. The
12 Executive Budget does not include the funding
13 that the Legislature had put in last year. So
14 that's certainly something we can talk with
15 staff about.

16 ASSEMBLYWOMAN FAHY: Okay. Thank you.

17 Along that same line in terms of
18 success, we heard earlier, as was discussed just
19 a few minutes ago, from the chancellor, who
20 talked about the PSAT, using it as a diagnostic
21 assessment. And I'm intrigued, especially since
22 we are seeing more and more use of that.

23 How do you see that that could be used?

24 And is that something that you've been in

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1 discussions with her on?

2 COMMISSIONER KING: So we've been
3 meeting with CUNY and SUNY about how to think
4 about high school assessment in ways that are
5 diagnostic that help steer students towards
6 programs that will maximize their opportunity.

7 One thing that the PSAT allows is
8 something called the AP predictor, which allows

9 students to be identified who might be
10 successful at Advanced Placement courses who
11 might not otherwise take them.

12 Sometimes the data can be quite
13 compelling, where, for example, there was one
14 large city district not in New York where they
15 used this AP predictor with PSAT scores, and
16 they found that there were several hundred
17 African-American male students who performed
18 well enough in math to take AP calculus, they'd
19 predict that they would be successful in AP
20 calculus, but only a handful of students
21 actually were enrolled in AP calculus courses.

22 So the diagnostic value of the PSAT
23 could be significant.

24 We also are working with SUNY and CUNY

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1 to rethink how the Regents exams are designed,
2 to focus more on the kinds of writing and
3 application of skills that will help inform
4 their high schools about how to support them but
5 also provide diagnostic information that could
6 again be used to influence students' program
7 selection.

8 ASSEMBLYWOMAN FAHY: Okay, thank you.

9 One other question. The Career in
10 Technical Education, thank you for your comments
11 on that. The CDOS standards, can you just give
12 me an update on where the Career Development
13 Occupational Standards are? Assemblyman
14 Brindisi is not here today, but I know we've

15 talked a number of times about this and his
16 concerns about that. It seems to be getting
17 lost a little bit. Any updates on that?

18 COMMISSIONER KING: Yeah, one of the
19 things that we are working on between our Adult
20 Education and Voc Rehab Services unit and our
21 P-12 unit is to figure out transition planning
22 so that the CDOS standards can be used not only
23 to support career development generally for our
24 students, but in particular for students who

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1 have disabilities who may not be on track to
2 graduate with a Regents diploma, to ensure that
3 they are getting meaningful preparation and when
4 they leave high school are able to go on to the
5 workforce with meaningful skills.

6 And so that transition planning starting
7 early, so that in middle school parents and
8 students are thinking about their direction.
9 Our BOCES programs across the state often are
10 quite strong and many have launched new CDOS
11 credential-focused programs, programs that are
12 for students with disabilities who may head
13 towards a CDOS credential rather than a Regents
14 diploma.

15 One of our challenges is how do we
16 ensure that in our districts that are struggling
17 financially, some of our small cities and the
18 Big 5 districts, that we're able to have similar
19 opportunities for students.

20 ASSEMBLYWOMAN FAHY: Thank you. Just a

21 couple of comments, then.

22 I want to just echo the previous
23 comments in terms of math. I think the more
24 math the better, and I know that was brought up

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1 this morning as well. So I concur. And I also
2 want to associate my comments with Assemblyman
3 Moya in terms of the DREAM Act. And you're to
4 be commended. As a first-generation American,
5 that's a very important issue to me.

6 And then on the teacher certifications,
7 I also want to echo some of the comments raised
8 by Chairwoman Glick. I am hearing a lot of
9 concerns about that implementation. As you
10 said, it may have been started sooner, but there
11 seems to be a number of concerns being raised
12 that the teachers are not ready and may not be
13 prepared and there's no alternative plan for
14 those that may not meet the new certification
15 requirements.

16 Lastly, I did note your comments about
17 the instructional and professional development
18 time. And my only concern on that is that when
19 we pull teachers out of the classroom, havoc is
20 often raised in the classroom. And so the more
21 I see on that, the more I do get concerned about
22 the increased time for professional development.
23 And whether it's a first-grade class or an AP
24 class, it's a complete loss of instruction time.

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1 so I just want to echo that.

2 And thank you again for your time.

3 COMMISSIONER KING: Thanks.

4 CHAIRMAN FARRELL: Assemblywoman Glick
5 to close.

6 ASSEMBLYWOMAN GLICK: Two questions.

7 One, the Regents have decided to do the
8 conferring master's degrees that are from not
9 traditional environments.

10 COMMISSIONER KING: Only one program.
11 That's the Museum of Natural History program,
12 through that clinically rich teacher preparation
13 program that I described. That's the only
14 non-higher education institution that is able to
15 offer master's degrees that are conferred by the
16 Regents.

17 ASSEMBLYWOMAN GLICK: And there's been
18 no other discussion of expanding that to other
19 settings?

20 COMMISSIONER KING: There have been
21 requests to expand that. But to date, the
22 Regents not discussed any other institutions
23 that would have that. That would be great to
24 have that ability.

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1 ASSEMBLYWOMAN GLICK: Okay, thank you.

2 And there is an Article 7 part of the
3 budget that would require the department, before
4 either providing an initial license or a
5 renewal, to ensure that any taxes that are owed
6 be collected. So it's my humble opinion that
7 that is a Department of Financial Services -- it

8 used to be, I guess, Taxation and Finance. I
9 guess now they're under a different umbrella.
10 And I think it's their function, not yours.

11 And I'm wondering if there was any
12 outreach from the second floor or if you've had
13 any conversations with them about the
14 appropriateness of adding this responsibility.

15 COMMISSIONER KING: I'll let Doug
16 respond to that.

17 DEP. COMMISSIONER LENTIVECH: Sure. I
18 think we spoke a little bit about it yesterday
19 as well.

20 There are discussions happening right
21 now. Our concerns have been more on the
22 technical side of it than on the policy side of
23 it. The technical side is actually we're very
24 concerned about being able to issue licenses

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1 quickly and appropriately and not have that
2 eroded. And so we need a lot of information
3 about how that would work to make sure that, you
4 know, in July when an applicant for a
5 physician's license needs to get in the
6 hospital, be in that emergency room on July 1,
7 that we're issuing that license to get that
8 person there and we don't have a holdups.

9 So we have a lot of questions in that
10 area, and we're just starting to have
11 discussions around that.

12 ASSEMBLYWOMAN GLICK: I would add to
13 that that there are occasionally errors made --

14 I know the Department of Financial Services
15 would probably not agree with this, but there
16 are occasionally errors made. And you don't
17 actually have access to those, nor are you able
18 to review any question that comes back from an
19 applicant for a license that says, well, no, I
20 paid that, and here's that information.

21 How are you supposed to now be the
22 resolver of errors in another department?

23 DEP. COMMISSIONER LENTIVECH: That is
24 one of our concerns, is that I suspect that

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1 there would be some sort of due process
2 requirement before denial that we would go down
3 the road of entertaining that question. And
4 that's a question we're having with those
5 discussions as well, is what that language
6 contemplates. But we don't really know exactly
7 what it's supposed to mean at present either.

8 ASSEMBLYWOMAN GLICK: well, just for the
9 record, I think it's an inappropriate assignment
10 of responsibility to an agency that doesn't have
11 the basic information. It seems to me for the
12 public and for those seeking to either renew
13 their professional licenses or get their
14 professional license, it adds a byzantine layer
15 of confusion as to whom they should be talking
16 to.

17 And I do not believe that the laws allow
18 you to have access to people's tax information
19 for the purposes of resolving this. So I think

20 it's an inappropriate Article 7. And I would
21 hope that there'd be those discussions.

22 COMMISSIONER KING: And we'll continue
23 to keep you updated on those discussions.

24 ASSEMBLYWOMAN GLICK: Thank you.

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1 CHAIRMAN FARRELL: Thank you. Thank you
2 very much.

3 COMMISSIONER KING: Thank you.

4 (Discussion off the record, and there
5 was a brief pause in the proceedings.)

6 CHAIRMAN FARRELL: Next will be Elsa
7 Magee, executive vice president of the New York
8 State Higher Education Services Corporation.

9 Good afternoon.

10 HESC EXECUTIVE VP MAGEE: Good
11 afternoon.

12 Chairman Farrell, Assemblymember Glick,
13 members of the Senate and Assembly, thank you.
14 Since you have my testimony before you, I will
15 just touch on three points from the testimony.

16 2014-2015 is another good year for
17 higher education for student financial aid
18 programs. The Governor's 2014-2015 Executive
19 Budget continues full support for all state
20 grant and scholarship programs. I'd like to
21 highlight two items from my testimony.

22 The first is regarding New York State's
23 Tuition Assistance Program. TAP remains a
24 national leader in the provision of student

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1 financial aid for low- and moderate-income
2 students. The Executive Budget continues to
3 have funding for hundreds of thousands of
4 New York students from low- and middle-income
5 students.

6 The second area I'd like to highlight is
7 the Governor's initiative to encourage New York
8 State's top students to pursue degrees in
9 science, technology, engineering and math, or
10 the STEM fields, and to build their careers
11 right here in New York State. Under the
12 Governor's proposal the top 10 percent of
13 students in each high school will be eligible
14 for a full-tuition scholarship to SUNY or CUNY
15 if they agree to pursue a STEM degree and to
16 work in the state for five years after they
17 graduate.

18 The 2014-2015 budget includes \$8 million
19 for this program. The STEM careers are among
20 the fastest-growing in the state, and this
21 initiative will ensure a highly skilled
22 workforce for STEM employers in our state. It's
23 a win/win for our best and brightest students
24 and for our state's economic future.

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1 As you know, HESC provides scholarships
2 for a number of targeted groups, including
3 veterans, which are laid out in my testimony.
4 So I'd be glad to answer any questions you may
5 have.

6 CHAIRMAN FARRELL: Thank you.
7 Assemblywoman Glick.
8 ASSEMBLYWOMAN GLICK: It's good to see
9 you. I have a few questions.

10 There was a request to SUNY and CUNY to
11 do a report on what changes to TAP they thought
12 would best help their students. Have you seen
13 those reports?

14 HESC EXECUTIVE VP MAGEE: Yes, I have.

15 ASSEMBLYWOMAN GLICK: Is there anything
16 from those reports that you think we should
17 prioritize?

18 HESC EXECUTIVE VP MAGEE: Again, HESC,
19 we are not a policy-setting agency, so we do not
20 make those types of determinations. We will
21 review any proposals that are advanced and would
22 implement any changes to the program that are
23 enacted by the Legislature and the Governor.

24 CHAIRMAN FARRELL: You have to talk a

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1 little louder or pull the mic a little closer.

2 ASSEMBLYWOMAN GLICK: On the proposed
3 DREAM Act, it would have an impact on the
4 provision of TAP. Have you had any thought
5 about how much additional TAP would be required?

6 HESC EXECUTIVE VP MAGEE: The statistics
7 that we have come from a 2009 report on the
8 number of students that are undocumented
9 students that are currently in New York State.
10 And in accordance with that report, it showed
11 about 5500 undocumented students currently in

12 college in New York State, with the majority
13 being at CUNY.

14 ASSEMBLYWOMAN GLICK: And since it's
15 sort of income-based, were they more likely to
16 get the higher TAP award?

17 HESC EXECUTIVE VP MAGEE: Yes. The
18 assumption is that they would most likely be
19 getting close to if not the maximum TAP award.

20 ASSEMBLYWOMAN GLICK: Okay. You
21 referenced the Science Technology Engineering
22 Math scholarship. There is a nursing
23 scholarship that is available through HESC. How
24 does that compare? Is it a certain amount or is

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1 it a full ride?

2 HESC EXECUTIVE VP MAGEE: The McGee
3 Nursing is set at tuition, but it's for nursing
4 faculty.

5 ASSEMBLYWOMAN GLICK: So it's not for
6 any undergraduate --

7 HESC EXECUTIVE VP MAGEE: Right. That
8 is for the nursing faculty.

9 ASSEMBLYWOMAN GLICK: And it is fairly
10 well subscribed?

11 HESC EXECUTIVE VP MAGEE: Because there
12 is less flexibility in nurses who are in
13 faculty versus practicing, there tends to be
14 less individuals who are looking -- from what
15 we've seen, who are looking to go into the
16 nursing faculty versus practicing.

17 ASSEMBLYWOMAN GLICK: So there's room in

18 that scholarship for additional applicants?

19 HESC EXECUTIVE VP MAGEE: Yeah, it is
20 not utilized to the full appropriated level.

21 ASSEMBLYWOMAN GLICK: There's been a
22 change in the federal student loan program. How
23 has that affected HESC?

24 HESC EXECUTIVE VP MAGEE: We are -- on

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1 behalf of New York State, we are the designated
2 guarantee agency. There are roughly 30 other
3 guarantee agencies across the country, all
4 impacted equally the same. We no longer
5 guarantee new loans, new federal student loans
6 under -- since the change in 2010. All new
7 loans will be now and are being disbursed
8 through the federal government directly, the
9 U.S. Department of Education.

10 It does impact revenues that you would
11 have generated each year in disbursing those
12 loans.

13 ASSEMBLYWOMAN GLICK: Thank you.

14 CHAIRMAN FARRELL: Thank you.

15 Senator?

16 SENATOR KRUEGER: Good afternoon.

17 HESC tracks student loan default rates
18 and even deals with some attempts to resolve
19 these problems. Where are we statistically now?
20 I know that the student loan debt is about
21 \$26,000 for each graduating student. Obviously
22 that must be different between SUNY, CUNY, and
23 the privates. But are we seeing a growth in

24 this rate? And where are we seeing the biggest

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1 growth?

2 HESC EXECUTIVE VP MAGEE: HESC tracks
3 that information for loans that we guarantee.
4 Each college and guarantee agencies have a
5 cohort default rate that is determined by the
6 federal government. Right now, volume-wise for
7 HESC, we have a \$14 billion portfolio of
8 students who are either still in college or
9 repaying. About \$1.4 billion of that are for
10 students who are in forbearance currently.

11 SENATOR KRUEGER: What number was that?

12 HESC EXECUTIVE VP MAGEE: \$1.4 billion
13 of our \$14 billion.

14 SENATOR KRUEGER: So 10 percent are in
15 forbearance.

16 HESC EXECUTIVE VP MAGEE: Yes.

17 SENATOR KRUEGER: And apparently there's
18 a difference between being in forbearance and
19 defaulting.

20 HESC EXECUTIVE VP MAGEE: Yes.

21 SENATOR KRUEGER: So, one, are you
22 seeing a growth in those that are in forbearance
23 as a percentage of your total pie?

24 And two, it's at least been brought to

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1 my attention that for students, going into
2 forbearance may be a worse choice for them than
3 some other options available. Do you counsel
4 students not to choose the forbearance option?

5 HESC EXECUTIVE VP MAGEE: Well, you want
6 to avoid a student going into default
7 because that is the most detrimental status that
8 they can have. And it's more difficult to get
9 out of default than to not enter into default in
10 the first place. So you do want to offer them
11 options to forbearance.

12 There are only prescribed periods of
13 time that a student can enter into forbearance,
14 and for federally prescribed purposes. So we
15 would encourage students to utilize those if
16 they cannot afford to pay the student loan,
17 rather than to default.

18 SENATOR KRUEGER: Do you counsel
19 students to explore something called the
20 Income-Based Repayment Plan and/or the Pay as
21 You Earn Plan instead of forbearance?

22 HESC EXECUTIVE VP MAGEE: We do
23 encourage the -- the income-Based Repayment Plan
24 is a fairly new option available to students,

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1 but it really can benefit most students at HESC.
2 If they have a Pell loan, which is what is we
3 guarantee, we would encourage them to
4 consolidate into a federal direct loan, and then
5 they would become eligible for the income-based
6 repayment option.

7 SENATOR KRUEGER: And, I'm sorry, I did
8 ask multiple questions in one. Is the rate of
9 students going into forbearance increasing
10 annually?

11 HESC EXECUTIVE VP MAGEE: I don't have
12 that information. But we could look and get
13 back to you.

14 SENATOR KRUEGER: And what about the
15 rate of students defaulting in your system?

16 HESC EXECUTIVE VP MAGEE: The default
17 rates I believe nationally are increasing.
18 New York State remains below the national
19 average as far as the cohort default rate, if
20 you're using that as the measure. But there has
21 been a trend to see an increase overall in those
22 rates.

23 SENATOR KRUEGER: And the breakout
24 between SUNY, CUNY and other colleges, do you

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1 have that information also?

2 HESC EXECUTIVE VP MAGEE: We could get
3 that information for you.

4 SENATOR KRUEGER: I would like to see
5 all of that data.

6 Now, a few years ago we started an
7 additional New York State loan program. Tell me
8 the number of people who have taken those loans.

9 HESC EXECUTIVE VP MAGEE: I'm sorry, I
10 do not have those statistics, but I can get
11 those for you. We have not issued new loans
12 under that program for -- this would be the
13 third year now.

14 SENATOR KRUEGER: why did you stop
15 issuing loans under that program?

16 HESC EXECUTIVE VP MAGEE: It was
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17 determined in the budget several years ago that
18 no new loans would be disbursed under the
19 program.

20 SENATOR KRUEGER: So you'd only have a
21 relatively small number in the system
22 completely?

23 HESC EXECUTIVE VP MAGEE: Yes. And we
24 do issue an annual report on that that does go

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1 to the Legislature.

2 SENATOR KRUEGER: And have you been
3 following that a number of state attorneys
4 general have started investigations on colleges
5 with particularly high default rates as a
6 proportion of their graduates? Is HESC involved
7 in any way in that?

8 HESC EXECUTIVE VP MAGEE: We are not.
9 involved in that.

10 SENATOR KRUEGER: Do you know if
11 New York State is involved in any kind of
12 investigations of schools with
13 disproportionately high default rates of their
14 students?

15 HESC EXECUTIVE VP MAGEE: We would not
16 have that information.

17 SENATOR KRUEGER: Would HESC play a role
18 in that if New York State was doing this?

19 HESC EXECUTIVE VP MAGEE: We provide
20 student financial aid to each of the colleges,
21 again, but we do it under a statutory authority.

