



# *Testimony*

**to the  
Senate Finance Committee  
and  
Assembly Ways and Means Committee  
on the  
Proposed 2017-18 Executive Budget  
for  
Higher Education  
January 24, 2017**

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*Representing more than 600,000 professionals in education and health care  
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*Testimony of  
Andrew Pallotta  
Executive Vice President  
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to the  
Senate Finance Committee  
Catharine Young, Chair  
and  
Assembly Ways and Means Committee  
Herman D. Farrell, Jr., Chair  
on the  
Proposed 2017-18 Executive Budget  
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Higher Education  
January 24, 2017*

Senator Young, Assemblyman Farrell, honorable members of the Legislature and distinguished staff, I am Andrew Pallotta, Executive Vice President of New York State United Teachers (NYSUT). NYSUT represents more than 600,000 teachers, school-related professionals, academic and professional faculty in higher education, professionals in education, in health care and retirees statewide.

Thank you for the opportunity to testify today on the proposed 2017-18 Executive Budget for Higher Education. My testimony represents the concerns of nearly 80,000 faculty and professional staff who work in colleges and universities across New York State. These include the members of United University Professions at the State University of New York, the Professional Staff Congress of the City University of New York and the faculty and staff at nearly all the SUNY community colleges in this state.

I am joined today by Dr. Frederick Kowal, President of United University Professions (UUP), and by Dr. Barbara Bowen, President of the Professional Staff Congress (PSC).

We are pleased to see that Governor Cuomo has made public higher education and access a central focus of his budget proposal. As the governor noted in his budget briefing, you need a quality college education if you want to be successful. A college degree is no longer a luxury, but rather a prerequisite for employment in many fields.



The creation of the Excelsior Scholarship Program has the laudable goal of increasing access to public higher education for thousands of New Yorkers. We firmly believe that any such scholarship proposal must be paired with a substantial state investment in SUNY and CUNY.

### **State Investment – Multi-Year Plan**

SUNY and CUNY are the most economical options to close New York's skills gap. Yet, these institutions lack critical funding and the 2017-18 Executive Budget proposal does not include the level of funding needed to close this gap.

The Executive Budget holds SUNY's and CUNY's instructional core budgets flat from last year's funding level. We cannot continue to ignore the fact that we have had little, if any, real investment in public higher education in this state for quite a long time.

NYSUT, UUP and PSC urge the Legislature to adopt in this year's budget, a multi-year state investment plan to restore funding to SUNY and CUNY. The Deficit Reduction Plan (DRP) implemented in 2009 began the trend of decreasing state assistance for our public higher education institutions. While the DRP implemented across-the-board spending reductions and helped the state recover from the fiscal crisis, austerity funding to higher education has persisted. As a result, SUNY and CUNY have not had the resources to adequately address full-time faculty ratios, course offerings, as well as, other student supports and services. Ultimately, these factors impact a student's academic opportunity and collegiate experience.

State investment in our classrooms is an important component to student success and the ability to complete academic programs on-time, ultimately reducing student debt. Again, we firmly believe as discussions continue over tuition-free proposals, it must be paired with a multi-year state investment plan for SUNY and CUNY. In the absence of substantial funding to restore prior year cuts, our systems will be stretched even further with a potential influx of new students.

The Executive Budget extends the predictable tuition plan for five years and allows for annual increases up to \$250. For years, NYSUT has argued that tuition is the symptom of a larger



problem; lack of state investment. We believe students have already borne more of the burden due to years of cuts to public higher education. A multi-year state investment plan would also reduce the need for SUNY and CUNY to rely on tuition. It is time for the state to pick up its share of the cost of providing all students access to quality public higher education.

We know that public higher education's mission of teaching, research and health care is the key to a bright future for all New Yorkers and for our state's overall economic success. The ability for SUNY and CUNY to fulfill that mission, however, gets more difficult every year due to austerity funding from the state.

### *Full-Time Faculty*

Key to the multi-year state investment plan is adequate funding for the hiring of full-time faculty. Due to years of flat funding from the state, SUNY and CUNY relied on the predictable tuition plan to fund public higher education. Once again, the proposed reauthorization of the predictable tuition plan would set aside revenue generated to support a number of initiatives, including the hiring of faculty. This revenue is not an adequate source to enhance full-time faculty positions, which our students deserve.

Increasing the number of full-time faculty will provide our systems with the ability to increase course offerings, as well as, reduce class size. Additional full-time faculty will allow for more time for mentoring, student advisement, office hours and research, all of which will go a long way to improve quality and help students graduate on time. We urge the Legislature to provide dedicated funding for full-time faculty in this year's final enacted budget.

### **Community Colleges – Increase Base Aid by \$250 per FTE Student**

With respect to our community colleges, I want to first thank the members of the Legislature for all your efforts in supporting these campuses. I thank you for the state base aid increases you have provided to community colleges over the years. You obviously know how important these campuses are to our state's public higher education systems. Our members provide their students





with a great education, notwithstanding the fact more funding is necessary to maintain the current level of academic programs and services. Since their inception, our community colleges have provided a high-quality education that has prepared our students to either enter the workforce or go on to a four-year college or university. For decades, community colleges have been working with local businesses in an effort to tailor courses and skills to meet the needs of those industries. Every year, thousands of students graduate from community colleges and go directly into the workforce, playing an instrumental role in providing local industry with a highly skilled and trained workforce.

Notwithstanding the Legislature's commitment to community colleges, state funding to these campuses is not commensurate with the provisions of the State Education Law. As the charts attached at the end of this testimony illustrate, both SUNY and CUNY community college students are paying the lion's share of operating costs of these campuses. Over the ten-year period from 2006-07 to 2016-17, SUNY community college students went from paying 38.6 percent of the operating costs to approximately 42.1 percent. While the state's contribution for the same period decreased from 30.9 percent to 26.2 percent.

We see a similar trend for CUNY's community colleges during the same time period, where the student share increased from 35.1 percent to 40.1 percent while the state share decreased from 30.8 percent to 26.1 percent.

The Executive Budget proposes flat funding per full-time equivalent (FTE) student for community colleges, which will likely force these campuses to raise tuition. While state base aid funding is flat, some of our community colleges will receive less state funding due to enrollment fluctuations. In order for our campuses to maintain and enhance academic programming and supports, their state funding must remain stable. State education law stipulates that the state shall pay 40 percent of the operating costs of these campuses; however, the state is not meeting its obligation. NYSUT urges the Legislature to increase base aid by \$250 per FTE student.

This increase in funding will enable these gateway institutions to continue to provide first-rate academic programs and services that students need and deserve. SUNY has indicated that they



are possibly considering proposing changes to the funding formula to community colleges. While NYSUT is open to discussing ways to improve the funding methodology, we firmly believe we must preserve local control over state funding for these institutions. These campuses provide programs that directly respond to local economic needs and, therefore, should retain their local control.

### **SUNY Hospitals**

I would now like to talk about the SUNY hospitals. I want to thank the Legislature for again coming to the rescue last year and restoring the funding that was cut in last year's Executive Budget. Unfortunately, the 2017-18 Executive Budget cuts the SUNY hospitals by \$19 million, which is the restoration you made last year.

Our hospitals are academic medical centers that provide much needed patient care, train and prepare the next generation of health care workers, engage in research to improve lives, create technologies to revolutionize health care, and provide invaluable community services. The Executive Budget fails to uphold the state's responsibility to at least partially compensate these hospitals for their service to indigent populations and to help pay for the unique life-saving services they offer, which are not typically provided in private hospitals. These include burn units, trauma care units and poison control. These hospitals are New York's true safety net providers, serving low-income communities, the uninsured and the underinsured. These communities rely on these hospitals for health care.

