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**TESTIMONY
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP
BEFORE THE
JOINT LEGISLATIVE BUDGET HEARING ON HIGHER EDUCATION
FOR THE 2016-2017 BUDGET
FEBRUARY 8, 2016
Albany, New York**

Good afternoon. My name is Alex Bornemisza and I am the Chairperson of the New York Public Interest Research Group's (NYPIRG's) student Board of Directors and a SUNY Buffalo State College student. NYPIRG is the state's largest non-partisan student advocacy organization. Our Board of Directors consists of college and university students elected from campuses with NYPIRG chapters across the state. We appreciate this opportunity to share our perspectives on the 2016-2017 Budget for Higher Education in New York State.

The skyrocketing cost of higher education for public college students has not been matched by increased State aid. Eroding financial aid dollars, increased tuition, and essentially flat State support undermine college access.

The so-called "rational tuition" policy included in the SUNY 2020 law passed in 2011 has jacked-up the cost of tuition at public colleges by over 30%.¹ As seen below,² at the same time, State funding has remained largely flat, even as the costs to maintain SUNY and CUNY have increased.³ The State has essentially made up the difference using tuition dollars.

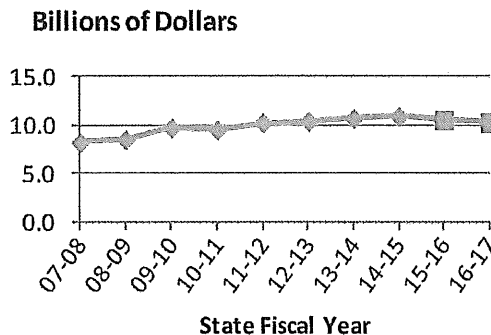
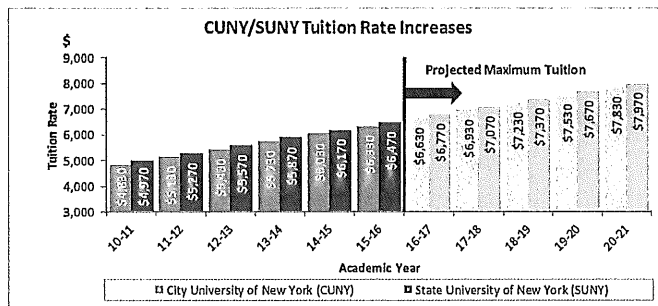


Figure 3

¹ SUNY tuition and fees for 2015-2016 are \$6,470 tuition. The so-called "rational tuition" policy allowed for \$300 annual increases for 5 years, or a total of \$1,500 by the time the law expires in July, 2016. Thus, SUNY tuition has increased 30% since the plan went into place. See: <http://www.suny.edu/smarttrack/tuition-and-fees/>. Calculations performed by NYPIRG.

² Tuition increase chart is from the Assembly "Yellow Book." While the chart showing state support over time is from the Senate's "White Book."

³ Inflation over the last five years total 5.4%. No increases in support are essentially reductions in inflation-adjusted dollars (see: <http://www.usinflationcalculator.com/>.)

But as tuition has skyrocketed, the ability of typical New York families to absorb these costs has been limited. A recent survey found that from 1979 through 2011 the wealthiest 1% of New Yorkers saw an income growth of 241.0%, while the bottom 99% saw an income growth of only 8.5%.⁴

This combination has eroded college affordability: Stagnating State support plus rising tuition that outpaces family income growth has resulted in rising *debt* for too many college students. In New York, 60% of college graduates now carry debt loads that exceed \$25,000.⁵ Studies show that students burdened with student loan debt are less likely to start a business or own a home.⁶ The effect is even greater for low-income students and students of color.⁷

Governor Cuomo's Executive Budget calls for a renewal of SUNY 2020. A renewal means another five consecutive years of tuition hikes. The annual \$300 tuition hikes endured by students for the past five years have already earned New York the dubious distinction of top ten biggest tuition increases in the nation.⁸ New York State has effectively frozen funding to SUNY and CUNY for the past five years, and students have filled the budget gaps with tuition hikes. Now it's time for the State to do its part to fully fund SUNY and CUNY and for students to get a break.