22 Our involvement would be if someone were
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23 looking for us to find how much aid has gone to
24 a particular college, we would be able to

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1 provide that information. But to my knowledge,
2 we have not been asked to do that.

3 SENATOR KRUEGER: Do you have the
4 statutory authority to not provide financial aid
5 to schools that have particularly bad rates?

6 HESC EXECUTIVE VP MAGEE: No. Right now
7 our statutory authority prohibits us from
8 providing TAP to vocational schools. But
9 proprietary schools, degree-granting proprietary
10 schools and other private and public colleges,
11 we are statutorily required to provide that aid.

12 SENATOR KRUEGER: So even if you know an
13 institution has particularly disturbing
14 outcomes, there's nothing that HESC can do to
15 limit students' access to them?

16 HESC EXECUTIVE VP MAGEE: They would be
17 audited. We work with the office of the State
18 Comptroller, and if OSC went in and audited that
19 school, they would be disallowed for any amounts
20 that were awarded inconsistent with laws and
21 regulations.

22 SENATOR KRUEGER: Have you known of any
23 recent audits?

24 HESC EXECUTIVE VP MAGEE: Yes. We have

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1 schools that are continually being audited.

2 SENATOR KRUEGER: Thank you very much.

3 CHAIRMAN FARRELL: Thank you.

4 Assemblyman Oaks.

5 ASSEMBLYMAN OAKS: Yes, I just wanted to
6 follow up on the issue of the STEM scholarships,
7 just a couple of things.

8 I think it's a great idea to look at how
9 do we draw for people into that, and certainly
10 getting high-performing and successful students
11 I think is important. To qualify, people are
12 going to have to go into the STEM field. Is
13 that going to be something that HESC then would
14 determine or have a list of these are the types
15 of jobs you're going to need to go into to be
16 eligible?

17 HESC EXECUTIVE VP MAGEE: Yes, both the
18 degrees and the STEM careers will be identified
19 by HESC.

20 ASSEMBLYMAN OAKS: It seems to me one of
21 the challenges of this program is that it's
22 going to be a bit cumbersome to track all this.
23 You're going to have to keep in touch with
24 people out quite a ways on this.

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1 Do you have a plan of how you are going
2 to try to do that?

3 HESC EXECUTIVE VP MAGEE: Yes. We
4 administer several scholarship programs
5 currently that have service requirements with
6 them. This would be administered similarly.
7 Employers and the recipient provide information
8 annually to the agency, and we would just follow

9 the same process that we use currently.

10 ASSEMBLYMAN OAKS: Well, my
11 understanding is then if the individual changes
12 their mind and doesn't do it, then you would go
13 into applying it as a loan or whatever to those
14 individuals if they change course, didn't
15 complete the five years of work or whatever. Is
16 there a thought to flip that around and just
17 make it a loan and then forgive it?

18 I mean, I'm aware of other ones. It
19 would seem like it would be less cumbersome on
20 the state if we just put the loans out. It
21 carries the person. But if they work the five
22 years and prove they did, then we forgive the
23 loans.

24 HESC EXECUTIVE VP MAGEE: This is the

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1 way the bill was presented. It could work in
2 the other direction.

3 However, again, for most of our service
4 scholarships, it does work where it is a grant.
5 More people will fulfill the obligation and
6 continue in pursuit of their careers. So it's
7 not a cumbersome process to pursue those who
8 don't rather than beginning with a loan.

9 ASSEMBLYMAN OAKS: Thank you.

10 CHAIRMAN FARRELL: Thank you.

11 Senator?

12 CHAIRMAN DeFRANCISCO: All set.

13 CHAIRMAN FARRELL: Thank you very much.

14 HESC EXECUTIVE VP MAGEE: Thank you.

15 CHAIRMAN FARRELL: Next will be Steve
16 Allinger from NYSUT, Frederick Kowal from UUP,
17 and Barbara Bowen from the Professional Staff
18 Congress.

19 MR. ALLINGER: Unless you wanted me to,
20 I was going to not read the testimony, just
21 mention the highlights of our advocacy.

22 First, I want to thank Senator
23 DeFrancisco, Assemblymember Farrell,
24 Chair Glick, and Senator Krueger for affording

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1 us this opportunity to testify today. I'm Steve
2 Allinger, legislative director for NYSUT. We
3 represent over 600,000 teachers, school-related
4 professionals, academic and professional faculty
5 in higher education, education, and healthcare.

6 My testimony represents the concerns of
7 over 75,000 faculty and professional staff would
8 work in colleges and universities across
9 New York. These include the members of United
10 University Professions at the State University
11 of New York, the Professional Staff Congress at
12 the City University of New York, and the faculty
13 and staff at nearly all the SUNY community
14 colleges.

15 I'm joined today by Dr. Frederick Kowal,
16 president of UUP, and Dr. Barbara Bowen,
17 president of PSC, and Dr. Steve London, also
18 from PSC.

19 First of all, NYSUT has joined with its
20 higher education affiliates in calling for the

21 funding of a "Higher Education Quality
22 Initiative," its centerpiece being creation of
23 an endowment for full-time faculty and staff.
24 And the reason this is essential is that

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1 New York has fallen way behind its peer
2 institutions.

3 According to a 2008 study done by the
4 State of New York, peer institutions whom we
5 compete with had approximately, in a weighted
6 average, two-thirds of their staff were
7 full-time faculty. New York was in the low 50s
8 at the time. And this is in 2008, before our
9 university systems absorbed \$2 billion in cuts.

10 In a short 10-year span, we have
11 reversed the burden in terms of support for SUNY
12 and CUNY. Around 2002, 63 percent was state
13 funds. Now it's 63 percent student tuition and
14 fees. This kind of reversal is also reflected
15 in the City University, where we've essentially
16 replaced State General Fund support and placed
17 the burden much more disproportionately on
18 students.

19 We have made, in recent years,
20 painstaking progress in increasing the numbers
21 of full-time faculty associated with a five-year
22 implementation of the Rational Tuition Policy.
23 But that is running its course. We're entering
24 Year 4. The efficacy of this initiative is

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1 diminishing for a couple of reasons.

2 One is the tuition credit. Now our
3 tuition maximum is higher than the TAP maximum,
4 and this differential is being self-funded by
5 the university system. So the money that was
6 intended to rebuild programs is now increasingly
7 diverted to pay for the fact that TAP is now
8 adequate to meet the tuition pricing.

9 Furthermore, the collective bargaining
10 costs, which were envisioned to be included in
11 the base funding in the maintenance of effort
12 agreement with the Legislature, is underfunded
13 to the tune of \$82.2 million, and I think you
14 heard testimony from Chancellor Zimpher on that.

15 The fact of the matter is that we can't
16 keep going to the well on tuition as a future
17 strategy as we go into the next act to rebuild
18 SUNY and CUNY's academic departments. The
19 institutions with whom SUNY and CUNY must
20 compete have endowments. Endowments keep
21 tuition down. They provide the working
22 intellectual capital to invest in innovation and
23 to build core strength to meet modern economic
24 demands in terms of workforce needs.

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1 But as we focus on STEM, we cannot lose
2 sight of the fact that New York is also the
3 cultural, entertainment, arts capital of the
4 world, and it spins off enormous economic
5 activity. That was brought home in the Super
6 Bowl by Renee Fleming, the SUNY Potsdam Crane
7 School of Music alum. She's one of the top
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8 three opera singers in the entire world, female
9 opera singers. And I wanted to make that point
10 that economic development also includes the
11 humanities.

12 I wanted to also mention that the SUNY
13 START-UP and CUNY START-UP cannot succeed
14 without tenure-track faculty creating the
15 innovation partnering in economic development.
16 These are relationships built on long-term
17 strategic partnerships, and they do not work
18 unless you invest in tenure-track faculty.
19 We've been exploiting too many of our adjunct
20 faculty, many of whom provide incredible service
21 and have enormous talent. We should provide a
22 pathway for many of those who wish to become
23 tenure-track faculty and end this disgraceful
24 exploitation of contingent labor in higher

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1 education.

2 We believe that this endowment should be
3 rolled in over three or four years to the tune
4 of at least a billion dollars. That may sound
5 like a lot of money, but the state takes in a
6 lot of one-shot nonrecurring revenue. This is
7 the highest and best use you could put
8 nonrecurring revenue, to build a long-term
9 strategic fund.

10 And our competing universities have it.
11 Michigan State University has \$1.4 billion. The
12 University of Minnesota has \$2.1 billion.
13 That's a state of a little over 5 million

14 people, not 20 million people. And a lot of
15 these universities come in and raid entire
16 departments at SUNY and CUNY because they can,
17 they've got the working capital to do it with.

18 I'd like to also echo the advocacy by
19 both the SUNY and CUNY chancellors for a \$250
20 increase in the Base Aid for community colleges.
21 That kind of erosion that we saw in the
22 four-year campuses has happened in the community
23 colleges. In 2002 a third of the support for
24 community colleges was paid by the state.

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1 That's dropped to an inexcusable 26 percent. In
2 the meantime, the student tuition proportion of
3 support for community colleges has risen to the
4 mid-40s, around 44 percent, with local
5 sponsorship remaining stable at around 31,
6 32 percent.

7 This violates the full opportunity
8 program that was envisioned to have access.
9 That's supposed to be at state support of
10 40 percent. That's obviously not withstood
11 every year. But the fact that we can't even
12 meet the minimum one-third is hard to
13 understand, particularly when we know that some
14 form of postsecondary education is essential for
15 family-supporting jobs in this state. And this
16 state more than most states is part of the
17 global information economy, and we've got to
18 support community colleges as the first ladder
19 of opportunity to join the mainstream economy.

20 I want to turn to -- I'll be very brief.
21 Just puzzled why the Executive Budget wiped out
22 funding for promising programs like ASAP and GAP
23 and cut the opportunity programs.

24 ASAP is a national model. It has been

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1 studied independently and validated. It is
2 picking up national renown. It is what we
3 should have for all students: Learning
4 communities, advisement, summer enrichment. It
5 is a model program that not only should you
6 restore, but you should build on all across the
7 board.

8 And finally, before I turn to Dr. Kowal,
9 SUNY health sciences, particularly Downstate.
10 Downstate Medical Center produces 1,000
11 residents with an 80 percent retention in the
12 New York metro area. It provides far more
13 primary doctors than almost all the medical
14 schools combined. It is largest producer of
15 minority docs maybe in the United States of
16 America. It is the only medical school in a
17 borough of 2.6 million people, which is larger
18 than 15 states plus the District of Columbia.

19 It is the linchpin for delivering the
20 future physicians, nurse practitioners, and
21 healthcare professionals. It generates tens and
22 tens of millions of dollars of peer-reviewed
23 research in cutting-edge areas. It provides the
24 only critical-needs services for infants in many

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1 areas.

2 And the state has a 2,400-physician
3 shortage in primary care. We're very grateful
4 that you helped save this hospital and that the
5 Brooklyn delegation has gotten behind a union
6 plan that we developed with UUP, CSEA and PEF,
7 to invest in ambulatory care and invest in
8 creating learning opportunities for new medical
9 students, because that's the future of
10 healthcare. And, secondly, it's a crying unmet
11 need in central Brooklyn.

12 Hundreds of thousands of individuals
13 wind up crowding emergency rooms because they
14 have no access to primary care physicians. Why
15 in the world would you cut support and cut down
16 on a medical school that you need to grow the
17 primary healthcare professionals to meet this
18 need?

19 And I'll stop there and turn it over to
20 Dr. Kowal.

21 DR. KOWAL: Thank you, Steve.

22 Chairman DeFrancisco, Chairman Farrell,
23 distinguished members of the Senate Finance
24 Committee and the Assembly Ways and Means

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1 Committee, I want to thank you for providing
2 United University Professions the opportunity to
3 comment on the Executive Budget as proposed for
4 2014-2015. I'm Frederick Kowal, the president
5 of UUP.

6 And first, before I mention a few
7 things, I want to overlap what Mr. Allinger
8 alluded to. I'm going to go in a slightly
9 different direction. I also will not read my
10 entire testimony.

11 But I do want to begin by thanking you
12 sincerely for your assistance last year in
13 restoring \$28 million to our SUNY hospitals
14 which was so desperately needed. Since the
15 subsidy of 2010-2011 of \$128 million has been
16 cut nearly in half, that \$28 million was
17 crucial.

18 And also we are of course grateful that
19 you stood with us in turning aside the attempts
20 to privatize SUNY Downstate. That fight
21 reemerges once again this year as the Executive
22 Budget proposes in Article 7 a means by which
23 the door is opened to privatization.

24 First regarding Downstate and in fact

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1 the entire hospital issue, it is crucial that we
2 understand that at a time when the budget
3 proposed for our SUNY hospitals, which
4 represents a \$19 million cut from what you
5 passed last year, at the same time that the
6 budget is being cut for the public hospitals, on
7 January 27th the Governor announced that
8 \$43 million was being provided to private
9 hospitals. we think this is unconscionable.

10 As Steve pointed out, the hospitals in
11 the SUNY system are crucial for the community

12 service they provide but also for the medical
13 schools. Without those hospitals, the medical
14 schools could not continue to succeed as they
15 do.

16 I was quite frankly surprised and
17 disappointed that the chancellor praised the
18 downsizing of Downstate. Basically missed in
19 her comments was the fact that services are
20 being curtailed, and that means needs are going
21 unmet. But also the medical school down there
22 is going to be harmed by the reduction in
23 services and programs.

24 Second, I want to speak generally about

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1 the funding itself. Steve mentioned the ASAP
2 program. I will mention EOP. The Educational
3 Opportunity Program has been an amazing success.
4 And yet because of underfunding -- and this year
5 this Executive Budget represents and calls for
6 cuts again -- just in 2013 there were 20,000
7 applicants who were eligible for the EOP program
8 for only 3,000 slots. So this is a program --
9 and by the way, it's very successful and is in
10 high demand. It is a necessity that funding
11 again not only be increased, increased at a
12 level so that we can meet the needs that exist.

13 The other areas I wanted to address I
14 would refer to as solutions desperately in need
15 of a problem. First is the proposed College of
16 Emergency Preparedness, Homeland Security and
17 Cyber Security. Fifteen million dollars has

18 been proposed for this institution. A location
19 for the institution has not been stipulated. A
20 timeline for its creation has not been
21 stipulated. In this time of difficult budgets,
22 we see this as a faulty proposal.

23 Programs involved in these areas already
24 exist in SUNY: Five community colleges, the

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1 campus at Canton has an extensive program in
2 these areas, the college at Oneonta as well, and
3 at the University at Albany, in the National
4 Center for Security and Preparedness. I believe
5 it would be a much more appropriate use of
6 scarce resources to coordinate existing programs
7 instead of proposing the creation of a campus
8 which may or may not be funded and also, in
9 terms of its location and its relationship to
10 SUNY, remains a mystery.

11 The other solution in search of a
12 problem is the proposed legislation that has
13 been proposed by Senator LaValle that would, in
14 our estimation, create a firewall around
15 hospital revenues and resources. This is a
16 dangerous step because in essence it would
17 create a slide to closure for the hospitals.
18 Without access to SUNY-wide resources, which I
19 believe is what is intended behind what the
20 chancellor refers to as "systemness," without
21 that kind of access these hospitals could not
22 survive. We must remember that the hospitals,
23 unlike any other agency in the State of New York

24 government, must pay all the benefits and

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1 capital costs that they face.

2 But the other thing is this legislation
3 is unnecessary. SUNY already has the capability
4 to segregate resources as it chooses. And so we
5 urge you to oppose this legislation because of
6 the dangerous ramifications it would hold for
7 our hospitals.

8 Instead, we urge you to support and pass
9 FOIL legislation to ensure that the college and
10 university foundations, their resources are
11 utilized appropriately.

12 And I will be remiss if I did not make
13 one comment about the edTPA program, which you
14 have asked many questions about of witnesses
15 that have preceded us, and I'm glad of that.
16 Students right now are paying higher costs for
17 their education. They are falling into greater
18 and greater debt. And yet this cohort of
19 students that will be graduating this year may
20 very well fail at a rate approaching 50 percent
21 in the edTPA system.

22 This is a risky proposition and
23 dangerous to these students.. The first test of
24 the edTPA occurred at Potsdam College, and the

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1 rate of failure was 50 percent. Should that
2 occur throughout SUNY, this would be
3 devastating. Chancellor King mentioned that
4 there would be the opportunity to retest.

5 Pearson would be paid \$300 per retest. So this
6 would be a cost to students and a benefit to the
7 corporation.

8 With that, I will stop and thank you for
9 the opportunity to speak on behalf of SUNY, its
10 students, and the members of UUP.

11 DR. BOWEN: Thank you. I'm Barbara
12 Bowen. I'm president of the Professional Staff
13 Congress/CUNY, the union that represents the
14 25,000 faculty and staff at the City University
15 of New York. I'm very proud to be here with my
16 colleagues.

17 And I thank you all very much,
18 Chairpersons DeFrancisco and Farrell, other
19 distinguished members of the Assembly and the
20 Senate. I've appreciated all day listening to
21 your probing questions. It's been very
22 important for us. So thank you for being here
23 and for focusing all of us.

24 Before I talk about anything in

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1 specific, I'd just like to tell a story. And
2 the story is that since 1990, the state funding
3 per student for the senior colleges, the
4 four-year colleges at CUNY, has decreased by
5 30 percent. In the same period, tuition has
6 quadrupled. So at the same time as tuition has
7 risen and risen, guess what's happened to those
8 new revenues coming in through tuition which
9 were designed for growth, designed to hire more
10 full-time faculty. That tuition revenue has

11 gone to fill the hole created by the
12 underinvestment.

13 The Legislature has come through time
14 and time again in a sterling way, trying to fill
15 some of those holes. But the truth is when the
16 state per-student funding has dropped by
17 30 percent in that period and tuition has
18 quadrupled and the numbers of students are
19 increasing and increasing at CUNY, we have not
20 been able to keep up with the need at the
21 City University of New York.

22 So now we have 270,000 students, the
23 highest number we have had in many, many years.
24 Last time we measured a number comparable of

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1 students, in 1975, CUNY had 11,500 full-time
2 faculty. Now we have about 7,000 full-time
3 faculty. There's an enormous gap there. And
4 that tells the story of what has happened at
5 CUNY.