As New York braces for changes to the Affordable Care Act, SUNY's hospitals must be supported and positioned to continue to provide care to all, regardless of their ability to pay, as well as, train the next generation of healthcare workers. To that end, we urge the Legislature to enact the following proposals to restore funding to SUNY's hospitals:

- Restore the state subsidy to \$153 million. An additional \$84 million is required to restore care to the 2001 level of support. The subsidy not only supports the hospitals but also helps to support the state-run medical colleges.



- Reinstate state payment of hospital employee fringe benefits and debt service through a multi-year investment to be phased-in over five years. SUNY's teaching hospitals are the only state-owned/operated facilities required to cover debt payments and fringe benefit costs. In year one of the plan, we would urge the state to pay the employer portion of the Social Security payments at a cost of \$64 million.
- Authorize a new hospital bonding program. Enact a new \$600 million capital program (\$200 million per hospital). Our hospitals are in dire need of critical maintenance and infrastructure improvements.

We thank Senator Hannon and Assemblymember Gottfried for introducing legislation in 2016 (S.7947/A.10591) to ensure that SUNY continues to receive state matching funds for the Disproportionate Share Program (DSH). We have recently learned that the state has delayed the full share of the October DSH payment owed to SUNY hospitals for services rendered to uninsured, Medicaid, and dual-eligible patients. In the absence of state reimbursement to cover the full share of DSH funding owed, the fiscal stability of these institutions in the coming months will be jeopardized. We urge the state to promptly pay the remainder of DSH reimbursement owed.

It is time for New York to start recognizing that SUNY's hospitals are the state's hospitals, providing a public service for all. You will hear more from Dr. Kowal on these issues.

### **Revenue Sources for Multi-Year Investment**

Increasing investment in SUNY and CUNY four-year campuses, community colleges and SUNY's hospitals requires resources. The Executive Budget continues to set-aside \$30 million (\$18 million for SUNY and \$12 million for CUNY) to be utilized in both systems per a plan approved by the Board of Trustees of the respective systems. In the past, this funding has been allocated to campuses for performance-based funding initiatives. While the Executive Budget language does not speak to performance-based funding, we believe SUNY and CUNY will use this funding for performance-based initiatives. At a time when every dollar of state investment counts, we once again urge the Legislature to reject the use of funding for this purpose.



It is unreasonable to take away the already limited funding provided to campuses and ask them to now compete in the hopes of obtaining resources that the state should already be providing. NYSUT urges the Legislature to reallocate this much needed funding to be utilized in the classroom. These resources should be used to hire additional full-time faculty, which will enhance the quality of programs and provide more student advisement and counseling which students desperately need.

Over the years the higher education table target has been low, thereby, limiting the funds available to meet the financial needs of our public higher education institutions. NYSUT believes that New York has a unique opportunity to create funding streams to support a multi-year investment for SUNY and CUNY. We are currently working with a coalition of organizations to assemble a comprehensive list of revenue proposals to ensure that individuals and corporations are paying their fair share. For example, the state could generate nearly \$5.6 billion annually from extending and expanding the Millionaire's tax and closing the carried interest loophole at the state level.

In addition, the governor's financial plan for SFY 2017-18 proposes a change to online sales tax collection, which is expected to generate \$68 million in the upcoming fiscal year and \$136 million the following year.

We urge the Legislature to consider dedicating a portion of these revenue streams to develop and support a multi-year state investment plan for public higher education.

### **Inspector General Proposals**

The Executive Budget also includes a proposal to expand the State Inspector General's authority over SUNY and CUNY not-for-profits to investigate allegations of corruption, fraud, criminal activity, conflicts of interest or abuse. Additionally, the State Inspector General would also oversee their compliance with financial controls. While the memo accompanying the bill states that the intent of these proposals is to minimize corruption, fraud and abuse, we believe that





more oversight is needed. For years, NYSUT has raised concerns with the operations of these foundations and has urged for the passage of legislation to subject foundations affiliated with SUNY and CUNY to Freedom of Information Law requirements. We have also pushed for legislation (S.19B LaValle/A.5379B Glick) to require these entities to publicly disclose, on an annual basis, information regarding their finances and how they are disbursed. We thank Senator LaValle and Assemblymember Glick for continuing to seek more accountability and transparency of these entities. We believe now, more than ever, is the time to pass legislation subjecting these foundations to FOIL requirements and to require them to release public annual reports containing detailed financial information. NYSUT urges the Legislature to include these bills as part of the enacted budget.

These foundations oversee large sums of money intended to support the mission of the systems and as such, their finances should be transparent. Allowing for public scrutiny will serve as both a deterrent and a way to identify fraud, abuse or conflicts of interest.

You will hear more from Dr. Kowal on the need for accountability and transparency of foundations and their affiliates.

### **Student Financial Aid and Opportunity Programs**

NYSUT urges the Legislature to continue to invest in student opportunity programs that provide greater student access and remediation for students in need. We urge you to restore the funding cut to student opportunity programs in the 2017-18 Executive Budget.

We also support updating the 40-year old Tuition Assistance Program. This wonderful program has afforded so many students the ability to obtain a higher education in this state, but it needs to be updated. Too many students are now excluded from, or underserved by, the current tuition assistance program (TAP). A great way to help reform this program is to enact the NY Dream Act, which is part of the Executive Budget. We urge you to enact this important proposal in this year's budget.