On December 22nd, 2015, student leaders from NYPIRG, New York Students Rising, the SUNY Purchase Student Government Association, and CUNY University Student Senate delivered over 28,000 petition signatures from students across the state to Governor Cuomo, Assembly Speaker Heastie and Senate Majority Leader Flanagan with a clear demand; you must freeze tuition now.

Help offset students' college costs by enhancing state support for SUNY and CUNY.

Over the past five years, largely flat funding has left CUNY and SUNY on the hook for mandatory cost increases like inflation, electricity needs, and staff contracts. What's more, the Executive Budget seems to cut State funding to CUNY, with the expectation that the City would fill the gap. The State already misses their obligation to fund higher education included in the SUNY 2020 law – the Maintenance of Effort provision has routinely excluded mandatory and predictable cost increases such as inflation. The State is headed in the wrong direction. Increasing funding for CUNY and SUNY senior and community colleges would help students get the classes they need to graduate, reduce class sizes, and bolster student advisement.

What's more, the demographics of college students are continually changing and college affordability must respond to those changes. There are more women and students of color attending college now and there are more students in general, both full-time and part-time. Over 73% of students attending CUNY

⁴ Sommeiller, E., and Price, M., "The Increasingly Unequal States of America, Income Inequality by State, 1917 to 2011," Economic Policy Institute, February 19, 2014, see: http://www.epi.org/multimedia/unequal-states-interactive/#/New_York.

⁵ The Institute of College Access & Success, "College In Sight," see: http://projectonstudentdebt.org/state_by_state-view2014.php?area=NY.

⁶ Ambrose, Brent W. and Cordell, Larry and Ma, Shuwei, The Impact of Student Loan Debt on Small Business Formation (March 29, 2014), <http://ssrn.com/abstract=2417676> or <http://dx.doi.org/10.2139/ssrn.2417676>, April 17, 2015.

⁷ Robert Hiltonsmith, "At What Cost? How Student Debt Reduces Lifetime Wealth," Demos (2013), <http://www.demos.org/what-cost-how-student-debt-reduces-lifetime-wealth>, accessed April 17, 2015.

⁸ College Board, Annual Survey of Colleges, "2015-16 In-State Tuition and Fees at Public Four-Year Institutions by State and Five-Year Percentage Change", <http://trends.collegeboard.org/college-pricing/figures-tables/2015-16-state-tuition-and-fees-public-four-year-institutions-state-and-five-year-percentage>, accessed February 2, 2016.

institutions are students of color.⁹ Roughly 27.5% of students attending SUNY institutions are students of color.¹⁰ But, while enrollment of students of color has gone up, a recent report found that African Americans and Hispanics are more heavily enrolled in public institutions, which are often underfunded and crowded.¹¹

Recognizing the strength of that argument, last year the Legislature with overwhelming bipartisan support approved a bill making the state increase its support for higher education. Not only was there near-unanimous support in the Legislature, but there was support from the public universities, the faculty, and the students in support of the plan.

Unfortunately, the Governor vetoed that legislation. We urge you to replace the Governor's proposed tuition hikes with an enhanced Maintenance of Effort plan.

Lastly, community colleges are a local and potentially affordable path to a higher degree or a better job for many New Yorkers, including those who need to be close to their homes, families, and jobs. Moreover, community colleges provide crucial job training and re-training for under-employed and unemployed workers in a rapidly shifting economic environment. We strongly urge the Legislature to support the request from CUNY and SUNY to increase State Base Aid by \$250 per FTE. This would restore funding that has been lost since 2008 and bring the State closer to fully funding community colleges at 40% of their costs as required by law.

Help reduce college costs by bolstering the Tuition Assistance Program (TAP).