6 So first I wanted to thank you for the
7 restorations you created in last year's budget
8 when you filled very important holes, first of
9 all in mandatory costs that were left out,
10 inflationary costs of the budget. You added
11 \$150 per FTE for the community colleges. You
12 restored funding for SEEK, for the Murphy
13 Institute, in many other ways. The
14 Legislature's actions last time were critical in
15 sustaining CUNY, and we thank you for that. It
16 made a tremendous difference and enabled us to

17 keep the institution afloat.

18 what I want to talk about today and what
19 you've heard my colleagues talk about is that
20 unfortunately, given that backdrop of withdrawal
21 of state funding, more than an incremental
22 approach is going to be needed. We appreciate
23 that incremental approach, but it is not going
24 to get us to where we need so that CUNY is not a

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1 poverty institution. And that's especially
2 important right now when the local and national
3 conversation has turned so much to the question
4 of inequality.

5 CUNY is a primary solution to the
6 problem of inequality. It always has been.
7 Since 1847, when CUNY was founded -- and it took
8 a referendum in the City of New York because it
9 was so controversial to found a free college --
10 since that time CUNY has been one of the primary
11 routes out of urban poverty for a whole city,
12 for generations of immigrants. We are still
13 40 percent immigrants at CUNY in our student
14 body. CUNY remains one of the spectacular
15 success stories of American higher education.

16 But this is really in peril, and it's
17 especially important that we focus on investing
18 in CUNY now when CUNY offers a real route to
19 solving many of the problems of economic
20 inequality. CUNY provides opportunity for poor
21 and middle-income New Yorkers and people of
22 color. That's what CUNY does. Seventy-five

23 percent of our undergraduate students are people
24 of color. Forty percent are immigrants.

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1 Fifty-six percent have family incomes below
2 \$30,000, and 46 percent have family incomes
3 below \$20,000.

4 CUNY educates New York's poor. And with
5 that population, CUNY accomplishes miracles and
6 creates a population ready to be part of and
7 very much demanded in the current economy.
8 That's what we do.

9 And it's at this moment that we feel
10 investment in CUNY, when so many people around
11 the state are looking for solutions to the
12 question of inequality, look at CUNY. Look at
13 CUNY.

14 First of all, we would ask you in this
15 year's budget -- and this is something where I
16 echo the CUNY administration -- to meet the
17 unmet mandatory costs for CUNY. And that
18 amounts to about \$50 million, \$49 million.

19 The Governor's Executive Budget has left
20 unfunded a tremendous slice of the mandatory
21 costs, including things like inflation and
22 energy and heating, of nonpersonnel and
23 personnel. Those have been simply left out even
24 though there was to have been a maintenance of

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1 effort for each year once the higher tuition
2 came in. We are asking you to begin by meeting

3 those costs.

4 We predicted that the increased tuition
5 would in fact be used to fill a hole, that once
6 there was more tuition money there would be less
7 Executive Budget money. That is in fact what
8 happened, our fear came true. If CUNY's
9 mandatory needs are left unmet, virtually all of
10 the \$60.8 million in new tuition revenue will go
11 to cover this gap instead of being used, as
12 promised, to enhance academic offerings,
13 advising, career counseling, and other services.

14 If the needs are left unmet, the tuition
15 is going to fill that gap. And then it becomes
16 a tax, it's simply a tax. We hear about tax
17 cuts, no new taxes. A tuition increase is a tax
18 on some of the poorest people in New York, and
19 it's a regressive tax at that.

20 Second, we ask you to invest, to help us
21 move forward, \$40 million for the full-time
22 faculty shortage. There is an acute shortage of
23 full-time faculty. Even though there have been
24 about 1300 full-time faculty hired over the last

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1 decade, because of the increasing number of
2 enrollments, the ratio of full-time faculty to
3 students has actually become a larger number of
4 students per faculty.

5 At CUNY now we have about 30 students
6 per one full-time faculty member. Just to give
7 you a comparison, it's 14 to 1 at Rutgers, 18 to
8 1 at University of Maryland, 17 to 1 at the

9 university of Connecticut. I used to teach at
10 Wellesley before I chose to come to CUNY; there
11 it's 8 to 1. And I think that tells the whole
12 story of the kind of attention our students
13 need. If we had an 8-to-1 student ratio, or
14 even 17 to 1, we would have much better success
15 and support for students.

16 So first of all, in terms of new
17 investment, we ask you -- the critical need, we
18 echo the CUNY administration, is for full-time
19 faculty. As Steve Allinger said and as Fred
20 Kowal echoed, that's going to take a long-term
21 strategy, not just incremental things that you
22 can do in each budget. And that's why we
23 support the idea of an endowment to create a
24 permanent source of funding. That's the only

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1 way we're going to be able to build back what
2 has been lost through years and years of cut,
3 cut, cut in the state budget for CUNY and SUNY.

4 We also join with the CUNY
5 administration and with my colleagues here in
6 saying there's a desperate need for per-student
7 restoration of funds to the community colleges.
8 It's just unconscionable to cut the per-student
9 funding for community colleges when they are
10 such an important gateway for the most needy
11 students in New York City and New York State.

12 The Governor's proposal does not build
13 on the progress that you made last year. The
14 Executive Budget proposal provides no further

15 increase to Base Aid, leaving it at \$2,422 per
16 FTE student, which is still, despite the
17 restorations you've made, \$250 per student less
18 than in 2008. So the number is actually going
19 down.

20 We've heard today about the ASAP
21 program, which is so successful, has a
22 56 percent graduation rate, over twice the rate
23 of the control group. And yet the Executive
24 Budget cuts that. In fact what should be done

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1 is that the ASAP program, which is fairly
2 simple -- there's nothing magical about it -- it
3 should simply be scaled up to all CUNY students.
4 It costs 50 percent more per student to provide
5 for the student in the ASAP program than in the
6 regular CUNY program. That includes smaller
7 classes, more advising, much more support and
8 support with tuition.

9 If we scaled that up to the full 71,000
10 students in the community colleges, we would see
11 a dramatic change in the results of the
12 colleges. There is nothing mysterious about it.
13 Invest 50 percent more per student and you get
14 stunningly different results.

15 We'd also like to say a word about the
16 Governor's support for scholarships for STEM
17 majors, and I know you've asked some very
18 probing questions about that today. We
19 certainly support the objective to encourage
20 more young people to enter a degree program, and

21 we certainly support the objective of boosting
22 the STEM fields.

23 And selecting the top 10 percent of high
24 school graduates may appear to be a way of

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1 selecting a group without replicating
2 inequalities of race, ethnicity, gender and
3 class. But experience with a similar program in
4 Texas suggests otherwise. And I would ask
5 you -- we'll provide more information for you,
6 but I'd ask you to look carefully at the Texas
7 top 10 percent program, which found that in fact
8 it did not produce greater racial and economic
9 diversity because the students coming into the
10 program had lower skill sets, some of the
11 students from underrepresented groups still had
12 lower skill sets, and in the end they didn't get
13 the support they needed and they ended up with
14 lower GPAs.

15 The key is support, not selecting the
16 top 10 percent, because often that's exactly the
17 group that has more options. So we'd ask you to
18 take that money instead and invest it in support
19 for students to go on in the STEM fields.

20 I'd just like to mention a couple of
21 other things and then close.

22 One is that we believe this is the year
23 for the New York State DREAM Act to come true.
24 It's time. This state prides itself on being a

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1 progressive state. We are starting to fall

2 behind in measures of progressivity on providing
3 for immigrants. It is not a huge expense, and
4 it would be transformative. Students who risk
5 deportation to stand up for themselves ought to
6 be supported. And these are some of our most
7 challenging, brightest, strongest students.
8 college access is not meaningful for them unless
9 there's access to financial aid. So we ask you
10 to put all your might behind the DREAM Act and
11 also the reforms to TAP that a coalition of us
12 have put together.

13 We support the capital budget request
14 from CUNY. And we join with our colleagues here
15 in urging you to look again at some of the
16 things you've asked about today. The edTPA
17 standards definitely need to be rethought. And
18 also we strongly support the bill for the
19 ability to FOIL the Research Foundations of CUNY
20 and SUNY. You asked earlier about transparency
21 of those budgets. Yes, a budget is produced,
22 but it is not subject to FOIL, and we strongly
23 believe it should be.

24 so in conclusion, let me thank you for

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1 the support you've given that has kept us
2 afloat, but to ask you to work with us in
3 changing the story of underinvestment in CUNY
4 and make it a story of supporting one of the
5 most important engines of opportunity and
6 equality in this state.

7 Thank you very much.

8 CHAIRMAN FARRELL: Thank you.

9 Questions? Senator?

10 SENATOR KRUEGER: Thank you.

11 Thank you very much all for your
12 testimony. Agree with so much.

13 A question about the endowment proposal.
14 So I know that there is private giving to
15 different colleges, at least in CUNY. It's set
16 up to so it doesn't actually go through some
17 kind of endowment model. Can you tell me the
18 difference between what you're asking us to set
19 up and how private giving is funneled now?

20 MR. ALLINGER: We're asking for a SUNY
21 and CUNY public higher education endowment for
22 the systems. And they have this in other
23 states. CUNY has done some philanthropic work
24 that's actually quite noteworthy, but SUNY

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1 essentially has zero systemwide endowment. And
2 that's contrasted with very large endowments in
3 other competing state systems.

4 I know some of is just the youth of
5 these systems. The State of New York was almost
6 dead last out of the 50. Despite being one of
7 the original 13 colonies, New York came to the
8 game almost dead last in investing in public
9 university systems. And it takes multiple
10 generations to develop --

11 CHAIRMAN DeFRANCISCO: We came dead last
12 in signing the Declaration of Independence, too,
13 I think.

14 MR. ALLINGER: That's true. Was
15 Delaware first? Delaware was first.

16 SENATOR KRUEGER: But we got there. So
17 we can get there on an endowment for SUNY/CUNY
18 also, even if we're dead last. Right? Sorry.

19 So in your proposal you're actually
20 suggesting a number of different funding streams
21 where private money would only be one option.
22 So you would suggest that the endowment would
23 specifically be mandated for investment in
24 faculty?

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1 DR. KOWAL: That is correct.

2 SENATOR KRUEGER: As opposed to for
3 capital, because a lot of times endowment money
4 seems to get used for capital funds.

5 DR. KOWAL: That's correct, Senator. It
6 is intended to be focused on the hiring of
7 full-time faculty and staff while also providing
8 a pathway for adjunct faculty who wish to
9 full-time and meet the qualifications. In
10 essence, to be at the front of the line. It is
11 one way of solving the exploitation of adjunct
12 faculty in the SUNY and CUNY systems.

13 SENATOR KRUEGER: And have you done any
14 research on other state universities' endowments
15 to see whether there is specific statutory
16 language that created these endowments and
17 mandates a similar use for them, just as a model
18 for us?

19 MR. ALLINGER: I have a working
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20 knowledge of what's typically paid for by
21 endowments. It's often very typical to have
22 endowments pay for endowed chairs, for full-time
23 faculty investment.

24 We wanted to first get the metrics --

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1 who are our competing institutions. And in my
2 testimony you'll see that we just gave you a
3 cross-section of states and the size of their
4 endowments. But we can get that kind of
5 information for you.

6 SENATOR KRUEGER: Okay. I would suggest
7 you add to your list of hypothetical funding
8 streams for this the intellectual property
9 rights that I believe our universities should be
10 getting and may or may not be getting now from
11 all of these private/public relationships.

12 And I'm not opposed to them, and some of
13 them have been amazingly successful. And
14 obviously for SUNY we have the College of
15 Nanotechnology. And I asked some questions
16 earlier how was that going to work now that they
17 were splitting up or divorcing, depending on how
18 you term it.

19 And I also asked that of CUNY. And I
20 think particularly now that CUNY is opening this
21 massive high-tech research center up at CCNY,
22 the potential for more of those kinds of
23 private/public partnerships in potentially
24 lucrative research fields, that I might suggest

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1 that that money should also be, quote, unquote,
2 invested in quality faculty.

3 MR. ALLINGER: I've learned from
4 Dr. Kaloyeros that every penny of his public
5 funding goes into tenure-track faculty.

6 SENATOR KRUEGER: So he's already doing
7 that.

8 MR. ALLINGER: Virtually no adjuncts.

9 DR. BOWEN: And we've begun that
10 discussion with the chancellor's office at CUNY
11 exactly on that topic, the relation between the
12 new science center and revenues and the
13 importance of intellectual property
14 clarification.

15 DR. KOWAL: Senator, I think that
16 another way that the endowment could be very
17 beneficial is that START-UP NY, as it's
18 presently designed -- aside from several
19 different faults with it that we see -- that one
20 concern that I have is that upon the completion
21 of this 10-year cycle we're not sure exactly
22 whether or not the firms that come in, the
23 corporations that come in, will want to stick
24 around.

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1 what we believe very strongly is that
2 there needs to be the investment in intellectual
3 capital. And if START-UP is geared as I heard
4 this morning towards high-tech firms, there
5 needs to be the faculty and staff there in order

6 to provide the intellectual capital for the
7 research to take place, and then the
8 implementation of research into products and so
9 on and so forth.

10 otherwise, my concerns would be that
11 these, especially small upstate communities --
12 and that's where I come from -- that these firms
13 may come in and then in 10 years simply uproot
14 and depart, having created problems in the
15 communities as well because of their competitive
16 advantages provided by the tax breaks.

17 SENATOR KRUEGER: And I worry they'll
18 come in, use the resource of the university,
19 draw off the expertise of faculty, not have
20 given anything back to that school, and even
21 take faculty away from their teaching because
22 it's more lucrative somehow to move into the
23 intellectual property projects.

24 MR. ALLINGER: Well, I wish we were

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1 smart enough to hit your point and put it in the
2 testimony, but we did call for impact fees from
3 START-UP.

4 Because this is an enlightened
5 self-interest, if you will. They should put
6 something towards this. The Nanotech model is
7 that they have to contribute equipment, which
8 stays with Nanotech. It doesn't go back. If
9 the company pulls out, that's their problem; the
10 equipment remains, the investment remains at
11 Nanotech.

12 SENATOR KRUEGER: Just one more. Since
13 you have been doing comparisons to other states
14 and New York appears to look so bad, do other
15 states -- or what percentage of other states use
16 their public money in private universities as
17 well as public universities?

18 DR. BOWEN: I think that's a very
19 important topic for study. New York is
20 extremely high in the percentage of support for
21 private colleges through TAP -- and through
22 Bundy Aid. You know, a whole separate stream
23 just dedicated to providing public money to
24 private higher education.

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1 And we rank very high in the provision
2 of public money to private higher education.
3 And there's a long history of that, too, even
4 going back to, I mean, the beginning of open
5 admissions at CUNY and funding and other
6 advocacy efforts.

7 So yes, New York ranks very high. I
8 think it's worth taking a good look at what
9 percentage of public money does in fact go to
10 support private higher education.

11 SENATOR KRUEGER: Thank you.

12 DR. LONDON: I just wanted to add there
13 the tax expenditures to all the privates,
14 because they're off the tax rolls, the property
15 tax rolls.

16 SENATOR KRUEGER: Thank you.

17 CHAIRMAN FARRELL: Deborah Glick.

18 ASSEMBLYWOMAN GLICK: To follow up on
19 the notion of the endowment, do you have -- and
20 perhaps it's in your testimony and you just
21 didn't mention it or it's in ancillary materials
22 that you have -- what you envision as an annual
23 contribution, and is that separate and distinct
24 from an array of other supports that we have

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1 traditionally provided in designated programs
2 like EOP or SEEK or so forth?

3 MR. ALLINGER: We envision at least a
4 quarter-billion, it probably should be higher
5 than that, phased in each year. So we could get
6 between three-quarters or \$1 billion that would
7 throw off enough growth from that corpus to
8 support several hundred full-time faculty and
9 then grow over time.

10 It may sound like a lot of money, but
11 the state often has one-shot revenue, whether
12 coming from gaming licenses, whether coming from
13 just the fact that it operates like a business
14 in certain areas, and I can't think of a higher
15 and better use than capitalizing a foundation
16 that invests, you know, in a brighter future for
17 children in this state, that secures a better
18 economic opportunity and creates real equality
19 of opportunity.

20 But the state often has several hundred
21 million dollars annually in nonrecurring revenue
22 and has some unusual revenues coming online that
23 we don't feel have been fully valued or studied.

24 ASSEMBLYWOMAN GLICK: So you are

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1 envisioning, as it were, building up an account
2 over a period of time? Or do you see that as an
3 annual commitment?

4 DR. KOWAL: What we're proposing is to
5 build up that endowment. And then once it's
6 constructed to a level that we believe -- and we
7 would work with SUNY and the Legislature on
8 this, so it was sustainable, and then interest
9 return on that would be what would be funding.

10 ASSEMBLYWOMAN GLICK: And then it might
11 also include the spinoffs of some intellectual
12 capital, et cetera, to maintain its level.

13 MR. ALLINGER: Yes. Yeah.

14 ASSEMBLYWOMAN GLICK: So this is not an
15 annual event for 10 or 15 years, this is --

16 DR. KOWAL: Permanent.

17 ASSEMBLYWOMAN GLICK: -- developing a
18 base from which to essentially securitize future
19 outlays.

20 DR. BOWEN: Yes.

21 DR. KOWAL: That is correct. And it
22 would also -- at the same time, though, it would
23 not certainly eliminate the necessity for
24 funding for, for instance, programs that involve

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1 access and affordability for students.

2 ASSEMBLYWOMAN GLICK: So it would really
3 be essentially a way to accelerate what has been
4 the promise of the increased tuition that

5 students have been paying with the notion that
6 the Legislature bought into that this would go
7 to full-time faculty and that the students would
8 receive a stronger educational environment
9 because they would in fact have full-time
10 professors who were committed to being available
11 for support and increased educational guidance.

12 DR. BOWEN: Yes. Yes. That's exactly
13 right. In fact, what we're asking for -- and we
14 write this in our testimony -- is what we need
15 is not just to continue the restorations and
16 investments that you've made, but we really need
17 to accelerate it. Because it's not happening
18 with the level of investment that came from the
19 Governor's budget on top of the tuition.

