



# UNITED UNIVERSITY PROFESSIONS

## *Testimony on the 2018-19 Executive Budget*

*Presented To:*

Senator Catharine Young, Chair  
Senate Finance Committee

and

Assemblymember Helene Weinstein, Chair  
Assembly Ways and Means Committee

January 23, 2018

*Prepared by:*

United University Professions  
PO Box 15143  
Albany, NY 12212-5143  
800-342-4206  
[www.uupinfo.org](http://www.uupinfo.org)

Chairperson Young, Chairperson Weinstein, distinguished members of the Senate Finance Committee and Assembly Ways and Means Committees, thank you for allowing United University Professions (UUP) the opportunity to testify on the 2018-19 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).

Thank you again for your leadership and strong public support of initiatives that are important to our union, and the decision you made in the 2017-18 that aided SUNY and public higher education in New York.

I'd like to thank the Senate and Assembly for once again passing a full Maintenance of Effort bill. Special thanks to Sen. Ken LaValle and Assemblymember Deborah Glick for their public support of this crucial measure, which, unfortunately, did not sway the governor.

You deserve our gratitude for restoring \$9.3 million to the state's subsidy for SUNY's three teaching hospitals. We also appreciate your unwavering support for SUNY's opportunity programs, shown by your actions to restore Executive Budget cuts to those proven avenues of achievement.

Finally, we appreciate your decision to back and enact the governor's Excelsior Scholarship program. The program makes our colleges and universities accessible to many more qualified students who seek a college degree but lack the financial means to pursue one.

We recognize that this is a financially challenging year for the state, but we're hopeful that you will continue to view public higher education as the priority it is and should be.

### **Funding for Faculty and Professional Staff**

*To ensure that the education SUNY students receive is of the highest quality, State funding is needed to attract and retain full-time, tenure track faculty and professional staff.*

Today, a college degree—much like a high school degree was in the 1950s and 1960s—is necessary to compete and excel in an ever-changing global economy. A strong investment in higher ed by the state is needed for CUNY and SUNY to continue to provide the quality education our public higher education systems are known for.

SUNY state-operated campuses are still feeling the effects of a series of scathing state funding cuts that took place during the Great Recession; aid dropped from \$1.36 billion in 2007-08 to \$694 million this year—that's a decrease of more than 50 percent, or a third of its core operating budget.

Enrollment continued to grow as state support for the University decreased, leaving SUNY with drastically decreased numbers of full-time faculty, larger class sizes, and limited courses—cut due to budget deficits at the campuses. Students began finding it difficult to graduate on time, and graduate at all.

Full-time faculty was hit hard by the budget cuts. The University employed more than 10,000 full-time faculty to instruct 185,000 students at the turn of the century. Today, there are just over 8,000 full-time, tenure-track faculty to teach over 222,000 students. Because of inadequate resources, campuses were

forced to rely on hard-working part-time academic faculty for instruction to fill the gaps.

With increasing enrollments at SUNY's four-year colleges, campuses are in need of increased aid to hire more full-time faculty and maintain and provide necessary services for these students. It will be a strain for SUNY to meet this commitment under the proposed Executive Budget.

These problems will only become more evident and more pressing with more students coming to SUNY through the Excelsior Scholarship program.

It is time for SUNY and the state to commit to an increase in the percentage of full-time faculty, who have 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.

As “the union that makes SUNY work,” UUP’s mission is to provide a quality education that every SUNY student deserves. UUP firmly believes that a significant investment in SUNY is crucial to the survival of many of our campuses and to the viability of the entire system, now and in the future.

We welcome the Executive Budget’s inclusion of added flexibility regarding the Performance Improvement Fund, allowing those dollars to be used for the purpose of hiring “new classroom faculty,” but we need more.

We urge the Legislature to support this proposal and provide additional support for full-time, tenure-track faculty, which are crucial to the SUNY system’s success.

## **Close the “TAP gap”**

*Add \$65 million to the budget to cover the full cost of the Tuition Assistance Program (TAP) for state-operated campuses.*

We look forward to working together with you to find a way to reduce the financial pressures being felt by our campuses, which are forced to deal with expensive proposition of providing the highest quality education to its students while keeping the lights and heat on, making emergency repairs and dealing with other day-to-day issues.

