

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

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the  
2019-2020 EXECUTIVE BUDGET ON  
5 HIGHER EDUCATION

6 -----

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

9 January 28, 2019  
11:03 a.m.

10

11 PRESIDING:

12 Senator Liz Krueger  
Chair, Senate Finance Committee

13 Assemblywoman Helene Weinstein  
14 Chair, Assembly Ways & Means Committee

15 PRESENT:

16 Senator James L. Seward  
Senate Finance Committee (RM)

17 Assemblyman William Barclay  
18 Assembly Ways & Means Committee (RM)

19 Assemblywoman Deborah J. Glick  
Chair, Assembly Higher Education Committee

20 Senator Toby Stavisky  
21 Chair, Senate Higher Education Committee

22 Senator John C. Liu

23 Assemblywoman Barbara S. Lifton

24 Assemblywoman Karen McMahon

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3 PRESENT: (Continued)

4 Assemblywoman Jo Anne Simon

5 Senator Kenneth P. LaValle

6 Assemblywoman Patricia Fahy

7 Assemblywoman Rebecca A. Seawright

8 Senator Robert E. Antonacci

9 Assemblyman Al Stirpe

10 Assemblywoman Alicia Hyndman

11 Senator Rachel May

12 Assemblyman Harvey Epstein

13 Assemblyman Doug Smith

14 Senator Andrew Gounardes

15 Assemblyman John Salka

16 Assemblyman David I. Weprin

17 Senator James Gaughran

18 Assemblywoman Rodneyse Bichotte

19 Assemblywoman Marianne Buttenschon

20 Senator Gustavo Rivera

21 Assemblyman Jake Ashby

22 Assemblywoman Monica P. Wallace

23 Senator Julia Salazar

24 Assemblywoman Judy Griffin

1 PRESENT: (Continued)

2 Assemblyman Victor M. Pichardo

3 Senator Robert Jackson

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1                   CHAIRWOMAN WEINSTEIN: Good morning.  
2                   I'm Helene Weinstein, chair of the Assembly  
3                   Ways and Means Committee and cochair of  
4                   today's hearing.

5                   Today we begin the third in a series  
6                   of hearings conducted by the joint fiscal  
7                   committees of the Legislature regarding the  
8                   Governor's proposed budget for fiscal year  
9                   2019-2020. The hearings are conducted  
10                  pursuant to the New York State Constitution  
11                  and the Legislative Law, and today we will be  
12                  hearing testimony concerning the Governor's  
13                  proposal for higher education.

14                  I'll introduce members of the  
15                  Assembly, and Senator Krueger, chair of  
16                  Senate Finance, will introduce members from  
17                  the Senate. In addition, our ranking Ways  
18                  and Means member, Will Barclay, will  
19                  introduce members from his conference.

20                  So I want to acknowledge our chair of  
21                  Higher Ed, Deborah Glick; Assemblywoman  
22                  Barbara Lifton; Assemblywoman Rebecca  
23                  Seawright; and Assemblyman Harvey Epstein.  
24                  And Karen McMahon, also a new member of the

1 Higher Ed Committee.

2 Assemblyman Barclay.

3 ASSEMBLYMAN BARCLAY: Thank you,  
4 Chairwoman. We're happy to have our ranker  
5 on the Higher Ed Committee, Doug Smith. And  
6 we also have John Salka down at that end.  
7 Thank you.

8 CHAIRWOMAN WEINSTEIN: Senator  
9 Krueger.

10 CHAIRWOMAN KRUEGER: Thank you.

11 Good morning, everyone. I am happily  
12 joined by the chair of the Higher Ed  
13 Committee, Senator Toby Stavisky; a new  
14 colleague here in the Senate, Senator John  
15 Liu; and Senator Seward, the ranker on  
16 Finance.

17 CHAIRWOMAN WEINSTEIN: So before  
18 introducing our first witness, I'd like to  
19 remind all of the witnesses testifying today  
20 to keep your statements within your allotted  
21 time limit so that everyone can be afforded  
22 the opportunity to speak.

23 And the testimony, which has been  
24 electronically submitted, will be made a part

1 of the record of this hearing, so therefore  
2 there's not a need to read verbatim your  
3 testimony. A concise summary would help us  
4 have a more focused and productive session,  
5 with members questioning if need be.

6 And the witnesses are reminded -- and  
7 members also -- the witnesses are reminded to  
8 keep their testimony within the countdown  
9 time clocks. We have nice -- for people who  
10 have been here before, we have a new system  
11 with a green light, a yellow light that goes  
12 on when you have one minute, and we all know  
13 what the red light means: Time to stop. And  
14 members likewise will have a countdown clock.

15 So with that being said, our first  
16 witness, Chancellor Kristina Johnson, of the  
17 State University of New York. Chancellor.

18 SUNY CHANCELLOR JOHNSON: Good  
19 morning. My name is Kristina Johnson, and I  
20 am the 13th chancellor of the State  
21 University of New York. I'd like to thank  
22 Chairpersons Krueger, Weinstein, Stavisky and  
23 Glick, members of the Senate and Assembly,  
24 and legislative staff for allowing me this



1 opportunity to share our perspective on  
2 Governor Cuomo's proposed Executive Budget.

3 I'd also like to acknowledge and thank  
4 SUNY Chairman Carl McCall and our entire  
5 Board of Trustees for their leadership and  
6 support. I'd also like to thank my executive  
7 leadership team that is here that helped  
8 prepare many of the remarks that I'm about to  
9 make.

10 I know that you are aware that SUNY is  
11 the largest comprehensive system of  
12 postsecondary education in the nation,  
13 comprised of 64 unique colleges and  
14 university campuses, made up of community  
15 colleges, four-year colleges, graduate and  
16 doctoral research centers, medical schools,  
17 hospitals, a law school, and a national  
18 laboratory.

19 SUNY serves 1.4 million students, in  
20 credit-bearing courses, continuing education,  
21 and community outreach programs. We stretch  
22 from New York City and Long Island up to the  
23 North Country, and from the Hudson Valley to  
24 Buffalo and Jamestown.

1                   However, SUNY is much more than these  
2 facts would indicate. And in just one  
3 example of what SUNY means to the State of  
4 New York, I'd like to draw your attention to  
5 a recent piece of work that was done by the  
6 Rockefeller Institute of Government, or RIG,  
7 on the economic impact of the State  
8 University of New York. The total economic  
9 impact of our 64 campuses in their  
10 communities to the state is \$28 billion.  
11 That's a return of \$8.17 for every dollar of  
12 invested capital, or more than eight times  
13 multiple on invested capital.

14                   This is on top of the significant  
15 contributions to research and discovery that  
16 SUNY students and faculty are making,  
17 contributions that resulted in \$1.6 billion  
18 in externally sponsored research activity in  
19 the State of New York last year.

20                   SUNY is looking forward to having a  
21 further impact on the state and improving our  
22 ability to serve the educational needs of New  
23 Yorkers, and we intend to thrive in the  
24 online higher education market.

1           Through the support of Governor Cuomo  
2           and the Legislature, New York has a  
3           long-standing commitment to increasing access  
4           to high-quality public higher education for  
5           our citizens. More than one-third of the  
6           state's college-educated workforce has a  
7           degree from the state university, and 55  
8           percent of resident undergraduate students  
9           attending SUNY and CUNY attend tuition-free,  
10          thanks to the Excelsior Scholarship program  
11          and the Tuition Assistance Program and  
12          institutionally provided scholarships.

13                 Before I continue, I'd like to update  
14          you on the initial data from the Excelsior  
15          Scholarship Program and our Open Educational  
16          Resources programs. Last year 16,678 SUNY  
17          students received Excelsior Scholarships.  
18          The retention rates were 10.3 percent higher  
19          for Excelsior Scholarship recipients versus  
20          non-Excelsior students -- a positive outcome  
21          from the program, which is designed to help  
22          students attain a college degree on time and  
23          with the least amount of debt. Excelsior  
24          students are also 8.6 percent more likely to

1 complete their attempted credits than  
2 non-Excelsior students across SUNY.

3 Another positive outcome which we  
4 noted after the first semester of the program  
5 is that freshmen taking 15 credits increased  
6 by 11 percent.

7 While the Excelsior Scholarship  
8 Program has made tuition-free a possibility  
9 for more New Yorkers, New York State has also  
10 continued its investment to mitigate other  
11 costs of attaining a college education.  
12 Since the fall of 2017, the state's  
13 investment in Open Educational Resources has  
14 lowered the cost of textbooks and other  
15 academic materials for 155,000 students  
16 across 59 campuses by \$16 million.

17 As in years past, the 2019-2020  
18 Executive Budget includes proposals to  
19 further educational access with the full  
20 implementation of the Excelsior Scholarship  
21 Program and the continuation of investment in  
22 Open Educational Resources at both SUNY and  
23 CUNY.

24 In addition, SUNY is very grateful for

1 the commitment of the Governor and the  
2 Legislature to the DREAM Act. We are proud  
3 to be in the State of New York where  
4 leadership is keeping the American dream  
5 alive through passage of the Senator Jose  
6 Peralta DREAM Act, to ensure that all of our  
7 students have access to an excellent and  
8 affordable college education regardless of  
9 their citizen status. This legislation  
10 expands access to tuition assistance like the  
11 historic Excelsior Scholarship to thousands  
12 of New Yorkers.

13 More specifically in the proposed  
14 Executive Budget, we are extremely grateful  
15 for the investments in opportunities provided  
16 by the Governor. This includes the  
17 assistance for the continuation of the  
18 2017-2018 maintenance of effort and  
19 predictable tuition program, and full support  
20 for campus employee benefits at our  
21 state-operated campuses.

22 We also appreciate the indication that  
23 the state will significantly increase its  
24 contribution to the local match needed to

1 secure the full Disproportionate Share  
2 Hospital reimbursement from the federal  
3 government for SUNY's teaching hospitals.  
4 This support creates a solid foundation from  
5 which SUNY can continue to grow and serve the  
6 State of New York.

7 I am pleased to have the opportunity  
8 to have a dialogue about areas of need to  
9 continue in assisting SUNY in carrying out  
10 its mission and its motto: To learn, to  
11 search, and to serve.

12 Let me start briefly with community  
13 colleges. The first area of focus is the 30  
14 community colleges. These essential  
15 institutions, which exist in 60 percent of  
16 New York State counties, are the primary  
17 local source of educational opportunity and  
18 workforce development. New York State  
19 support is based on a per-full time  
20 enrollment student formula, which has  
21 increased \$725, or 34 percent, since funding  
22 year 2012, helping SUNY manage its enrollment  
23 mix. We truly appreciate this much-needed  
24 support.

1                   Moving forward, given the changing  
2                   state demographics, the increasing cost of  
3                   operations and the hedge that the community  
4                   colleges give the state against the cyclical  
5                   nature of the economy, SUNY seeks to work  
6                   with you to preserve the stability of these  
7                   community colleges further by modernizing the  
8                   state funding formula to a more predictable  
9                   base level. We are proposing for your  
10                  consideration a hybrid framework that would  
11                  set a floor for each campus, providing the  
12                  colleges a level of predictability when  
13                  planning for their future costs, and  
14                  flexibility to create new programs in  
15                  response to workforce needs.

16                  In addition, SUNY would like to call  
17                  attention to the increased costs of  
18                  enrollment and ask that this growth be  
19                  addressed with a modest increase to the  
20                  amount currently provided per student FTE.  
21                  SUNY's 30 community colleges will continue to  
22                  do their part to identify efficiencies in  
23                  their operations, such as consortium  
24                  purchasing of services with state-operated

1 campuses and private higher education  
2 institutions.

3 Our hospitals. We're extremely  
4 appreciative that the Executive Budget  
5 proposes an increase in the local match  
6 provided by the state for the DSH or  
7 disproportionate share hospital payments for  
8 our hospitals. This is an excellent step  
9 towards making sure that our three teaching  
10 hospitals, who serve 1.3 million patients  
11 annually, and continue to educate the next  
12 generation of health, medical and biomedical  
13 professionals, can meet the challenges of a  
14 continually changing healthcare landscape.

15 In order to allow SUNY's hospitals to  
16 invest in improved services and programs and  
17 better quality of care, SUNY is asking the  
18 state to continue to explore ways to provide  
19 help to these vital institutions.

20 Procurement. We're asking that SUNY  
21 have the flexibility to procure some of the  
22 urgent power energy and hospital supplies  
23 that sometimes require us to move rather  
24 quickly. In a new procurement review, if it



1 is to be adopted, it would be imperative also  
2 that the 30-day requirement for review  
3 proposed in the Executive Budget be enforced.

4 Finally, our last two areas of focus  
5 involve parts of the SUNY system that you and  
6 the state have already invested in, but with  
7 limited changes could provide an even bigger  
8 return. The first is our capital.

9 State-operated campuses alone account  
10 for 40 percent of state-owned building  
11 assets, encompassing nearly 89 million gross  
12 square feet of space. Of this, about  
13 40 percent of our academic facilities are  
14 greater than 50 years old. Many of these  
15 buildings have not had a major renovation  
16 since its original construction.

17 We're very grateful that the Executive  
18 Budget has \$550 million for critical  
19 maintenance per year for five years, and we  
20 ask that we have a dialogue to think about  
21 ways that we can provide a little bit more  
22 funding to help with the backlog as well as  
23 what new STEAM -- science, technology,  
24 engineering, arts and math -- buildings would

1 afford.

2           Lastly, the Opportunity community  
3 college and university-wide programs. I just  
4 want to close by asking for help ensuring  
5 that the state's recent years of investment  
6 in specific programs, such as the Educational  
7 Opportunity Program, the Educational  
8 Opportunity Centers, and our Advanced  
9 Technology Training and Information  
10 Networking labs continue to be funded, along  
11 with the \$600,000 for the Mental Health  
12 Tele-Counseling network across our systems.

13           It's a privilege to come before you  
14 today on behalf of the State University of  
15 New York, and I look forward to working with  
16 all of you during the upcoming legislative  
17 session.

18           Thank you.

19           CHAIRWOMAN WEINSTEIN: Thank you.

20           Good timing there.

21           Since we began, we've been joined by a  
22 number of Assembly colleagues: Assemblywoman  
23 Fahy, Assemblyman Weprin, Assemblywoman  
24 Simon, Assemblywoman Bichotte, and

1 Assemblywoman Buttenschon.

2 So now I'd like to go to our chair of  
3 Higher Ed, Deborah Glick, for the first round  
4 of questions.

5 CHAIRWOMAN KRUEGER: And we've also  
6 been joined by Senator Antonacci.

7 CHAIRWOMAN WEINSTEIN: Deborah.

8 ASSEMBLYWOMAN GLICK: Thank you.  
9 Okay, we're on the air.

10 Thank you very much, Chancellor, for  
11 your testimony. I have several questions.

12 Every year when we have an increase in  
13 tuition, the cost of the credit that the  
14 system is required to provide obviously goes  
15 up. Where are we in the current TAP gap, and  
16 how much does each tuition increase -- how  
17 much does that result in, in addition to your  
18 TAP gap?

19 SUNY CHANCELLOR JOHNSON: Our current  
20 average TAP gap, which is the difference  
21 between what the Tuition Assistance Program  
22 pays and the tuition we charge, is \$950. And  
23 across the system, that is a total of \$64  
24 million.

1 ASSEMBLYWOMAN GLICK: You indicated  
2 that the Excelsior Program provided better  
3 retention. This is in the first year or  
4 first two years? Is it year over year that  
5 it's --

6 SUNY CHANCELLOR JOHNSON: Right. So  
7 we define retention as the students who come  
8 in in the first year, how many come back for  
9 the second year. We're now in the second  
10 year, with the threshold being increased up  
11 to I believe \$115,000, and then next year it  
12 will go to the full \$125,000.

13 So when we talk about retention rates,  
14 we say that Excelsior students with those  
15 scholarships have a 10 percent higher  
16 probability of returning than without.

17 And interestingly enough, at the  
18 community colleges it's 19 percent.

19 ASSEMBLYWOMAN GLICK: What is your  
20 current percent of full-time faculty?

21 SUNY CHANCELLOR JOHNSON: So across  
22 the campus -- and I have the numbers here.  
23 It varies across the various sectors. But  
24 our doctoral serving institutions where

1 students can get a Ph.D., all the way from  
2 bachelor's to Ph.D., 67 percent are  
3 full-time. At our comprehensives, which are  
4 mainly four-year plus master's, it's  
5 50 percent. And then our community colleges,  
6 it's 29 percent.

7 ASSEMBLYWOMAN GLICK: What would it  
8 cost to increase that by another 10 percent?

9 SUNY CHANCELLOR JOHNSON: So we have  
10 about 32,000 faculty. The mix of that is  
11 about 15,000 or so in our state-operated, and  
12 the same in our community colleges. Let me  
13 do the math and get back to you on that.

14 But I do want to talk about two  
15 programs that we're very excited about which  
16 we think can help bridge the gap. So one of  
17 the things that -- and when I testified last  
18 year that I noticed in my first few months as  
19 chancellor, is that a number of our faculty  
20 are nearing retirement age. And so what it  
21 would be great to be able to do is to phase  
22 in the new faculty -- while the existing  
23 faculty know how to be a faculty member, the  
24 giants in the field can be there to mentor

1           them. And at the same time what we notice is  
2           that the diversity at our leadership and the  
3           diversity in the demographics of our students  
4           are very diverse, but our faculty not so  
5           much.