20 Exactly, because the tuition increase
21 which you describe the Legislature bought into,
22 the Legislature supported that increase I think
23 on the grounds that it would help to fill the
24 hole in hiring of full-time faculty. Exactly.

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1 ASSEMBLYWOMAN GLICK: So you think that
2 I think it was 250 new faculty at SUNY, which
3 was 64 campuses, that's just not a fast enough
4 rate?

5 DR. BOWEN: No.

6 DR. KOWAL: No. No. And in fact what
7 we have seen is basically that we're treading
8 water, with retirements and departures. As
9 Mr. Allinger indicated, there's been a brain
10 drain out of SUNY, especially amongst new

11 faculty members and staff that we bring in.

12 And this would allow for much more
13 long-term sustainability, and we'll keep our top
14 faculty in departments, and professional staff
15 as well.

16 And I think that as we think about the
17 idea of an endowment, it would also provide for
18 security in tough economic times, instead of
19 going through --

20 MR. ALLINGER: It's countercyclical.

21 DR. KOWAL: Yeah, it's countercyclical
22 as a tool to providing that long-term
23 investment.

24 ASSEMBLYWOMAN GLICK: Thank you.

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1 CHAIRMAN FARRELL: Thank you.

2 Further questions? Assemblywoman
3 Lifton.

4 ASSEMBLYWOMAN LIFTON: Thank you very
5 much. A few quick questions, I think.

6 So I hear a little bit about this, but
7 give me a clear picture with the adjunct salary.
8 An adjunct teaches three or four courses? I
9 mean, I know -- like three is sort of a normal
10 course load, right, for a prof? And they make
11 how much per course that they teach? What does
12 a typical adjunct actually make in a --

13 DR. BOWEN: I appreciate the questions.
14 And our 13,000 adjuncts would also appreciate
15 them.

16 An adjunct typically makes between
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17 \$3,000 and \$4,000 a course, depending on
18 seniority. And we've bargained for some
19 improvements there. And many adjuncts -- let's
20 take a look just for a moment at what we might
21 call the career adjuncts. And there are
22 between, let's say, 2,000 and 3,000 of those at
23 CUNY.

24 ASSEMBLYWOMAN LIFTON: This is what

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1 they're doing day in and day out, this is their
2 job?

3 DR. BOWEN: Exactly. They're people who
4 would like --

5 ASSEMBLYWOMAN LIFTON: And they're on
6 campus, they're not going from one campus to
7 another campus?

8 DR. BOWEN: In some cases they have to
9 go from one to another in order to put together
10 a package to live on. But there are people in
11 my department who have been teaching there as
12 adjuncts longer than I've been at CUNY. They
13 carry two or three courses a semester, every
14 semester. They're earning \$9,000 or \$10,000 a
15 semester. So maybe they're earning \$20,000,
16 with something in the summer, \$25,000, \$27,000 a
17 year in New York City. Many of them have
18 Ph.D.s, and that's what they're earning.

19 The reason that they do not have a
20 full-time job is that there aren't enough
21 full-time jobs there. That's just -- that is
22 what happened. Just as people came into the

23 professoriate in greater numbers and were told
24 that there would be jobs, the bottom fell of

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1 that market. And with the withdrawal of state
2 funding across the board -- it's not just
3 New York -- universities found their solution
4 was to cut their biggest cost, and that's labor.
5 So instead of paying \$100,000 or \$80,000 for a
6 full-time faculty member to teach, they're
7 paying 27, 25 for a part-time faculty member.

8 Now, they're not the equivalent
9 positions, I want to be clear about that,
10 because a full-time faculty member has other
11 responsibilities, has to produce research, work
12 on committees and advising. But the truth is
13 that a lot of our part-time faculty do tons of
14 unpaid work and often end up running from one
15 place to another.

16 It's just an insane way to run a
17 university, where we have now at CUNY more of
18 the courses being taught by part-timers than
19 full-timers. That's the reality at CUNY.

20 ASSEMBLYWOMAN LIFTON: I'm not sure
21 where the federal poverty level is for a family,
22 but that -- I mean, it's just a little bit above
23 the federal poverty level for a family of four,
24 maybe.

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1 DR. BOWEN: It's very close. Exactly.
2 We have adjuncts on food stamps, we have

3 adjuncts being evicted. I mean, it's tragic.

4 ASSEMBLYWOMAN LIFTON: Adjuncts on food
5 stamps, you said?

6 DR. BOWEN: Yes, adjuncts on food
7 stamps.

8 ASSEMBLYWOMAN LIFTON: With a Ph.D.

9 DR. BOWEN: With a Ph.D.

10 ASSEMBLYWOMAN LIFTON: Hard to tell
11 people that they ought to go to college, you
12 know, go get an education if you want to do
13 well, isn't it?

14 DR. BOWEN: Well, that is exactly right.
15 That's right.

16 ASSEMBLYWOMAN LIFTON: The whole issue
17 of maintenance of effort and this whole thing
18 about tuition, Rational Tuition Policy and there
19 will be a maintenance of effort. Do we have a
20 definition in law, in case law or anywhere else
21 in statute of maintenance of effort? Is it real
22 dollars? Is it adjusted for inflation? Is it
23 current services budget? How do we define it?

24 MR. ALLINGER: It's not precise enough.

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1 The problem with maintenance of effort is
2 instead of becoming a floor often it just
3 becomes a ceiling. And even the one-third
4 statutory requirements waived -- obviously
5 that's not honored. Unless something is
6 measured in real dollars, and it's connected to
7 the current services cost increases, then it
8 erodes over time.

9 It is better than not having it, because
10 we were eroding at a very fast rate, and that
11 did get arrested. We did stop that, and we had
12 a modest gain in net new full-time faculty. But
13 as was pointed out, we were also gaining
14 enrollment.

15 But we know that it will take vigilance.
16 We'd like to see a stronger maintenance of
17 effort. But it's only going to be as strong as
18 the oversight by the Legislature in terms of its
19 implementation.

20 ASSEMBLYWOMAN LIFTON: You're saying it
21 should be adjusted for inflation and deal with
22 the increased costs for energy and other things
23 that --

24 MR. ALLINGER: Right. Right.

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1 ASSEMBLYWOMAN LIFTON: -- you don't have
2 any control over, or minimal control over.

3 MR. ALLINGER: There is a Higher
4 Education Price Index, I think it's called HEPI.

5 ASSEMBLYWOMAN LIFTON: Right.

6 And just last, the edTPA, the
7 certification exam for teachers. Just playing
8 devil's advocate for a moment, not necessarily
9 my real view, but some might say, well, a
10 50 percent failure rate is okay; we're going to
11 weed out, we're going to vet teachers, we're
12 going to bring the best people into the teaching
13 profession. You know, maybe that's the way it
14 ought to be in the world.

15 what would be your response to them?

16 DR. KOWAL: Well, first and foremost,
17 there is no question that our faculty engaged in
18 teacher prep programs support the idea of
19 standards, and in principle we do not oppose
20 edTPA. Our opposition centers on the fact that
21 it has become a high stakes method of
22 evaluation, and the fact that it has been rolled
23 out so quickly.

24 I know that the chancellor emphasized

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1 the time span since it was first proposed and so
2 forth, but I can tell you directly that we have
3 had deans, we have had -- even campus presidents
4 have told us that the speed has been much too
5 rapid and they have not been consulted. And in
6 fact the in essence passing grade that was
7 established was only established several months
8 ago.

9 And so there is so little clarity in
10 terms of what students are expected to do.

11 That's the problem.

12 And so no, we aren't opposed to a
13 quality determination. What we're opposed to is
14 really two things. One is the speed, its
15 high-stakes nature, and, secondly, that this
16 cohort of students could really be harmed badly
17 and, in the long run, perhaps our teacher prep
18 programs throughout SUNY would be harmed badly.

19 ASSEMBLYWOMAN LIFTON: And we're the
20 only -- there are two states, New York and

21 Washington, that have the high-stakes testing,
22 and our standard is higher than the state of
23 Washington. So we're going to set the highest
24 bar for our teachers. Which, you know, on some

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1 level we want. But as you say, we want the
2 preparation there, we want the curriculum and
3 everyone to know what's happening.

4 Just quickly, too, one of the concerns
5 on that was that maybe we don't have a valid
6 test here, that our test has four pieces, the
7 only other validated test had three components.
8 So we don't really even have this edTPA fully
9 tested to validate that it's a reliable
10 indicator.

11 DR. KOWAL: That is correct, it has not
12 been properly vetted, yeah. And so we don't
13 know about the validity of it also. And that's
14 determining the future of these students and
15 their careers.

16 ASSEMBLYWOMAN LIFTON: It seems
17 troubling to me that the educational
18 establishment in the state is not modeling
19 proper educational pedagogy to put tests out
20 that aren't valid. You know, that just seems
21 like a terrible thing to be doing.

22 DR. LONDON: Yeah, I think edTPA is
23 based on the idea of predictive validity, with a
24 series of good practices. But there has been no

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1 consistent research that's shown that in fact
Page 234

2 it will predict successful teachers as an
3 outcome.

4 And as Fred mentioned, it's packaged
5 inside a high-stakes testing regime that's tied
6 to a corporate model where Pearson looks at a
7 video and then that gets scored. That has not
8 been -- there's been, again, no testing that
9 shows that that's valid.

10 And what happens in a classroom is that
11 when our students should be using their clinical
12 experience to learn how to teach, they're
13 preparing for a test. So there is real concern
14 among many of our ed faculty that in fact the
15 clinical experience is being degraded and
16 students are not getting proper experience.

17 ASSEMBLYWOMAN LIFTON: Thank you very
18 much.

19 CHAIRMAN FARRELL: Thank you.

20 Assemblywoman Fahy.

21 ASSEMBLYWOMAN FAHY: Thank you.

22 And thank you for your testimony. It
23 was very helpful.

24 I had a very similar question on the

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1 edTPA program as well. And we heard earlier
2 this morning that there was already a one-year
3 delay and that the program had been rolled out,
4 you know, since 2010. You've said you'd like to
5 drop the certification. Are you asking for a
6 one-year delay as well again? Again this
7 morning we heard that there was already a
Page 235

8 one-year delay. Do you have any further
9 recommendations on that?

10 DR. KOWAL: Yeah, we favor another
11 year's delay. Because, in part, materials were
12 not provided to campuses until several months
13 ago. And so full implementation is not complete
14 in terms of providing the material that then
15 would lead to faculty adjusting their curricula
16 and instructing students to be prepared for the
17 way they're going to be evaluated. So that's a
18 major problem.

19 I think that, yes, there was a delay
20 from 2013 to 2014. However, that was because
21 State Ed was cognizant of the fact that they had
22 already fallen so far behind in providing
23 campuses with materials. But in fact they're
24 still behind. And that's what we're hearing

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1 from deans, and that's what we're hearing from
2 faculty.

3 And also, again, you know, emphasizing
4 what Steve had mentioned as part of the
5 evaluation, is the videotaping is, in essence,
6 the filming of teachers and students as they're
7 doing their practice teaching just a couple of
8 weeks into their practice-teaching regimen.
9 This is a really dangerous way of determining,
10 again, whether or not someone is going to be an
11 effective teacher.

12 In fact, I see it as badly flawed.
13 There's no way that I would have -- I've taught

14 for 28 years. I would not have wanted to be.
15 judged after two or three weeks of my first
16 teaching assignment. That's simply not
17 realistic. It's damaging.

18 DR. BOWEN: I would just add that it is
19 a problem for timing, and a need for delay. But
20 it also goes beyond that. The education faculty
21 at CUNY, and I know we've been working with ed
22 faculty at SUNY, are really calling for a whole
23 rethinking of that idea of how to measure
24 whether somebody is qualified to teach.

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1 I mean, if you could hear them speak
2 about their commitment to teaching and wanting
3 to make sure that the students who come through
4 their program are absolutely qualified to go
5 into the very tough conditions that they will
6 face, probably in New York City schools. And
7 the depth of knowledge, the lack of
8 superficiality in the way they talk about it is
9 very compelling. And it just can't be measured
10 in a quick video.

11 And also we don't know who's scoring
12 these videos, we don't know what their
13 qualifications are. They're getting paid to do
14 that as a kind of piecework. I mean, there are
15 a lot of problems with a completely untested
16 test. And I think we see, again, a sort of
17 slapdash solution, thinking, well, we have to
18 fix teaching, let's give another test. And we
19 are really calling for a total rethinking of

20 that.

21 ASSEMBLYWOMAN FAHY: Have you been
22 consulted, have any of your programs been
23 consulted in the original development of this,
24 of the revised standards here for the

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1 certification?

2 DR. BOWEN: Have any of our programs
3 been consulted?

4 ASSEMBLYWOMAN FAHY: Yeah, have any of
5 your teachers or teaching programs been
6 involved?

7 DR. BOWEN: Not that I know. How about
8 you?

9 DR. KOWAL: Yeah, there was some
10 consultation early on. But again, in
11 conversations with deans and with faculty, they
12 were shocked by the decision to roll it out so
13 quickly. They were not consulted in terms of
14 that rollout.

15 Nor were they consulted about the
16 announcement several months ago that the
17 entrance requirement -- the GPA requirement of
18 3.0. There had been discussions, but there was
19 no consultation on that whatsoever either.

20 So I think consultation has been limited
21 in scope, I'd put it that way.

22 MR. ALLINGER: I want to add that
23 New York has been one of the only states that re
24 putting so much reliance on one high-stakes

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1 test. So although this is a component in other
2 states that have adopted this, they haven't put
3 such enormous reliance on that factor. And I
4 think we're very early in its implementation.

5 There is tremendous support for
6 strengthening, deepening the teacher ed
7 programs, and they've been doing that, they've
8 been working very hard to increase the rigor.

9 ASSEMBLYWOMAN FAHY: Thank you. Just a
10 very quick last question, the HEOP program, the
11 Higher Ed Opportunity Program. You mentioned
12 that there are 20,000 applicants for the 3,000
13 slots currently available. SED has called for
14 \$4 million additional. Do you have an amount
15 that you are recommending?

16 DR. KOWAL: No. We had not discussed a
17 specific amount at this time.

18 But it is absolutely crucial, when you
19 consider the fact that on average students
20 coming in average about 400 points lower on
21 their SAT scores, and yet their retention rates
22 and graduation rates are higher than those
23 students that are outside those programs. So it
24 is an amazing success story. But it depends on

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1 resources, because there are the counseling, the
2 support services that are necessary for the
3 success of any student, in fact.

4 ASSEMBLYWOMAN FAHY: Thank you.

5 Thank you, Mr. Chairman.

6 CHAIRMAN FARRELL: Thank you. Thank you
7 very much.

8 DR. BOWEN: Thank you.

9 MR. ALLINGER: Thank you.

10 CHAIRMAN FARRELL: Laura Anglin,
11 president, Commission on Independent Colleges
12 and Universities.

13 MS. ANGLIN: Good afternoon.

14 CHAIRMAN FARRELL: Good afternoon.

15 MS. ANGLIN: Thank you, Chairman
16 Farrell, Chairman DeFrancisco, Chairperson
17 Glick, and all other distinguished members of
18 the committee, for inviting to us testify here
19 today. My name is Laura Anglin, and I want to
20 introduce my colleague, Sheila Seery, who is the
21 vice president for research and state and local
22 relations at CICU.

23 In front of you, you have a copy of my
24 testimony as well as a copy of our legislative

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1 priorities brochure. In light of the hour of
2 the day, I'm not going to read through that, but
3 will just highlight some important facts that I
4 think are in there, and hopefully we can have
5 further discussions at a later time.

6 First, let me thank you on behalf of our
7 students in the independent sector and
8 throughout New York State, where there are over
9 a million students, for all the support that you
10 have shown for student aid programs and for
11 higher education over the years. Without your

12 support I don't think our higher education
13 system would be as strong as it is today. And
14 with your support I hope we continue to grow
15 that system and keep it strong in the future.

16 I just want to share a few highlights
17 about our sector. And these are numbers that we
18 provide every year, but I just wanted to give
19 you an update. So in the independent sector we
20 educate roughly 490,000 students every year, and
21 we grant about one-half of the bachelor's degree
22 and the majority of the master's degrees,
23 doctoral and first professional degrees. We
24 enroll 38 percent of New York's black and

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1 Hispanic students, and about one-third of our
2 students come from families earning less than
3 \$40,000 a year.

4 And as you know, higher education is a
5 major economic driver in New York State, and our
6 sector alone contributes a little over
7 \$63 billion annually to the state's economy, and
8 we employ directly and indirectly over 370,000
9 individuals.

10 Turning to our student aid programs that
11 are critical for our students to succeed in
12 getting a college degree in New York, I want to
13 spend a few minutes just to talk about a couple
14 of the programs, the first one being our TAP
15 program.

16 Our TAP program in New York educates and
17 allows about 90,000 students to attend an

18 independent college in New York State. This
19 year I'm pleased to say we are celebrating TAP's
20 40th anniversary, so it's been a very long and
21 successful program. And since we have this
22 important date to celebrate, perhaps it's time
23 this year to start a conversation about some
24 possible reforms and enhancements to look at in

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1 the future.

2 And I know that we all have been talking
3 about TAP and how important it is, but it really
4 hasn't been changed much in the last decade. So
5 perhaps we can talk about looking at the TAP
6 schedules, looking at more realistic
7 satisfactory academic progress guidelines, maybe
8 look a little bit at ATB requirements -- since
9 we know there's been some changes at the federal
10 level -- and also at the maximum TAP award,
11 which is currently at \$5,000, and perhaps
12 looking at increasing that to a level maybe
13 around \$6500 is the number that we've been
14 talking about. And increasing also the maximum
15 awards for independent students and perhaps even
16 looking at some of the restrictions on part-time
17 TAP.

18 We know that these programs are
19 expensive and increasing them would be
20 expensive. We know in the past that those
21 programs have been increased and phased in over
22 a multiyear period. So we look forward to
23 continuing that conversation and hopefully

24 laying the groundwork for that this year.

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1 There's been a lot of talk, which I am
2 so excited to see, about our opportunity
3 programs. And thank you for your consistent
4 support. Every year we find that the
5 Legislature partners with us to increase the
6 funding in these programs, and we hope again, if
7 funding is available, that we'll be able to
8 achieve that.