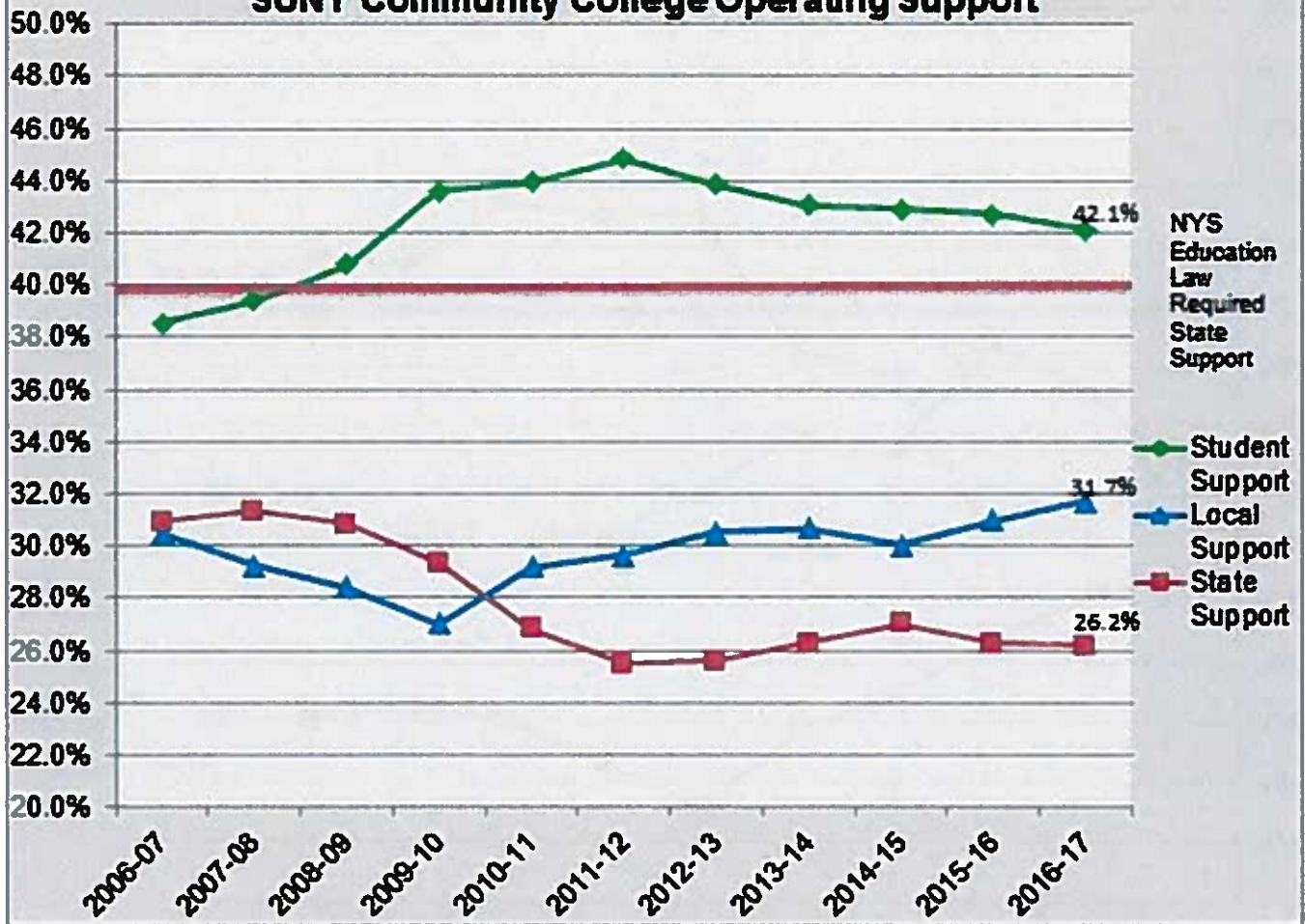
### **Conclusion**

In conclusion, again, we ask the state to adopt a multi-year investment plan to increase state investment in SUNY and CUNY. Extending and enhancing the Millionaire's tax and eliminating the carried interest loophole are common sense actions that would produce the revenue needed to achieve this goal.

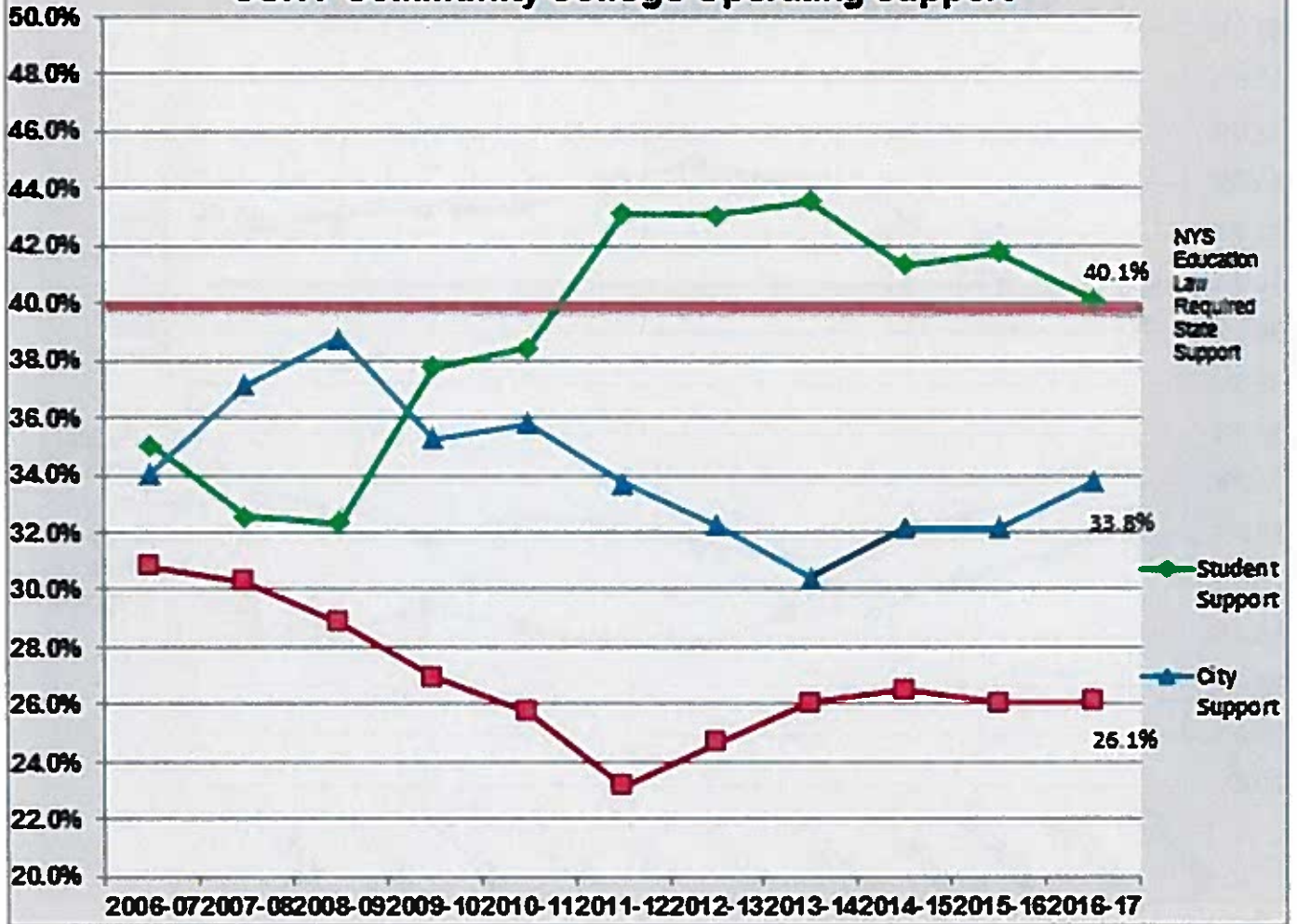
Again, thank you for the opportunity to testify today. I will now turn it over to Dr. Kowal who will be followed by Dr. Bowen.



### SUNY Community College Operating Support



## CUNY Community College Operating Support





**UNITED UNIVERSITY PROFESSIONS**  
***Testimony on the***  
***2017-18 Executive Budget***

*Presented To:*

Senator Catharine Young, Chair  
Senate Finance Committee  
and

Assemblyman Herman D. Farrell Jr., Chair  
Assembly Ways and Means Committee

January 24, 2017

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# UNITED UNIVERSITY PROFESSIONS

## **Testimony on the 2017-18 Executive Budget**

Chairwoman Young, Chairman Farrell, distinguished members of the Senate Finance Committee and Assembly Ways and Means Committees, thank you for providing United University Professions (UUP) with the opportunity to testify on the 2017-18 Executive Budget for higher education.

I am UUP President Dr. Frederick E. Kowal. UUP is the nation's largest higher education union. We represent more than 42,000 academic and professional faculty and staff serving hundreds of thousands of students and patients at the academic institutions, the health sciences centers and public teaching hospitals directly administered by the State University of New York (SUNY).

Let me begin by expressing my deep appreciation for your leadership and staunch public support of initiatives important to UUP, and the actions that you took that benefitted SUNY and public higher education in the 2016-17 enacted budget. We remain grateful for your decision to restore Executive Budget cuts to SUNY's opportunity programs, and for turning away the governor's proposal for performance-based funding.

You also deserve our gratitude for restoring \$19 million to the state's subsidy for SUNY's three teaching hospitals, and overturning language in proposed Article VII legislation which would have severely limited federal and state matching Disproportionate Share Program Medicaid funding for these publicly operated safety net institutions. The combined loss of funding would have presented insurmountable problems to maintaining an adequate level of quality health care for citizens in the communities served by these institutions.

Finally, I'd like to thank Sen. Ken LaValle and Assemblymember Deborah Glick for joining last year with UUP, PSC-CUNY, NYSUT and higher education advocates in a call for the enactment of a full Maintenance of Effort bill.