6                         So I would say that our students are  
7           somewhere around 25 percent underrepresented  
8           minorities, but our faculty on average -- and  
9           it's an average -- are less than 9 percent.  
10          So that's why we're very excited about our  
11          Prodigy Program, which is promoting  
12          diversity, inclusion and excellence growth in  
13          our faculty. And we intend to use some of  
14          the funds that we're grateful to receive from  
15          the Governor's budget to have a hiring  
16          program where we can encourage all the  
17          campuses to hire underrepresented minority  
18          faculty so that they can be on board and the  
19          students in the classroom can see it so they  
20          can be it.

21                         ASSEMBLYWOMAN GLICK: On the  
22          hospitals, it seems as though over the years  
23          we have eliminated the state support for our  
24          SUNY hospitals. We have had to fight to add

1 back a smaller and smaller proportion of  
2 support. And at this point it looks like  
3 there's just some sort of use of DSH funds to  
4 make it seem like we're giving money to the  
5 SUNY hospitals.

6 What is the projected deficit for the  
7 SUNY hospitals?

8 SUNY CHANCELLOR JOHNSON: So this  
9 year, similar to last year, there is no  
10 direct tax support for our hospitals. We'd  
11 welcome a conversation with you and the  
12 Executive branch to think about ways that we  
13 might be able to support the hospitals  
14 directly in the most efficient manner.

15 And let me get back to you on the  
16 individual hospitals on what the deficit  
17 would be, because it varies whether it's  
18 Stony Brook or Upstate or Brooklyn Hospital.  
19 But we will get back for a question --

20 ASSEMBLYWOMAN GLICK: Obviously these  
21 hospitals are teaching hospitals, they  
22 produce our medical professionals across the  
23 board. It seems that if we believe that we  
24 are trying to not just preserve and protect

1 healthcare but actually, going into the  
2 future, create our medical professionals, it  
3 seems as though it would be reasonable in  
4 this day and age of more people should have  
5 access to healthcare, we need more healthcare  
6 professionals to actually provide that care.  
7 So please get back to me on that.

8           When it comes to medical schools  
9 associated with them, are they broken out in  
10 any fashion? And how much support do you get  
11 for medical schools?

12           SUNY CHANCELLOR JOHNSON: So I wanted  
13 to comment on that. So our medical schools,  
14 they educate one out of three doctors that  
15 actually practice in the State of New York,  
16 one out of three nurses, and one out of four  
17 dentists. And there's a very integrated and  
18 intimate relationship between the medical  
19 school and the hospitals that they serve  
20 because they're not just for the medical  
21 students but also the residents. So they  
22 work really well together. I'd like to get  
23 back to you and just look at the health of  
24 them.



1                   Interestingly enough, over the weekend  
2                   I was -- for reasons that, you know, really I  
3                   guess aren't germane to these proceedings --  
4                   but I was looking up who invented the MRI and  
5                   who invented the pacemaker. And it turns out  
6                   they were Downstate faculty and upstate, the  
7                   University of Buffalo.

8                   So we have a very proud tradition in  
9                   innovative medical instruments that have  
10                  saved millions of lives. And so I'm very  
11                  passionate about continuing that for the  
12                  citizens of the State of New York.

13                  ASSEMBLYWOMAN GLICK: You talked  
14                  briefly about capital. I would like to  
15                  understand -- obviously, there's been a  
16                  commitment of some dollars for critical  
17                  maintenance. But the need for actual  
18                  renovation or new buildings when the  
19                  buildings have hit their life span, I would  
20                  like to understand what the total amount is  
21                  based on the university systems, the  
22                  comprehensives and community colleges. And  
23                  if somebody could get back to me with the  
24                  details on those, we would very much like to

1           have that as we go into our discussions about  
2           what we are going to be facing over time.  
3           When we are so proud of rebuilding bridges  
4           and subways and airports, it would be nice to  
5           know how much we should in fact be dedicating  
6           to preserving our infrastructure for higher  
7           education.

8                         And at some point -- I don't know if  
9           we have time today at this moment, but I need  
10          to understand a little bit better how you  
11          envision community college funding changing  
12          with this hybrid plan. And it would be  
13          helpful to understand -- it seems like there  
14          would be a floor for each campus. What  
15          that's based on, whether it's historic data  
16          of enrollment or what, and how much -- what  
17          the interplay between base aid is and what is  
18          the funding formula you envision going  
19          forward.

20                         SUNY CHANCELLOR JOHNSON: Absolutely.  
21          That would be great if we can have a  
22          conversation -- fuller. We'll put together  
23          the framework which we have and talk about  
24          the need for it.

1                   And I mentioned in my testimony a word  
2                   that I think would bear further conversation,  
3                   which is the enrollment mix at our community  
4                   colleges. Because a little more than a half  
5                   of our community college students are  
6                   full-time. A little less than a half are  
7                   part-time.

8                   We also, though, provide a tremendous  
9                   amount of other sort of continuing education  
10                  services which do not receive any state  
11                  funding. And so it's really -- it also said  
12                  something about the community colleges being  
13                  a hedge against the cyclical nature of the  
14                  economy. This is a natural hedge for the  
15                  state. So really understanding how that  
16                  plays into this hybrid framework would take a  
17                  lot of time to lay out, and I'd be happy to  
18                  further that conversation after the  
19                  testimony.

20                  ASSEMBLYWOMAN GLICK: Thank you.

21                  CHAIRWOMAN WEINSTEIN: Thank you.

22                  Senate?

23                  CHAIRWOMAN KRUEGER: Thank you.

24                  Senator Toby Stavisky, chair of Higher Ed.

1                   SENATOR STAVISKY: Thank you,  
2                   Chancellor.

3                   A number of questions since --  
4                   Assemblywoman Glick covered the Excelsior  
5                   Scholarship, but following up on her question  
6                   concerning the medical centers, the three  
7                   medical centers. Have you requested funding  
8                   for those centers from the -- have you  
9                   contacted the Governor's office concerning  
10                  aid for the three academic medical centers?

11                  SUNY CHANCELLOR JOHNSON: What we  
12                  proposed is to have the debt on our capital  
13                  improvements on our hospitals paid for, kind  
14                  of similar to the other infrastructure that  
15                  we have in SUNY. And that would be about  
16                  39.9 million a year.

17                  SENATOR STAVISKY: The reason I ask  
18                  that question is that I believe last year the  
19                  state subsidy was eliminated. And we're  
20                  talking -- I'm talking about the restoration.

21                  SUNY CHANCELLOR JOHNSON: Yup, that's  
22                  correct.

23                  SENATOR STAVISKY: Okay. Over the  
24                  years I've been very concerned with the rate

1 of remediation that's necessary for both SUNY  
2 and CUNY. And will you tell us the number of  
3 students in the SUNY system who are receiving  
4 remediation, the percentage of students and  
5 the cost?

6 SUNY CHANCELLOR JOHNSON: So similar  
7 to CUNY's excellent ASAP program, SUNY has a  
8 -- or CUNY's ASAP program. If I said SUNY --

9 SENATOR STAVISKY: I'd love to see it  
10 as a SUNY program too.

11 SUNY CHANCELLOR JOHNSON: We have  
12 what's called SUNY Achieves, and it's a  
13 dual-course requisite model where students  
14 come in and instead of going into a  
15 remediation course, they actually go into the  
16 actual gateway course they need for  
17 graduation. At the same time, they receive  
18 additional instruction that helps them  
19 graduate in actually two times -- the  
20 students graduate in half the time, going  
21 through this what we call a requisite model.

22 So we started this with funding from  
23 the Gates Foundation, the Lumina Foundation,  
24 and the Carnegie Foundation in 2016. And

1 over the last few years we've started it out  
2 at one campus, then went to 10 campuses, and  
3 now we're piloting it at I believe 22  
4 campuses.

5 But I can get the exact numbers and  
6 the cost for you after this testimony.

7 SENATOR STAVISKY: What I'm asking for  
8 are the number of students who are enrolled,  
9 the percentage of the entire student body,  
10 and what it costs.

11 SUNY CHANCELLOR JOHNSON: Great, thank  
12 you. I'll provide.

13 SENATOR STAVISKY: Another area are  
14 the changes coming from Washington in terms  
15 of the Title IX requirements. Has that had  
16 an impact in any respect?

17 SUNY CHANCELLOR JOHNSON: So we have  
18 spent quite a lot of time reviewing the  
19 proposed changes and rulemaking, and we are  
20 responding. A great concern really is  
21 twofold. One is the --

22 CHAIRWOMAN WEINSTEIN: Chancellor, can  
23 I just interrupt you for a moment?

24 If people could put their signs down.

1 Thank you. Thank you. Thank you,  
2 Chancellor.

3 (Comments off the record.)

4 SUNY CHANCELLOR JOHNSON: So the Title  
5 IX, we're concerned about two things. One is  
6 the narrowing of the scope of the definition  
7 of harassment, and the second is the  
8 opportunity for someone who is a victim to be  
9 cross-examined by either the accuser or a  
10 lawyer. In educational settings, usually the  
11 alleged victim has a choice to go internally  
12 and have it handled within the school or to  
13 be external and report to the police.

14 We think that the current changes  
15 would actually discourage the reporting. So  
16 we're very active and we will be responding  
17 with our comments for the record. And happy  
18 to share those with you.

19 SENATOR STAVISKY: Thank you. In the  
20 past there's been a question of the  
21 charge-back issue with SUNY. Has that been  
22 resolved, the county charge-back?

23 SUNY CHANCELLOR JOHNSON: I think the  
24 county charge-back system is still the same

1 as it has been. And we do have a working  
2 group that is examining ways that it could be  
3 modified.

4 SENATOR STAVISKY: In what way?

5 SUNY CHANCELLOR JOHNSON: I don't have  
6 any of the recommendations now, but I'll get  
7 back to you on that. I think the working  
8 group is still working.

9 SENATOR STAVISKY: Otherwise it would  
10 be called the nonworking ...

11 I have thought in the past about -- as  
12 a source of revenue, increasing the tuition  
13 costs for out-of-state students. How do you  
14 feel about that?

15 SUNY CHANCELLOR JOHNSON: So right now  
16 we have a dual cost, we have an in-state and  
17 an out-of-state charge.

18 One of the areas that we're looking at  
19 to expand is in our online offerings, which  
20 would of course serve out-of-state students  
21 as well as international students as well as  
22 students within the State of New York. And  
23 we think this is a pretty interesting way  
24 that we can increase our impact as well as



1 create a financial viability going further.

2 So we will keep you informed on what  
3 our findings are with regard to our push into  
4 broadening our online presence.

5 SENATOR STAVISKY: We have looked in  
6 the past at exempting the border states, the  
7 SUNY campuses that are very close to either  
8 other states or Canada, because they would  
9 obviously be hurt. But have you -- so in  
10 other words, you're looking at the online  
11 method where costs would be decreased rather  
12 than increasing the -- because our tuition  
13 for out-of-state students is relatively low  
14 compared to other states.

15 SUNY CHANCELLOR JOHNSON: That's  
16 correct. Right.

17 SENATOR STAVISKY: That's why I ask  
18 the question.

19 SUNY CHANCELLOR JOHNSON: You bet.  
20 And I understand now.

21 We're looking at what is that pricing  
22 model that gives a certain elasticity to the  
23 tuition on the border states. So we can get  
24 back to you on those findings as well.

1                   SENATOR STAVISKY: Thank you.

2                   There's a program called Open  
3                   Education Resources. Would you describe how  
4                   SUNY has utilized that program and the  
5                   results, the outcomes?

6                   SUNY CHANCELLOR JOHNSON: Right. So  
7                   the Open Education Resources program allows  
8                   faculty members to develop the content for  
9                   their classes that are equivalent to, say,  
10                  textbooks but at much reduced cost.

11                  So right now we've been able to  
12                  provide about \$16 million in savings over  
13                  textbooks using these Open Education  
14                  Resources, and we intend to continue to  
15                  expand in that particular area.

16                  SENATOR STAVISKY: Thank you. And one  
17                  other area we have discussed with your  
18                  predecessors in great detail over the years  
19                  has been the operation of the Research  
20                  Foundations. And in February Comptroller  
21                  DiNapoli issued an audit of the campus  
22                  foundations with a heavy focus on the  
23                  University of Buffalo and Stony Brook. And I  
24                  know you filed an attachment or an addendum

1 to that report outlining your objections.

2 But in the meantime, have you done any  
3 audits in the -- I should explain that to the  
4 audience that it was in the area of lack of  
5 contracts, lack of oversight, areas that SUNY  
6 does have certainly a concern.

7 So will you tell us what you've done  
8 to resolve or respond to the Comptroller?

9 SUNY CHANCELLOR JOHNSON: Absolutely.  
10 So fortunately I have here today our chief  
11 financial officer, Eileen McLoughlin, who's  
12 been leading the charge with regard to the  
13 foundations. And if I might ask you to join  
14 me at the table and make some comments.

15 SUNY CFO McLOUGHLIN: Thank you. So  
16 yes, I'm Eileen McLoughlin. I'm the CFO of  
17 the SUNY system.

18 In spring of 2016, the Board of  
19 Trustees adopted a new policy and new  
20 guidelines for all of our foundations. And  
21 we started this year and we're going to  
22 proceed into '19 of doing a review, a desk  
23 audit of every single one of the foundations  
24 to make sure that they adopted our policies.

1           Those policies and guidelines did include  
2           procurement guidelines as well. So we'll be  
3           doing that over the next -- and be completed  
4           with the exercise in June 2019.

5                        SENATOR STAVISKY: In your response to  
6           the Comptroller's audits you indicated that  
7           you were having problems getting some of the  
8           information together from the foundations.  
9           Has that been resolved?

10                      SUNY CFO McLOUGHLIN: I don't recall  
11           that exact statement, I'd have to look at  
12           that. But we currently are able to collect  
13           all financial data and policy data from the  
14           foundations.

15                      So that may have been -- when the  
16           Comptroller had done that audit, that was  
17           over prior years, like 2015. So I think  
18           since that time we have rectified that.

19                      SENATOR STAVISKY: Because a good bit  
20           of his report was taken up with your  
21           responses. And -- I thank you very much, and  
22           I'm seven seconds over. I'll give you my  
23           seven seconds.

24                      CHAIRWOMAN WEINSTEIN: Everybody's

1 going to get very good grades today for  
2 keeping to the time.

3 Assemblywoman McMahon.

4 ASSEMBLYWOMAN McMAHON: Thank you.

5 Chancellor, just to briefly return to  
6 the question of medical school. I understand  
7 that the University of Buffalo has proposed  
8 measures in the Future of Medicine Act that  
9 would allow the Jacobs School of Medicine to  
10 fulfill the vision of excellence that was  
11 originally driven in SUNY 2020 by the  
12 Legislature and the Governor.

13 The Future of Medicine Act includes a  
14 request for \$19.5 million for five years and  
15 funding from New York State in educational,  
16 clinical and research priorities at the  
17 Jacobs School of Medicine. The funding will  
18 keep the Jacobs School on a path toward being  
19 an even larger regional presence that  
20 attracts top talent in medicine in New York  
21 State.

22 Does SUNY support those goals in the  
23 budget request?

24 SUNY CHANCELLOR JOHNSON: Thank you

1 very much for the question.

2 I'm pausing only for -- what comes to  
3 mind is that last year, April 13th, it was a  
4 Friday, I went into second-degree heart  
5 block, and on Saturday I was in third-degree  
6 heart block. The reason I'm sitting here  
7 today is because I was able to get an  
8 implantable pacemaker in time. That  
9 implantable pacemaker was actually invented  
10 by Wilson Greatbatch, who was a faculty  
11 member at UB from 1952 to 1956 and invented  
12 the implantable pacemaker.

13 We also have a faculty member at Stony  
14 Brook who has pioneered -- Kenneth Takeuchi  
15 -- the portable lithium ion battery. So I  
16 feel very grateful to be here because of the  
17 State University of New York. I say that  
18 because I might not be unbiased in my  
19 response, so I just wanted to put that on the  
20 table.

21 You know, one of my priorities as  
22 chancellor is to double the amount of  
23 research, entrepreneurship and innovation in  
24 the State University of New York. And one

1 way we do that, if we look at the return from  
2 the RIG study of \$8 for every dollar  
3 invested, it turns out our medical campuses  
4 and centers actually put \$13 return for every  
5 dollar invested. So I'm delighted to have an  
6 ongoing dialogue of how we can support these  
7 very important institutions. But I wanted to  
8 make sure you knew that I'm not biased in  
9 this answer.

10 ASSEMBLYWOMAN McMAHON: Thank you.

11 CHAIRWOMAN WEINSTEIN: Senate?

12 CHAIRWOMAN KRUEGER: Thank you. I  
13 just want to introduce additional Senators:  
14 Senator Gounardes, Senator May, and  
15 Senator Antonacci.