9 The Higher Education Opportunity
10 Program, HEOP, which a lot has been talked about
11 today -- and I know, Assemblymember Fahy, you
12 asked about the utilization of the program. And
13 in talking with our HEOP directors, we know that
14 we're only serving about 10 percent of the need
15 of the program.

16 And as everyone has said, the outcomes
17 of the program are outstanding when we are
18 looking at economically disadvantaged students
19 but also academically challenged students. So
20 obviously it's a very successful program and one
21 that we feel is a successful model for the
22 future.

23 And I know that Commissioner of
24 Education John King testified earlier about

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1 their proposal to increase HEOP by \$4 million.
2 Obviously we would be very supportive of that,
3 or any increase that we could receive.

4 There's also been a lot of talk today
Page 243

5 about the Governor's new initiative for a
6 science, technology, engineering and
7 mathematics, STEM, program. The independent
8 sector does play a major role in educating
9 students in the STEM fields, so we would like to
10 see that program extended to students who attend
11 one of our colleges and universities.

12 Although I'd just like to make a point
13 that all other scholarship programs that have
14 been enacted in the past have been allowed to
15 follow the student. So obviously we would like
16 that trend to continue because we believe that
17 we could have a lot of contribute in not only
18 keeping our students here in New York State but
19 having them go within the STEM fields.

20 And a large part of this program will be
21 very helpful to some of our smaller regional
22 schools. I have 80 schools that have enrollment
23 of less than 2,000 students, and most of those
24 schools enroll New York-resident students

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1 locally.

2 For example, just some terrific things
3 that are going on at some of these schools --
4 and there's many more examples -- you know,
5 Le Moyne College, out in Central New York,
6 currently partners with Syracuse University, and
7 they have a 4+1 program in engineering. So it's
8 a neat program where students complete their
9 undergraduate degree at Le Moyne while taking
10 engineering courses at Syracuse. And after

11 graduation, they can attend Syracuse and there's
12 a 50 percent waiver on the tuition if they enter
13 that program.

14 Another interesting point is the College
15 of Mount Saint Vincent has the highest
16 proportion of STEM degrees awarded to Latino
17 students of any Hispanic-serving institution.
18 So we think that's a wonderful point to
19 highlight for an institution that focuses very
20 much effort on the STEM program.

21 And Siena College, right here in our
22 backyard, works with the federal government with
23 various NSF grants to focus on STEM programs and
24 also STEM summer projects.

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1 And Mercy College, also downstate, has
2 an intensive program to recruit women and
3 underrepresented minorities to pursue STEM
4 teaching careers, because we know that there's a
5 need to do that.

6 Other initiatives that we just want to
7 spend a minute talking about is that, you know,
8 there's been a lot of talk about providing
9 additional capital this year, and this year's
10 budget has a lot of proposed capital in it. So
11 we would like to propose also a new capital
12 program for colleges and universities, both
13 public and private, that could be related to
14 greening initiatives or also STEM proposals.
15 You'll see a little more detail about that in
16 the legislative priorities brochure.

17 We were pleased to see another round of
18 regional economic development funding this year.
19 And also as we look to other ways to strengthen
20 our higher education system, we would look to
21 have the state reinstate the Faculty Development
22 Program and the Technology Transfer Incentive
23 Program so that we can help retain talented
24 researchers here.

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1 So that's just a quick recap of some of
2 the materials you'll find. And I look forward
3 to your comments and questions and am happy to
4 meet at any future date to go in any more
5 details on some of those priorities.

6 CHAIRMAN FARRELL: Thank you.

7 Deborah Glick.

8 ASSEMBLYWOMAN GLICK: Thank you for your
9 testimony.

10 I know that you touched on a number of
11 potential changes to the TAP program, and
12 obviously we have had some discussions. The
13 full range of the changes that various advocates
14 have made amount to somewhere between
15 \$350 million to \$400 million. And it's clear
16 that without the resources that the Governor has
17 put in the budget, unless there are dramatic
18 changes, it's a much more limited array.

19 So perhaps you could identify or
20 prioritize one item that is not the most
21 expensive -- which is, of course, increasing the
22 TAP top award to \$6500. Is there another one

23 that you think has a really cost-effective
24 impact that would be important to the widest.

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1 range of students that your sector works with?

2 MS. ANGLIN: Sure. And I'm happy to sit
3 down further and go through some of our
4 thoughts. We know SUNY and CUNY did release a
5 report on some recommendations for TAP. We are
6 also working on some recommendations, and
7 hopefully we'll be able to share them soon.

8 And while I know some of the latter
9 options that I suggested are very costly, some
10 of the earlier ones, such as looking at the TAP
11 schedules, or maybe looking at the Americans
12 with Disabilities Act and some of the standards
13 there for academic progress, some of those
14 probably would not be costly but may make it
15 easier for some of these students to succeed in
16 getting their education. So I'm happy to have a
17 further conversation with you on some of those.

18 ASSEMBLYWOMAN GLICK: Thank you.

19 Have you heard from any of your
20 institutions that are involved in teacher
21 preparation concerns around State Ed's teacher
22 certification plans?

23 MS. ANGLIN: Yes. I think everyone was
24 asked that question today, and I think everyone

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1 has the same concerns. While we all are in
2 agreement that the standards are not really the

3 issue, but really the implementation is the
4 issue.

5 And at last month's Board of Regents
6 meeting, which we listened to very carefully,
7 this was a topic for conversation where a lot of
8 the members were concerned that the results of
9 the new exams would show significant fail rates,
10 and what does that mean.

11 And I think the last presenters also hit
12 on the point that a lot of the materials were
13 just recently released. And so I think what we
14 would hope is that SED would look at the
15 outcomes of the pilots that they're doing and
16 try to get a feel for where we should be going.

17 They have been -- I think as the
18 commissioner said, they have been talking to us
19 about that, as well as SUNY and CUNY. We are
20 working with them on professional development
21 for our teacher ed schools and also our arts and
22 science faculty.

23 But clearly I think that the materials
24 have not all been put out that need to be out.

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1 And I think rushing it along could be
2 detrimental. So I think we would look for a
3 partnership going forward, and making sure that
4 we are successful in getting to the levels and
5 the standards that we need to get to.

6 ASSEMBLYWOMAN GLICK: Thank you.

7 CHAIRMAN FARRELL: Questions? Senator?

8 SENATOR KRUEGER: Thank you.

9 Good afternoon, ladies.

10 MS. ANGLIN: Good afternoon.

11 SENATOR KRUEGER: I think you were here
12 before when I was asking about default rates and
13 student debt. I know you represent many
14 colleges, but do you have an average of how much
15 student debt your graduates have and then what
16 the default rate is for your graduates?

17 MS. ANGLIN: Yes. Well, I'm going to
18 give you two answers.

19 One, I think the average debt for my
20 sector is about \$27,000. That's the latest
21 numbers I've seen.

22 I'd like to get back to you on the
23 default rate because I want to look at the
24 latest cohort, the two-year cohort and

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1 three-year cohort, to see. We've had a lot of
2 conversation here about the default rates
3 increasing, so I'd like to make sure that I get
4 you the correct snapshot to be able to do that.

5 And it really does make a difference if
6 you look at a one-year cohort, two-year or
7 three-year cohort. So I want to look at that.

8 But I do agree with what Elsa Magee
9 said, is we do fall below the national levels,
10 that I know, which we're pleased of. But we
11 also know that the default rates are increasing,
12 which is concerning. So let me get back to you
13 on that.

14 SENATOR KRUEGER: Okay. And have you

15 also had a chance to look at this forbearance
16 model and the rate of students going into
17 forbearance in order to try to avoid default but
18 then finding themselves in sort of a worse
19 financial situation because they took that
20 choice?

21 MS. ANGLIN: I had not until you
22 mentioned it earlier today, which was very
23 interesting. So I plan to go look into it to
24 see if we have any information on that and

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1 whether that's an issue that our sector is also
2 facing. So thank you for bringing that to my
3 attention.

4 SENATOR KRUEGER: That was a national
5 study by something called the Institute for
6 College Access and Success.

7 MS. ANGLIN: We'll look at the data
8 source from that and see if we can extrapolate
9 any information for our sector.

10 SENATOR KRUEGER: Great, okay.

11 And then I was doing some -- actually,
12 I'm not sure I was doing research, I just think
13 I was reading the Chronicle of Higher Education
14 at some point -- my husband is a college
15 professor, so it shows up at our house, and I
16 was reading it. And it was talking about the
17 issue of private universities using merit
18 scholarship money to attract not necessarily the
19 most at-need students but the most, quote,
20 unquote, desirable students in some measure for

21 colleges.

22 And I'm wondering, that must be
23 happening at our private colleges, since it
24 seemed to be happening nationally. And how does

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1 that jibe with the data that the students are
2 disproportionately low-income, based on your
3 submitted testimony?

4 MS. ANGLIN: Sure. I think -- and I'm
5 happy to sit down and go through our membership,
6 and perhaps that will tell a story that I could
7 probably sit here for hours and talk about.

8 SENATOR KRUEGER: We won't let you do
9 that now.

10 (Laughter.)

11 MS. ANGLIN: And I don't want to do
12 that. But thank you.

13 So, you know, my membership is very
14 diverse, and it ranges from colleges or
15 hospital-based schools of nursing that may have
16 25 students in it to our obviously very large
17 research universities. So it's hard to fit them
18 all into the same box.

19 So there are obviously probably college
20 and universities that are using both need-based
21 aid and merit aid for various different reasons.
22 But as I said earlier, at least 80 of members
23 have enrollment of less than 2,000, where most
24 of the aid they are giving are need-based aid

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1 based on local students that are within their
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2 community. Because many of these students don't
3 want to travel very far to go to college.

4 So I'm happy to sit down and try to look
5 at the differences between the aids and talk to
6 you a little more about the diversity. But it
7 really will vary depending on school to school.

8 SENATOR KRUEGER: Do you have some kind
9 of chart that does the data by college?

10 MS. ANGLIN: I do not have it by
11 college, no. We may have it aggregated -- and
12 I'm not even sure we have that. But I would not
13 have that by college.

14 We have data that they have to report,
15 so any data they report we should be able to get
16 access to. So let me go back and take a look,
17 and I'll come back to you on that.

18 SENATOR KRUEGER: Okay, thank you.
19 Thank you.

20 CHAIRMAN FARRELL: Thank you very much.

21 MS. ANGLIN: Thank you.

22 CHAIRMAN FARRELL: Kevin Stump, higher
23 ed program coordinator, and Aileen Sheil, board
24 of directors, NYPIRG.

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1 The next person after that will be Donna
2 Gurnett. If you come down closer, it makes it
3 faster.

4 MR. STUMP: Good afternoon. My name is
5 Kevin Stump. I'm the higher education program
6 coordinator with the New York Public Interest
7 Research Group. With me today is Aileen Sheil.

8 She is the chairperson for NYPIRG's board of
9 directors as well as a Queens College student.

10 Thank you for this opportunity to
11 provide feedback on the Executive Budget
12 proposal for higher education. NYPIRG is the
13 state's largest nonpartisan student advocacy
14 organization, and our board of directors are
15 college students from universities and colleges
16 across the state elected from their campuses
17 with NYPIRG chapters.

18 So to begin, college access and
19 affordability have been a growing concern for
20 many, especially low- and middle-income
21 families. And since the economic downturn in
22 2008, funding for higher education has been
23 dramatically cut. Financial aid programs like
24 TAP Have not kept pace with rising education

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1 costs.

2 Students recognize that having a college
3 degree is one of the best ways to succeed in
4 today's economy and are enrolling in college in
5 droves. However, tuition and related education
6 costs such as textbooks have skyrocketed,
7 further threatening access to an affordable
8 higher education. These factors and more have
9 helped to drive student loan debt to an all-time
10 high.

11 So today we're really here to talk about
12 five changes that we'd like to see in the
13 Executive Budget:

14 First, restore funding to CUNY and SUNY
15 to 2008-2009 levels to rely less on tuition
16 increases; support the CUNY and SUNY budget
17 request to increase State Base Aid to community
18 colleges by \$250 per full-time equivalent;
19 reform the Tuition Assistance Program; include
20 the New York State DREAM Act in this year's
21 budget without delay; and strengthen support to
22 opportunity programs that work.

23 So our first recommendation, to restore
24 funding to CUNY and SUNY to 2008-2009 levels to

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1 rely less on tuition increases. You know, since
2 the Great Recession we have experienced nearly
3 \$2 billion in disinvestment in public higher
4 education, and that's further shifted the onus
5 onto the backs of students and their families
6 through tuition increases to pay for the
7 increasing costs of going to college.

8 So during that same time, we've seen
9 tuition at SUNY go up more than \$1500 and more
10 than \$1700 at CUNY. NY SUNY 2020 incrementally
11 raises tuition at SUNY and CUNY \$300 each year
12 for five consecutive years, and so tuition at
13 SUNY is expected to reach nearly \$6,500 -- which
14 is a 42 percent increase -- and at CUNY, tuition
15 will have reached more than \$6,300 -- which is a
16 58 percent increase -- by the sunset of the law
17 in 2015-2016. These tuition increases could not
18 have come at a more challenging time for many
19 New York families.

20 Unfortunately, the Executive Budget
21 recommends reductions of \$1 million to CUNY and
22 \$2 million to SUNY. The Governor's proposal
23 undermines the commitment made in the NY SUNY
24 2020 plan that promised to provide stable

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1 year-to-year funding. We strongly urge the
2 Legislature to not only restore the proposed
3 budget cuts but increase state aid to 2008-2009
4 levels, which will reverse the trend of public
5 disinvestment and put the state on a path to
6 making college more affordable.

7 Recommendation No. 2, support the CUNY
8 and SUNY budget request to increase State Base
9 Aid to community colleges by \$250 per FTE.
10 Community colleges are a local, affordable first
11 rung on the path to a higher degree or a better
12 job for many New Yorkers, including those who
13 need to be close to their homes, families, and
14 jobs. Moreover, community colleges provide
15 crucial job training and retraining for
16 underemployed and unemployed workers in a
17 rapidly shifting economic climate.

18 Unfortunately, the Executive Budget
19 recommends flat Base Aid funding at \$2,422 per
20 FTE student, providing the same funding levels
21 as last year. As you know, under New York State
22 law the state is mandated to cover 40 percent of
23 the costs of community colleges, yet the law is
24 routinely ignored. We strongly urge the

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1 Legislature to take seriously the need to
2 increase funding by \$250 per student, and join
3 the universities in doing so.

4 So Recommendation No. 3, really
5 exciting. There's been a lot of conversation
6 about reforming the Tuition Assistance Program.
7 And, you know, this year with TAP turning 40,
8 there's an opportunity alongside with the NY
9 SUNY 2020 reports that were out this year, and
10 in light of the growing concern around student
11 loan debt and the rising costs of college. And
12 so we see this as an opportunity to address some
13 serious issues with the program.

14 So costs are growing at a considerably
15 faster rate than overall inflation. The maximum
16 TAP award, as you know, has been \$5,000 since
17 2001. If it had kept pace with the inflation
18 rate for higher education, the maximum award
19 would be nearly double today, or \$9,942. The
20 average award would be \$4,482, a differential of
21 more than \$2,200. This means that the average
22 TAP award recipient could have realized an
23 almost \$9,000 reduction in their total student
24 loan debt, or that's a third of the average

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1 student loan debt today.

2 In addition to the stagnant TAP award
3 amount, there are serious structural changes
4 needed to strengthen the program. This includes
5 consolidating and getting rid of the 11 outdated

6 award schedules and the rule requiring that a
7 student's grant schedule be based on the year
8 they enter college.

9 Furthermore, the income threshold on TAP
10 award schedules for independent single students
11 and married students without dependent children
12 is based on a 20-year-old schedule that makes
13 students ineligible if they earn more than
14 \$10,000 and currently limits the maximum award
15 to \$3,025.

16 Other issues that need to be addressed
17 include the rule requirement that students
18 attend college full-time for a year before
19 becoming eligible for part-time TAP.

20 Undocumented students, graduate students,
21 incarcerated students, and students in default
22 on federal loans are also excluded from the
23 program altogether.

24 So we've been working over the last year

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1 or so with a coalition of groups to put together
2 a conversation and a package of reforms and
3 ideas that can help fix this program, make it
4 more equitable, and bring it into the
5 21st century.

6 We ask that the Legislature recognize
7 the need to expand the opportunity program and
8 strengthen access to an affordable higher
9 education by making TAP reform a priority this
10 year. We urge you to hold hearings across the
11 state to solicit public input and feedback,

12 especially from students and their families, and
13 we strongly urge you to enhance the Tuition
14 Assistance Program in this year's budget to
15 better reflect the needs of students and their
16 families.

17 Aileen?

18 MS. SHEIL: Our fourth recommendation is
19 to include the New York State DREAM Act in this
20 year's budget.

21 While Congressional gridlock has made
22 comprehensive immigration reform really out of
23 reach, states have taken the initiative to
24 create their own solutions. And this has

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1 included Texas, New Mexico, and California, who
2 have already passed legislation that grants
3 undocumented students access to these public
4 resources to attend college, such as education
5 opportunity programs and the TAP, which is
6 really what we've been talking about all
7 throughout today.

8 It is well documented that investments
9 in higher education contribute to the overall
10 quality of life in the state and serve as a real
11 catalyst for economic growth. New York has long
12 recognized the importance of supporting its
13 immigrant students, including funding programs
14 to support English language learners and college
15 readiness programs. In 2001, Governor Pataki's
16 proposal to grant undocumented students access
17 to in-state tuition rates was enacted with

18 bipartisan support.

19 An investment in undocumented student
20 higher education will reap returns many times
21 over for New York. Unfortunately, at this time
22 undocumented students, as you guys know, are not
23 eligible for state financial aid in the state.

24 And the New York DREAM Act, introduced

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1 by Assemblyman Moya and Senator Peralta, is an
2 important education equity bill. We strongly
3 urge the Legislature to include funding in the
4 budget for the New York State DREAM Act.

5 Our fifth recommendation is to
6 strengthen support for opportunity programs that
7 work. To increase college attainment to meet
8 the growing demands of the 21st-century labor
9 force, more investment in proven opportunity
10 programs is needed, not less. These programs,
11 which are designed for the educationally and
12 economically disadvantaged, have a steady track
13 record of success in increasing graduation rates
14 among the most at-risk students.