### **State Funding**

In his 2017-18 Executive Budget, the governor recognizes the crucial part public higher education plays to ensure that our colleges and universities are accessible to all academically qualified students who wish to attend them. His Excelsior Scholarship Proposal showcases public education in its historical role as the primary avenue of higher education for those without the financial means or family income necessary to attend private colleges, which are far more expensive than



SUNY schools. We wish to commend the governor for that, and hope that this signals the beginning of a reversal to what has become an untenable trend for the SUNY campuses and hospitals staffed by our members throughout the communities of New York.

We can all agree that budgets are all about setting priorities. There is never enough money to meet all of our society's needs. But, as a society, we in New York depend on the institutions of SUNY and CUNY to help our citizens prosper and to drive the state's 21<sup>st</sup> century economy. Unfortunately, over the past several decades, we have experienced a dramatic and deeply troubling shift in our state's funding priority for SUNY's state-operated institutions:

- From slightly growing support for the campuses to significant reductions in annual state funding.
- From ensuring access to all students who can benefit from public higher education to having more and more qualified applicants turned away—simply for lack of funding to employ the instructors to teach them.
- From an emphasis on educating our students to the highest levels possible to a concern that they are not being prepared today to participate in New York's economy tomorrow, or be the active, knowledgeable citizens our democracy desperately needs.

SUNY state-operated campuses absorbed a series of dramatic, drastic cuts in state support during the Great Recession; aid dropped from \$1.32 billion in 2007-08 to less than \$680 million this year—a decrease of more than 50 percent. In fact, since 2007-08, SUNY institutions were hit with reductions harder and more often than any other state agency or functional area. State support for SUNY state-operated campuses was reduced eight times—through budget reductions and a host of midyear cuts.

To put that in perspective, state support reductions to SUNY represent more than twice the combined total of the amount of state aid available in 2007-08 for all of SUNY's 13 comprehensive colleges and technology campuses—or alternatively, more than the combined state funding available that year for the University Centers at Stony Brook, Buffalo, Binghamton and Albany. The severity of those cuts on SUNY is indisputable. Full-time faculty was depleted throughout the University; with the result that academic departments once noted for their prominence now need to be rebuilt.

Higher education is a labor-intensive service that requires faculty/student ratios that permit significant personal interactions between students and instructors.

At the turn of the century, SUNY had 10,300 full-time faculty to instruct 185,000 students. Today it has less than 8,700 full-time faculty to teach 220,000 students.

The fact that average class size has increased greatly in recent years; that more and more undergraduate courses depend on our hard-working, part-time academic faculty for instruction; and that students still cannot be assured of getting the courses they need to graduate on time illustrates and emphasizes the problems associated with the rapid decline of full-time faculty in the SUNY system.

SUNY would need 3,500 additional full-time faculty positions to meet the demands of previously occurring enrollment growth and to reestablish the benefits of faculty/student ratios that existed just 15 years ago. The time has come for us—UUP, SUNY and the state—to commit to increase the proportion of full-time faculty to 70 percent. Full-time faculty has more time to devote to student advisement and out-of-class interaction, which is essential to improving completion rates—especially for low-income students, students of color and first-generation students. Let's ditch the duct tape-approach to these long-standing concerns and apply real, permanent fixes.

UUP prides itself on its history of advocating to keep SUNY affordable and accessible. As "the union that makes SUNY work," our main job, however, is to provide a quality education that every SUNY student deserves. If we are to do our jobs properly, there must be a renewed state investment in the University's state-operated campuses, especially for our comprehensive and technology colleges. I am greatly concerned about the serious issues that have arisen because of years of inadequate funding coupled with 20 years of unfunded enrollment growth. Of additional concern is the potential for greatly increased enrollment resulting from the enactment of the governor's Excelsior Scholarship free tuition initiative.

Historically, SUNY's comprehensive and technology colleges have provided solid, employment-related baccalaureate degree programs for more than half of SUNY's undergraduate students. Unfortunately, they were the hardest hit during the recession. If we do not act to remedy this situation, these campuses may experience an even greater number of reduced courses and the potential for additional delays in on-time graduation—which, as you know, is counter to an essential element of the governor's program for determining student eligibility for the Excelsior Scholarship.

It is UUP's position that a significant investment in SUNY is crucial to the survival of many of our campuses and to the future viability of the entire system.

Accordingly, we request that \$50 million be added to the enacted SUNY budget for 2017-18 as part of a multiyear investment to restore at least half of the state funding lost during the recession—with first priority given to SUNY’s comprehensive and technology campuses.

As mentioned previously, the governor’s Excelsior Scholarship program will require SUNY to add faculty to meet the educational needs of the expected influx of new students. Although more than 5,600 SUNY teaching faculty work part-time, they alone cannot be expected to meet current needs, much less the needs of this anticipated, additional enrollment growth.

Therefore, we ask that you invest an additional \$30 million in SUNY’s operating budget for the first year of a five-year program to increase the number of full-time faculty by 1,500.

With the Legislature’s support, I strongly believe we can effect lasting positive change with the enactment of these essential initiatives.

### **Hospitals and Health Sciences Centers**

New York’s public hospitals in SUNY are staring down the barrel of America’s biggest health care crisis: the repeal of the Affordable Care Act (ACA). We believe that any replacement offered will not provide insurance coverage that most people will need or can afford.

Tens of thousands of New Yorkers took advantage of the reforms put in place with “Obamacare.” Now, it is a near certainty that many of them will be left without health insurance rather quickly. This includes some of our children, who took advantage of a provision that allows them to stay on their parents’ insurance to age 26. There will also be a loss of contraception benefits, protections for those with lifelong illnesses from being cut off by insurers, and countless others.

For UUP, this will mean that the state-operated public hospitals—Brooklyn’s Downstate Medical Center, the Stony Brook University Medical Center, and Syracuse’s Upstate Medical University Hospital—could soon see a dramatic upsurge of uninsured patients without the ability to pay for health care. Up to 2.7 million New Yorkers could lose health care coverage if the ACA is repealed without the concurrent availability of alternate coverage, according to state figures.

Further drastic impacts will occur if Medicaid is turned into block grants and Medicare is privatized. Everything from reimbursement rates for hospitals treating

Medicaid patients to federal dollars flowing to New York State in the Graduate Medical Education (GME) funding program could be cut severely. The governor's office estimates that the total impact of these changes could smack New York with a hit of over \$3.5 billion.

It is crucial for all of us to remember that these are state owned-and-operated hospitals, staffed by state employees and governed by state government rules and regulations. Unlike private hospitals, the three public hospitals which are part of SUNY are hospitals of last resort. These hospitals treat everyone, regardless of their ability to pay for care. It is well known throughout the state that our teaching hospitals accept and care for patients with especially hard-to-treat medical conditions—referred by other hospitals or health care providers. These are public institutions, which is why the state must adequately support them.

Hundreds of thousands of uninsured and underinsured New Yorkers across the state would not have access to good health care without these state-owned hospitals. These hospitals are also economic engines in their communities, providing essential health care services—especially to low-income and underserved communities—and providing these host areas with thousands of jobs and a crucial economic base.

SUNY's state-operated hospitals are also teaching hospitals, housing the University's medical schools. The medical schools provide an important pipeline of doctors and professional health specialists to New York City and throughout the state. However, many aren't aware that the hospitals subsidize the medical schools by more than \$200 million annually, using hospital revenue. This is yet another reason why the state's subsidy of the teaching hospitals has been—and continues to be—so very important. As the Northwell report highlights, the role of Downstate in patient care, medical education and research is crucial to Brooklyn and indeed all of New York.