16 And it's Senator Seward's turn up.

17 SENATOR SEWARD: Thank you, Madam  
18 Chair.

19 First of all, Chancellor, I want to  
20 say that as one who represents a number of  
21 SUNY campuses both at the community college  
22 level and other sectors, I have seen you out  
23 there at our campuses, and we appreciate your  
24 personal attention to each individual campus.

1                   SUNY CHANCELLOR JOHNSON: Thank you.

2                   SENATOR SEWARD: I wanted to delve  
3 into a bit further in terms of the collective  
4 bargaining salary increases.

5                   I was very pleased that the talks  
6 between the state and UUP did in fact result  
7 in an agreement. But now comes the question  
8 of how we're going to cover those additional  
9 expenses, which I understand are close to  
10 \$386 million. And the Governor's budget does  
11 not specifically include monies to cover  
12 those salary increases. I know there's  
13 fringe benefit monies there.

14                  Could you share with us how will those  
15 increases be paid for?

16                  SUNY CHANCELLOR JOHNSON: Thank you  
17 very much for your question.

18                  So it is true that in the 2022-2023  
19 budget the incremental increase will be \$386  
20 million. And we are fortunate that the  
21 benefits will continue to be paid for by the  
22 state.

23                  Now, the Governor's budget does  
24 contemplate -- and we're very grateful for



1           its support for the retroactive part of this,  
2           because this negotiation started before I  
3           became chancellor. But there is a -- it is  
4           retroactive. So a good portion of that will  
5           be -- we will get help in the retroactive  
6           piece.

7                     And we look forward to continuing to  
8           have a discussion on how we can put all the  
9           pieces together to see how to afford that  
10          increase that's going to happen in the next  
11          few years.

12                    SENATOR SEWARD: Would you envision as  
13          part of covering these additional salaries  
14          that the individual campuses would receive  
15          actual cuts in state support in order to  
16          cover these salary increases?

17                    SUNY CHANCELLOR JOHNSON: So, you  
18          know, it is a lot of money. I want to say,  
19          though, that first of all it's well-deserved  
20          on the part of our faculty, as we know so,  
21          I'm thrilled about it. I'm thrilled about  
22          the Governor's support.

23                    I think that we need to look at  
24          multiple opportunities to afford this. And

1           so further having a discussion on how the  
2           Legislature and the Governor can be helpful,  
3           sure. I also think that we need to find ways  
4           to support our philanthropic enterprise.  
5           This has been one way that colleges and  
6           universities throughout the U.S. have  
7           responded to the challenge of financing  
8           higher education.

9                     I think the other opportunity is to  
10           further our online presence. Right now the  
11           State of New York is 11th in the country in  
12           our online. And it's actually a little more  
13           dire than that, because there's the top four  
14           states, and then it drops and then you have  
15           the next six. And then there's the State of  
16           New York.

17                    So that's a tremendous opportunity for  
18           us to move forward and to help with, again,  
19           these well-deserved raises. So it's a  
20           complement of opportunities. There's many  
21           levers that we need to pull, if you will, to  
22           move forward. And I look forward to having  
23           dialogue on how we can do that.

24                    SENATOR SEWARD: You didn't -- I would

1           like to know specifically in terms of actual  
2           having the individual campuses having to  
3           absorb this somehow.

4                   SUNY CHANCELLOR JOHNSON: Oh, right.

5                   SENATOR SEWARD: Is this a last  
6           resort, or is it off the table, or just where  
7           our individual campuses stand?

8                   SUNY CHANCELLOR JOHNSON: Sure. And I  
9           appreciate the question. I'm sorry, I didn't  
10          mean to not be responsive to your exact  
11          question.

12                   So many of the campuses have planned  
13          for this over time. I mean, we've had three  
14          years of the negotiation, from what I  
15          understand, and so many of our campuses have  
16          planned for it. Still, having said that, it  
17          is going to be a challenge. And so we're  
18          looking for ways that we can support those  
19          particular campuses that are going to  
20          experience more of a burden.

21                   And that also has to do a bit with  
22          enrollment demographics. And so, again, I  
23          come back to the online opportunity, because  
24          we do have a tremendous opportunity to

1           increase our revenue and to have those  
2           campuses participate even more than what  
3           they're doing now.

4                     I would say just one thing, and I know  
5           that the clock is ticking, but it's not yet  
6           red. So let's say that most of our online is  
7           used to enhance the flexibility of our  
8           students that are already on campus. We have  
9           a very low what they call totally,  
10          exclusively online student. So we have a  
11          great room that we can increase there, and I  
12          think we're working with all the campuses to  
13          participate both in the online -- it's been a  
14          great six, seven months we've been working  
15          together, and also in philanthropy.

16                    SENATOR SEWARD: Thank you.

17                    CHAIRWOMAN KRUEGER: We've been joined  
18          by Senator Jim Gaughran, Senator Julia  
19          Salazar, and Senator Ken LaValle.

20                    Assembly.

21                    CHAIRWOMAN WEINSTEIN: So we go to  
22          Assemblyman Smith.

23                    ASSEMBLYMAN SMITH: Thank you.

24                    And thank you, Chancellor, for coming

1 here to address us today.

2 My first question, under the final  
3 phase of the Excelsior Scholarship, the  
4 Executive Budget appropriation has only grown  
5 \$100,000, despite the fact that the annual  
6 income for eligibility has gone up \$15,000.  
7 I think this might speak to the fact that 70  
8 percent of the students who applied for the  
9 scholarship were denied.

10 So my question is, why has the  
11 Excelsior Scholarship to date really failed,  
12 and what is SUNY doing to really increase  
13 that so that students can take advantage of  
14 the important program?

15 SUNY CHANCELLOR JOHNSON: Well, thank  
16 you very much for that question.

17 You know, in my mind -- and I think I  
18 even said this last year, and I still believe  
19 it -- the Excelsior is one tool in our  
20 toolbox. So we've got the Tuition Assistance  
21 Program, we have Excelsior. And I wouldn't  
22 say that it's failed, I would say it's  
23 succeeded. And it's succeeded in several  
24 tangible ways. It's still early days; we

1           have one year of data. So we need to be  
2           looking at trends over time.

3                     But when you think that -- for  
4           example, in the community colleges,  
5           19 percent -- students with Excelsior,  
6           19 percent higher that they will come back,  
7           that leads to a higher graduation rate  
8           eventually. The fact that overall,  
9           10 percent higher students with Excelsior  
10          Scholarships are retained within the system.  
11          That's a double digit in one year. I think  
12          that's a phenomenal success.

13                    So, you know, we are going to continue  
14          to work together. I would expect to see the  
15          numbers even increase as our threshold  
16          increases. And this has always been  
17          maintained -- at least from my understanding,  
18          the focus of the Excelsior program was always  
19          to help the middle class graduate on time and  
20          with less debt. And I think we're seeing the  
21          inkling that that's working, so.

22                    ASSEMBLYMAN SMITH: Okay, thank you.

23                    Now, last year SUNY raised tuition  
24          \$200 for the second straight year, and now

1 we're entering the third year of a four-year  
2 extension, authorizing SUNY to increase  
3 tuition up to \$200 annually. What are the  
4 factors that are driving up the costs of  
5 higher education, and what measures are we  
6 taking to actually curb the increases so that  
7 families and students can afford to attend?

8 SUNY CHANCELLOR JOHNSON: Well, it's a  
9 great question. And it's a complicated  
10 answer, which I'd love to have more time and  
11 we'll get together and go through it.

12 I think there are a few things that  
13 happen. First of all, technology has been  
14 accelerating. So when you think of -- at  
15 least when I was in college, it was before  
16 the invention of the personal computer.

17 When you think about our buildings  
18 that were designed, that half of them are  
19 older than 50 years -- so they were actually  
20 designed and built before the invention of  
21 the computer, which means they really didn't  
22 take into account that everybody would have  
23 two or three computers in their office,  
24 whether it's a laptop or an iPhone or a

1 desktop. That puts a demand on the heating  
2 and cooling, it puts a demand on the whole  
3 infrastructure.

4           The fact that Moore's Law -- I mean,  
5 this to me blows my mind. But when I first  
6 started designing integrated circuits, the  
7 line width was 5 microns. So, you know,  
8 that's about 1/10th or 1/12th the size of a  
9 human hair. Today, it's 5 nanometers.  
10 That's a thousand-times decrease. That means  
11 that the facilities and the clean rooms and  
12 the capability of building those circuits is  
13 just so much more expensive. And that's just  
14 on the technical side.

15           When you think about the digital  
16 humanities and the tools that the arts and  
17 the humanities have used -- the fact that our  
18 libraries don't have books in them anymore.  
19 You know, they're now learning and  
20 collaborative spaces with computers and  
21 access to the internet, which is something,  
22 you know, if you would have told me when I  
23 was starting there would be this thing where  
24 I would willingly put all my information



1           online, you know, I would have -- so I think  
2           that it's a complicated answer.

3                       I think the -- and I think that when  
4           you look at the jobs over the last six to  
5           eight years, that of 11.6 million jobs  
6           created, 11.5 required some kind of higher  
7           education. So it now becomes an essential  
8           that all of our citizens have access to  
9           high-quality and broad access to higher  
10          education. So I think that, you know,  
11          there's a number of different reasons.

12                      ASSEMBLYMAN SMITH: Okay. And my last  
13          question, because we are running low on time,  
14          and we spoke about it very briefly privately,  
15          mental health. What is SUNY doing to  
16          increase the mental health services? As you  
17          know, we're in a very troubling time in the  
18          country. We have a mental health crisis. K  
19          through 12 has expressed they want to spend  
20          more money that they would be given on mental  
21          health services.

22                      What can we do, what are we doing to  
23          make sure students that need that can access  
24          that?

1                   SUNY CHANCELLOR JOHNSON: Right. So  
2 we started telecounseling, so that at 10 of  
3 our campuses, if you want access 24/7 to  
4 mental health counseling, you can access it.  
5 We have asked for \$600,000 in the budget to  
6 expand that to more campuses.

7                   This is a crisis, and we believe  
8 strongly that we need to give our students  
9 the best chance to learn and that means that  
10 they need to be safe and they need to be  
11 supported.

12                  ASSEMBLYMAN SMITH: Thank you.

13                  SUNY CHANCELLOR JOHNSON: Thank you.

14                  CHAIRWOMAN WEINSTEIN: Thank you.

15                  We've been joined by Assemblywoman  
16 Monica Wallace.

17                  And now to the Senate.

18                  CHAIRWOMAN KRUEGER: Thank you. Our  
19 next questioner is Senator Bob Antonacci --  
20 oh, wait, I'm sorry. Senator John Liu.  
21 Excuse me. I'm sorry, John.

22                  SENATOR LIU: Thank you, Madam Chair.

23                  And thank you for joining us,  
24 Chancellor Johnson.

1                   Just to start with, I'm proud to be a  
2                   SUNY graduate myself, SUNY Binghamton, Class  
3                   of (coughing) '08.

4                   (Laughter.)

5                   SENATOR LIU: And it was a great,  
6                   great experience. And I want to thank you  
7                   and the rest of the SUNY team for your  
8                   continuing work.

9                   CHAIRWOMAN KRUEGER: Did you say 1808?  
10                  What did you just say?

11                  (Laughter.)

12                  SENATOR LIU: I -- not that long ago.

13                  CHAIRWOMAN KRUEGER: I'm sorry, that  
14                  was inappropriate, excuse me.

15                  SENATOR LIU: All right, 1988, Class  
16                  of '88, SUNY Binghamton, when the tuition was  
17                  \$675 a semester.

18                  My first question -- hopefully it's a  
19                  quick answer -- is I know you got a question  
20                  about the TAP gap. How much are we talking  
21                  about if we would increase the maximum TAP  
22                  award to the SUNY tuition? I'll ask this of  
23                  CUNY also.

24                  SUNY CHANCELLOR JOHNSON: Sure.

1           Sixty-four million dollars.

2                   SENATOR LIU:  And how much of that  
3           would be to students who go to SUNY versus  
4           the non-SUNY and non-CUNY schools?

5                   SUNY CHANCELLOR JOHNSON:  I think  
6           that's just for SUNY students, \$64 million.

7                   SENATOR LIU:  Oh, really?

8                   SUNY CHANCELLOR JOHNSON:  Yeah, the  
9           average TAP gap is \$950, between what the TAP  
10          pays and what the tuition is.

11                  SENATOR LIU:  But is there a way to  
12          increase the maximum TAP award just for SUNY  
13          and CUNY students, or we'd have to increase  
14          it for students who attend private colleges  
15          also?

16                  SUNY CHANCELLOR JOHNSON:  I was going  
17          to say I think anything's possible.

18                  SENATOR LIU:  But it would just be  
19          more than \$64 million.

20                  Okay, my other quick question is -- I  
21          know you also had a question about the  
22          adjunct faculty.  And my understanding is  
23          that that percentage at SUNY has been  
24          increasing over the years.

1                   SUNY CHANCELLOR JOHNSON: I can get  
2                   you the numbers across the sector, and it  
3                   does vary based on whether it's doctoral and,  
4                   you know, the state-operateds versus  
5                   community colleges.

6                   I would say that the part-time faculty  
7                   have been increasing at community colleges,  
8                   and the full-time faculty have been slightly,  
9                   slightly increased in the state-operated. We  
10                  do have the exact data for you.

11                  And it makes sense because the  
12                  students, if we look at trends even just -- I  
13                  think -- well, I have the data here, I don't  
14                  have to think. Since last year, our  
15                  enrollment at the state-operated campuses is  
16                  up almost a percent, but at the community  
17                  colleges it's down 4.65 percent. And so to  
18                  try and manage that enrollment, since  
19                  community colleges are on a full-time-FTE  
20                  basis being paid, they're hiring more  
21                  adjuncts so that we can scale up and scale  
22                  down.

23                  The problem with that is that you  
24                  don't always then have the kind of

1 flexibility to design the new programs that  
2 are going to meet the workforce needs in the  
3 community.

4 SENATOR LIU: Is there a threshold  
5 beyond which we start getting into  
6 accreditation issues in terms of --

7 SUNY CHANCELLOR JOHNSON: That is  
8 taken into account in accreditation.

9 SENATOR LIU: Okay. Do you think it's  
10 having an impact on our SUNY schools?

11 SUNY CHANCELLOR JOHNSON: Well, so far  
12 we're fully accredited and we've passed --  
13 even recently at our community colleges that  
14 have undergone accreditation, they have  
15 passed. But I think it is, you know, a  
16 consideration for sure.

17 SENATOR LIU: And is there any kind of  
18 comparison to other public universities?

19 SUNY CHANCELLOR JOHNSON: We do do  
20 benchmarking, and I can provide that  
21 information.

22 SENATOR LIU: Are we --

23 SUNY CHANCELLOR JOHNSON: So it  
24 impacts certainly accreditation, it impacts

1 rankings, it impacts the ability for us to  
2 provide that excellent educational experience  
3 for our students. So you're exactly hitting  
4 on the right topic.

5 SENATOR LIU: Okay. And I guess my  
6 last question -- and I'd like to explore that  
7 --

8 SUNY CHANCELLOR JOHNSON: Sure. We'll  
9 get you the data.

10 SENATOR LIU: Thank you. You did  
11 briefly talk about the amount of student debt  
12 out there and we're addressing it in New York  
13 through these various programs, including  
14 Excelsior.

15 What about students who just don't get  
16 any aid at all? They are coming out with  
17 very high -- even students who attend SUNY,  
18 they're coming out with tens of thousands of  
19 dollars of student loan debt. Is there  
20 anything that SUNY or your office is doing to  
21 look at the problem and additional ways we  
22 can help students and their families?

23 SUNY CHANCELLOR JOHNSON: So  
24 absolutely. There are kind of multiple,





1                   SENATOR LIU: Thank you, Madam Chair.

2                   CHAIRWOMAN WEINSTEIN: Thank you.

3                   Assemblywoman Lifton.

4                   ASSEMBLYWOMAN LIFTON: Good morning,  
5 Chancellor.

6                   SUNY CHANCELLOR JOHNSON: Good  
7 morning.

8                   ASSEMBLYWOMAN LIFTON: I'm the last  
9 person that will be able to say good morning.

10                  Welcome. I know you have a strong  
11 interest in climate change -- we spoke about  
12 it last year at the hearing -- as I do, as  
13 many legislators do. We're getting ever-more  
14 dire warnings, of course, from the IPCC, the  
15 International Panel on Climate Change.

16                  If I'm not mistaken, you were  
17 Undersecretary of Energy in the Obama  
18 administration --

19                  SUNY CHANCELLOR JOHNSON: That's  
20 correct.

21                  ASSEMBLYWOMAN LIFTON: -- the  
22 number-two person in our U.S. government on  
23 energy. And I assume you've been to a few of  
24 the climate accord meetings -- Paris,

1           perhaps, other places.

2                       I was surprised, I was looking at the  
3           proposal that's been made by the Governor to  
4           create the advisory council for the Green New  
5           Deal, and I'm very pleased to see the agency  
6           heads listed there, but I didn't see your  
7           name as someone who would participate on that  
8           advisory council to help New York State make  
9           recommendations on a climate action plan and  
10          how we're going to move more quickly on that  
11          matter.