15 In general, students in opportunity
16 programs are individuals who come from
17 lower-income communities and often rank low on
18 traditional measures of collegiate admissions
19 standards, such SAT scores, high school GPA, and
20 class standing.

21 Unfortunately, the Executive Budget
22 recommends several budget cuts to critical
23 programs, which jeopardizes the role these

24 programs play in college access and success.

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1 These programs include the Search for Education,
2 Elevation, and Knowledge program, known as SEEK,
3 which would be a \$551,340 reduction; childcare,
4 which would be \$500,000; Joseph Murphy
5 Institute, which would be \$750,000; and College
6 Discovery, which would be a \$26,900 reduction.

7 Another alarming recommendation in the
8 Executive Budget eliminates \$1.7 million in
9 state support to the highly successful and
10 nationally known ASAP program. ASAP provides
11 top-to-bottom financial support and academic
12 services for students at CUNY community
13 colleges. It should be noted that ASAP students
14 graduate at more than double the rate of
15 non-ASAP students, with increases in graduation
16 rates after three years of more than 30 percent.

17 In addition, the proposed plan
18 recommends flat-lined funding for programs that
19 are in need of more investment. These include
20 Bundy Aid, HEOP, Liberty Partnerships, STEP and
21 C-STEP. We strongly urge the Legislature to
22 recognize the strength of these programs and the
23 students that they serve by first restoring
24 proposed cuts to CUNY SEEK, ASAP, and the

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1 Joseph Murphy Institute.

2 In addition, the Legislature should take
3 steps to increase funding to opportunity
4 programs such as Bundy Aid, HEOP, Liberty

5 Partnerships, STEP, and C-STEP.

6 In closing, rapidly rising tuition,
7 overpriced textbooks and course materials, state
8 disinvestment, outdated and inadequate financial
9 aid, and growing student loan debt all conspire
10 to put college out of reach for many
11 New Yorkers. The demand to graduate more
12 students from college with less student loan
13 debt must be matched with an effort to lower
14 costs and increase financial aid programs such
15 as TAP.

16 We urge the Legislature to restore
17 funding levels to CUNY and SUNY, support the
18 CUNY and SUNY budget request to increase State
19 Base Aid to community colleges by \$250 per FTE,
20 reform TAP, include the New York State DREAM Act
21 in this year's budget, and strengthen support to
22 opportunity programs that work.

23 We would like to thank you for providing
24 this opportunity for us to share our thoughts on

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1 the 2014-2015 Executive Budget for higher
2 education in New York. We will continue to
3 engage you in this discussion over higher
4 education funding and policy in the coming
5 weeks. We look forward to working with you to
6 ensure that a college education is accessible
7 and affordable for all New Yorkers.

8 Thank you.

9 CHAIRMAN FARRELL: Thank you.

10 Questions? Deborah Glick.

11 ASSEMBLYWOMAN GLICK: Hi. Thanks for
12 your testimony, and obviously this will be an
13 ongoing conversation.

14 And I know that primarily you focus on
15 students who are in school in terms of
16 organizing. I'm just wondering what your
17 outreach has been to recent alums or those
18 who -- you know, there's a huge reservoir of
19 New Yorkers who are SUNY/CUNY graduates. And
20 I'm wondering if you all have had conversations
21 about trying to identify or reach out or find
22 some way of raising the voices of those who have
23 in fact benefited perhaps even more from lower
24 tuition in past years.

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1 MR. STUMP: Yeah, actually one of the
2 initiatives that we've been working with Senator
3 Gillibrand on at the federal level is student
4 loan refinance. And I think -- you know, and
5 that's obviously with alumnis and, you know,
6 New York State residents who hold student loan
7 debt, which is a huge issue.

8 And I bring that up because there is
9 conversation about how do we deal -- what about
10 the -- I guess asking the question of what about
11 the first trillion. Right? Because there's a
12 lot of conversation about keeping tuition down
13 but increasing both federal grants but as well
14 as we're talking today about TAP. And, you
15 know, what are we doing in New York State to
16 help graduates stay in the state and better

17 afford their student loan debt and, you know,
18 pursue their dreams.

19 And so we've been kind of working with
20 graduates on that level and, you know, working
21 with Senator Gillibrand to push student loan
22 refinance on the federal level. But we would be
23 more than willing to open a dialogue with you
24 all about possible ideas and, you know,

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1 initiatives that can help graduates better
2 afford their debt that they have.

3 ASSEMBLYWOMAN GLICK: That's not exactly
4 the point I was making, but it's a good effort.

5 The point I was making was New Yorkers
6 have a debate over the next month or so of the
7 budget. And there are 3 million graduates of
8 SUNY and CUNY, many of whom graduated, as I did,
9 years ago when there was almost no tuition. So
10 the question is, is there some way that you're
11 reaching out or finding some way of energizing
12 their participation in a debate about the
13 quality of education that they received and the
14 importance of the education they received, and
15 that they as now taxpayers down the road -- not
16 just recent graduates with debt, but graduates
17 with lives -- have some skin in the game to
18 discuss the state budget and the way that public
19 higher education is funded now and should be in
20 the future.

21 MR. STUMP: Yeah, I think that's a -- I
22 I think I better understand your question, yes.

23 The answer is yes, we're always having
24 dialogue with alumni of SUNY and CUNY. And, you

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1 know, NYPIRG is also turning 40 this year, along
2 with TAP, so we've been -- you know, we have a
3 great base of people that we've worked with over
4 the past 40 years or so that have grown up in
5 CUNY or in SUNY, and we are always communicating
6 with them.

7 Are you looking to have a more robust
8 conversation with alumni? Again, we would be
9 happy to help field that as well.

10 ASSEMBLYWOMAN GLICK: I think I was
11 suggesting not just talking to me, because I
12 think we are actually on a similar page, but
13 having a broader discussion out there -- letters
14 to the editor or what have you -- so that the
15 discussion around the budget and higher
16 education is a different discussion out in the
17 public square.

18 MR. STUMP: I mean, I guess my response
19 would be yes. Yeah.

20 CHAIRMAN FARRELL: Thank you.

21 Senator?

22 SENATOR KRUEGER: You may not have an
23 answer now, because I wasn't even aware of this
24 until I heard everybody testify today. But I

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1 would ask NYPIRG to go back and think about the
2 proposal by both SUNY and potentially CUNY to

3 use the PSAT as some kind of pre-college
4 evaluation of readiness. Were you here when
5 that discussion took place?

6 MR. STUMP: Yeah. We've been watching
7 that. You know, we're still analyzing that idea
8 and it's something we can follow up with you
9 about at another time, yeah.

10 SENATOR KRUEGER: Great. Thank you very
11 much.

12 CHAIRMAN FARRELL: Thank you.

13 Donna Gurnett, executive director,
14 Association of Proprietary Colleges. And after
15 her will be Susan Mead, New York State Financial
16 Aid Administrators.

17 CHAIRMAN DeFRANCISCO: Whenever you're
18 ready.

19 MS. GURNETT: Chairman DeFrancisco,
20 Chairman Farrell, legislators, on behalf of
21 Association of Proprietary Colleges, I would
22 like to thank you for this opportunity this
23 afternoon to provide our testimony. My name is
24 Donna Gurnett, and I am the executive director

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1 of the Association of Proprietary Colleges. And
2 it's my honor to be here today.

3 The association represents 25 fully
4 accredited, degree-granting colleges operating
5 on 40 college campuses in New York State. We
6 offer associate, baccalaureate, master's and
7 doctoral programs. Our colleges are located
8 across the state, from Buffalo to Long Island,

9 Jamestown to Rochester, Syracuse, Utica, Albany
10 and the entire metropolitan New York City area.
11 There are over 50,000 students currently
12 enrolled in proprietary colleges in New York
13 State, and over 45,000 of those are serviced by
14 APC member colleges.

15 The majority of students attending APC
16 colleges are from New York, and over 90 percent
17 of those students stay in New York to live and
18 work after they graduate. Our colleges also
19 employ over 6,500 people and are strong economic
20 drivers in their local communities.

21 We recently surveyed our colleges, and
22 they reported that they had paid \$235 million in
23 payroll, over \$5 million in property taxes, and
24 have invested over \$135 million in capital

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1 investments over the last five years. Also,
2 during the most recent academic year, our
3 colleges provided over \$123 million in grants
4 and scholarships.

5 Each year, APC testifies on behalf of
6 the entire membership, but this year we thought
7 it would be beneficial to provide an overview of
8 the association and to highlight a few success
9 stories from our members.

10 Proprietary colleges exist to provide
11 students who need or desire a focused entry
12 point into the workforce a clear path to that
13 goal. In a demand-driven economy, where
14 employers crave job applicants trained for

15 specific employment functions, students choose
16 colleges that can meet those needs. Our
17 colleges exist to educate students for the jobs
18 that are available today and will be tomorrow.
19 In order to fulfill this mission, we as colleges
20 are committed to providing students a quality
21 education with the necessary support and
22 assistance needed as they navigate their way
23 towards obtaining a degree and finding a career.

24 The economic decline felt throughout the

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1 past few years has had a profound impact on
2 New York State as well as many of our students.
3 We're seeing students enrolling in college who
4 have lost their jobs and are seeking to gain new
5 skills, and this is true across all of our
6 programs -- associate, baccalaureate and
7 master's degrees.

8 Students entering college directly from
9 high school realize a diploma is no longer
10 enough and that they need to have a degree that
11 will provide them with basic knowledge but also
12 critical thinking and everyday skills. Many of
13 these students enter college unprepared for its
14 rigor and need remediation and enrichment to be
15 successful. APC colleges provide the support
16 necessary to ensure students returning to
17 college for advance training or first-time
18 entrants will be successful in obtaining a
19 degree and a good job.

20 We applaud the Governor for recognizing

21 higher education as a vehicle for economic
22 recovery and an opportunity for New York to
23 grow. We believe the Governor is correct in
24 that New York has leading research universities

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1 that are conducting cutting-edge research and
2 have the potential to bring new industries and
3 economic growth to the state.

4 However, there has not been a lot of
5 conversation regarding whether New York has a
6 trained workforce ready and able for these new
7 industries. APC believes that now is the time
8 to partner with the state to make an investment
9 in New York's future by ensuring students have
10 opportunities and access to higher education,
11 receive the training and skills needed to
12 guarantee we have a highly skilled, well-trained
13 workforce that can meet the demands of the
14 21st century.

15 Included in my written testimony is a
16 chart indicating the number of APC students and
17 employees across each economic region in
18 New York State. And you can see that it is a
19 wide-reaching group.

20 APC member colleges are alike in many
21 ways, but also very diverse. Most of the
22 colleges are family-owned, currently being
23 operated by third or fourth generations within a
24 family, and many of the colleges have been in

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1 existence prior to the creation of SUNY. They
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2 educate the students in the areas where they are
3 located, they have direct ties to their local
4 community and the businesses that work there.
5 The colleges are aware of the jobs and
6 industries available and make sure the degrees
7 are offered to lead to employment.

8 In my written testimony you will also
9 see a list of APC colleges and the years they
10 were founded.

11 Bryant & Stratton is the oldest, as it
12 was founded in 1854. The college has seven
13 campuses across upstate New York, in Buffalo,
14 Rochester, Syracuse and Albany, educates
15 approximately 10,000 students, and employs over
16 600 people.

17 Bryant & Stratton offers 25 bachelor and
18 associate degree programs, primarily in the
19 fields of business, health and medical, criminal
20 justice, and human resources. Programs are
21 offered in traditional classroom settings as
22 well as a mix of online classes as well.

23 In 2011-2012, Bryant & Stratton placed
24 89 percent of their graduates in their field of

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1 study within 12 months of graduation. We
2 believe the success is driven by the fact that
3 Bryant & Stratton requires credit-bearing
4 internships with each of their courses, and on
5 average 30 percent of those internships lead to
6 full-time positions.

7 Another APC member is the College of
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8 Westchester, and it will be celebrating its
9 100th anniversary in 2015. CW is a privately
10 owned institution in White Plains, where they
11 currently enroll 1500 students and employ more
12 than 200 people.

13 CW's curriculum includes campus-based
14 and fully online courses in business and
15 healthcare administration, digital media and
16 technology, and they awarding associate and
17 baccalaureate degrees. In 2011-2012, the
18 College of Westchester placed 91 percent of
19 their graduates in their field of study within
20 12 months of graduation.

21 They also have an interesting program to
22 help make college more affordable. All incoming
23 students who test into non-credit Basics of Math
24 program are provided with and actively

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1 encouraged to participate in a cost-free CW
2 Summer Bridge program. This program gives them
3 the opportunity to brush up on their math skills
4 over the summer and then retest hopefully into
5 higher-level, credit-bearing math courses in the
6 fall. Last year they offered this to
7 122 students, and of that number, 117 of them
8 were able to move into credit-bearing math
9 courses in the fall.

10 Last, I just want to mention
11 Monroe College, which has campuses in
12 New Rochelle and the Bronx, and was founded in
13 1933. Monroe currently enrolls over 9,000

14 students and employs over 100 people in the
15 Bronx. Over 40 percent of the new students are
16 referred by current or former Monroe College
17 students. And most importantly, Monroe is a
18 pioneer in educating minority and lower-income
19 urban students and takes great pride in its
20 student outcomes.

21 Evidence of Monroe's success with
22 minority and economically disadvantaged students
23 includes being ranked number three in New York
24 State for the number of graduating

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1 African-American and Latino students with
2 bachelor's degrees. Their graduation rate is
3 among the top 5 percent of all degree-granting
4 institutions in the United States whose student
5 body is comprised of a majority of Pell Grant
6 recipients. And as well, a student attending
7 Monroe is four times more likely to graduate
8 than a student attending a CUNY community
9 college.

10 This year we're thrilled the Governor
11 kept his commitment to higher education and
12 proposed no reductions to TAP, the Tuition
13 Assistance Program. Furthermore, the Governor
14 maintained primary support for the other sectors
15 of higher education -- SUNY, CUNY and the
16 independent sector. All sectors of higher
17 education in New York State are critical to our
18 future, and continued investment in higher
19 education is essential for New York to rebuild

20 the economy.

21 While APC is pleased with the Governor's
22 continuing support of TAP, we do have two
23 specific requests. The first is to restore the
24 maximum TAP award for two-year degree programs.

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1 Four years ago, TAP was reduced for
2 students enrolled in two-year degree-granting
3 programs from \$5,000 to \$4,000. The reduction
4 was not limited to only maximum awards, but all
5 awards were reduced by 20 percent.

6 students enrolled in colleges that also
7 offer four-year programs were not impacted by
8 these reductions. The result of this proposal
9 is that students, the majority of whom are
10 enrolled in APC colleges that only offer
11 two-year programs, are treated differently based
12 solely on the type of institution that they
13 attend. These colleges are located in New York
14 City, Long Island, Buffalo, Rochester, Utica,
15 Syracuse and Elmira.

16 while we understand the state's fiscal
17 situation, we still believe it is bad policy to
18 reduce TAP for students in two-year degree
19 programs. Many students who are entering higher
20 education for the first time enter a two-year
21 program. APC colleges have excellent outcomes
22 for associate degree programs -- 55 percent
23 higher than the statewide average. Many of the
24 programs offered by our two-year colleges are

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1 important pipelines for employees for local
2 businesses.

3 Reducing TAP for the neediest of
4 students entering college in a two-year program
5 is essentially cutting the exact students the
6 program was established to help, and closes off
7 access and opportunity.

8 We do have an alternate proposal for
9 consideration, and that is to treat all students
10 who lose TAP eligibility equally. Currently, a
11 student who drops out during the semester or who
12 loses TAP eligibility due to a low GPA or an
13 insufficient number of credits earned cannot
14 enroll at that same institution and still be
15 eligible for TAP the next semester. However,
16 there is nothing in law or regulation that
17 states that they cannot go to another
18 institution and apply there and get TAP the
19 following semester.

20 We would propose that all students who
21 lose TAP eligibility due to poor performance
22 should be prohibited from using TAP for a year,
23 regardless of where they go. The state should
24 be concerned about its investment and whether

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1 students are working towards their goal of
2 obtaining a degree, and this is something our
3 colleges take very seriously.

4 Our second recommendation is to invest
5 in staff within the Office of Higher Education.

6 CHAIRMAN DeFRANCISCO: How many
7 recommendations do you have?
8 MS. GURNETT: Just one more.
9 CHAIRMAN DeFRANCISCO: One more?
10 MS. GURNETT: Yeah, I'm just about done.
11 CHAIRMAN DeFRANCISCO: See the clock?
12 MS. GURNETT: Oh, I'm sorry. I'm just
13 about done. I can just wrap up. You have it
14 written in front of you. I can just wrap up if
15 you'd like.

16 I just have one more, and that is just
17 to invest in staff at the Office of Higher
18 education. We have a very rigorous approval
19 program for offering new programs. And without
20 there being the staff there to help move those
21 programs along, it definitely hinders their
22 ability to get those programs approved, and
23 therefore our ability to offer those programs to
24 students.

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1 I just wanted to thank you for the
2 opportunity, and I'd be happy to answer any
3 questions you may have.

4 SENATOR KRUEGER: I have a question.
5 Hi. What's the default rate for
6 students who enter your institutions, on
7 average?

8 MS. GURNETT: I actually have that
9 information here. The national average for
10 students in the proprietary sector is their
11 default rate at three years is 22 percent.

12 For the New York State proprietaries as
13 a whole, it's 18 percent. And for APC members,
14 it's even lower, at 17 percent.

15 SENATOR KRUEGER: That's interesting,
16 because I'm looking at U.S. Department of
17 Education data showing for-profits having a
18 46 percent default rate.

19 MS. GURNETT: Is that a two-year default
20 rate, three-year? I'm not sure.

21 SENATOR KRUEGER: The print is literally
22 too small for me to read. It's from 2011-2012
23 data.

24 MS. GURNETT: Okay.

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1 SENATOR KRUEGER: Do you have a
2 breakdown by college?

3 MS. GURNETT: I don't have that on me,
4 but I could get it for you.

5 SENATOR KRUEGER: Okay.

6 MS. GURNETT: The data that I have is
7 from 2012, and it is the three-year data. The
8 U.S. Department of Education just moved from a
9 two-year to a three-year default rate reporting
10 system, and so this is the first year that the
11 data has been available in the three-year
12 reporting system. And the information that I
13 have that we pulled from the U.S. Department of
14 Education said 22 percent was the national
15 average for proprietaries.