The Legislature's support of New York's Tuition Assistance Program in this year's budget can have a very meaningful impact on students across the state seeking a quality, affordable education. New York has long recognized the importance of supporting immigrant students, including funding programs to support English Language Learners and college readiness programs. Currently, only 5-10% of undocumented high school graduates pursue a college degree. The Office of the State Comptroller estimates that 8,300 undocumented students attended public higher educational institutions in 2012. In 2002, then-Governor Pataki and the Legislature agreed to grant undocumented students access to in-state tuition rates.¹² Moreover, in most instances these college-ready students have gone through the state's K-12 educational system—representing a significant investment in their education.

The Governor took a positive step toward fixing an outdated financial aid program by including \$27 million for the New York Development, Relief and Education for Alien Minors (DREAM) Act in his Executive Budget. The DREAM Act would enable undocumented students who have graduated from New York public high schools to be eligible for state financial aid, essentially an expansion of the TAP program to otherwise eligible college students so that they are able to get needed aid. We urge support.

Furthermore, TAP should cover more of the cost of tuition for those who qualify, and be flexible enough to meet the needs of all types of New Yorkers, not just the "traditional" straight-from-high-school-to-college full-time student that it was initially designed to serve. Unfortunately, the executive budget does not propose these changes to TAP.

⁹ Professional Staff Congress/CUNY, "Keep the Promise to CUNY", Spring 2015, http://psc-cuny.org/sites/default/files/Lobbybook2015_FP.pdf.

¹⁰ SUNY Fast Facts, <https://www.suny.edu/about/fast-facts/>.

¹¹ Carneval, Anthony and Strohl, Jeff. "Separate and Unequal How Higher Education Reinforces the Intergenerational Reproduction of White Racial Privilege." Georgetown Public Policy Institute. 2013 Accessed February 4, 2016.

¹² See New York State S.7784/A.9612, see: <http://assembly.ny.gov/leg/?sh=printbill&bn=A09612&term=2001>.

NYPIRG is member of the *Reform TAP* coalition. We've attached the platform which outlines our recommendations for TAP.

Lastly, we urge that you expand TAP to ensure that eligible students' financial aid is covered by the state, not the public university systems.

Strengthen support and reinvestment for opportunity programs that work.

Opportunity programs, which are designed for the “educationally and economically disadvantaged,” have a steady track record of success in increasing graduation rates among the most at-risk students. In general, students in opportunity programs are individuals who have come from low-income communities and often times rank low on traditional measures of collegiate admissions standards, such as SAT scores, high school GPA, and class standing. Increasing funding to proven opportunity programs like the Educational Opportunity Program (EOP), Higher Education Opportunity Program (HEOP), and the Search for Education, Elevation and Knowledge (SEEK) program will make college more accessible. The SEEK program celebrates its 50th anniversary this year. The successes of opportunity programs like SEEK should not only be celebrated, but protected with adequate and continuous funding. It should also be noted that students involved in the nationally-recognized Accelerated Studies in Associate Programs (ASAP) graduate at more than double the rate of non-ASAP students, with increases in graduation rates after three years of at least 30%. NYPIRG strongly urges the Legislature to and take steps to increase funding to these and other opportunity programs.

In conclusion, rapidly rising tuition, state disinvestment, outdated and inadequate financial aid, and growing student loan debt all conspire to put college out of reach for too many New Yorkers. The demand to graduate more students from college with less student loan debt should result in policies that freeze tuition and increase state support to institutions of higher education as well as funding to financial aid programs such as TAP.

We urge the Legislature to freeze tuition, increase funding to CUNY and SUNY by adding last year's Maintenance of Effort legislation, support the CUNY and SUNY budget request to increase State Base Aid to community colleges by \$250 per FTE, reform the Tuition Assistance Program (TAP), include the New York State DREAM Act in this year's budget, and strengthen support to opportunity programs that work.

Thank you.