12                      I hate to be making more work for you,  
13          or suggesting you ought to pick up more work,  
14          but would you want to be part of that? I  
15          would think you might --

16                      SUNY CHANCELLOR JOHNSON: It would be  
17          a pleasure to serve. It would be a pleasure  
18          to serve.

19                      ASSEMBLYWOMAN LIFTON: It seems like  
20          it would be great to have your expertise on  
21          that panel. So maybe you'll ask the Governor  
22          to put you on there. I'll also ask the  
23          Governor, maybe others will, see if we can  
24          get you on that panel. I think it would be

1 great to bring your expertise to that table.

2 Especially also, as you noted, and as  
3 you've noted before, that 40 percent of all  
4 the state buildings are SUNY buildings. And  
5 we know that there are tremendous  
6 opportunities in the building infrastructure  
7 to bring down greenhouse gases.

8 SUNY CHANCELLOR JOHNSON: In fact --  
9 and I know you know this, but we were so  
10 pleased with the critical maintenance over  
11 five years -- you know, the 550 a year for  
12 five years -- so we can really plan on doing  
13 the retrofit. Because the most  
14 cost-efficient time to do those energy  
15 efficiency upgrades is when you're doing the  
16 critical maintenance. So this really allows  
17 us to plan. I can't tell you how excited we  
18 are about this.

19 ASSEMBLYWOMAN LIFTON: That's great.

20 Can you tell me just a little more  
21 about that planning? The state is still -- I  
22 don't think we have really -- we have goals,  
23 but we don't necessarily have a firm plan.  
24 As I said, this advisory council is supposed

1 to give us a plan -- or give us  
2 recommendations for a plan, as I understand  
3 it.

4 Does SUNY itself have a plan where  
5 they're rolling out these projects using the  
6 critical maintenance funding? And are you  
7 sort of measuring your progress? And can you  
8 update me on that and what that means for  
9 SUNY exactly?

10 SUNY CHANCELLOR JOHNSON: Oh,  
11 absolutely. So as you know or may know --  
12 I'm sure you know -- that New York has been a  
13 leader in the mitigation of climate change  
14 through the adoption of green technologies.  
15 And we have some pretty aggressive goals, I  
16 think we might have the most aggressive goals  
17 of any state in the union. So I'm really  
18 excited to be part of the team and part of  
19 the state with those kind of goals.

20 So one thing is, you know, 100 percent  
21 renewal energy by 2040. We -- we're  
22 planning, through our large-scale renewable  
23 energy purchasing, to try and get there as  
24 quickly as possible. And I say as quickly as

1 possible because sure, I'd like it to be  
2 yesterday, but we also are very committed to  
3 following the procurement and making sure  
4 that we procure properly. And so we did a  
5 request for information and then we did an  
6 RFP to select a consultant that would guide  
7 the appropriate and most efficient power  
8 purchase agreements through a consortia of  
9 about -- I think it's 22 or 26 campuses, 16  
10 of which were SUNY and some are private  
11 campuses as well.

12 So we think that using SUNY's buying  
13 power to buy clean power is a winning  
14 strategy. So that's one thing that we're  
15 doing, and our goal is to procure 100 percent  
16 of our electricity from renewable sources,  
17 including hydropower and zero-carbon sources  
18 as well.

19 Eminently doable. And I think that,  
20 you know, what's interesting is if you look  
21 at the load of New York in the summer, it's  
22 about 40 gigawatts. Well, we probably have a  
23 little less than half of that zero-carbon  
24 from our hydropower and our nuclear and our

1 existing solar and wind. I think the  
2 aggressive plans that the Governor  
3 appropriately has put in place for offshore  
4 wind is where Stony Brook University has  
5 stepped up and won a major DOE grant for  
6 20 million, to be matched with 20 million, to  
7 look at putting thousands of megawatts of  
8 wind offshore. So we can easily do this, and  
9 I'm pretty excited about doing that. So  
10 that's the first thing that we're doing.

11 The second thing that we're doing is  
12 that all new buildings that are designed will  
13 be zero net energy buildings. So the first  
14 one is at Oneonta, it's going to be the dorm  
15 is going to be zero net energy. So we're  
16 super excited about that. I would say that  
17 every single campus has embraced it, which  
18 was -- I didn't expect anything less, but I'm  
19 thrilled. Because we have the fantastic Bob  
20 Haelen and Karren Bee-Donohoe, individuals in  
21 our facilities pushing this, we have such  
22 great sustainability officers throughout the  
23 system. And NYSERDA has been such a great  
24 partner, willing to help us train managers

1           that can act regionally to try and  
2           decarbonize our campuses.

3                        So I think all that would be great,  
4           but even better is that it's an ability to  
5           educate our students and do service learning  
6           and applied learning with real-world need.  
7           So it's a perfect coming together of all  
8           entities. So thank you.

9                        ASSEMBLYWOMAN LIFTON: Thank you,  
10          Chancellor.

11                       CHAIRWOMAN WEINSTEIN: Thank you.  
12          Senate?

13                       CHAIRWOMAN KRUEGER: Thank you,  
14          Assembly.

15                       Senator Antonacci.

16                       SENATOR ANTONACCI: Thank you.  
17           Thank you. Commissioner, if I ask you  
18          a question that's already been asked, just  
19          tell me to refer to the tape; I don't want to  
20          be redundant.

21                       But funding for community colleges is  
22          based on full-time equivalents. And  
23          ironically, it seems like as we lose  
24          population, we're also losing students that

1 are going to the community colleges. You  
2 mentioned in your written remarks that  
3 there's going to be a new formula. Can you  
4 tell us exactly how that is proposed to work  
5 and what that will do to help keep the  
6 funding at a sustainable level?

7 SUNY CHANCELLOR JOHNSON: Sure.  
8 Absolutely. Thank you for your question.

9 Let me just step back and say the why  
10 of it. So our community colleges this year,  
11 there's about 119,000 full-time students.  
12 And then there's about 97,000 part-time  
13 students. And then we just queried before  
14 this testimony today four or five of our  
15 larger community colleges and asked the  
16 question: How many students come and take a  
17 course that it's not going towards a degree  
18 or a degree program, but it's enriching or  
19 it's necessary for up-skilling? It's about  
20 3,000 at each of these campuses, is what we  
21 were told anecdotally. And we'll get you  
22 that data.

23 So when you look at that and you say,  
24 okay, if you add those together, it's about



1           200,000 students. We get paid for full-time  
2           equivalent, but all those other students,  
3           whether they take one course or one, you  
4           know, necessary or enrichment course, need  
5           registration, they need all the institutional  
6           support.

7                        So what we've discovered is that we've  
8           got a business model, for lack of a better --  
9           I used to be in business, so forgive me for  
10          going to the business side for a minute.  
11          But, you know, our revenue comes in variable,  
12          it's per full-time- equivalent student, but  
13          our expenses are both fixed and variable.  
14          And so there's a mismatch there.

15                       And so what it does is it puts strain  
16          on the community colleges because they don't  
17          have the predictability. So that's risk.  
18          And, you know, in business if you're taking  
19          risks, you need to be paid for that. I mean,  
20          in general that's what folks would say. I  
21          know we're in education here.

22                       So I think that what we've discovered  
23          is maybe there's a hybrid, maybe there's a  
24          way forward where we could look at a rolling

1 three-year average and say that we establish  
2 a floor by which the community colleges know  
3 that that will be adjusted -- because if  
4 there's permanently going to be, you know,  
5 for the next 50 years, the same enrollment,  
6 then that needs to be a major adjustment.  
7 But that's not what we're seeing. We're  
8 seeing the cyclical nature. And community  
9 colleges are countercyclical to the economy.

10 So if you look at exactly when you  
11 want -- you want to have those community  
12 colleges just throttling all the time,  
13 they're ready to go, they're ready to ramp up  
14 with these programs, they've got the  
15 facilities. They maybe take 20 students, but  
16 as soon as a new company comes into town or  
17 there's a startup that needs more, they can  
18 quickly ramp up. Because you've planned  
19 because you know that you've got that  
20 funding.

21 So we're looking for a floor that  
22 would be the highest of either an average of  
23 the last three years or the current year --

24 SENATOR ANTONACCI: Are there -- I

1 know I only have two minutes left. Are there  
2 going to be details to that plan that are  
3 going to be able to be fleshed out and  
4 forwarded to us?

5 SUNY CHANCELLOR JOHNSON: Right. I'll  
6 be mindful of your time, my apologies. We'll  
7 get together with you and talk about it.

8 SENATOR ANTONACCI: I just have two  
9 more questions I can do --

10 SUNY CHANCELLOR JOHNSON: But we do  
11 have a plan.

12 SENATOR ANTONACCI: Good. Good.

13 My understanding is there was no  
14 capital matching funds for private schools in  
15 this year's Executive Budget. If so, why?

16 SUNY CHANCELLOR JOHNSON: I apologize,  
17 could you repeat that question one more time?

18 SENATOR ANTONACCI: There was no  
19 capital matching funds for private schools in  
20 the Executive Budget.

21 SUNY CHANCELLOR JOHNSON: Oh, okay.  
22 So I haven't really looked at that, I've  
23 mostly been focused on the public schools.  
24 And like I said, we're very pleased about the

1 critical maintenance that we have that's  
2 predictable over the next five years. And if  
3 we have the opportunity to think about -- if  
4 there's a new build, it would be great to  
5 anticipate how we might envision new  
6 buildings that will allow us to do, you know,  
7 a 21st-century infrastructure play for, you  
8 know, STEAM design.

9 We can talk about that as well. I  
10 look forward to it.

11 SENATOR ANTONACCI: My last question  
12 might be for the individual that was with you  
13 regarding SUNY Foundation. I don't believe  
14 SUNY Foundation is subject to the FOIL laws,  
15 if I'm correct about that. They are not,  
16 correct?

17 Is there any initiative in the budget  
18 to make SUNY Foundation subject to FOIL?

19 SUNY CFO McLOUGHLIN: So the Research  
20 Foundation is subject to FOIL, but the SUNY  
21 philanthropic foundations are not subject to  
22 FOIL. The sensitivity there is the donor  
23 base.

24 But any conversations you want to have

1           about transparency, you know, we're willing  
2           to have.

3                         SENATOR ANTONACCI: I understand that  
4           maybe the donor that's -- with a donative  
5           intent looking for a charitable deduction or  
6           a charitable intent might not want their  
7           names out there. But what about the expenses  
8           and how those expenses are being used to  
9           either further the mission of SUNY or, you  
10          know, substitute for other expenses?

11                        SUNY CFO McLOUGHLIN: Again, we can  
12          have continuing conversations, but there are  
13          documents out there, such as the 990 filings  
14          and other documents that have that  
15          information.

16                        But we can certainly have further  
17          conversations about that.

18                        SENATOR ANTONACCI: Thank you.

19                        CHAIRWOMAN KRUEGER: Thank you.

20                        Assemblymember Barclay.

21                        ASSEMBLYMAN BARCLAY: Thank you,  
22          Senator.

23                        Thank you, Chancellor, for your  
24          testimony. I didn't go to SUNY schools, but

1 my son is going to be enrolled as a freshman  
2 at SUNY ESF next year, so he's excited about  
3 that.

4 I want to get back to that community  
5 college and the maintenance of effort. And  
6 were you -- I just didn't quite understand  
7 your answer, and maybe we can talk later  
8 offline about how it's going to work or what  
9 your proposal is. But you're saying in the  
10 aggregate, funding for community colleges in  
11 the aggregate, not based on the full-time  
12 equivalent? Like you said, you know, their  
13 population goes up and down.

14 SUNY CHANCELLOR JOHNSON: Right.

15 ASSEMBLYMAN BARCLAY: Am I getting  
16 that right? So you're not looking at the  
17 FTE, you're looking at kind of the overall  
18 amount?

19 SUNY CHANCELLOR JOHNSON: So we're  
20 looking at when there's a downturn in the  
21 economy, then our enrollment in community  
22 colleges goes up. Right? And then when the  
23 economy is doing well, individuals, either  
24 they finish and graduate, have a job, or they

1 can sustain in the existing company. But  
2 then when there's a downturn, maybe that  
3 company has to lay people off, then you want  
4 to have your community colleges ready to ramp  
5 up.

6 So what we're looking at is because of  
7 its countercyclical nature, we kind of want  
8 to draw a line through that cycle and say,  
9 look, you can count on this base amount of  
10 funding, and then you'll go up and down,  
11 based on top of that, based on your FTE.

12 ASSEMBLYMAN BARCLAY: I thought that's  
13 how the FTE worked. I mean, this year,  
14 because we have fewer people in community  
15 colleges, presumably state aid is going to go  
16 down. I think the concern at least I heard  
17 from community colleges is that the third, a  
18 third, a third isn't being honored by the  
19 state, we're at, I don't know, 27 percent,  
20 less than what it has been I guess  
21 historically.

22 I mean, do you support getting that  
23 amount up? You said "modest increase." Is  
24 that the modest increase, upping that

1 percentage so we're doing our maintenance of  
2 effort?

3 SUNY CHANCELLOR JOHNSON: Right, so  
4 there's two pieces about that, and you're  
5 quite right. One is that since the community  
6 colleges have gone down 4.6 percent this year  
7 over last, we're looking for a base. And  
8 then on top of the base we'd ask for an  
9 increase of \$125 per FTE.

10 All told, between those two elements,  
11 it would be an increase of \$19.8 million to  
12 the funding for the community colleges.

13 It's as much about the mechanism for  
14 the support as it is about the dollars. And  
15 so it's providing that stable base for our  
16 community colleges so that they can predict  
17 what programs they might scale up to.

18 ASSEMBLYMAN BARCLAY: Yeah, I would  
19 support that, obviously. But also I think we  
20 have to do our share at the state, you know,  
21 at the FTE point of that.

22 Are you for -- with the TAP awards,  
23 someone mentioned income eligibility. Are  
24 you supportive of increasing that income



1 eligibility for a TAP award? I think --  
2 what's it at? I don't know what it's at,  
3 \$80,000 or something?

4 SUNY CHANCELLOR JOHNSON: Eighty  
5 thousand, I think, that TAP eligibility is?

6 I think that the Excelsior is  
7 something that was put in place to also  
8 increase that. So love to have a  
9 conversation about what that might look like,  
10 for sure.

11 ASSEMBLYMAN BARCLAY: Okay. And  
12 lastly, about the DREAM Act, currently how  
13 many undocumented immigrants do you have on  
14 SUNY campuses, do you know?

15 SUNY CHANCELLOR JOHNSON: So we don't  
16 count the DACA students number. I think  
17 there was an estimate that the state made  
18 that the -- with the DREAM Act, it would be  
19 probably \$27 million, if I've got that right.

20 ASSEMBLYMAN BARCLAY: How many, I'm  
21 sorry?

22 SUNY CHANCELLOR JOHNSON: Twenty-seven  
23 million would be the cost of covering the  
24 tuition for the DREAM Act students eligible

1 under the DREAM Act.

2 ASSEMBLYMAN BARCLAY: And I can't do  
3 the math that quickly. How many do you think  
4 will be eligible for that, then?

5 SUNY CHANCELLOR JOHNSON: Let us get  
6 back to you on that. I'd get out my  
7 calculator, but I don't have it handy.

8 ASSEMBLYMAN BARCLAY: That's all  
9 right, I can't do it either.

10 SUNY CHANCELLOR JOHNSON: It also  
11 depends, as you know, on what the average  
12 might be, and the average might be different  
13 for different individuals.

14 ASSEMBLYMAN BARCLAY: Okay. Thank  
15 you, Chancellor.

16 SUNY CHANCELLOR JOHNSON: Sure.

17 CHAIRWOMAN WEINSTEIN: Senate?

18 CHAIRWOMAN KRUEGER: Thank you.

19 Senator May.

20 SENATOR MAY: Chancellor, nice to see  
21 you again.

22 SUNY CHANCELLOR JOHNSON: Good to see  
23 you too.

24 SENATOR MAY: As a Stumpy, a graduate

1 of SUNY ESF and also a former professor at  
2 Stony Brook, I am very interested in all the  
3 operations of SUNY. And I'm interested -- I  
4 want to talk about the Excelsior program in  
5 two ways. One of them, I'm a parent of a  
6 college student and I'm aware of the extent  
7 to which colleges push a lot of the expenses  
8 and the fees so it doesn't look like they're  
9 raising tuition. And I'm wondering if you're  
10 tracking how much of the expense of college  
11 is not actually covered by the Excelsior  
12 Scholarships and what kind of a burden that  
13 is on the students.

14 SUNY CHANCELLOR JOHNSON: Sure.

15 CHAIRWOMAN KRUEGER: I'm sorry,  
16 Senator May, next question, pull it closer to  
17 you because we're having a little trouble  
18 hearing.

19 SENATOR MAY: Okay.

20 CHAIRWOMAN KRUEGER: Thanks.

21 SUNY CHANCELLOR JOHNSON: That's  
22 great. Thank you, Senator.

23 So the question was are we tracking  
24 the all-in costs of getting a higher

1 education degree in comparison with whether  
2 it's TAP or Excelsior, the tuition portion.  
3 So it's about \$24,000 a year, we estimate,  
4 for a student to go to college. And, you  
5 know, that could be even if you were  
6 commuting to a community college and or  
7 living in the community or if you were on  
8 campus with room and board.