16 SENATOR KRUEGER: Is there a different
17 default rate between the two-year degrees and

18 the four-year degrees in your schools?

19 MS. GURNETT: I would imagine there
20 would be. I don't know what that is off the top
21 of my head, but I can get that for you.

22 SENATOR KRUEGER: If you could get me
23 that data also.

24 MS. GURNETT: Sure. I'd be happy to.

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1 SENATOR KRUEGER: Do you have any data
2 on the rate of students in your schools being --
3 rather than moving into default, moving
4 something called forbearance?

5 MS. GURNETT: I don't have that
6 information in front of me, but I would
7 certainly be happy to look at that and get that
8 for you.

9 SENATOR KRUEGER: Okay. And I
10 appreciate the many -- you have how many
11 institutions?

12 MS. GURNETT: We represent 25
13 proprietary institutions in New York State.

14 SENATOR KRUEGER: Okay. So there are
15 great differences between them.

16 MS. GURNETT: There is.

17 SENATOR KRUEGER: But several of them
18 are under investigation by attorney generals
19 around the country. And are you playing any
20 role in trying to self-police your institutions?

21 MS. GURNETT: We absolutely do. I think
22 personally that that's one of the best reasons
23 to belong to an association. And APC in

24 particular pays very close attention to all

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1 sorts of different metrics -- graduation rates,
2 default rates. And if we see any problems, we
3 are quick to reach out to schools, offer them
4 any guidance. We offer educational programs
5 throughout the year. So we absolutely feel like
6 we should play a role with that.

7 We also, I will say, have a very close
8 relationship with the Office of Higher Ed. John
9 D'Agati, we meet with him quite regularly. If
10 we see any programs that we think are having
11 trouble or having problems, we are quick to
12 point those out.

13 SENATOR KRUEGER: And do you have any
14 policy of removing institutions from your
15 membership if they in fact have been found to be
16 bad players?

17 MS. GURNETT: We have not had to do
18 that, although we've had that conversation in
19 the past. But we have not had to do that
20 personally, no. Not in the recent history.

21 SENATOR KRUEGER: Thank you very much.

22 CHAIRMAN FARRELL: Thank you.

23 Senator?

24 CHAIRMAN DeFRANCISCO: I'm familiar with

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1 the proprietary colleges, especially Bryant &
2 Stratton-Syracuse, and you do an outstanding
3 job.

4 MS. GURNETT: Yes, they are.
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5 CHAIRMAN DeFRANCISCO: I mean generally,
6 all the colleges do. Thank you.

7 MS. GURNETT: You're welcome. Thank
8 you.

9 CHAIRMAN FARRELL: Susan Mead, New York
10 State Financial Aid Administrators Association.

11 MS. MEAD: Good afternoon, Chairman
12 DeFrancisco, Chairman Farrell and members of the
13 committee.

14 My name is Susan Mead, and I am the
15 director of financial aid at Dutchess Community
16 College. And I also currently serve as the
17 chairperson of the state government relations
18 committee of the New York State Financial Aid
19 Administrators Association. I want to thank you
20 for the opportunity to provide this testimony
21 today on behalf of our association regarding the
22 New York State Tuition Assistance Program.

23 NYSFAAA is a not-for-profit volunteer
24 association that represents over 1300 New York

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1 State financial aid administrators at 300
2 statewide colleges and universities. NYSFAAA
3 partners with state and local agencies to
4 provide and support college outreach
5 opportunities for New York State students and
6 their families. We truly are the professionals
7 that work on a day-to-day basis with the
8 students of New York State in assisting them to
9 make their education affordable and attainable.

10 NYSFAAA members are organized into eight
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11 geographic regions around the state with an
12 elect regional executive board assigned to
13 recommended each separate region. In addition
14 to providing ongoing and relevant regulatory
15 training opportunities for its members, NYSFAAA
16 is an advocate for continued access to
17 postsecondary education for all citizens in the
18 state.

19 NYSFAAA has partnered with the Coalition
20 to Reform the New York State Tuition Assistance
21 Program, which is spearheaded by NYPIRG -- and
22 Mr. Stump spoke to that today -- a group of
23 interested and various organizations to promote
24 changes to the TAP program to better serve the

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1 students of New York State, to update and
2 modernize the program to better meet their
3 needs, and to simplify the delivery of funds to
4 our students while greatly increasing the
5 transparency of the program.

6 The goals of our particular organization
7 were originally in our white paper, distributed
8 as backup testimony today: "The Need for Reform
9 of the New York State Tuition Assistance Program
10 (TAP)," from March of 2012. The TAP reform
11 white paper was a collaborative effort of the
12 New York State Financial Aid Administrators
13 Association State Government Relations Committee
14 and was developed after an analytic review of a
15 statewide TAP survey that was distributed to the
16 membership. The survey found little fault with
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17 legislative support or the general purpose of
18 TAP, which, since its inception, has continued
19 to subsidize tuition costs for eligible New York
20 State residents attending New York State
21 colleges.

22 This report will focus on selected
23 recommendations that follow two general tracks,
24 process and eligibility. Some of the identified

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1 concerns and recommendations involve eligibility
2 and process areas that largely have remained
3 unchanged since the inception of TAP. Where
4 initial legislative intent reflected the needs
5 and concerns of the time, it is reasonable to
6 conclude that certain components of TAP
7 eligibility criteria and award processing
8 methods need to be reviewed and reevaluated for
9 change.

10 Although NYSFAAA recognizes that any
11 program changes must be considered in light of
12 severe budget constraints, we're hopeful that
13 the additional program efficiencies might be
14 found to help offset any possible budgetary
15 concerns.

16 In 1974, the Legislative Select
17 Committee on Higher Education proposed the
18 initial TAP legislation that was adopted later
19 that year to guarantee to every graduate of
20 high school an opportunity and freedom of choice
21 for at least two years of postsecondary
22 education during their lifetime.

23 The report of the Commission on New York
24 State Student Financial Aid from December 1999

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1 acknowledged that over the years the emphasis on
2 financial aid fluctuated between assisting the
3 middle-income and the neediest students -- which
4 began with merit-based aid. The Tuition
5 Assistance Program's early focus was on
6 middle-income students. In more recent years,
7 grant programs, whether state, federal or
8 institutional, have been directed towards the
9 most needy students.

10 NYSFAAA has identified three primary
11 issues surrounding potential TAP reform that are
12 primarily structural and procedural in nature,
13 the first one being the multiple TAP schedules
14 and the need for transparency and equity in TAP
15 awarding.

16 TAP award schedules are currently a
17 function and result of annual budget decisions.
18 Schedules are based on the first year of a
19 student's TAP award, both for dependent and
20 independent students. This results in
21 15 different award schedules with several
22 different minimum and maximum award amounts.

23 The multiple award schedules are both
24 confusing and inequitable. Multiple award

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1 schedules also create an inability for financial
2 aid professionals to equitably advise students

3 that they come in contact with. When pressed to
4 identify another state or federal program,
5 financial aid or non-financial-aid-related, that
6 utilizes such a great number of award schedules
7 or variables, NYSFAAA was unable to identify
8 such a program.

9 This includes a proposal for consistent
10 and up-to-date training for TAP certifying
11 officers, including but not limited to the
12 annual review of regulations as they relate to
13 the certification of TAP certifying officers and
14 financial aid counselors.

15 There's no formal TAP certification
16 training. Changes in staffing result in
17 personnel continuing practices held by the prior
18 certifying officer, with no allowance for
19 changes in process or procedure. Formal TAP
20 certification training could and should be done
21 each time a new TAP certifying officer is
22 granted the designation.

23 The training should remain as a
24 continuing education institutional requirement

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1 needing completion on a yearly basis. This
2 could be done virtually and demonstrate an
3 acknowledgment of completion of this training.
4 Only when training is complete would the school
5 be able to complete the certification process
6 for TAP recipients at that specific institution.

7 There should be a development of a
8 uniformity of training and a yearly completion

9 requirement that would seek to ensure that
10 certification rules, regulations, processing and
11 procedures are performed equitably from school
12 to school, thereby ensuring the integrity of TAP
13 and proper utilization of public funds.

14 We also offer the recommendation that a
15 single award or limited reduced award schedule,
16 where New York State can index income brackets
17 within the reduced schedule for both dependent
18 and independent students, be considered.

19 Our second issue is TAP and the New York
20 State net taxable income standard. TAP award
21 amounts for eligible New York State students are
22 primarily based on the New York State net
23 taxable income. Conversely, award amounts for
24 federal student aid are based on federal data

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1 elements that a student and parent submit on the
2 Free Application for Federal Student Aid, or the
3 FAFSA.

4 New York State residents attending
5 college within New York State now have the
6 option to link directly to the TAP application
7 from the FAFSA. Although the FAFSA link to TAP
8 on the web simplified the process, the way TAP
9 awards are determined are variously different
10 from the way federal aid awards are determined.

11 The EFC, or expected family
12 contribution -- which is a result of the
13 FAFSA -- is completely different in terms of
14 funding than the New York State net taxable

15 balance reflective in the TAP award process. We
16 are recommending that there's a consideration of
17 a federal and federal-state standardized
18 approach to TAP award determination, such as a
19 FAFSA-developed EFC. This would eliminate the
20 state's current administrative and costly burden
21 of state income verification.

22 Since the federal process updates the
23 EFC formula for inflation, the new approach
24 would better protect New York State residents

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1 and students in times of economic change, since
2 it would reflect changes in the national
3 economy. Federal requirements for verifying
4 income would ensure the accuracy of income
5 reported.

6 And finally, our last issue and
7 recommendation involves the "independent
8 student" definition and the use of professional
9 judgment. There are distinct and inequitable
10 differences between the federal definition and
11 the New York State definition of independent
12 status. If financially independent, parental
13 income, if any, is not considered in the student
14 financial aid.

15 One of the primary differences between
16 the federal and state definition of independency
17 is the age of the student. For federal
18 regulations, independency is decided upon at the
19 age of 24 unless the student meets other
20 specific criteria. In New York State, a student

21 is considered dependent under the age of 22. If
22 they are over the age of 22 and they live in a
23 house that's owned, leased or rented by their
24 parents, they are considered dependent until the

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1 age of 35.

2 Also, under the federal program,
3 financial aid administrators have an authority
4 granted by the federal government where we can
5 use professional judgment to grant independent
6 status to otherwise dependent students. This
7 has to be done in considering extenuating
8 circumstance. The federal government also
9 allows us to use professional judgment if there
10 is a drastic change in income situation of the
11 family based on unusual circumstances.

12 New York State does not allow financial
13 aid administrators to utilize any of this
14 discretion in determining TAP award information.

15 Our recommendation is to reconcile the
16 federal and state criteria for determining the
17 definition of an independent student while
18 preserving the federal definition as the state's
19 new standard.

20 Also, give financial aid administrators
21 the ability and discretion to utilize
22 professional judgment as allowed under the
23 federal student aid programs. There are
24 appropriate audit safeguards in the federal

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1 programs for exercising professional judgment,
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2 authority to make professional judgment
3 dependency and income status changes, and could
4 be used for TAP based on existing guidance as
5 provided by the federal programs.

6 NYSFAAA remains available to discuss TAP
7 reform recommendations with the New York State
8 Legislature, including the full results of the
9 statewide TAP survey. NYSFAAA also supports and
10 will participate in a statewide committee that
11 could be convened to discuss, review and report
12 its final TAP reform findings to the New York
13 State Legislature.

14 And we thank you for your time and this
15 opportunity to express the organization's
16 concerns.

17 CHAIRMAN FARRELL: Thank you very much.
18 Questions? Thank you.

19 SENATOR KRUEGER: Thank you.

20 MS. MEAD: Thank you.

21 CHAIRMAN FARRELL: Next is Tremayne
22 Price, SUNY Student Assembly.

23 Good afternoon.

24 MS. MOULD: Good afternoon.

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1 First and foremost, I want to thank the
2 chairs and the members of the Senate and
3 Assembly and the legislative staff for allowing
4 us this opportunity to speak with you today. It
5 is a privilege to be before you today on behalf
6 of 463,000 students from the State University of
7 New York to comment on the 2014-2015 Executive

8 Budget.

9 My name is Lori Mould, and I am
10 currently a student of SUNY Empire State
11 College, an alumna of Genesee Community College,
12 and a member of the Executive Committee for the
13 Student Assembly of the State University of
14 New York.

15 Our president, Tremayne Price,
16 apologizes for not being able to be here this
17 afternoon. However, I am pleased to be joined
18 by fellow students Bryant Barksdale, from the
19 University at Albany; Jesse Hicks, from SUNY
20 New Paltz, and Robert Drumm, from Herkimer
21 College. Together we will specifically address
22 SUNY students, the legislative priorities of our
23 Student Assembly and, with your support, ways in
24 which we can work together to continue to

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1 enhance the services provided to our students to
2 ensure their continued success.

3 It is the mission for the Student
4 Assembly of the State University of New York to
5 empower the students of SUNY through advocacy,
6 to seek continued access to quality affordable
7 higher education, to support the goals and
8 initiatives identified by the students of SUNY
9 as paramount to their success, and to represent
10 SUNY students at the state and national levels.

11 As the largest comprehensive system of
12 higher education in the nation, the SUNY system
13 serves almost 463,000 students. Community

14 college students make up close to 53 percent of
15 SUNY's total enrollment, and we expect that
16 percentage to only continue to grow. This
17 includes over 120,000 students of color,
18 accounting for approximately 26 percent of our
19 total student population. SUNY enrolls over
20 1.8 million continuing education students,
21 putting its total student enrollment at over
22 2.3 million.

23 It is also important to note that SUNY,
24 along with CUNY, helps to educate the majority

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1 of minority students in the State of New York,
2 as well as the largest percentage of low-income
3 students. SUNY continues to play large role in
4 providing access to higher education for many in
5 New York State.

6 With this being said, SUNY is
7 responsible for providing students with various
8 services and supports that are directly
9 responsible for ensuring our students access,
10 completion, and ultimately success throughout
11 their educational endeavor. We are aware that
12 New York State is facing challenging times
13 financially. However, we are here to bring
14 attention to the following areas of concern for
15 our students: support for the SUNY Child Care
16 Centers, tuition assistance for grad students,
17 support for the Educational Opportunity Program,
18 in-state tuition for veterans, and increasing
19 community college Base Aid.

20 As you are aware, SUNY has 55 Child Care
21 Centers throughout the system where we provide
22 service for 5,000 children and approximately
23 one-third of those children served have parents
24 who are SUNY students. Despite potentially

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1 serving two generations of SUNY students
2 simultaneously, operating funds for the Child
3 Care Centers have remained pretty much stagnant
4 over the course of the past five years. During
5 that time frame, the Child Care and Development
6 Block Grant, which provides tuition support for
7 student parents, has seen a reduction of
8 approximately \$800,000 at state-operated
9 campuses and approximately \$900,000 at community
10 colleges.

11 In collaboration with the Faculty
12 Council of Community Colleges, the SUNY Student
13 Assembly is advocating for the restoration of
14 the \$653,000 for community college childcare
15 that was cut from the Governor's Executive
16 Budget, as well as increased operating funds for
17 all SUNY Child Care Centers, because, based on
18 the research on childcare, it shows that
19 graduation, retention, persistence and success
20 rates for students receiving childcare
21 assistance is higher than their counterparts and
22 is critical to the decision to enroll in
23 college.

24 we are also joining with the FCCC to

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1 continue to advocate for increased funding for
2 the Child Care and Development Block Grants to
3 provide more need-based tuition support for
4 student parents. If the Child Care Centers do
5 not have the funds necessary to operate, there
6 will be no need for the tuition support, as
7 there will be no Child Care Centers.

8 I will now yield to Bryant Barksdale,
9 graduate student at the University at Albany:

10 MR. BARKSDALE: Thank you. Prior to
11 being a graduate student at UAlbany, I received
12 my associate's degree from Fulton-Montgomery
13 Community College and my bachelor's degree from
14 UAlbany. In addition, I'm a proud graduate and
15 a current recipient of the support provided
16 through the Educational Opportunity Program.

17 I also wish to speak to you today about
18 the Tuition Assistance Program for grad
19 students.

20 The Tuition Assistance Program is one of
21 the most preeminent ways our state supports
22 New Yorkers who wish to better themselves and
23 our state by pursuing a two- or four-year higher
24 education program. Effective in the 2010-2011

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1 academic year, graduate TAP was eliminated,
2 leaving many grad students without additional
3 aid for college.

4 This elimination of need-based aid
5 creates a financial burden on those seeking to

6 attain an advanced degree. This leaves the
7 student with large amounts of debt in finishing
8 a graduate degree. The SUNY Student Assembly
9 realizes that it is vital to lessen this
10 financial burden on students by expanding access
11 to TAP to graduate students. With the changes
12 in the needs of the 21st-century workforce,
13 graduate degrees are becoming more necessary for
14 our students to be successful.

15 The Student Assembly is advocating that
16 need-based aid for graduate students, through
17 the TAP program, be reinstated. These
18 additional financial supports will continue to
19 provide incentives for New Yorkers to obtain a
20 graduate degree.

21 The EOP program combines access,
22 academic support and supplemental financial
23 assistance to make higher education possible for
24 students who have the potential to succeed,

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1 despite underpreparation and limited financial
2 resources. EOP provides these students with
3 summer programming, counseling, tutoring,
4 workshops, and other services to ensure that
5 they are successful. In addition, the funding
6 for EOP also goes towards helping these students
7 financially with funds for textbooks,
8 transportation, and other personal costs they
9 might not be able to afford on their own.

10 It is estimated that the loss of the
11 \$632,400 reflected in the Executive Budget for

12 next year would necessitate an enrollment
13 reduction of at least 200 students effectively
14 eliminating spring enrollments and transfers, a
15 reduction in aid per student of \$60 or more, or
16 some combination of aid and enrollment
17 reduction. The Student Assembly urges you to
18 take this into consideration. Programs such as
19 EOP are essential to help SUNY and New York
20 State continue to uphold SUNY's mission of
21 access to quality, affordable higher education.