Yet at the same time, the state has begun to limit and delay funding for the hospitals under the federal Medicaid-funded Disproportionate Share Program (DSH)—the current federal funding supplement matched by the state to help "safety net" institutions that serve large numbers of uninsured or underinsured patients. The state has also begun to place restrictions on the amount of Medicaid appropriations it will use as a state match to federal DSH funding. We believe those actions are limited to the state's own hospitals—the SUNY state-operated teaching hospitals.

For many years, we have expressed our concern for the continued, significant state underfunding of the University's three public teaching hospitals and four health sciences centers.

Twenty years ago, the state paid the cost of hospital fringe benefits and debt service on capital bonds—as it did then and does now for all other state agencies and institutions. Fifteen years ago, the state provided the three hospitals with a total subsidy of a \$153 million annually to help offset the cost of providing vital health care to an indigent population. The state subsequently shifted the cost of fringe benefits and debt service to the hospitals, a total annual expense of over \$400 million. These expenditures have clearly challenged the hospitals' efforts to maintain health care of the highest quality.

With respect to the 2017-18 Executive Budget, the subsidy is once again cut back to \$69 million—removing the \$19 million restoration you provided in the current year's enacted budget. Taken together, these actions pose serious risks to hospital solvency and to their capacity to contend with new statewide health emergencies, such as the repeal of the ACA.

For all of the foregoing reasons, we respectfully request that in the 2017-18 enacted budget:

- The state hospital subsidy be restored not only to its current level, but to its original allocation of \$153 million;
- Legislation be enacted to require the state to fully match federal disproportionate share allocations from the state's Medicaid appropriations for the teaching hospitals, and ensure the hospitals receive full federal and state matching entitlements without delay;
- A phased five-year funding program is implemented to reinstate state assumption of debt service costs and hospital employee fringe benefits. This would begin in 2017-18 with the assumption of employer Social Security payments at a cost of about \$64 million; and
- A new \$600 million capital program is authorized (\$200 million for each hospital) with the state assuming all debt service for this program and for all previously issued hospital-related bonds.
- Access to affordable health care is a right, one that New York state's public hospitals in SUNY must be equipped and able to provide now and in the future.

## **Educational Opportunity Programs and Centers**

Thank you for your continued commitment to SUNY's highly successful opportunity programs, the Educational Opportunity Centers (EOC) and the Educational Opportunity Program (EOP). These programs are clear examples of how funding for SUNY can transform the lives of New York state residents by providing gateways to a college education and resulting employment for those who might otherwise be denied access.

We have noted this in the past, but it bears repeating: EOP is an outstanding example of how state funding can and should be used for SUNY. As a result of specialized advisement, counseling, tutorial services, and summer programs, EOP students graduate at higher rates than the general population of SUNY students.

EOP students often come from the state's most economically disadvantaged areas, and are mostly underprepared for college work when they enter the program. Many graduates have achieved success and gone on to become economically productive New Yorkers. This, despite the fact that students at a typical EOP program—such as Stony Brook University—have average family incomes below \$20,000 and SAT scores that are, on average, 300 points below the mean SAT score for first-year students.

The current EOP graduation rate exceeds 65 percent, which tops the national average for public institutions. A third of our state-operated campuses have EOP graduation rates ranging from 70 to 88 percent. Last year, SUNY received more than 30,000 applications for 2,500 available EOP seats.

The EOCs provide necessary college preparatory education and vocational training to economically disadvantaged state residents—many of them adult learners and those for whom English is a second language—who seek to attend college and attain good-paying jobs, but aren't prepared for either. The EOCs support SUNY's mission to provide the "broadest possible access, fully representative of all segments of the population." There is a growing need to provide these important pathways, and the EOCs have proved stellar in this regard.

Therefore, we urge you to fully restore the \$5 million added to EOP's allocation in 2016 but removed from the governor's 2017-18 Executive Budget proposal, and to increase EOP funding to support more students in need and capable of successfully completing a college degree.

We also urge you to fully restore \$5.3 million for SUNY's Educational Opportunity Centers and \$2 million for Attain Labs that were added to the 2016 budget but absent in the governor's Executive Budget proposal. Restoration of these

funds, plus expansion of overall funding for these programs, is key to providing preparatory education and vocational training to economically disadvantaged state residents who are underprepared for college-level study and vocationally unprepared for employment.

### **Teacher Education**

SUNY's teacher education programs have seen a steep enrollment decline over the last few years, in many ways caused by faulty, flawed teacher certification tests. Large numbers of students who eyed teaching as a profession were discouraged or driven away by these misguided attempts to impose poorly designed changes. Enrollments in SUNY's teacher education programs have fallen by about 40 percent over the past five years, according to state figures. Serious teacher shortages are already apparent in special education, technology education, early childhood education, and in STEM fields. Substitute teachers are in high demand as well.

UUP has worked tirelessly to point out and rectify those problem areas, and several of our members serve on a SED Board of Regents state task force that has reviewed the state's teacher certification exams. Yet once again, we view a stark lack of diversity in the teaching ranks in New York and the nation. The teacher shortage the state faced last year still exists and is growing worse. Something must be done, and soon.

UUP believes that a targeted pilot recruitment and retention effort could help increase and diversify the population of teachers in our urban, rural, and suburban areas. What's needed is a SUNY program that would complement the existing Teacher Opportunity Corps and take the state further toward creating the school-to-career pipeline we need to include the state's diverse ethnic groups and economically disadvantaged among our future teachers.

This pilot opportunity program—which would provide funding for up to 300 students from disadvantaged communities—would take on the ever-worsening crisis of recruiting and retaining teachers in our under-resourced, high-needs districts, and help attract underrepresented and economically disadvantaged individuals to teaching careers. Such a program would be modeled after SUNY's highly successful EOP; students would be provided with financial assistance, academic, career and personal counseling, personal tutoring and mentoring, and other support services.

UUP has demonstrated a strong, unwavering commitment to high-quality teacher education programs. We believe this pilot program will go far in creating needed diversity in New York's teaching ranks.

## **Provide Accountability and Transparency for SUNY Foundations**

Once again, I'd like to thank Sen. LaValle and Assemblymember Glick for their continued support of accountability and transparency at the SUNY Research Foundation and SUNY's campus foundations. We are grateful and appreciative of it.

Recent events involving the SUNY Research Foundation and so-called "private" nonprofit groups created and managed by the foundation and the former head of the SUNY Polytechnic Institute demonstrate that a clear need exists for greater accountability and transparency of the foundations and their auxiliary organizations.

UUP has been a staunch advocate for transparency at the foundations for years. We have filed countless Freedom of Information requests, only to be rebuffed by the foundations, which have spent millions on lobbyists to remain shrouded in a cloak of darkness. They contend that transparency would make it difficult to attract donors and collect contributions. Recent scandals show that transparency and state oversight of these organizations are far more important than preserving the ability to fundraise with relative ease.

The governor's proposal for a SUNY inspector general recognizes the importance of this oversight. While the move is laudable, what we propose goes further and we believe gets at the root of the problem—simply that the foundations are not part of the state government.

Hundreds of millions of dollars flow through the SUNY Research Foundation, SUNY campus foundations and their auxiliary corporations. There are at least 30 SUNY campus foundations, but when their auxiliary corporations are incorporated, there are at least 80 foundations. A significant portion of those millions come from student fees and alumni donations. Last year, the SUNY campus foundations had nearly a billion dollars in revenue and billions in assets. The SUNY Research Foundation alone had over a billion in revenue and hundreds of millions in assets last year.

By virtue of their nonprofit status, these foundations have free rein to create subsidiary corporations, undertake various investments and corporate partnerships, and ultimately grow into multimillion dollar entities. Most troubling is that these entities contribute very little to the university's academic mission.