9 Room and board is somewhere between  
10 10,000 and 12,000; fees might be another  
11 thousand or two; and tuition is around 6,000  
12 or more. So all in, it's about 24,000. So  
13 the tuition component is about 25 percent.

14 SENATOR MAY: Okay, thank you.

15 And with the increased enrollments  
16 from Excelsior, have you had to rely on more  
17 adjunct professors? And what is the policy  
18 at SUNY of limiting the number of adjuncts?

19 SUNY CHANCELLOR JOHNSON: So I'm in  
20 favor of more full-time faculty members, and  
21 to achieve that we're doing a couple of  
22 things.

23 The first thing is I mentioned the  
24 Prodigy Program, where we've set a goal to

1           attract a thousand underrepresented faculty  
2           to SUNY over the next decade or so, which  
3           allows us to start tracking talented students  
4           in even junior high and high school and  
5           attract them into a career. And  
6           underrepresented, also women in STEM fields  
7           as well. So I think this is a really  
8           interesting program by which we can attract  
9           more full-time faculty to SUNY.

10                   I think the second piece is one that  
11           I'm particularly passionate about also, which  
12           is really encouraging more of our faculty to  
13           become endowed chairs. There are a couple of  
14           reasons to do that. One is it's a retention  
15           mechanism for our most outstanding faculty,  
16           and it's also a way to attract talent and to  
17           reward talent that's currently here within  
18           SUNY.

19                   So I would also love to set a goal,  
20           and we're quietly setting the goal --  
21           although I guess I'm just about to say it --  
22           of about -- doing a thousand chairs over the  
23           next decade as well.

24                   And that -- I think that's something

1 important. Our competitors, when we compare  
2 our campuses to their peer institutions, they  
3 have many of these opportunities. What it  
4 does is it relieves a bit of the cost on the  
5 salary side, which would allow us to convert  
6 more -- would allow the leadership, at their  
7 discretion, of course, to convert more  
8 part-time to full-time faculty.

9 So again, we have kind of multiple  
10 thrusts, if you will, trying to get at  
11 increasing full-time faculty.

12 SENATOR MAY: Right. Thank you.

13 Two other questions. One is I have  
14 one of the teaching hospitals in my district,  
15 SUNY Upstate, and there's a kind of vague  
16 language in your testimony about you're  
17 asking the state to explore additional ways  
18 to provide help to these vital institutions.  
19 Do you have any specifics in mind behind  
20 that?

21 SUNY CHANCELLOR JOHNSON: Well, first  
22 of all, we're thrilled with the state and the  
23 Governor's budget of the Disproportionate  
24 Share Hospital costs so that we can get the

1 maximum match from the federal government.

2 That was crucial, that was huge. Very  
3 appreciative.

4 We would like to have a conversation  
5 with the Legislature and with the Governor's  
6 office to look at picking up the debt service  
7 of our hospitals, which is about \$39.9  
8 million. So that would help with direct  
9 support of these hospitals.

10 SENATOR MAY: Okay, thanks. And then  
11 my last question, I know SUNY ESF does a lot  
12 to try to foster collaborations with private  
13 colleges and universities in the area, and  
14 they run into a lot of red tape from the  
15 central office.

16 And so I'm wondering what you have --  
17 have you had conversations with  
18 administrators about facilitating these kinds  
19 of collaborations?

20 SUNY CHANCELLOR JOHNSON: We have.  
21 And we will look to create, you know, even  
22 closer ties with both our private as well as  
23 our other public universities and colleges.

24 Speaking specifically of ESF, it is a

1 jewel. And it is in a really neat part of  
2 the state as well, with some great private  
3 and public universities nearby, and colleges.  
4 So we are exploring those connections.

5 SENATOR MAY: Okay. Thank you very  
6 much.

7 SUNY CHANCELLOR JOHNSON: In spite of  
8 the central administration.

9 (Laughter.)

10 CHAIRWOMAN KRUEGER: Thank you.

11 CHAIRWOMAN WEINSTEIN: We've been  
12 joined by Assemblyman Al Stirpe.

13 And now to Assemblywoman Bichotte for  
14 a question.

15 ASSEMBLYWOMAN BICHOTTE: Good morning,  
16 Chancellor.

17 SUNY CHANCELLOR JOHNSON: Hi. Good  
18 morning.

19 ASSEMBLYWOMAN BICHOTTE: Thank you for  
20 being here.

21 I would like to say that I am a proud  
22 alum of Buffalo State College --

23 SUNY CHANCELLOR JOHNSON: Excellent.

24 ASSEMBLYWOMAN BICHOTTE: -- as well as



1 SUNY Buffalo, for the record.

2 I had a few questions. The first  
3 question is around the Excelsior program.

4 Just for clarification, you mentioned  
5 that 16,700 students benefit from this  
6 program. So out of the 1.4 million students  
7 in SUNY, only 16.7. So that's like about 1.1  
8 percent; is that correct?

9 SUNY CHANCELLOR JOHNSON: So we  
10 have -- there's a difference on the numbers.  
11 Excelsior, as you know, is for full-time  
12 attendance at SUNY. And so you need to  
13 compare it to our full-time student body. So  
14 we have about 424,000 full-time students, so  
15 that's 16,678 would be over the 424,000  
16 students.

17 In addition, that was for the first  
18 year. So the threshold, as you know, for  
19 Excelsior was only at about \$110,000. It was  
20 increased this year to 115, and next year it  
21 will go up to 125,000, so we would expect  
22 those numbers to grow as well.

23 ASSEMBLYWOMAN BICHOTTE: You're  
24 talking about in terms of the eligibility of

1 household income.

2 SUNY CHANCELLOR JOHNSON: Correct.

3 That's right.

4 ASSEMBLYWOMAN BICHOTTE: Okay. It's  
5 still quite small to be called a free  
6 tuition. It's just that a lot of parents in  
7 my community get the sense that they don't  
8 have to save anymore because there's free  
9 tuition. And I think it's just misleading.  
10 We should probably call it something else,  
11 like Last Dollar Program, Extended TAP, or  
12 something like that.

13 But if you just looked at overall the  
14 average, the average constituent in the State  
15 of New York will think that their kids can go  
16 to college for free. So we might want to  
17 change the wrapping, because I get that a  
18 lot.

19 The second question I had, or concern,  
20 it was noted that the opportunity programs  
21 were being cut, and I wanted to get a sense  
22 of clarification. Is that -- the Educational  
23 Opportunity Program and the Educational  
24 Opportunity Centers, are those the two that

1 are in the Opportunity Program? And one of  
2 my concerns is that every year we go through  
3 this where they're always -- I guess the  
4 Governor is always proposing to cut these  
5 programs and then just, I guess, maintain it  
6 at the end of the budget.

7 So what's going on here? And can you  
8 clarify if it is those two programs only  
9 that's under the Opportunity Program?

10 SUNY CHANCELLOR JOHNSON: Right. So  
11 the programs that we're asking to be restored  
12 would be the EOP, Educational Opportunity  
13 Program; the EOC, the Educational Opportunity  
14 Centers; and the ATTAIN, you know, net  
15 information technology networking  
16 laboratories, of which I believe there's 33  
17 throughout the state. Along with the  
18 Tele-Health mental health counseling. All  
19 in, it's about \$17.7 million.

20 And just one more thing. About 11,000  
21 students are served by the EOP program, so  
22 it's a crucial part of our ability to provide  
23 the broadest access to a quality higher  
24 education degree in the state.

1 ASSEMBLYWOMAN BICHOTTE: I would  
2 propose that we do not cut these programs.  
3 Because you just mentioned that it's 11,000  
4 students that are benefiting from the EOP  
5 program. So let's not cut it, let's -- we  
6 have money in the budget, let's look to  
7 increase for EOP and EOC.

8 And lastly, I've been hearing a lot of  
9 talk about the TAP gap and 64 million. Is  
10 there any consideration to have like a  
11 dedicated budget line allocated to address  
12 the TAP gap? I mean, we're increasing  
13 tuition but we're not addressing the TAP gap  
14 that, by law, these institutions have to  
15 cover. So is there a consideration for a  
16 dedicated line?

17 SUNY CHANCELLOR JOHNSON: I would hope  
18 so.

19 ASSEMBLYWOMAN BICHOTTE: Okay. You're  
20 the boss.

21 Thank you so much.

22 SUNY CHANCELLOR JOHNSON: Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Senate?

1 CHAIRWOMAN KRUEGER: Thank you.

2 Senator Ken LaValle.

3 SENATOR LaVALLE: There we go. Nice  
4 to see you, Chancellor.

5 SUNY CHANCELLOR JOHNSON: Good to see  
6 you, Senator.

7 SENATOR LaVALLE: Senator Funke had a  
8 bill, 4634, that was vetoed by the Governor  
9 to allow our University Police the  
10 presumption that a heart attack -- if they  
11 had a heart attack, that it's presumed that  
12 it was because of their duties as a police  
13 officer. Did SUNY take a position on this  
14 legislation?

15 SUNY CHANCELLOR JOHNSON: I don't  
16 believe we have. I'll be happy to look at  
17 the bill, but I don't think we have a  
18 position on that, to my knowledge. But we  
19 can get back to you.

20 Oh, we're supportive. Thank you. I  
21 wasn't familiar with the bill, but our Chief  
22 Operating Officer Robert Megna said we are  
23 supportive.

24 SENATOR LaVALLE: Okay. All right. I

1 think we have to do a little more this time  
2 around to see if we can find out what the  
3 problem was with the Governor's office.

4 And the SUNY police ask for very  
5 little, so it would be helpful if we can get  
6 that across the line.

7 SUNY CHANCELLOR JOHNSON: They do a  
8 great job, by the way. We're very grateful  
9 to the SUNY police force.

10 SENATOR LaVALLE: In your statement  
11 you said in order to allow SUNY hospitals to  
12 invest in improved services and programs and  
13 better quality of care, SUNY is asking that  
14 the state continue to explore additional ways  
15 to provide help to these vital institutions.

16 Like what kind -- what are additional  
17 ways you're looking at?

18 SUNY CHANCELLOR JOHNSON: Well, one  
19 way that would be helpful is to have the  
20 state pay for our debt service on capital  
21 improvements for our hospitals. So that  
22 would be about \$39.9 million in the 2019-2020  
23 budget. So that would be one way. That  
24 would be very helpful and very well

1 appreciated.

2 SENATOR LaVALLE: Okay. That's it.

3 SUNY CHANCELLOR JOHNSON: Thank you.

4 CHAIRWOMAN KRUEGER: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Assemblyman Epstein.

7 ASSEMBLYMAN EPSTEIN: Thank you,

8 Chancellor. Good afternoon.

9 So I just want to follow up on a  
10 couple of issues I know my colleagues raised.  
11 One is about the Excelsior. What is your  
12 projection to 2020 to the increase from your  
13 16,700 students -- what does your projected  
14 enrollment look like by 2020?

15 SUNY CHANCELLOR JOHNSON: You know,  
16 we'll have a little more information about  
17 that when we have all the numbers for the  
18 fall of 2018-2019. I would expect it to go  
19 up for the following reason, you know,  
20 obviously. And one is that the threshold for  
21 eligibility is increased. And because as  
22 some of the students graduate, more students  
23 will be coming in. And the ratio of the --  
24 because we don't get 100 percent graduation

1 rate yet, that will be a greater number than  
2 the students leaving.

3 So we certainly expect it to increase.  
4 How much, we don't have a projection right  
5 now, to my knowledge.

6 ASSEMBLYMAN EPSTEIN: So my concern is  
7 in relationship to the number of students who  
8 are not then eligible for the program. Lots  
9 of students, you know, whether they're  
10 full-time students who aren't -- maybe  
11 they're not going to be able to be done in  
12 five years or a large volume of part-time  
13 students who have serious economic needs and  
14 are not eligible for the program.

15 Have you thought about expanding the  
16 program to include an expanded number of  
17 years so people can finish college or to  
18 expand it to part-time students?

19 SUNY CHANCELLOR JOHNSON: You know, I  
20 think that -- from my understanding, the  
21 Excelsior program had a particular focus,  
22 which is to have students finish on time and  
23 with the least amount of debt possible. I  
24 think that it would be important to figure



1           maybe there's another way that we can support  
2           nontraditional students, which are students  
3           that more and more, I think, given the  
4           acceleration in certain fields, the  
5           technology will require more opportunities  
6           for higher education, and to also take  
7           advantage of the new technologies coming in,  
8           whether it's artificial intelligence or other  
9           sorts of fields.

10                         So we need to look for ways to support  
11           those students and make sure that they get  
12           access too. I don't have anything right now,  
13           but I'd love to, you know, have a  
14           conversation afterwards. Maybe we can think  
15           about how we can support those students too.

16                         ASSEMBLYMAN EPSTEIN: The students who  
17           are working, either working full or  
18           part-time, these are people who are  
19           struggling and they can't afford to go to  
20           school full-time. And even with Excelsior,  
21           if they were eligible for it, maybe they have  
22           some income or their parents don't have  
23           income, but they're just not going to be able  
24           to make a full-time load, and these are the

1 people who we want to graduate, because these  
2 are the people who are going to move their  
3 economic class. So these are people who  
4 we're really pushing to support.

5 SUNY CHANCELLOR JOHNSON: Absolutely.  
6 Yup.

7 ASSEMBLYMAN EPSTEIN: So I'd love to  
8 seize the opportunities and be happy to work  
9 with your office about opportunities to  
10 expand for those students.

11 SUNY CHANCELLOR JOHNSON: We would be  
12 delighted.

13 I think one of the things that we're  
14 working pretty hard on right now -- and  
15 taking the lead is our new provost, Tod  
16 Laursen, as well as our COO, who I introduced  
17 earlier, Bob Megna -- is our online presence.  
18 Because that's also a vehicle to provide the  
19 flexibility of just-in-time learning for  
20 these individuals that want to get a higher  
21 ed degree so that they can improve and move  
22 up in social mobility. So I think that's  
23 going to be another tool in our toolbox  
24 that's going to be critical to support, and

1 we'll be in touch on how that --

2 ASSEMBLYMAN EPSTEIN: And I appreciate  
3 you raising the online issue, but I think  
4 there's some -- you know, that is an  
5 opportunity, but we should also be thoughtful  
6 and be concerned about students who need  
7 support and they're taking online classes.  
8 We see lower graduation rates, we see larger  
9 increases in people who fail classes, we have  
10 less support. So we see some of these online  
11 colleges around the country where they're  
12 spending money on advertising and not  
13 spending money on student support.

14 SUNY CHANCELLOR JOHNSON: Right.

15 ASSEMBLYMAN EPSTEIN: If we're going  
16 to expand online programming for more online  
17 students, we want to make sure we create a  
18 system and structure that protects students  
19 who are more vulnerable.

20 SUNY CHANCELLOR JOHNSON: Absolutely.  
21 You bet. Yeah, protects students, puts in  
22 place tutor nets and opportunities for them  
23 to learn.

24 I think there's also a -- it's been

1 going on for a while, but if you look at some  
2 of the things that companies in the education  
3 space have looked at, it's really developing  
4 the notion that you teach to what the student  
5 doesn't know, not repeat what they do know.  
6 That makes it more efficient, more  
7 interesting, and they become more successful.  
8 So we're starting to explore how we as a  
9 system can do that better.

10 ASSEMBLYMAN EPSTEIN: I want to turn  
11 our attention to students with disabilities,  
12 because we've seen a large growth in students  
13 with disabilities both at our SUNY and CUNY  
14 campuses. And the researches that are being  
15 made available are really limited. And we've  
16 -- you know, I know the students at SUNY and  
17 CUNY have really pushed to try to increase  
18 funding for students with disabilities. We  
19 are talking about, potentially, you know,  
20 trying to get \$15 million in the budget. We  
21 know it wasn't in the Governor's budget this  
22 year.

23 I'm wondering what your position is on  
24 expanding resources to that population, which

1           once we get them through college, there's  
2           much more opportunities for students with  
3           disabilities to have economic opportunities  
4           moving forward.

5                        SUNY CHANCELLOR JOHNSON: Absolutely.  
6           I'd love to get together and talk about that.

7                        ASSEMBLYMAN EPSTEIN: Great. And  
8           finally, I know the issue of mental health,  
9           we've had a lot of -- you know, in December  
10          SUNY students came and talked to us about the  
11          need for additional mental health services.  
12          So I know my time is up, but I want to put  
13          that out to you and ensure that that's  
14          something we can continue to talk about.

15                       SUNY CHANCELLOR JOHNSON: Yes, we'd  
16          very much like to see the EOP, EOC, the  
17          mental health counseling be restored in the  
18          budget. Thank you.

19                       CHAIRWOMAN WEINSTEIN: Thank you.  
20          Senate.

21                       CHAIRWOMAN KRUEGER: Hi, thank you. I  
22          think it's my turn. Thank you, Chancellor.

23                       So it's a follow-up, I think, to a  
24          number of related questions. But can we talk

1           about -- do you know what percentage of  
2           students who go to the SUNY campuses have a  
3           disability? And have you seen a growth in  
4           the percentage of students with disabilities  
5           attending SUNY? And have you been able to  
6           grow the special programs that make it  
7           possible for students with disabilities to  
8           succeed in college?