Closing the so-called Tuition Assistance Program gap, or “TAP gap,” would go a long way in relieving some of the financial stress on SUNY campuses statewide.

More than 40 percent of TAP students are enrolled at SUNY and the University is required to waive tuition above levels funded by the state through TAP, creating the “TAP gap”—the difference between SUNY tuition and the maximum TAP award. The maximum award is fixed at \$5,165 per student while tuition continues to increase. The TAP gap continues to widen as tuition increases. Currently, SUNY waives \$65 million in tuition to bridge the gap thus losing support critical to providing high quality education.

If the state assumed the full TAP cost, SUNY institutions would be able to use those crucial dollars to sustain educational quality and provide services that TAP students, indeed, all students, are entitled to.

## **Excelsior Scholarship**

*Provide additional state funding to reimburse SUNY’s state-operated campuses for additional costs or revenue losses associated with the Excelsior Scholarship program.*

UUP has publicly expressed its support for the governor's Excelsior Scholarship. As I said previously, the program provides an avenue to higher education for thousands of students who lack the financial means or family income to attend public and private institutions of higher learning. SUNY now serves over 12,000 Excelsior Scholarship recipients.

UUP believes in the Excelsior Scholarship. But it is a plan that can only work if properly funded by the state. Put plainly, the scholarship program is unsustainable without a true financial commitment from SUNY.

With insufficient numbers of full-time, tenure-track faculty, increased class sizes, reduced courses and the potential for additional delays in on-time graduation—one of the factors that determines Excelsior student eligibility—SUNY needs a long-term financial commitment by the state for the Excelsior Scholarship program to survive and thrive.

Therefore, we ask that you provide additional state funding to reimburse SUNY's state-operated campuses for additional costs or revenue losses associated with the Excelsior Scholarship program.

### **Academic Medical Centers**

*Restore the \$78.6 million hospital subsidy cut from the proposed 2018-19 Executive Budget. Allocate an additional \$74.4 million to return the hospital subsidy to its original level of \$153 million.*

*Support a SUNY proposal requesting the state pay \$36.1 million to cover the hospitals' debt service.*

I cannot overstate the importance of SUNY's state-operated public hospitals. Without them, hundreds of thousands of New

Yorkers across the state would not have access to the high-quality health care they deserve.

These teaching hospitals, located in Brooklyn, Syracuse and Stony Brook, are known as hospitals of last resort. The facilities turn no one away, regardless of whether or not they can pay for care. Many patients with especially difficult, rare or hard-to-treat medical conditions are sent to SUNY's public hospitals, oftentimes referred by other hospitals and health care providers.

These are public, nonprofit hospitals with a simple but oh-so-important goal: to heal the sick. These facilities do not turn a profit and shouldn't be expected to do so. That is not their purpose.

SUNY's state-operated hospitals are also teaching hospitals. The hospitals provide an invaluable pipeline of doctors and medical professionals to New York City and the state. New York students account for 85 percent of first-year medical students at SUNY medical schools, and many graduates stay and practice in New York.

It bears repeating that our public hospitals are not operated by the City of New York, nor the counties or private health care conglomerates. These are state hospitals in SUNY; they are governed by state rules and staffed by state employees for the benefit of the citizens of New York.

The care, treatment and safety of the hundreds of thousands of patients served by these facilities is a direct state responsibility. It is an indisputable fact.

So we were more than surprised to see that the entire state hospital subsidy—\$78.6 million—was cut from the proposed Executive Budget. The subsidy provides the hospitals with crucial operating support.

The hospitals will surely face a stiff challenge to maintain high-quality health care without these state dollars, which represent the last true financial recognition that these facilities are dependent on state resources. Who will help them if the state abandons them?

The hospitals rely on the subsidy—which was at \$153 million before the Great Recession—to help offset the costs associated with caring for a large number of underinsured and uninsured patients, and funding the medical schools by more than \$200 million annually.