22 I will now yield to Jesse Hicks, student
23 at SUNY New Paltz.

24 MR. HICKS: Thank you.

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1 Senators and the members of the
2 Assembly, it is my pleasure to appear before you
3 today to speak on behalf of the students of the
4 State University of New York. Currently, I am a
5 student at SUNY New Paltz. However, I also
6 received an associate's degree from Ulster
7 County Community College.

8 In addition to support for community
9 colleges, today we will also discuss the Student
10 Assembly's desire for allowing in-state tuition
11 for veterans.

12 Many former New York State residents,
13 upon leaving active duty, return to New York to
14 continue their lives. Often returning veterans
15 choose to attend college to attain a degree or
16 certificate but are forced to pay out-of-state
17 tuition. This is due to recent changes in the

18 post-9/11 GI Bill that only covers the net price
19 of in-state tuition for our nation's veterans.
20 The difference in tuition for these men and
21 women is approximately \$10,000 per year.

22 The students of the State University of
23 New York realize that this is an unnecessary
24 burden for these individuals, individuals who

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1 have willingly chosen to protect and serve all
2 citizens of this country, including those of our
3 state. That is why we are advocating for the
4 amendment of the New York State Education Law to
5 make any veteran eligible for in-state tuition
6 rates.

7 According to New York State Education
8 Law, New York has an obligation to pay up to
9 40 percent of a community college's net
10 operating cost or a flat rate per FTE -- base
11 aid -- whichever is less. Several years before
12 2011, there were a lot of cuts and flat budgets.
13 In the 2011-2012 and 2012-2013 academic years,
14 the State Legislature passed increases of \$150
15 per FTE in the budget. Since these increases,
16 the average base aid per FTE is \$2,382, which is
17 an average of 25.6 percent of net operating
18 cost, or 27.2 percent when excluding FIT, with a
19 range of \$2,240 to \$2,908.

20 Without more support from the state, the
21 burden of making up the difference financially
22 ultimately falls on the backs of students. We
23 request that the Legislature provide our

24 community colleges with the state support

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1 they're entitled to by law.

2 The Rational Tuition Aid approach
3 remains a top priority for SUNY students. We
4 sincerely thank the New York State Legislature
5 for allowing a \$150 per FTE increase in this
6 year's budget. However, we are continuing to
7 request that the costs of educating and
8 kick-starting New York's economy increasingly
9 shift from students to the state and counties.

10 Community colleges play a tremendous
11 role in the New York State economy. Not only do
12 they educate, but they also serve as hubs for
13 tremendous economic and workforce development
14 for their communities. Governor Cuomo spoke of
15 reimagining our community colleges in his State
16 of the State address. And increasing the;
17 government's share of community college costs is
18 a great way to start.

19 With that said, I will leave those
20 issues there and yield back to Ms. Mould.

21 MS. MOULD: SUNY students fully
22 understand that the State of New York and the
23 Legislature are facing difficult financial times
24 ahead. However, we believe that the investment

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1 into the future of our students is also a secure
2 investment for the State of New York's future.
3 SUNY students are not only thriving within our
4 world-class system, but they're also striving to

5 lead the way in cutting-edge technology and
6 innovations within the U.S. and around the
7 world. With the launch of Open SUNY, the sky is
8 the limit as the State University of New York
9 seeks to increase the dream of an affordable and
10 coveted SUNY education to current and future
11 SUNY students by providing a system-wide online
12 education with the stroke of a fingertip.

13 The students of SUNY are ready to make a
14 difference, but we need your help. Please
15 continue to stand with us by helping to provide
16 an affordable education for our veterans and
17 graduate students, reducing the financial burden
18 on students with children, improve access and
19 retention for low-income and educationally
20 disadvantaged students, and by providing our
21 community colleges with the state support that
22 they are entitled to.

23 We, the students of SUNY, ask that you
24 continue to stand and partner with us as we

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1 continue to provide the best education to the
2 diverse group of students within the SUNY
3 system.

4 Thank you again for providing my fellow
5 students and myself with the opportunity to
6 speak with you today, and we are open for
7 questions.

8 CHAIRMAN FARRELL: Thank you very much.
9 Questions? Thank you very much.

10 ASSEMBLYWOMAN GLICK: I just want to
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11 thank you for being here and waiting till the
12 end of the day.

13 MS. MOULD: Thank you.

14 MR. HICKS: Thank you.

15 CHAIRMAN FARRELL: Muhammad Arshad, CUNY
16 University Student Senate. And then after them
17 will be the University Student Senate, CUNY,
18 Luis Gutierrez. If they come down at the same
19 time, they can be closer.

20 (Discussion off the record.)

21 MR. ARSHAD: Good afternoon, Honorable
22 Mr. Chair, and thank you for the opportunity. I
23 really appreciate it. And I also want to thank
24 you to the CUNY students that are here today.

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1 we'll just go through quickly our oral
2 testimony. You have the detailed version. I
3 know we are short on time here. I'm here on
4 behalf of the City University of New York's
5 University Student Senate students, and we're to
6 testify on College Now, CUNY Start and ASAP
7 program, and funding for CUNY community
8 colleges.

9 I know Interim Chancellor Kelly went
10 through the statistics, and NYPIRG, so I won't
11 go through the statistics again, but they are in
12 the testimony that you can go through.

13 I would like to just read off a story of
14 a student from the ASAP program. One example of
15 ASAP's success is Amanda Loca, an ASAP student
16 at Borough of Manhattan Community College,

17 studying business administration.

18 When Amanda joined ASAP in summer 2012,
19 she was unsure about college and how she would
20 make it through, a young mother with a
21 2-year-old child and no job. She knew that if
22 she wanted to secure a successful future for
23 herself and her daughter, she would need to go
24 to college. Amanda enrolled in BMCC but had no

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1 idea of what to do next. She was the first in
2 her family to attend college and had no one to
3 turn to for guidance.

4 Amanda believes that she would have
5 dropped out of college after her first semester
6 if she had not enrolled in ASAP. She describes
7 her advisor, Stephanie Ramsey, as her biggest
8 inspiration, and credits ASAP with keeping her
9 on track and providing her with the support she
10 needed to navigate college as a single mother.

11 She met regularly with her advisor to
12 identify strategies for balancing life as a
13 student and mother. When Amanda wanted to drop
14 a required course because of a low exam score,
15 her advisor provided Amanda with the tools she
16 needed to speak with the professor and
17 subsequently pass her course.

18 Amanda has applied lessons learned to
19 all her courses and presently maintains a
20 3.0 grade-point average. Amanda became an ASAP
21 student leader in fall 2013 and regularly shares
22 her story with prospective students in an effort

23 to give back to the program that has given so
24 much to her.

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1 Amanda is on target for graduation in
2 spring 2014 and plans to transfer to a SUNY
3 senior college in the fall to study business.

4 Last year the State of New York adopted
5 budget for 2013-2014 included \$1.7 million to
6 expand CUNY's ASAP and provided \$1.7 million for
7 the establishment of similar programs at SUNY.
8 Following a review of this initiative by the
9 city and state, including the independent
10 verification made of ASAP by external
11 organizations, funding should be calibrated to
12 ensure the ramping up of ASAP to cover the
13 majority of community college students.

14 In addition, we are requesting
15 additional community college Base Aid where our
16 enrollments are particularly soaring. Community
17 colleges are essential to our economy. They are
18 a pipeline to jobs and a critical engine for
19 economic development. Please support at least a
20 \$250 per FTE funding increase for community
21 colleges. These funds will support, among other
22 things, CUNY's ASAP, CUNY Start, and Single Stop
23 programs that provide remedial assistance and
24 support services to community college students

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1 in order that they can earn their associate's
2 degree in a timely manner.

3 Many of the CUNY students graduating
4 from New York City high schools are in need of
5 remediation, and these programs give the
6 students the support they need to do
7 college-level work. I ask you to consider the
8 students that have succeeded in achieving their
9 dreams through this program, and I also ask you
10 to consider all the students who couldn't
11 achieve their dreams, the students that these
12 programs are created to include but cannot
13 because of the inadequate funding.

14 Thank you.

15 MR. GUTIERREZ: Good afternoon. My name
16 is Luis Gutierrez, and I'm a graduate student at
17 Hunter College. Moreover, I serve the as vice
18 chair of graduate student affairs for the
19 University Student Senate (USS), the official
20 governance organization for students at the City
21 University of New York, and as chair of the CUNY
22 Coalition for Students with Disabilities, CCSD,
23 which is a CUNY-wide organization representing
24 the University's more than 9,000 students with

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1 disabilities.

2 Speaking on behalf of CUNY's more than
3 30,000 graduate students, I am here today to
4 urge you to consider providing a financial aid
5 safety net for New York State students seeking
6 advanced degrees.

7 I would like to take a moment to
8 display, with assistance from my colleague USS

9 Vice Chair Cynthia Roldan, a list of all student
10 financial aid programs, other than the Veterans
11 Tuition Award, that New York State currently
12 offers for graduate study. As you can see, the
13 chart is blank.

14 (Laughter.)

15 MR. GUTIERREZ: As you can see, the
16 chart is blank. It would certainly appear that
17 the state of New York doesn't believe that
18 having a well-trained workforce with advanced
19 degrees is a good investment.

20 However, according to the Council of
21 Graduate Schools, it is estimated that by 2018,
22 2.5 million new jobs will require advanced
23 degrees. Moreover, the Bureau of Labor
24 Statistics estimates that jobs requiring

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1 master's degrees and professional degrees will
2 grow by 22 percent and 20 percent, respectively,
3 from 2010 to 2020 -- faster than any other level
4 of education.

5 At CUNY, tuition and fees for a number
6 of graduate programs has skyrocketed. At a
7 number of our institutions, graduate enrollment
8 is down. USS is working with Chancellor Kelly
9 and Vice Chancellors Sapienza and Sanchez in
10 exploring ways to provide a wider financial aid
11 safety net for our graduate students. However,
12 no matter what resources that our University is
13 able to provide our graduate students, it will
14 not be an adequate substitute for a

15 comprehensive state program.
16 USS, working in coalition with NYPIRG
17 and others, recommends that the State
18 Legislature expand the state's tuition tax
19 credit/deduction program to include matriculated
20 graduate students. The tax credit or deduction,
21 which is currently only offered to
22 undergraduates at New York colleges and
23 universities, is equal to the amount of
24 qualified tuition expenses paid, up to a maximum

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1 deduction of \$10,000 for each eligible student.

2 Expanding the state tuition tax
3 credit/deduction to include graduate students
4 would be a great first step in addressing the
5 needs of our state's graduate student
6 population.

7 Finally, I would like to shift gears
8 slightly and take a moment to thank the members
9 of the State Legislature for including a line
10 for CUNY LEADS in the CUNY operating budget.
11 However, I urge you to support the University's
12 request for an increase of \$1.5 million in
13 fiscal year 2014-2015.

14 CUNY LEADS, an academic development, job
15 training and placement program, is perhaps the
16 nation's preeminent program of its kind for
17 college and university students with
18 disabilities. As you are probably aware,
19 participants in the program who are job-ready
20 have a 70 percent employment rate, compared to

21 the 56 percent national employment rate for
22 people with disabilities.

23 Moreover, it is estimated that a modest
24 investment of \$10,000 to develop and place a

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1 CUNY LEADS student in competitive employment
2 saves New York State more than \$14,000 per year
3 in disability benefits alone.

4 The increase of \$1.5 million would allow
5 the program to be fully funded and serve the
6 maximum number of eligible students.

7 Thank you.

8 MS. ROLDAN: Thank you. I'll make this
9 quite brief, as I know I am the last one.

10 I want to thank you for your time and
11 patience and for being here today to listen to
12 us. Thank you so much, Chairman Farrell and
13 Assembly Chairperson Glick and members of the
14 committee. My name is Cynthia Roldan --

15 CHAIRMAN DeFRANCISCO: How about me?
16 How about me?

17 (Laughter.)

18 MS. ROLDAN: And Senator DeFrancisco --

19 CHAIRMAN DeFRANCISCO: Thank you.

20 MS. ROLDAN: -- and Senator Liz Krueger
21 and all the staff back there that puts in hard
22 work as well.

23 (Laughter.)

24 MS. ROLDAN: So I wanted to talk to you

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1 today about some of the opportunity programs
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2 that are in our committee agenda, which you can
3 find on page 4 and 5 of my testimony, and the
4 importance of why we should fund these programs.
5 But then again, you can read all about them.

6 what I want to start off by saying is,
7 as I mentioned before at the last testimony, the
8 cost of a college education is much more than
9 just tuition. It includes the cost of
10 textbooks, MetroCards, and other services and
11 supplies. And these opportunity programs help
12 students find the resources that they need.
13 Programs like Single Stop. Programs like the
14 Black Male Initiative that help improve
15 retention and graduation rate of black males in
16 our nation, which is pretty low. And also
17 programs like CUNY Start and College Now,
18 programs that I have personally benefited from
19 and that my colleagues have written about as
20 well.

21 Today I am a senior at Baruch College,
22 and that is thanks to College Now, which needs
23 funding. And this program allowed me to take
24 classes while I was in high school and is

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1 enabling me to graduate this May. The program
2 currently serves 20,000 students annually in
3 over 400 public high school programs in New York
4 City. And it's shown that students who
5 participate in this program have higher
6 graduation rates than their counterparts.

7 So, you know, without College Now I
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8 probably wouldn't have even thought of coming to
9 CUNY in the first place. I learned about CUNY
10 through College Now. So that's another reason
11 why these programs are so important, because in
12 a way it allows students to get credits and say,
13 you know, I want to make an investment early on
14 in my own education and my future.

15 That's why we also believe in our
16 agenda, that it's important to fund the graduate
17 tuition tax/credit deduction, because now a lot
18 of students take time off before they pursue a
19 higher education degree.

20 Another recommendation that is on our
21 team besides our opportunity programs is the
22 DREAM Act reform. And I know a couple of people
23 have already mentioned it. Our coalition
24 partner NYPIRG mentioned it and why it is

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1 important.

2 And I just want to say advocating
3 for the passage of the New York State DREAM
4 Act would help so many students in CUNY,
5 which is the institution that has the
6 highest number of undocumented students
7 within New York state. And, you know, we
8 have a lot of Dreamers here today with us
9 in the audience. And they would all
10 benefit from this.

11 So as was mentioned briefly, we
12 were the fourth state to adopt in-state
13 tuition for these students. However, out of

14 those four states, we are the only state
15 who still does not offer them financial
16 aid. You know, it's only a \$20 million
17 investment out of a \$140 billion budget.
18 So to not see it happen is quite
19 heartbreaking.

20 We would like this to happen, and
21 we want to say that the cost of providing
22 TAP awards to these students would likely
23 be offset by additional taxes paid over the
24 course of their working lifetimes, and

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1 their ability to obtain higher-paying jobs,
2 and staying in New York after graduation.
3 And if you think about it, CUNY has nearly
4 40 percent of their students born outside
5 of the United States. And that links them
6 to at least one child or one person in
7 their family who this law will benefit.

8 And I just want to say that many
9 bright minds do not get developed. I don't
10 know if you guys saw the New York Times
11 article with Michelle Obama and how she
12 went to talk to students about, you know,
13 filling out financial aid forms and how
14 important that is. And to education --
15 there should be no barriers to education.
16 If you have a dream, you should let it
17 become a reality.

18 So we're here today to ask you to
19 take these recommendations and work side by
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20 side with us. We thank you for your
21 support and time here today. We know it's
22 quite late. And we look forward to working
23 with you to sustain the advancement of our
24 students and potentially make some of these

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1 recommendations a reality.

2 CHAIRMAN FARRELL: Thank you.

3 Questions? Statements?

4 ASSEMBLYWOMAN GLICK: Well, first

5 of all, Luis, it's good to see you again,

6 and all of the Dreamers who are here.

7 Thank you very much for your testimony.

8 Thanks for waiting to the end. And thanks

9 for the work that you do to go to school.

10 So many of the students who have
11 gone to CUNY have gone to CUNY while
12 they're working full-time, while they have
13 family responsibilities. Many of the
14 legislators who have gone to either SUNY or
15 CUNY have likewise had the same struggles.
16 So we are well aware, and we appreciate
17 your testimony and the work that you're
18 doing while you're in school.

19 MS. ROLDAN: And I just want to
20 note that all of the things that we've
21 noticed on page 3 and 4 in the CUNY Student
22 Agenda are programs that directly will
23 impact our students, which is why we list
24 them at the top of our priority list.

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1 ASSEMBLYWOMAN GLICK: Thank you.

2 CHAIRMAN DeFRANCISCO: Senator
3 Krueger.

4 SENATOR KRUEGER: Thank you. I
5 also just want to thank you very much, and
6 all the students behind you, for being here
7 today and participating.

8 And just one point. If you get to
9 be a Ph.D. student in CUNY, then they will
10 actually help you. There is funding for
11 Ph.D. students. So finish that master's,
12 think about whether you want to go on --

13 (Laughter.)

14 MS. ROLDAN: Well, first we need
15 some funding.

16 SENATOR KRUEGER: Well, exactly.
17 But at least if you go to a Ph.D. program
18 through the Graduate Center, there's annual
19 money they give you. Thank you.

20 MS. ROLDAN: And just to quickly --

21 CHAIRMAN DeFRANCISCO: Not a quick
22 thing, please. Let me just make this one
23 statement and then you can say your quick
24 thing.

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1 I just want to -- excellent
2 presentation. But before I leave, can you
3 show me that poster again? I didn't get it
4 all.

5 (Laughter.)

6 CHAIRMAN DeFRANCISCO: Okay, thank
7 you. Okay, you can say your quick thing.

8 MS. ROLDAN: Just to answer your
9 question about alumni, we are actively
10 trying to reach out to our alumni, within a
11 University Student Senate perspective, and
12 trying to get them involved in the
13 conversation. And from particularly
14 reaching out to the alumni offices within
15 our schools, particularly for me at Baruch,
16 that's something I'm working on, and trying
17 to reach into the different alumni groups
18 in different firms.

19 MR. ARSHAD: Thank you.

20 CHAIRMAN FARRELL: Thank you.

21 we're adjourned until 9:30 Monday
22 morning.

23 (whereupon, the budget hearing
24 concluded at 4:24 p.m.)

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