UUP proposes that legislation be enacted to compel the foundations to submit annual budgets to SUNY for approval. These spending plans would be made public; any subsequent changes be approved by SUNY and subject to public scrutiny. Ultimate responsibility for the foundations' actions would end with the



SUNY chancellor. Finally, the State Comptroller's Office must again be allowed to audit the foundations, a responsibility it once held.

Our union also calls for an end to allowing the foundations to create private corporations and other similar entities. Only the Legislature should have the power to create such corporations, allowing for public scrutiny and limiting their number should be strictly controlled.

These foundations and their extensive network of affiliate and related organizations exist for the benefit of our public universities and teaching hospitals, and to support and further the missions of the state campuses. As state aid to our public colleges, universities, and hospitals has decreased, the revenue and assets of the foundations and their affiliates have increased.

Given that these entities exist for the wellbeing of the state campuses, we believe that the campus leadership, the SUNY system, and other state agencies should share in their oversight and accountability.

### **Protect Retirees**

A secure retirement plays a significant role in helping to recruit and retain a highly qualified work force in SUNY. The hard work and dedication of workers often result in efficiencies and innovations that impact their agencies long after they retire. They should not be overlooked.

We urge the Legislature to turn away Executive Budget proposals to tier state contributions to retiree health insurance premiums based on years of service; cap the state's reimbursement of Medicare Part B premiums; and eliminate state reimbursement of increased Medicare Part B costs for higher-income retirees under IRMAA. We ask you to raise the maximum earning allowance for state retirees from \$30,000 to \$35,000, which would allow them to live high-quality, productive lives in retirement.

In conclusion, on behalf of the entire UUP membership, I appreciate the opportunity to address you today. Hopefully, as the state continues to recover from the effects of the recession, together we can move public higher education and SUNY's public hospitals more to the forefront of New York's priorities for funding. I look forward to meeting with you in person to discuss these issues and proposals.





*Testimony*  
**OF THE PROFESSIONAL STAFF  
CONGRESS/CUNY**

**EXECUTIVE BUDGET:  
THE CITY UNIVERSITY OF NEW YORK, FY 2018**

**JOINT HEARING OF THE NY STATE SENATE FINANCE  
COMMITTEE AND THE ASSEMBLY WAYS AND MEANS  
COMMITTEE**

**January 24, 2017**

**Delivered by Dr. Barbara Bowen, President**



# TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY

## EXECUTIVE BUDGET: THE CITY UNIVERSITY OF NEW YORK, FY 2018

### JOINT HEARING OF THE NY STATE SENATE FINANCE COMMITTEE AND THE ASSEMBLY WAYS AND MEANS COMMITTEE

Delivered by Dr. Barbara Bowen, President

Good afternoon, Chairperson Young, Co-Chairperson Savino, Chairperson Farrell, Chairpersons LaValle and Glick, members of the Senate and Assembly. I am proud to be joined by my colleagues from NYSUT and UUP, and by the PSC First Vice President, Professor Mike Fabricant and PSC Secretary Professor Nivedita Majumdar.

Thank you for giving me the opportunity to speak on behalf of the 27,000 members of the PSC, the union that represents the faculty and professional staff at The City University of New York.

The Legislature did exceptional work last year to protect quality and access for CUNY students. Thank you.

You took a principled position in support of funding our collective bargaining agreement, which had been six years overdue; you stood firm against a proposal to reduce the State support to CUNY by nearly a half-billion dollars; you listened to the people of New York State and refused a tuition increase. Those were major victories, and we know that they required political courage. The students, faculty, staff and communities that rely on CUNY are grateful to you.

You also made other investments and restorations for FY2017 that have already improved the lives of thousands of CUNY students:

- \$100 more per full-time-equivalent student in State Base Aid to community colleges;
- \$4.9 million for SEEK and College Discovery, CUNY's opportunity programs;
- \$2.5 million for CUNY's celebrated Accelerated Study in Associate Programs initiative;
- \$1.5 million for the Joseph S. Murphy Institute for Worker Education and Labor Studies; and
- \$900,000 for campus childcare centers.

Unfortunately, the restorations to the opportunity programs, ASAP, the Murphy Institute and childcare have been undone in the Executive Budget for FY 2018. The PSC urges you to restore funding once again this year.

### **FULL FUNDING OF CUNY – THE OPPORTUNITY IS NOW**

Critical as it is to *restore* funding, and important as the major legislative victories are, they do not solve the root problem. The fundamental problem is that despite considerable effort by the Legislature, CUNY remains radically, disastrously underfunded. The University has endured a steady decline in State funding that threatens the quality of education. But solving that problem is within New York's reach. The PSC calls on you to build on the substantial work you did on higher education last year and



embark on a four-year plan to reach full funding of CUNY. Higher education has never been as prominent a national issue as it is this year; this is the year for New York to turn the pattern of underfunding around.

Governor Cuomo was right when he focused on the importance of a college education as a central issue of our times. The idea of free college caught fire during the presidential election as a way to address economic inequality. As the economy changes and relies more on jobs requiring higher degrees, a college education becomes increasingly essential for an opportunity to attain a financially secure life. College alone will not end income inequality—that requires larger structural change—but in a society defined by inequality and downward mobility, college education offers the surest hope of a good life.

Governor Cuomo’s Excelsior Scholarship proposal elevates the idea of free college tuition, reaffirms the value of CUNY and SUNY, and suggests that free public college is a realistic goal. That in itself is a breakthrough. The plan is presented as a promise to the people of New York that the state is committed to increasing economic mobility and sustaining the middle class. But the promise must be real. The Legislature can make it real by seizing the opportunity created by the proposal and making a commitment to restore full funding to CUNY and SUNY.

The PSC fully supports the goal of free tuition at public colleges, and has long argued that New York State can afford to make CUNY free, as it was for more than a century. The Excelsior Scholarship does not reach that goal—and it raises other concerns. Yet it has opened an urgent conversation in which the Legislature can now offer leadership. New York could indeed be the first in the nation to solve the problem of providing access to a great college education to all who seek it. But the way to make the promise of college real for New Yorkers is to move toward full funding of the state’s public universities, both through tuition support and through investment in academic quality. The Legislature can define New York’s role as the state that offers national leadership on higher education at the moment when higher education has ignited the popular imagination. We call on the Legislature to take that step this year.

## **FULL FUNDING IS ACHIEVABLE**

Full funding for CUNY, by our estimate, and as documented in the white paper issued by CUNY Rising, an alliance of student, community and labor groups, would require a \$2 billion increase in annual State investment. Obviously that is a large number, but it is achievable within a multi-year framework. And its impact would be extraordinary. We will outline for you today how New York can take the first steps toward that goal this year.

There is no doubt that full funding of CUNY would have a dramatic impact on student success. CUNY’s celebrated ASAP program (Accelerated Study in Associate Programs) has definitively shown that when more money is invested per student, students do better. In fact, they graduate at three times the rate of similar students not in the program. The secret of ASAP is that it provides *both* free tuition and substantially increased per-student investment. That investment goes to smaller classes, more access to full-time professors, and high-contact advising.





- ASAP's three-year graduation rate from CUNY community colleges is 53 percent, while the graduation rate for other full-time community college students at CUNY is 18 percent, and the rate at urban community colleges nationwide is only 16 percent.
- Although the per-student cost in ASAP is higher than in non-ASAP programs, the per-graduate cost is lower.