SUNY’s academic medical centers are the only state entities that must cover employee fringe benefits and debt service costs, a total annual expense nearing \$500 million.

Cutting the hospitals’ subsidy will weaken their ability to carry out SUNY’s mission—codified in state Education Law—to strengthen “its educational and research programs in the health sciences through the provision of high quality general comprehensive and specialty health care, broadly accessible at reasonable cost.”

The hospital subsidy must be restored in the 2018-19 state budget. Further, the union requests an additional \$75 million to bring the state subsidy back to its original level of \$153 million.

Finally, the union also supports a SUNY proposal that asks the state to pay \$36.1 million to cover the hospitals’ debt service. Direct responsibility for debt service is an additional burden on the hospitals. A burden that other state-operated entities are not required to bear.



## **DSH payments to SUNY's hospitals**

*Approve legislation to compel the state Department of Health to release past and present DSH funds to the hospitals.*

*Approve legislation to force the state to meet mandates to match federal DSH payments with Medicaid dollars, and require it to pay all future DSH payments owed to the hospitals.*

Compounding the subsidy cut and debt service payments is the state's refusal to release federally mandated matching Disproportionate Share Program (DSH) entitlements to SUNY's three state-run hospitals. The state has also withheld matching Medicaid payments, which are required by law. UUP estimates that the hospitals are owed more than \$120 million, reaching back to 2016.

All other private, nonprofit and public hospitals in the state have received their full, up-to-date DSH allocations. SUNY's hospitals have not. This is unacceptable. Without these funds, the ability of SUNY's hospitals to care for the patients they serve will severely jeopardized.

In addition, the hospitals are also facing the prospective loss of hundreds of millions in federal DSH reductions. Those reductions will cause New York to lose \$339 million in federal funding if Congress fails to delay the cuts. The cuts will widen to a \$2.6 billion loss by 2025.

UUP believes legislation is necessary to compel the state Department of Health to release past and present DSH funds to the hospitals, and we respectfully request this. We also request that the legislature pass bills introduced by Senator Hannon and Assemblyman Gottfried (S2546 and A3126) which would force the state to meet mandates to match federal DSH payments with Medicaid dollars, and require it to pay all future DSH payments

owed to the hospitals. We thank Senator Hannon and Assemblyman Gottfried for their support on this important issue.

### **Educational Opportunity Programs and Centers**

*Restore \$5.3 million removed from the governor's Executive Budget proposal for the EOP, and add \$5.2 million in additional funding.*

*Restore a \$5 million cut to the EOCs in the Executive Budget, and add \$1.6 million in additional funding.*

Thank you for your continued commitment to and support of SUNY's highly successful opportunity programs, the Educational Opportunity Program (EOP), and the Educational Opportunity Centers (EOC). These are proven programs that clearly illustrate how funding for SUNY provide gateways to a college education—and often, good-paying jobs—for those who might otherwise be denied access. These programs change lives.

The EOP is a shining example of how state funding can and should be used for SUNY. The program's specialized advisement, counseling, tutorial services, and summer programs help students thrive.

EOP students often come from the state's most economically disadvantaged areas, and are mostly underprepared for college work when they enter the program. Yet, the EOP graduation rate exceeds 65 percent, which tops the national average for public higher ed colleges and universities. A full third of our state-operated campuses have EOP graduation rates ranging from 70 to 88 percent.

This is a highly sought-after program; SUNY annually receives more than 30,000 applications for just 2,500 available EOP seats.

The EOCs are equally as important, providing invaluable college preparatory education and vocational training to economically disadvantaged New York students. They want to go to college and get a good job, but they aren't prepared for either. For them, the EOCs are an avenue to success.

Therefore, we urge you to fully restore the \$5.3 million added to the EOP 2017 allocation but removed from the governor's Executive Budget proposal, and to increase EOP funding to support more students in need. We also urge you to fully restore a \$5 million cut to the EOCs in the Executive Budget.

UUP believes it would wise to fund the EOP and EOCs by an additional \$5.2 million and \$1.6 million, respectively, to fund SUNY's planned expansion of the programs to two-year colleges. The added funds would allow that expansion without undermining existing programs at four-year schools.