9                         SUNY CHANCELLOR JOHNSON: I would love  
10           to get back to you with that information, and  
11           particularly what we're seeing in terms of  
12           growth. I would hope it would be growing.  
13           I'd hope we'd continue to become even more  
14           accessible to all students, particularly  
15           students with disabilities. So I'll get back  
16           to you on that information.

17                        CHAIRWOMAN KRUEGER: Thank you.

18                        And I met with some people from CUNY,  
19           so it will be a similar question for CUNY,  
20           and there seemed to be a large rise in the  
21           number of students with disabilities, but  
22           unfortunately not a rise in the number of  
23           services available, even though they have  
24           proven to be very successful.

1                   So when we talk about students with  
2                   different needs starting or succeeding in  
3                   college, I think we need to be recognizing  
4                   the issues for the disabled students as well.

5                   SUNY CHANCELLOR JOHNSON: Absolutely.

6                   CHAIRWOMAN KRUEGER: So Betsy DeVos  
7                   has recently proposed new regulations on  
8                   sexual assaults on college campuses. And  
9                   many of us do not support what she has  
10                  proposed. But I'm curious, since New York  
11                  State is now a few years into a statewide  
12                  mandate of changed policies towards sexual  
13                  assaults on campus, what kind of data are you  
14                  collecting from your campuses, and what's  
15                  changed since New York changed its policies?

16                  SUNY CHANCELLOR JOHNSON: So we have  
17                  concerns also with the changes proposed to  
18                  Title IX, and we'll be responding with  
19                  comments for the record in that regard. And  
20                  that's work that our General Counsel Beth  
21                  Garvey is leading, who's here.

22                  I'd like to get back to you with  
23                  regard to since the "Enough is Enough" and  
24                  inaction, what have we seen in terms of

1 changes and improvements in that regard. As  
2 you know, we also have been very active with  
3 the SAVR. We have a \$5 million grant to help  
4 with victims of sexual and interpersonal  
5 violence. So let me get back to you on those  
6 numbers.

7 CHAIRWOMAN KRUEGER: Then last week at  
8 the budget hearing on Human Services, it was  
9 brought up that there was \$5 million for  
10 childcare on SUNY and CUNY campuses announced  
11 as a new program, but some of my colleagues  
12 pointed out there was already a SUNY/CUNY  
13 program for childcare on campuses.

14 So this is a new pilot program, at  
15 least in the Governor's budget materials.  
16 Can you confirm for us that it will not be a  
17 -- it will not replace the existing daycare  
18 funds that your schools already have in  
19 place? And how will it be different?

20 SUNY CHANCELLOR JOHNSON: Right.  
21 We'll get back to you that on that and make  
22 sure.

23 I think that we support currently  
24 about 1500 parents, single parents with



1 children. And it's very important to us,  
2 particularly since one out of five single  
3 women in college have children and having  
4 childcare is very helpful to them to attain  
5 their higher education goals.

6 CHAIRWOMAN KRUEGER: I think we would  
7 agree. I think there was just some confusion  
8 about was the Governor announcing that he was  
9 giving you another \$5 million or was he  
10 requiring that you put in another \$5 million  
11 to grow your program.

12 SUNY CHANCELLOR JOHNSON: So Bob Megna  
13 said that it would not be replacing the  
14 existing program.

15 CHAIRWOMAN KRUEGER: So it would be in  
16 addition to the existing program. Yes?

17 SUNY COO MEGNA: Yes.

18 CHAIRWOMAN KRUEGER: Okay, just -- I'm  
19 glad. I think we should be investing more in  
20 ensuring that mothers with young children --  
21 and fathers with young children, not to be  
22 sexist -- can continue their educations. So  
23 glad to hear that.

24 I've asked in previous years about the

1           online courses, and you referenced that in  
2           some of your answers. Has SUNY done any kind  
3           of study on the courses that you are giving  
4           online -- is there a growth in students? Are  
5           they completing those classes? Are they  
6           completing their degrees at the same rate or  
7           a lesser rate than students who go to  
8           traditional classrooms? Do you have -- I'm  
9           not asking you to spin it out for me now, but  
10          have you done research on is this working or  
11          not?

12                        SUNY CHANCELLOR JOHNSON: We have.  
13           And we're even digging into it more deeply  
14           since we started looking at ways we can  
15           expand our impact for just-in-time learning  
16           for online.

17                        Let me just make a comment, to be  
18           specific to your question. Most of our  
19           online courses right now are really hybrid.  
20           They're students that are on campus and  
21           taking it as a different modality, if you  
22           will, of being online. So it gives them a  
23           flexibility, allows maybe multitasking -- if  
24           they have another class at the same time,

1           they might go to that one class, then take  
2           the other class through online, and vice  
3           versa.

4                        So it's mostly been our on-campus  
5           students. We wouldn't probably see a big  
6           difference just because it's a question of  
7           flexibility. The question will be what kind  
8           of support services do we need to put around  
9           students online, like additional tutoring and  
10          a 24/7 tutor net, as I would call it, so that  
11          people can, when they get stuck, reach out  
12          and get immediate help, so that we can  
13          increase the ability to pass those classes  
14          and get a quality education with online. So  
15          we have to do it well.

16                       And we're still exploring that and  
17          working on how we might craft an online  
18          that's scaled to do that. And it will  
19          require a significant investment. It's not  
20          something, if you do it well, you can do it  
21          on the cheap.

22                       CHAIRWOMAN KRUEGER: Thank you.  
23          That's all I need.

24                       CHAIRWOMAN WEINSTEIN: Thank you.

1 Assemblywoman Fahy.

2 ASSEMBLYWOMAN FAHY: Thank you. Thank  
3 you, Chair.

4 And welcome, Chancellor. Thank you  
5 for being here.

6 I've had a number of my questions  
7 answered, so I just want to make some quick  
8 comments and then I still have a couple of  
9 questions, particularly on the childcare  
10 issue that was just raised, along with the  
11 mental health issues that have been raised.

12 Great news on the retention that is  
13 being shown on the Excelsior Program. Very  
14 pleased to see that.

15 I continue to have really serious  
16 concerns about the size of the capital budget  
17 in terms of the building projects. Last  
18 summer we went -- a number of -- myself and  
19 my colleagues went to meet with UAlbany  
20 faculty, and there was some crazy number they  
21 gave us that I'm not recalling, but it would  
22 take dozens upon dozens of years to even  
23 begin to renovate their dorms at the pace  
24 that they're going. And I can get you that

1 number, but I want to say it was in the  
2 seventies, in the '70 year or something, to  
3 just even keep pace.

4 So capital budget renovation and  
5 upgrades is really critical. And I must put  
6 in a shameless plug for UAlbany's engineering  
7 program as well. That's very important, as  
8 well as STEM programs in general, which are  
9 so critical in our growth.

10 Also appreciated your comment on the  
11 growth and trying to double the funding on  
12 research funds into entrepreneurship  
13 programs.

14 Also need to comment on the EOP, the  
15 cut in the EOP programs. I know it's  
16 something we care a lot about here, but I  
17 hope it's just not a game that we see cuts  
18 there and then we have to go back in and  
19 restore it when I'd rather see us all focused  
20 on growing those programs.

21 So then a couple of questions. I  
22 think back on the community college -- and  
23 thank you for all the comments that you have  
24 made on that. The charge-back issue, that

1 question was already asked. I would be  
2 remiss if I didn't echo that concern. I know  
3 you said that you wanted to get back on that.  
4 But Hudson Valley, while I don't represent  
5 Hudson Valley, I represent most of Albany  
6 County, and most of the students at Hudson  
7 Valley and Rensselaer are from Albany County.

8 The charge-back issue, I think they  
9 are the single most impacted college, with  
10 maybe one exception. The floor concept  
11 sounds very appealing, but I'd love to know  
12 what the impact of that is. In other words,  
13 in order to set a floor, does that mean there  
14 is a loss? And I'm not clear on what you've  
15 described there. I don't know if you have  
16 that answer now, but I just want to make sure  
17 there's no trade-off.

18 SUNY CHANCELLOR JOHNSON: Right.  
19 Would you like me to answer it?

20 ASSEMBLYWOMAN FAHY: Sure, if you know  
21 that.

22 SUNY CHANCELLOR JOHNSON: Oh, yeah,  
23 absolutely. So what we would consider is  
24 a -- the floor would either be last year's,

1           so that there wouldn't be a loss, or it would  
2           be a rolling average of three years,  
3           whichever is higher.

4                     ASSEMBLYWOMAN FAHY: So at no point  
5           would a community college see less than what  
6           they had seen in the previous year, is that  
7           what you're saying?

8                     SUNY CHANCELLOR JOHNSON: Right.  
9           That's correct.

10                    ASSEMBLYWOMAN FAHY: Okay. All right.  
11           That sounds very encouraging, because I know,  
12           given the volatility in the economy, that  
13           certainly has affected Hudson Valley, along  
14           with others. So I appreciate your -- the  
15           proposal and the ability to try to stabilize  
16           and have those budgets predictable, as you've  
17           said, which are essential.

18                    Another comment on the community  
19           colleges. Really pleased to see this  
20           childcare pilot program for the few million  
21           dollars. But my understanding is -- and in  
22           looking at some of the early budget drafts --  
23           is that there is a million dollars cut from  
24           childcare at SUNY.

1                   So I'm not clear what the answer that  
2                   was just given to Senator Krueger -- I  
3                   understand we're seeing an increase in one  
4                   pot of a pilot program for single parents at  
5                   community colleges, which sounds great, but  
6                   at the same time we're seeing a cut  
7                   elsewhere, and how do the two reconcile?

8                   SUNY CHANCELLOR JOHNSON: So to my  
9                   knowledge, I think you're exactly right, in  
10                  that the additional funding was a pilot for  
11                  400 women in particular that would be able to  
12                  attend higher ed over a three-year period of  
13                  time, taking into account all costs.

14                  At the same time, there is a cut of  
15                  a million -- and I think that program is  
16                  \$3 million; I could be wrong about that.

17                  ASSEMBLYWOMAN FAHY: Yeah, I think 3,  
18                  yeah.

19                  SUNY CHANCELLOR JOHNSON: Yeah. And  
20                  then -- it's the Empowerment Program. And  
21                  then there's a million-dollar cut to the  
22                  childcare, which is part of a combination of  
23                  programs that we think really address our  
24                  most vulnerable students that we'd like to



1 see restored, which is EOP, EOC, mental  
2 health, telecounseling, and childcare as  
3 well.

4 So you are correct on both of those.

5 ASSEMBLYWOMAN FAHY: Okay, I just -- I  
6 can't say enough how absolutely imperative it  
7 is to have those childcare resources for  
8 parents, particularly women. It's what  
9 really hurts them with staying out of the  
10 workforce, let alone upgrading their skills.  
11 So I very much appreciate your support on  
12 that.

13 Last question, the mental health  
14 telecounseling. It sounds very promising.  
15 And the more we can do -- I just met with  
16 over two dozen school superintendents on  
17 Saturday, and it was probably the number-one  
18 issue that they are really grappling with in  
19 elementary, secondary schools. And  
20 everywhere we go -- I'm out of time. I would  
21 like to hear more on that program to see if  
22 we can replicate or expand it.

23 SUNY CHANCELLOR JOHNSON: Sure. Love  
24 to get together to talk about that. Thank

1           you.

2                   ASSEMBLYWOMAN FAHY:   Okay, thank you.

3           Thank you to the chair.

4                   CHAIRWOMAN WEINSTEIN:   Thank you.

5                   We've been joined by Assemblywoman  
6           Alicia Hyndman.

7                   CHAIRWOMAN KRUEGER:   And we've been  
8           joined by Senator Robert Jackson and Senator  
9           Gustavo Rivera, who I think I forgot to  
10          introduce a while ago.

11                   And the next up is Senator Robert  
12          Jackson.

13                   SENATOR JACKSON:   Good afternoon.  
14          Good afternoon, Chancellor.

15                   SUNY CHANCELLOR JOHNSON:   Good  
16          afternoon.

17                   SENATOR JACKSON:   I'm a newbie.   That  
18          terminology means that I'm new in the State  
19          Senate, so forgive me if I ask a question  
20          that's not appropriate.   But I wanted to ask  
21          a question because I've communicated to my  
22          constituents down in Manhattan that I'm going  
23          to be very active in the New York State  
24          Senate, and especially when it comes to

1 education.

2 So I want to ask a general question of  
3 you as far as how important it is today, in  
4 today's world, to receive a college education  
5 compared to the 1950s.

6 SUNY CHANCELLOR JOHNSON: Wow. So  
7 compared to the 1950s, I'd say even compared  
8 to the last century, it's changed in the last  
9 generation, so from 2000 forward.

10 You know, I say college is the new  
11 high school. When you look at 11.6 million  
12 new jobs created in the last, you know,  
13 decade -- 11.5 million -- that's  
14 99 percent -- went to individuals with a  
15 college education.

16 SENATOR JACKSON: So it's very  
17 important, then.

18 SUNY CHANCELLOR JOHNSON: It's not a  
19 "nice to" or a "want to," it's a "have to."

20 SENATOR JACKSON: And how important it  
21 is for children growing up through the  
22 elementary school system to be provided an  
23 opportunity to get that college education?

24 SUNY CHANCELLOR JOHNSON: Very

1 important.

2 SENATOR JACKSON: Very important.

3 And I think I knew your answers, and  
4 if it was anything other than that, I would  
5 be really shocked. And I only raise that  
6 because I don't know if you're aware of my  
7 history in fighting for the children not only  
8 in New York City, but in New York State, as  
9 per the highest court in the State of New  
10 York, that they be afforded the opportunity  
11 to receive an adequate education. And  
12 funding is extremely important in that  
13 process.

14 And so that's why I asked that  
15 question. Because if you're not aware,  
16 Chancellor, in my opinion -- and some may  
17 differ with me -- the State of New York owes  
18 New York State's children \$4 billion towards  
19 their education, and the state has not lived  
20 up to it. And that's why I was asking you  
21 those general questions, how important it is  
22 to get a college education, how important it  
23 is to have the foundation of a good  
24 elementary school, pre-K to 12 education, so

1 children will have the opportunity to go to  
2 college.

3 So I just raise that with you as the  
4 Chancellor. If you're not aware, and I'm  
5 sure that you are -- and if you're not, I'm  
6 sure that your staff will make you aware how  
7 important it is that education is -- and I  
8 don't need to tell you how important it is,  
9 that's why you're the chancellor. But you  
10 should know that I'm going to fight like hell  
11 to make sure that our children receive that  
12 good education. And that's going to involve  
13 the budgetary process.

14 SUNY CHANCELLOR JOHNSON: Thank you  
15 very much, Senator.

16 SENATOR JACKSON: Thank you,  
17 Chancellor.

18 CHAIRWOMAN KRUEGER: Thank you.  
19 Assembly?

20 CHAIRWOMAN WEINSTEIN: Assemblywoman  
21 Buttenschon.

22 ASSEMBLYWOMAN BUTTENSCHON: Thank you  
23 very much again for being here today.

24 I am a proud community college

1 graduate and SUNY graduate, as well as having  
2 spent about 20 years working in the system in  
3 regards to an adjunct faculty progressing  
4 through full-time and then administration.

5 I would like to provide some follow-up  
6 from many of my colleagues that have asked  
7 some of the questions that I am concerned  
8 with.

9 I come from the 119th Assembly  
10 District, which includes Utica and Rome, and  
11 it is a very diverse areas as well as many  
12 families live within poverty level. So these  
13 colleges are very important to us, not only  
14 to individuals that are attending our local  
15 schools but individuals that would be  
16 attending across the state.

17 I am very interested in the new  
18 formula that includes non-matriculated  
19 students, so I look forward to that  
20 follow-up, as you had stated you would  
21 provide.

22 In regards to staffing, does SUNY have  
23 an optimal full-time to part-time faculty  
24 that works well for success of retention and

1 completion?

2 SUNY CHANCELLOR JOHNSON: You know,  
3 the different -- I mean it's a great  
4 question. The different sectors have  
5 different ratios of full-time to part-time  
6 faculty. I'd have to think a little more  
7 carefully and confab with the provost on  
8 "optimum."

9 So I think what's important is that  
10 our faculty are so dedicated and working so  
11 hard to deliver that excellent education, and  
12 can we give them the kind of support so that  
13 they can be successful. And that includes  
14 our adjuncts as well. I think that the more  
15 that we can rely on adjuncts with unique  
16 perspectives -- maybe they've worked in  
17 business. I mean, I think that adjuncts are  
18 a very welcome and important part of the  
19 enterprise.

20 The question is really just a matter  
21 of balance. And that's what I think we need  
22 to look at carefully.

23 ASSEMBLYWOMAN BUTTENSCHON: And I can  
24 agree with you. But when you're talking

1 about 29 percent and fluctuating, I think  
2 that it is a concern.

3 SUNY CHANCELLOR JOHNSON: That is a  
4 concern.

5 ASSEMBLYWOMAN BUTTENSCHON: In our  
6 community, the major concern of the EOP  
7 programs and the like that expand upon -- as  
8 it was addressed, you said one in five of  
9 your female students utilize your childcare.