## CUNY STUDENTS AND ECONOMIC MOBILITY

New York State has the highest rate of income inequality in the nation (Fiscal Policy Institute, June 2016). Economic inequality in this state is also racialized and gendered. CUNY directly addresses racial and economic injustice. It provides path to a life with economic security and the intellectual benefits of a college education for a half-million New Yorkers per year, primarily poor and working-class students from communities of color. CUNY students are exactly the New Yorkers the State must invest in if we are serious about reducing inequality.

- 60 percent of New York City's college-bound students enroll at CUNY.
- 59 percent of CUNY undergraduates are from families with annual incomes less than \$30,000.
- 77 percent percent of CUNY undergraduates are people of color.
- 40 percent of CUNY undergraduates were born outside the U.S.

In a major report issued this month by the Equality of Opportunity Project, CUNY is one of two universities singled out nationally for its role in helping individuals to move out of poverty into economic security. The report, *Mobility Report Cards: The Role of Colleges in Intergenerational Mobility*, tracks every college student in the United States from 1999 to 2013. It compares students' earnings in their early thirties to the incomes of their parents. The report finds that:

- The City University of New York propelled almost six times as many low-income students into the middle class and beyond as all eight Ivy League campuses plus Duke, M.I.T., Stanford and Chicago, combined.
- CUNY colleges make up eight of the 20 institutions with the highest rates of economic mobility. Of the 20 colleges and universities with the highest percentages of students who came from families in the bottom fifth of the income distribution and are, by the end of the study, in the top fifth of the distribution, CUNY schools rank 2, 3, 4, 6, 10, 13, 16 and 20.
- At City College, one of CUNY's four-year schools, 76 percent of students who enrolled in the late 1990s and came from families in the bottom fifth of the income distribution ended the study in the top three-fifths of the distribution.



## DISINVESTMENT IN CUNY

Yet the slow drip, drip, drip of disinvestment has put CUNY's ability to continue this extraordinary work at risk. At this moment of acute income inequality and in the state with the highest rate of income inequality in the country, that work has never been more urgent. If New York aspires to be the progressive capital of the nation, or even to economic stability, it must reverse the disinvestment in CUNY before it is too late. Students at CUNY do as well as they do because of the intellectual desire and sheer grit—coupled with the remarkable generosity of the faculty and staff. State funding has failed to keep up with inflation and CUNY's enrollment growth.

- From 2008 to 2015, for example, full-time equivalent (FTE) enrollment increased 10 percent at CUNY senior colleges, but per-student funding from the State fell 17 percent, when adjusted for inflation.
- Over the same period, FTE enrollment increased 23 percent at CUNY community colleges, but per-student funding from the State declined five percent, when adjusted for inflation.

The disinvestment has led to a huge shortage of full-time faculty. CUNY is far short of its goal of 70 percent full-time faculty instruction.

- In 2005-2006, 50 percent of undergraduate instruction was provided by full-time faculty. By 2015-2016, only 48 percent of University-wide undergraduate instruction was provided by full-time faculty. That same year, at CUNY's College of Staten Island, only 35 percent of undergraduate instruction was provided by full-time faculty.
- The lack of full-time faculty is a major reason for the difficulty many students experience in being able to take the courses they need when they need them. In a recent survey, 22 percent of CUNY students reported not being able to register for a course needed to graduate; 47 percent of students said they could not register for a course required for their major.
- Full-time CUNY professors teach substantially more courses per term than their counterparts at other comparable colleges. The inordinate faculty teaching load robs students of the individual time they need with professors.

The disinvestment has led to over-reliance on part-time, adjunct faculty, who are paid at a fraction of the rate of full-time faculty and who do not have the working conditions to support their best teaching efforts.

- The number of adjunct faculty at CUNY increased 73 percent from 2000 to 2015.
- CUNY's adjunct faculty workforce numbers over 12,000.
- 53 percent of all undergraduate CUNY courses are taught by adjuncts.



The disinvestment has left CUNY students to learn in overcrowded and outdated facilities and many of CUNY's buildings literally crumbling.

- CUNY students struggle every day with inadequate classroom space, outdated equipment, crumbling ceilings, broken heating and cooling systems, and more. These conditions undermine education.

Finally, the disinvestment has caused tuition hikes that many CUNY students cannot afford. With inadequate funding from the State, CUNY has increased tuition at rates well in excess of the rise in incomes.

- From 2005 to 2015, for example, NYC's median household income increased 21 percent, when adjusted for inflation. CUNY tuition, when adjusted for inflation, increased by 30 percent and 41 percent at the senior and community colleges, respectively, over the same period.

## **THE NEED FOR INCREASED STATE REVENUE**

Full funding of CUNY, even an initial investment this year, will cost money. The experience of ASAP makes that clear, and makes it clear that the added investment pays off. Achieving the first year of a multi-year commitment to reach full funding is not unthinkable for FY2018—if the artificial 2-percent budget cap that has been required by the Executive Budget is removed. The PSC commends the Governor for his strong support of renewal of the “millionaires’ tax,” but we join progressive voices across the state in calling for an expansion of that revenue program and an end to the 2-percent spending cap. Progressive policy must include progressive *fiscal* policy. New York's personal income tax is highly regressive and in urgent need of reform. This year's budget should include a plan for tax fairness and increased State revenue.

## **RECOMMENDATIONS FOR THE FY 2018 BUDGET**

The Executive Budget shows a nominal increase of \$107 million in operating support over the last fiscal year. We appreciate the appropriation of \$36.2 million to cover increased fringe benefits costs in the University's operating budget and \$456.6 million in capital funding, including double the funds for critical maintenance approved last year.

Otherwise, however, the state's public investment in CUNY's *operating* budget remains essentially flat with no other increase to the senior colleges, graduate school and University programs except for added revenue from a proposed tuition increase. There is an addition of \$7.1 million due to higher enrollments at the community colleges, but there is no increase to Community College Base Aid. Base Aid remains at \$2,697 per FTE student.



All other new funding comes from raising tuition by \$250 per student by implementing a new SUNY 2020 legislation. The Executive Budget estimates this will provide an additional \$36.2 million after \$10.1 million in TAP credit waivers is subtracted. The PSC has long held that the cost of CUNY's operating budget should not be borne by student, especially in the absence of a commitment to making the University whole for mandatory costs. Increasing tuition and fees is neither effective nor sound as a way of financing the institution. State investment has consistently fallen when tuition has been increased. There is no substitute for the necessary State support. CUNY is a public good, as Governor Cuomo reminded New Yorkers. It should be funded by public support.

The budget also required \$35 million to be transferred from the CUNY college foundations to the University to be used for additional financial aid and scholarships. The budget legislation would make this a permanent feature by requiring the foundations to transfer 10percent annually for this purpose. These funds, like all financial aid scholarships including TAP and Pell, help students to pay for college by replacing tuition they must pay. But these funds *do not* increase the operating budget and will not make up for the continuing decline in State funding for instruction.

The PSC proposes a four-year plan of investment to restore resources lost to State disinvestment. We understand that the long-term loss of State and City funding cannot be made up in a single year. But rather than relying on raising tuition, we call on the Legislature to invest public resources to provide students with an enriched education—one that supports their path to graduation, that gets as close as possible to “free tuition,” and one that expands the colleges' capacity to accommodate enrollment growth.

In this first year, we request the Legislature make an additional investment toward full funding for CUNY of an additional **\$298 million**.

**1. Add \$81.1 million to cover mandatory cost increases and enact strong maintenance of effort legislation.**

As noted above, the Executive includes additional funds for fringe benefits increases. It does not, however, include funding to cover inflation or other mandatory costs including \$5.6 million needed for building rentals and \$76.2 million needed to cover contractual increases.<sup>1</sup>

CUNY and SUNY need a true maintenance-of-effort (MOE) law or budgetary structure that covers all predictable inflationary operating costs. The Legislature voted almost unanimously for the MOE bill, but the bill was then vetoed. When the Executive Budget does not fund annual basic cost increases for utilities, rent, supplies and equipment, collective bargaining, and other normal operating expenses, CUNY must forgo other needed investments in quality. Language in the budget limiting the use of new tuition revenue does not change this fact.