**Addressing the need for more diversity in faculty at SUNY**

*Allot \$5 million to establish an EOP-linked pipeline program to recruit and educate future teachers from underrepresented, economically disadvantaged communities and encourage these students to pursue teaching careers in New York state.*

*Increase funding to \$5 million for the Faculty Diversity Program; allot an additional \$2.5 million to create a mentoring and cultural awareness program on campuses with Faculty Diversity Program faculty.*

The growing teacher shortage has exacerbated a long-standing lack of diversity in pre K-12 teaching. This program will encourage greater diversity in teaching, providing crucial role models to all students while improving student success.

SUNY has long wrestled with the lack of diversity in its faculty and professional staff at campuses across the University. We propose two programs that encourage greater diversity in pre-K-12 in teaching and at SUNY.

The first proposal would provide resources to help the EOP work with teacher education programs to do targeted recruitment of high school students for careers in elementary and secondary teaching. Focused support services would be provided for EOP students to ensure student retention and success in teacher education programs.

There is a need to increase diversity in SUNY faculty. Just over 79 percent of academics and professionals with known race/ethnicity at SUNY are white, while nearly 21 percent were identified as non-white.

The state's 2018-19 Executive Budget includes \$422,000 for the Faculty Diversity Program, which provides partial salary support to SUNY state-operated campuses for a limited number of new assistant professor level appointments. Faculty appointed under this grant must submit a three-year spending plan and itemized budget for an active research program.

UUP requests an increase in funding to \$5 million for the Faculty Diversity Program. Further, we request an additional \$2.5 million to create a mentoring and cultural awareness program on campuses with academics hired through the Faculty Diversity Program.

Funding provided through these appropriations would be allocated to each campus to further develop programs that will increase cultural awareness and acceptance. These programs will help foster more welcoming environments where grantees will

want to stay after the conclusion of their three-year research program.

### **Clean Energy**

*\$10 million to further develop clean energy technology programs at SUNY's tech sector colleges*

The governor saw the potential for New York to become a renewable energy leader in 2016 when he created the Clean Energy Opportunity Program for SUNY. The \$15 million program was designed to help SUNY meet the growing green economy demand for sustainability education, job training and certification programs.

State dollars would be used to hire new faculty, develop new academic programs, and purchase new equipment at our tech sector colleges. The programs would give students the training and skills necessary to work and succeed in green energy technology fields.

The governor was right in positioning New York to be a green-tech leader, and we believe this program will produce job-ready graduates set to enter the clean energy field.

Therefore, we request \$10 million to further develop clean energy technology programs at SUNY's tech sector colleges.

### **Buffalo Teaching Health Care Fellows**

*Budget \$15 million to create the Buffalo Teaching Health Care Fellows program.*

SUNY Buffalo's Health Science Center faces the difficult challenge of providing high-quality medical training for its residents without its own clinical hospital.

The proposed Buffalo Health Care Teaching Fellows program would provide the intensive teaching and guidance that residents should experience during their residencies. The program would also provide necessary accountability and continuity to ensure high-quality medical education.

This program would convert Academic Scholars to Teaching Health Care Fellows. Under the plan, these fellows, who would be permanent SUNY employees, would focus on training residents and would have a 20 percent cap on clinical work. This would free up the Teaching Fellows to focus on training residents in the skills they will need to provide high quality care, primarily in outpatient settings.

### **Protect Retirees**

*Reject Executive Budget proposals to 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.*

The promise of a secure retirement is a strong tool in recruiting and retaining and highly qualified SUNY workforce. Often, SUNY's hard-working employees develop innovations and efficiencies that can positively impact their agencies years after they retire.

This is why we urge the Legislature to reject Executive Budget proposals to 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.

### **Conclusion**

In conclusion, on behalf of the entire UUP membership, I'd like to thank you for the opportunity to address you today.

UUP recognizes that this is a financially challenging year for the state, and many difficult decisions have been and will have to be made.

However, over the years, you have been the strongest advocates we have for the University and for its students. As always, we will greatly appreciate any help that you can provide to our hospitals and academic institutions.

Thank you.