10 SUNY CHANCELLOR JOHNSON: Right.

11 ASSEMBLYWOMAN BUTTENSCHON: We have  
12 lost one of our childcare programs at Mohawk  
13 Valley, and now at the end of this spring  
14 semester we will lose it at Herkimer. I just  
15 wondered if there's a plan that SUNY has in  
16 regards to -- and even at our SUNY school,  
17 that could fill that gap. I know there's the  
18 pilot program. But is that something that is  
19 looked at of what areas will be provided  
20 within the pilot and what will be done?

21 SUNY CHANCELLOR JOHNSON: Right. We  
22 look forward to getting -- you know, to  
23 working with the Governor's office and also  
24 the Legislature to help define that program



1 and to launch it.

2 We'll also be looking at the childcare  
3 access on our campuses. So I'll come back to  
4 you on that.

5 ASSEMBLYWOMAN BUTTENSCHON: In regards  
6 to online learning, I know that's something  
7 that ensures -- opens an opportunity to so  
8 many individuals. But again, I think some of  
9 my colleagues talked about retention and  
10 completion. Are those rates at a level that  
11 you feel are sufficient enough to expand on  
12 this?

13 SUNY CHANCELLOR JOHNSON: I think if  
14 they're done well and done right, yes. I  
15 think that we -- what people hear a lot about  
16 are the so-called MOOCs, the massively online  
17 open courses, where you might have 100,000 or  
18 tens of thousands of individuals taking one  
19 class and the completion rate is 5 percent.  
20 That's not what we're talking about here.

21 We're actually talking about working  
22 with students to craft out their path, their  
23 program, keeping them on track, providing the  
24 tutoring and the just-in-time intervention to

1 help them be successful. And it will be  
2 expensive, but it will be rewarding and it  
3 will be absolutely essential that we be  
4 competitive in that market.

5 ASSEMBLYWOMAN BUTTENSCHON: So as far  
6 as right now, there isn't a success rate at  
7 this point that you have?

8 SUNY CHANCELLOR JOHNSON: I think our  
9 success rates -- again, because our online is  
10 mostly just part of the on-campus offering --  
11 are very high.

12 I think that as we expand to more  
13 students and students that aren't on campus  
14 but are exclusively online, I think that's  
15 where we're going to have to pay particular  
16 attention to success.

17 ASSEMBLYWOMAN BUTTENSCHON: And these  
18 might be just -- as far as your input to SED  
19 with the e-licensing, is that something  
20 you're working collaboratively with SED to  
21 ensure that that's going to work smoothly?

22 SUNY CHANCELLOR JOHNSON: Yes,  
23 absolutely.

24 ASSEMBLYWOMAN BUTTENSCHON: As we know

1 right now, many of your graduates have some  
2 gaps in that area.

3 SUNY CHANCELLOR JOHNSON: Right.

4 We see -- just one other thing. We  
5 think that one of the big opportunities, too,  
6 for our online opportunities are for also  
7 students that already have a degree but they  
8 might want to get a master's degree or  
9 additional certification and accreditation in  
10 an area. So it will be an interesting mix  
11 going forward.

12 ASSEMBLYWOMAN BUTTENSCHON: Thank you,  
13 Chair.

14 CHAIRWOMAN WEINSTEIN: Thank you.  
15 Senate?

16 CHAIRWOMAN KRUEGER: We're on second  
17 round.

18 Senator Toby Stavisky.

19 SENATOR STAVISKY: Yeah, very quickly,  
20 because you've been talking about online.

21 A two-part question. How will this  
22 impact -- you're talking about online at the  
23 various campuses. How will this affect  
24 Empire State College? And secondly, how will

1           this affect the ratio of full-time faculty to  
2           the adjuncts?

3                   SUNY CHANCELLOR JOHNSON: Great  
4           question.

5                   So Empire State College is one of our  
6           leaders in online and I would say alternative  
7           opportunities for attaining a higher  
8           education degree, so they're going to be  
9           right in the middle of what we do as online.

10                   And then the second part of the  
11           question was, I'm sorry?

12                   SENATOR STAVISKY: The second part was  
13           how will the online affect the ratio of  
14           full-time faculty to adjuncts.

15                   SUNY CHANCELLOR JOHNSON: I think if  
16           done well, it can actually improve the ratio  
17           of full-time to part-time faculty, the  
18           online, because it will bring in  
19           nontraditional learners, exclusively online  
20           learners. And depending on how we develop  
21           the offering, there would be the opportunity,  
22           for example, to have expert faculty across  
23           SUNY collaborate on providing a program  
24           online. There will be the opportunity to

1 take some of the great programs that at an  
2 individual campus like, you know, the Empire  
3 State, Buffalo, Mohawk, wherever, and provide  
4 them online.

5 It turns out that one of our most  
6 popular online courses right now is from a  
7 community college that students at four-year  
8 out-of-state schools take in statistics. So  
9 I think that we're going to learn a lot about  
10 how to do online well with the resources that  
11 we have.

12 We'll be mindful of that ratio,  
13 though, going forward.

14 SENATOR STAVISKY: Thank you.

15 CHAIRWOMAN KRUEGER: Thank you.  
16 Assembly.

17 CHAIRWOMAN WEINSTEIN: Thank you.  
18 Assemblyman Weprin.

19 ASSEMBLYMAN WEPRIN: Thank you, Madam  
20 Chair. And welcome, Chancellor.

21 SUNY CHANCELLOR JOHNSON: Thank you.

22 ASSEMBLYMAN WEPRIN: I want to thank  
23 you for continuing SUNY's outreach to SUNY  
24 alum who are in the Legislature. And I know

1 we've had a number of breakfasts since I'm  
2 here the last 10 years. And I'm a SUNY  
3 Albany graduate, as you know, and very proud  
4 of that. And I appreciate all the work  
5 you've been doing across the state and  
6 getting out and interacting with us in the  
7 Legislature. So I want to thank you for  
8 that, and I want to encourage you to continue  
9 that outreach.

10 In the Assembly, I chair the  
11 Corrections Committee. And there are a  
12 number of college programs in our  
13 correctional facilities. The two largest  
14 ones are with Bard College and with John Jay  
15 College of Criminal Justice. There is a  
16 small program that we have funded in the  
17 Assembly with Mohawk Valley Community College  
18 and the Marcy Correctional Facility.

19 So my question for you is, would you  
20 encourage more programs with SUNY for people  
21 incarcerated in correctional facilities?  
22 Especially when you're dealing with inmates  
23 that are going to be getting out soon and we  
24 certainly want to encourage them to integrate

1           into society, and certainly attending college  
2           and getting college courses and even degrees  
3           while they're incarcerated is very helpful  
4           for their reentry into society.

5                   SUNY CHANCELLOR JOHNSON: Absolutely.  
6           We'd be very encouraging of that and would  
7           push to expand our offerings, definitely.

8                   ASSEMBLYMAN WEPRIN: Okay. Are there  
9           any other institutions that have had any kind  
10          of program other than Mohawk Valley.

11                   SUNY CHANCELLOR JOHNSON: I'm not  
12          sure, but I could ask my team.

13                   So I'm told that North Country,  
14          SUNY Poly and others. Why don't we do a --  
15          I'll collect the information of what programs  
16          are where, and we'll get that to you.

17                   ASSEMBLYMAN WEPRIN: That will be  
18          helpful. Especially since a lot of the SUNY  
19          campuses are so close to our state  
20          correctional facilities, it would seem to  
21          make a lot of sense.

22                   And then just briefly, as a follow-up  
23          on Senator Stavisky's first round of  
24          questioning about out-of-state tuition. I

1 too have been an advocate for expanding  
2 out-of-state tuition and even increases for  
3 out-of-state, which would obviously keep  
4 in-state tuition down.

5 Can you just repeat the statistics?  
6 Because I know they're very low as far as  
7 out-of-state tuition, and is that something  
8 we could work certainly with some of the  
9 neighboring states to advertise that we do  
10 have SUNY campuses? And it would be helpful  
11 to keep tuition down for in-state residents  
12 if there was possibly more out-of-state  
13 residents paying higher tuition or maybe even  
14 an increase for the out-of-state tuition.  
15 And how does that compare to other states?

16 SUNY CHANCELLOR JOHNSON: Right. So  
17 our out-of-state tuition varies by sector,  
18 but it's roughly around, what, \$10,000? And  
19 our in-state is roughly around, what, 6,000?  
20 Yup. So there is a differential there.

21 Some of our surrounding states, their  
22 out-of-state tuition is less than some of our  
23 in-state, so that they can actually draw some  
24 of our students away. So I think we're



1 looking at sort of the enrollment strategy on  
2 those particular border states to see what we  
3 can propose. And we'll get -- we'll look at  
4 that.

5 ASSEMBLYMAN WEPRIN: No, I just agree  
6 with Senator Stavisky that it is an area that  
7 we can look at --

8 CHAIRWOMAN WEINSTEIN: Excuse me.  
9 Assemblyman Weprin --

10 ASSEMBLYMAN WEPRIN: -- especially  
11 when we're talking about modest increases.

12 Thank you, Madam Chair.

13 CHAIRWOMAN WEINSTEIN: Senate.

14 CHAIRWOMAN KRUEGER: Senator Seward  
15 for a quick follow-up.

16 SENATOR SEWARD: Thank you, Madam  
17 Chair.

18 I just wanted to go back to the  
19 SUNY -- the capital appropriation. The  
20 Executive Budget provides \$550 million for  
21 this year. Now, will this -- I just want  
22 clarification. Now, will this cover only the  
23 critical maintenance for the various  
24 campuses?

1                   SUNY CHANCELLOR JOHNSON: That's  
2 correct.

3                   SENATOR SEWARD: No additional  
4 additions or upgrades and that type of thing?

5                   SUNY CHANCELLOR JOHNSON: Right.  
6 Right. It will only cover critical  
7 maintenance.

8                   SENATOR SEWARD: And what do you  
9 envision the impacts this level of funding  
10 will have on our campuses? I mean, what can  
11 you accomplish with this?

12                   SUNY CHANCELLOR JOHNSON: Right.  
13 Well, first of all, again, 550 a year for  
14 five years, the predictability of it is  
15 tremendous, so we're definitely appreciative  
16 of that.

17                   Probably would need a little bit more  
18 in critical maintenance in order to take care  
19 of the true backlog that we have on our  
20 buildings. I do think we receive some new  
21 capital, about \$100 million for Upstate and  
22 hospitals in -- was it Stony Brook? Yeah,  
23 Stony Brook. So I want to be correct and  
24 accurate there. So we did receive 100

1 million for the two hospitals for capital  
2 investments.

3           What we'd like to do is to have an  
4 increase on the critical maintenance so we  
5 could take care of the backlog and to look at  
6 the opportunity to build new buildings and  
7 infrastructure for our -- in particular, it  
8 might be our engineering schools and our  
9 sciences, basic sciences buildings. For  
10 example, I toured Old Westbury, and they're  
11 in desperate need for a new facility there.

12           SENATOR SEWARD: You're absolutely  
13 right. We've gone several years without a  
14 comprehensive SUNY capital program, and there  
15 is some pent-up demand there for sure.

16           SUNY CHANCELLOR JOHNSON: Oh,  
17 absolutely. And --

18           SENATOR SEWARD: I just wanted -- in  
19 our minute or so left, I just wanted to  
20 return to the community college funding  
21 formula. As I understand your proposal, in  
22 effect it would keep the -- those campuses  
23 that are actually losing enrollment, to keep  
24 them at a hold-harmless position; those that

1 are increasing would get the FTE.

2 SUNY CHANCELLOR JOHNSON: Correct.

3 That is correct.

4 SENATOR SEWARD: Would this model be  
5 responsive to, you know, sudden large  
6 increases in enrollment at a community  
7 college? Because as you pointed out earlier  
8 in your testimony, when -- you know,  
9 economically when things are bad, you know,  
10 more people -- the enrollment goes up,  
11 sometimes dramatically, and vice versa.

12 SUNY CHANCELLOR JOHNSON: Exactly.

13 Very much so.

14 SENATOR SEWARD: So are you  
15 comfortable that it would accommodate a large  
16 increase in enrollment?

17 SUNY CHANCELLOR JOHNSON: It would be  
18 a great start. It would be a great start.

19 And I also would be remiss if I didn't  
20 say with community colleges we did receive a  
21 match from the state for the local county  
22 capital investment. So I think that was  
23 for -- how much, 40? I'm not sure how much,  
24 but it was -- we're very grateful for that as

1 well.

2 SENATOR SEWARD: Thank you.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Assembly?

5 CHAIRWOMAN WEINSTEIN: Assemblywoman

6 Simon.

7 ASSEMBLYWOMAN SIMON: There it goes.

8 Thank you very much.

9 I would also like to speak to some of  
10 the issues regarding students with  
11 disabilities on SUNY campuses. I think one  
12 of the -- what's critically important is that  
13 there are both technological needs, capital  
14 needs, as well as service provision needs  
15 that we are going to be facing in greater  
16 numbers as we go forward.

17 And in a particular situation, I want  
18 to reflect on your comments with regard to  
19 the Title IX proposal from the Department of  
20 Education. And obviously based on, if  
21 nothing else, the evidentiary standard that's  
22 being increased, the narrowness of  
23 definitions, as well as the live-hearing  
24 requirement in higher education, I am very

1           concerned that we will end up retraumatizing  
2           victims. It will have a chilling effect on  
3           reporting, and those victims will either be  
4           remaining on our campuses where those  
5           incidents occurred or, if it happens in some  
6           other school, even a private school,  
7           whatever, they will arrive at SUNY with  
8           greater disability-related needs from  
9           posttraumatic stress, depression and anxiety,  
10          which really will increase the need for  
11          counseling.

12                    I'm curious whether you have looked at  
13          that issue, whether you are planning for  
14          increased services that would be the result  
15          of the consequences of this. It's already a  
16          very big concern. I'm curious how you've  
17          assessed those needs.

18                    SUNY CHANCELLOR JOHNSON: Well, you  
19          obviously hit the three major issues square  
20          on the head.

21                    And so the first thing that we're  
22          doing is fighting these changes. Right? So  
23          that's -- the second thing is that as we move  
24          forward -- that's one of the reasons we were

1           pleased to receive last year the 600,000 for  
2           the tele-mental health counseling, which is  
3           really important and crucial. Because it  
4           does allow a certain anonymity, too, with  
5           regard to the counseling. And we take very  
6           seriously the safety of our students.

7                        So we -- through the great work of Joe  
8           Storch, who is leading the effort, we  
9           received a \$5 million effort to look at the  
10          prevention of domestic and interpersonal  
11          violence on our campuses.

12                       So -- very committed to this. You  
13          cannot learn if you do not feel you're safe  
14          and if you're traumatized. So I totally am  
15          with you and will continue to work hard for  
16          our students.

17                       ASSEMBLYWOMAN SIMON: Thank you. If  
18          you end up with numbers on that, I'd  
19          appreciate knowing what your thinking is.

20                       SUNY CHANCELLOR JOHNSON: Definitely.  
21          Will do.

22                       ASSEMBLYWOMAN SIMON: Thank you.

23                       SUNY CHANCELLOR JOHNSON: Thank you.

24                       CHAIRWOMAN WEINSTEIN: So the

1 Assembly, for seconds. Now we have  
2 Deborah Glick.

3 ASSEMBLYWOMAN GLICK: Thank you.

4 One request and then a question.  
5 There are a number of things that we have  
6 asked questions that you have indicated you  
7 will get back to us on.

8 SUNY CHANCELLOR JOHNSON: Yes.

9 ASSEMBLYWOMAN GLICK: We would like  
10 that in writing so that we can share it with  
11 all of the members. So we want to be certain  
12 that we get that information in a form that  
13 can be disseminated.

14 SUNY CHANCELLOR JOHNSON: Okay. Very  
15 good.

16 ASSEMBLYWOMAN GLICK: Secondly, I have  
17 felt for some long period of time that higher  
18 ed has not gotten sufficient resources  
19 allocated by the Executive. And if there  
20 were a perfect world in which we could  
21 suggest to the Governor that we not have to  
22 back-fill opportunity programs, et cetera,  
23 and there was, you know, an additional \$300  
24 million of which SUNY might have access to 1



1 million to 150 million more, what would you  
2 do with that other than deal with the TAP  
3 gap? I'm asking priorities.

4 SUNY CHANCELLOR JOHNSON: I think that  
5 we have laid out the priorities with regard  
6 to ensuring our community colleges have  
7 predictable funding. The investment in our  
8 capital for new build to make our  
9 infrastructure a 21st-century infrastructure  
10 would be critically important.

11 We would like to see -- you know, one  
12 of the priorities that we've set is to double  
13 our innovation and entrepreneurship and  
14 scholarship. And that's community college --  
15 that's our P-TECH schools all the way through  
16 and our charter schools all the way through  
17 to our higher ed. That's innovation all the  
18 way up and down the education continuum. So  
19 there would be opportunities there.

20 I mean, you know, to -- I probably  
21 would like to come back and have a  
22 conversation and dialogue about that after  
23 thinking through it in more detail. But the  
24 priorities that we laid out would be a great

1 start.