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<sup>1</sup> This is \$8.2 million for step increases and \$68 million for collective bargaining.





**2. Add \$80 million to hire an additional 1,000 full-time faculty.**

Students deserve an enriched education provided by full-time faculty with time to mentor, provide individual attention, opportunities for experiential learning, and other supports. Long-term disinvestment has undermined CUNY's operating budget, creating a system that relies on overworked full-time faculty and seriously underpaid part-time adjunct faculty hired to teach on a per-course basis.

Although the University has added full-time faculty over the last several years, numbers have not kept up with growing enrollments. Today 48 percent of courses are taught by full-time faculty and 52 percent are taught by adjuncts.

In its 2012 Master Plan, CUNY set a goal to improve the ratio to 70 percent of course offerings taught by full-time faculty and 30 percent taught by adjunct faculty. The PSC proposes that CUNY have resources to establish this 70:30 ratio. Doing so would require 4,000 new full-time faculty. We propose adding the first 1,000 new full-time faculty this year. The last time CUNY had student enrollment approaching its current level, the University employed 11,500 full-time faculty. Today, the number is closer to 7,700. We must begin to fill that gap.

Increasing the number of professors would also provide an opportunity to increase student advising, to move many current part-time faculty with advanced degrees to full-time positions, and to increase the racial, ethnic and gender diversity of the CUNY professoriate. All are critical goals, especially in the current moment.

**3. Add \$40 million to begin increase in adjunct wages to \$7,000 per course, in line with national standards.**

CUNY currently pays \$3,500 per course on average, an amount that means an annual income of less than \$30,000 for the thousands of adjunct faculty who earn their incomes through adjunct teaching. These faculty often teach the University's basic courses and its students most in need of support; they must be paid a living wage. New York sends the wrong message about its commitment to the middle class when it allows college instructors to be paid a poverty wage. While salaries are normally a collective bargaining issue, adjunct salaries are also a budget issue. It is the hollowing out of CUNY's budget that has created the need for this vastly underpaid workforce. The solution must be a budgetary solution.

**4. Raise Community College Base Aid by \$250 per FTE student, increasing CUNY's Base Aid allocation by \$10.4 million.**



CUNY's community colleges offer more than 250 associate degree programs for students seeking education and skills needed for specific jobs. They provide developmental and remedial courses to students with poor high school preparation, learning disabilities or English-language deficits; and they provide a low-cost entry to college for students who intend to transfer to a four-year school.

Community college funding was greatly reduced after the Great Recession. It took a concerted, multi-year effort by the Legislature—for which we are grateful—to finally return Base Aid for community colleges to its 2008-level. The \$100 per FTE increase in Base Aid enacted for this year finally did it. But costs have gone up and the effects of years of disinvestment have piled up. Base Aid is far lower than it should be after the last seven years of inflation.

CUNY's community colleges are worthy of the support the Legislature has shown them. But they are still underfunded.

**5. Add \$35 million to match the request of NYC for faculty initiative to improve student graduation rates and career preparation.**

CUNY's budget request includes a proposal for New York City to provide an additional \$35 million for CUNY senior colleges to “expand and develop initiatives for faculty to provide dedicated and intensive time with students in furtherance of increasing CUNY's persistence rates and moving students to degree completion and transition to careers more quickly.” The PSC supports this request of the City and urges the Legislature to match this investment in CUNY's Faculty Partnership for Student Success Initiative.

**6. Add \$41 million to cover the gap created by the TAP credit waiver.**

Even before raising tuition as the Executive budget proposes, CUNY senior colleges must absorb \$51 million in cuts to their operating budgets through the TAP credit waive. The TAP credit waiver was an effort in the original 2011 SUNY 2020 law raising tuition, so that the poorest students who received the maximum TAP award would not pay more. The credit waiver was made permanent in last year's budget at \$5,000, which is actually \$165 less than the maximum TAP award. If the Executive Budget proposal to raise tuition again by implementing another five years of annual tuition increases goes through, the TAP credit waiver will increasingly cut into the new tuition revenues collected.

The University's budget request includes a proposal for New York City to provide \$10 million to offset the cost of the TAP tuition waiver credits and close the TAP GAP. The PSC supports this call for more support from the City and urges the State Legislature to provide \$41 million in funding to close the remainder of the gap.

**7. Add \$10.5 million to restore SEEK, College Discovery, childcare services, the Murphy Institute and other legislative investments to last year's levels.**



## **8. Pass the NYS DREAM Act**

PSC is a strong supporter of the NYS DREAM Act and we applaud the Governor for including it in his Executive Budget. The dreamers are our students. As college faculty and staff, we see daily their courage, their passion for education, their determination to open doors for the next generation that were closed to them. At a time when the President has promised to implement policies that directly threaten immigrants, New York can take a bold stand.

For a modest investment, New York State could enable thousands of courageous students, brought to the United States as infants or children, to have a real shot at a college education.

### **EXCELSIOR SCHOLARSHIPS—PROMISE NEEDS TO BE REAL**

Governor Cuomo was right that the promise of access to a college education is the promise middle-class, working-class and poor New Yorkers need. But the PSC has several concerns about the proposal in its current form.

- The Executive Budget provides only \$51 million in FY2018 in new funding to provide the scholarships. The Executive has cited \$163 million as the cost of the program after it is phased in over three years. But even \$163 million falls far short of the true cost. The funding provided for the scholarship program in the budget is not adequate to support quality at CUNY.
- Already strained by decades of underfunding, CUNY must not be expected to bear the cost of the Excelsior Scholarships, even if it is truly \$163 million. CUNY already bears the cost of the gap between the maximum TAP (Tuition Assistance Program) award and the full cost of tuition at four-year colleges. By law, the University must provide a tuition waiver equal to that amount. At CUNY, the “TAP gap” was \$51 million last year. The proposed tuition hikes would dramatically increase the TAP gap. And the Excelsior Scholarships would be applied after the TAP tuition waiver.
- The program excludes CUNY’s 84,000 part-time students, who are often the students most in need of free tuition. Some are low-income students who do not qualify for state financial aid. Many others are working adults who are looking for a new place in a changing economy. These students need relief too, through the Excelsior Scholarship or other means.
- The program appears not to cover undocumented students, of whom there are about 5,000 at CUNY. With undocumented students under intense threat in a Trump presidency, it is essential that any tuition relief program include them, as they are currently ineligible for both federal and state financial aid. Excluding them from the Excelsior Scholarships would be a missed opportunity to right a wrong and support these brave young people who have no path to citizenship.



- The Excelsior Scholarship program also places severe restrictions on eligibility, restrictions that would eliminate thousands of students. To be eligible, students must maintain 15 credits, a heavy credit load that is impossible for many working students.
- Because the Excelsior Scholarship is a deferred support plan, if students do not meet the required credit load and academic average, CUNY will not receive reimbursement for their costs, and will be forced to bill students—including some who may have dropped out—for the balance.
- The increased attractiveness of CUNY and SUNY to families with incomes in the \$100,000 to \$125,000 range could create a shortage of places at CUNY for students from low-income families. The design of the program must include preserving access to CUNY and SUNY for low-income students and students from communities of color.

We thank the Legislature for your exceptional work in support of New York's students and communities last year, and we call on you to make the FY2018 budget the year in which you claim the national stage as leaders on higher education by taking the first steps toward full funding of CUNY.