2 ASSEMBLYWOMAN GLICK: Thank you.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 Assemblyman Smith.

5 ASSEMBLYMAN SMITH: Thank you to the

6 chair.

7 Another thing I'd like to ask on this,  
8 and we haven't really addressed it. We  
9 addressed a number of other questions I would  
10 have liked to have asked. Obviously one of  
11 our priorities is keeping our students safe  
12 in our schools, and that's going to be  
13 addressed, I think, in some of the  
14 legislation we take up this week.

15 But as the SUNY Chancellor, you along  
16 with the Education Commissioner and the  
17 Budget Director sit on the Smart Schools  
18 Review Board to deal with the \$2 billion that  
19 was allocated during the Smart Schools Bond  
20 Act in 2014. Last September, \$400 million  
21 was disbursed to New York City schools to  
22 help improve technology, make sure we're not  
23 learning in portable classrooms -- but  
24 there's still \$1.2 billion that's been

1 sitting there. And I know for my district,  
2 my schools, that's their number-one priority.  
3 They're trying to make basic security  
4 upgrades.

5 Why -- and I'm not trying to put you  
6 on the spot, but this committee, of which  
7 you, the Education commissioner and the  
8 Budget Director sit on, why is there not  
9 another meeting scheduled to meet? And the  
10 plans that the school districts have  
11 submitted on what they would like to spend  
12 the money -- Sachem School District, that I  
13 represent, has been approved for \$11 million.  
14 They haven't seen a dime of it in four school  
15 years. They're really dealing with budget  
16 issues because they want to put vestibules in  
17 the schools to keep our students safe. And  
18 it's not a reimbursable grant, so if they lay  
19 out the money initially, they can't be repaid  
20 on that.

21 Can you speak to that a little bit?

22 SUNY CHANCELLOR JOHNSON: Yeah, give  
23 me a minute. I'm just going to confer with  
24 my lifeline here.

1 ASSEMBLYMAN SMITH: We could stop the  
2 clock, maybe?

3 SUNY CHANCELLOR JOHNSON: Thank you  
4 for allowing me to do that.

5 So as you may know, I started as  
6 chancellor in 2017, so I wasn't around in  
7 2014. And I'll certainly look into it. I  
8 just don't know about it.

9 ASSEMBLYMAN SMITH: If you could do  
10 that, that would be great. Because as you  
11 can understand, that's a priority. And as we  
12 go forward in the budget, our schools are  
13 dealing with making up their budgets for next  
14 year. They have to decide what they're going  
15 to be doing in terms of school security. And  
16 I think we all agree that for \$1.2 billion to  
17 sit there since 2014, that's pretty  
18 devastating when we do have a -- it's a very  
19 scary world we live in. So thank you so much  
20 for looking into that.

21 SUNY CHANCELLOR JOHNSON: You're  
22 welcome.

23 CHAIRWOMAN WEINSTEIN: Thank you.  
24 Assemblyman Barclay.

1 ASSEMBLYMAN BARCLAY: Thank you,  
2 Chairwoman.

3 I have just a very quick question.  
4 SUNY Oswego is in my district, and we have a  
5 small business development center there  
6 that's provided a lot of success to a lot of  
7 small businesses in the Oswego area.

8 That budget is proposed to be cut  
9 under the Governor's proposal. Can you speak  
10 to that, and why? It's not that much.

11 SUNY CHANCELLOR JOHNSON: We're asking  
12 for that to be restored as well.

13 ASSEMBLYMAN BARCLAY: Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you,  
15 Chancellor, for being here.

16 And any follow-up questions, responses  
17 that you send -- just for people more in the  
18 audience to know -- will be made part of our  
19 official record.

20 Thank you. And I'm sure we'll  
21 continue to have conversations as we go  
22 through this budget process.

23 SUNY CHANCELLOR JOHNSON: Thank you  
24 very much, Chair. Thank you all very much

1 for your time. Appreciate it.

2 CHAIRWOMAN WEINSTEIN: So next we  
3 will -- as people leave, we're going to call  
4 down the City University of New York Interim  
5 Chancellor Vita Rabinowitz.

6 (Off the record.)

7 CHAIRWOMAN WEINSTEIN: Thank you. So  
8 you can proceed. If others at the table are  
9 going to be speaking, just introduce  
10 yourselves when you speak.

11 Thank you, Chancellor.

12 CUNY CHANCELLOR RABINOWITZ: Good  
13 afternoon. Good afternoon, Chairs Stavisky,  
14 Krueger, Glick, Weinstein, members of the  
15 Finance, Ways and Means, and Higher Education  
16 Committees, staff and guests. I am Vita  
17 Rabinowitz, interim chancellor of the  
18 City University of New York.

19 I am joined at the table by Matt  
20 Sapienza, senior vice chancellor and chief  
21 financial officer, Judy Bergtraum, senior  
22 vice chancellor for facilities planning,  
23 construction and management, and Interim Vice  
24 Chancellor for Student Affairs Christopher

1 Rosa.

2 I am delighted to share with you today  
3 some recent progress at CUNY and discuss  
4 priorities and goals for our future. I will  
5 deliver an abbreviated version of my written  
6 testimony so that we can move to your  
7 questions.

8 I want to begin by thanking Governor  
9 Cuomo and all our funding partners in the  
10 state and city for enabling us to deliver  
11 results for our students and the citizens of  
12 New York. I also want to thank Chair William  
13 Thompson and the CUNY Board of Trustees for  
14 their tireless efforts on behalf of our  
15 students, faculty, and staff.

16 This is an exciting time in the  
17 University's history, one marked by national  
18 acclaim for our senior and community  
19 colleges, prestigious awards for our students  
20 and faculty, and significant expansion of our  
21 physical plant. The records we have set in  
22 freshman enrollment -- almost 40,000 more new  
23 freshmen in 2018, a rise of 4 percent over  
24 the previous year -- is a testament to the

1           quality of our institutions and the  
2           excellence of the outcomes that our graduates  
3           can expect.

4                        Last year we awarded over 54,000  
5           degrees, the most in our history, fueled in  
6           part by increases in graduation rates for  
7           both the bachelor's and the associate's  
8           levels, which are now approaching national  
9           public university averages. CUNY colleges  
10          account for more than a third of the business  
11          and finance degrees awarded in New York City,  
12          about a third of New York City's public  
13          school teachers, and a high percentage of the  
14          nurses and the health sciences professionals  
15          employed at local medical facilities.

16                       We produce hundreds of computer  
17          scientists and engineers every year, and  
18          those numbers have risen sharply over the  
19          last five years, with growing percentages of  
20          women and underrepresented minorities among  
21          them. Significantly, more than 80 percent of  
22          our graduates remain and work in New York.

23                       The university's vital role as an  
24          engine of economic and social mobility in



1 New York takes on added urgency in a  
2 knowledge economy. CUNY's 2020 budget  
3 request is predicated on the idea that for  
4 the City and State of New York to thrive and  
5 lead in these times, CUNY must play a key  
6 role in producing a diverse, highly educated  
7 workforce at scale for the most globally  
8 competitive region in the nation.

9 Our budget request contains two major  
10 components. First, mandatory cost increases,  
11 which form the core of our request, and  
12 second, strategic investments in four areas,  
13 three of them centered around student success  
14 and the fourth around strengthening the  
15 university's infrastructure.

16 To support our mandatory cost  
17 increases, we are pleased that the Governor's  
18 Executive budget promises an increase of  
19 3 percent for our senior colleges and  
20 includes \$47.7 million in funding for fringe  
21 benefits. The modest senior college tuition  
22 increase planned under the predictable  
23 tuition policy is also included, generating  
24 an additional \$31.3 million.

1                   I will take this opportunity to  
2                   underscore our request for a multiyear plan  
3                   to close the TAP gap, the difference between  
4                   the maximum TAP award and the tuition CUNY  
5                   charges. For community colleges, we propose  
6                   a base aid increase of \$250 per student so  
7                   that we can keep community college tuition  
8                   flat.

9                   We are committed to making the  
10                  university's operations more efficient so  
11                  that we can redirect funds to strategic  
12                  investments. Two years into our four-year  
13                  plan, I am pleased to tell you that CUNY is  
14                  on track to realize \$75 million in  
15                  administrative efficiencies.

16                 Our first category of strategic  
17                 investments expands upon proven approaches  
18                 that advance degree completion. As the  
19                 economy rapidly changes, completing degrees  
20                 of value is ever more essential for our  
21                 students to thrive in their chosen careers.  
22                 We propose to expand our signature student  
23                 success program, Accelerated Study in  
24                 Associate Programs, or ASAP, and expand its

1 new four-year counterpart, which is very  
2 innovative for the State of New York -- it's  
3 called Accelerate, Complete and Engage, or  
4 ACE -- as well as support other academic  
5 momentum initiatives that together are  
6 accelerating credit accumulation, completion,  
7 raising graduation rates and, crucially,  
8 closing racial achievement gaps at CUNY.  
9 Growing our proven early-college programs  
10 will give more high school students college  
11 credit while still in high school, improving  
12 the chances that they will make good progress  
13 through college and graduate on time.

14           Expanding, diversifying and supporting  
15 our full-time faculty is essential to all of  
16 our academic success initiatives. We are  
17 seeking funding for more full-time faculty.  
18 We also ask that you continue full funding of  
19 our effective SEEK and CD programs.

20           Second, we need to make sure that we  
21 remove barriers to students' success based on  
22 basic needs for food and housing security,  
23 mental and physical health, and childcare,  
24 among others. We propose to expand to all

1           senior campuses the powerful program Single  
2           Stop, which connects students and their  
3           families to untapped government benefits and  
4           other kinds of assistance for which they are  
5           eligible.

6                         We also request resources to increase  
7           availability of campus childcare and to  
8           address student food insecurity in an  
9           innovative new way, by providing swipe cards  
10          for use in our campus cafeterias.

11                        Third, we propose to invest in what we  
12          call CUNY Works, a set of integrated, bold  
13          new steps to ensure that our students are  
14          well-positioned to thrive in the changing  
15          world of work. We will scale up CUNY's new  
16          workforce center to engage employers across  
17          10 high-growth sectors and translate their  
18          needs into career opportunities for CUNY  
19          students.

20                        Similarly, we plan to grow the  
21          availability of paid internships and expand  
22          experiential and service learning for our  
23          students. We have seen firsthand just how  
24          transformative programs like Service Corps

1 Puerto Rico can be for our students.

2 Colleagues, we are seeking essential  
3 support of \$2.8 million for the CUNY School  
4 of Medicine, which opened its doors in fall  
5 2016 and has been since its inception one of  
6 the most diverse medical schools in the  
7 nation. You may have seen a recent article  
8 in the New York Daily News chronicling its  
9 remarkable ways of operating and its success  
10 in attracting and retaining a diverse  
11 minority student body.

12 Finally, we appreciate the commitment  
13 to CUNY's infrastructure needs, with  
14 \$444.5 million of new capital funding,  
15 including a \$284 million investment in  
16 critical maintenance for CUNY senior colleges  
17 and \$68 million in matching funds for our  
18 community colleges. These funds will go a  
19 long way in enabling upgrades for aging  
20 elements of our buildings.

21 We're also requesting funding for new  
22 buildings, including much-needed science and  
23 health professions facilities. Thanks to  
24 Governor Cuomo and the Legislature, we were

1           able to meet those needs recently for  
2           students at City Tech, where we just opened a  
3           \$400 million state-of-the-art academic  
4           building with cutting-edge technology to  
5           train future STEM and allied health  
6           professionals.

7                         We are truly grateful to the Governor  
8           and the Legislature for your steadfast  
9           commitment to keeping public higher education  
10          affordable in New York, especially in  
11          comparison with other states. CUNY's  
12          relatively low tuition, generous financial  
13          aid, and the Excelsior scholarship, combined  
14          with tax credits, enable 65 percent of our  
15          students to attend tuition-free, 65 percent.  
16          Last year, nearly 3300 CUNY students earned  
17          the Excelsior Scholarship, and with the  
18          higher income limit this year, we expect that  
19          number to rise.

20                        In spring 2018, Excelsior scholars had  
21          significantly higher GPAs --

22                        CHAIRWOMAN WEINSTEIN: Do you want to  
23          just summarize the -- because we do have your  
24          written testimony.

1 CUNY CHANCELLOR RABINOWITZ: I will,  
2 Assemblywoman, I promise.

3 -- and higher retention rates than  
4 non-Excelsior students.

5 We're delighted with your leadership  
6 and the Governor's leadership on the Jose  
7 Peralta Dream Act, and at CUNY, as you know,  
8 we have thousands of undocumented students  
9 who will directly benefit from your actions.

10 To conclude, CUNY's strength comes  
11 from the extraordinary richness and variety  
12 of our large, diverse community. We're on  
13 the cutting edge of implementing academic  
14 strategies, technologies and programs that  
15 help students better navigate college and  
16 achieve their dreams.

17 We thank you for your extraordinary  
18 partnership in this work, and I will be happy  
19 to address your questions now.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 We're going to go first to our Higher  
22 Education chair, Assemblywoman Glick.

23 ASSEMBLYWOMAN GLICK: It's nice to see  
24 you.

1 CUNY CHANCELLOR RABINOWITZ: Thank  
2 you.

3 ASSEMBLYWOMAN GLICK: Welcome. This  
4 is, I think, your first trial by fire.

5 (Laughter.)

6 CUNY CHANCELLOR RABINOWITZ: It is.

7 ASSEMBLYWOMAN GLICK: So we understand  
8 that the City University has a different  
9 demographic than SUNY. What is the current  
10 TAP gap, and how much does that escalate each  
11 year as you increase tuition?

12 CUNY CHANCELLOR RABINOWITZ: That's a  
13 great question, Assemblywoman. I will say  
14 that the per-student TAP gap at CUNY is about  
15 \$1,565. This year we estimate the TAP gap to  
16 be about \$72 million at CUNY. And in the  
17 fiscal year that we're talking about, fiscal  
18 year 2020, it will go up to about \$85  
19 million.

20 I will turn to our Senior Vice  
21 Chancellor Sapienza. Matt, did I leave  
22 anything out there?

23 SUNY CFO SAPIENZA: No.

24 ASSEMBLYWOMAN GLICK: Could you



1 clarify exactly what you're looking for for  
2 the medical school when you say \$2.8 million  
3 for the school? Presumably the school  
4 physically exists.

5 CUNY CHANCELLOR RABINOWITZ: Yes, it  
6 does.

7 ASSEMBLYWOMAN GLICK: So is this for  
8 tuition support, or what other things are you  
9 including in that?

10 CUNY CHANCELLOR RABINOWITZ: Happy to  
11 answer that question, Assemblywoman. The  
12 tuition at the medical school right now is  
13 \$40,000 a year, which as you well know is  
14 below the national average. What we are  
15 asking for is \$40,000 per student, or  
16 \$2.8 million a year for state investment in  
17 the medical school. This would achieve  
18 parity with what SUNY medical schools receive  
19 on a per-student basis.

20 Just so you know, we accept about  
21 70 students per year in the new medical  
22 school. And so that's what -- so it's  
23 \$40,000 per student, \$2.8 million a year.

24 ASSEMBLYWOMAN GLICK: Okay. When it

1 comes to capital, we have a number of figures  
2 here in your testimony, and I want to tease  
3 it out. There was -- of the \$444.5 million  
4 in new capital funding, you have 284 in  
5 critical maintenance.

6 CUNY CHANCELLOR RABINOWITZ: Correct,  
7 for senior colleges.

8 ASSEMBLYWOMAN GLICK: And included in  
9 that is the \$68 million. So what is that  
10 leaving you for anything else, and what would  
11 you be using it for?

12 CUNY CHANCELLOR RABINOWITZ: I'm going  
13 to turn to Senior Vice Chancellor Bergtraum  
14 to address that question.

15 VICE CHANCELLOR BERGTRAUM: So the 284  
16 and the 68 are separate. The 284 is totally  
17 for critical maintenance. The 68 is a match  
18 for what the city provided for the community  
19 colleges.

20 ASSEMBLYWOMAN GLICK: And then the  
21 balance of the --

22 VICE CHANCELLOR BERGTRAUM: The  
23 balance is 37 million to pay for the staffing  
24 at DASNY and at the Construction Fund, which

1 is CUNY.

2 ASSEMBLYWOMAN GLICK: Okay, so that's  
3 all essentially administrative dollars --

4 VICE CHANCELLOR BERGTRAUM: Yes.

5 CUNY CHANCELLOR RABINOWITZ: Yes.

6 ASSEMBLYWOMAN GLICK: -- the balance  
7 does not go to doing anything physically.

8 What do you estimate your needs are  
9 going forward if you were to have -- if we  
10 were to have the five-year capital plan that  
11 the Legislature has repeatedly voted for,  
12 what would that look like? Obviously,  
13 there's planning, then there's design and  
14 construction, and then there's actual  
15 construction. What are your needs?

16 VICE CHANCELLOR BERGTRAUM: So our  
17 request is we produce this book every year,  
18 which you will get a copy of probably this  
19 week, and it gives you our needs laid out for  
20 every single year and for every single  
21 college. So you will get this, and it will  
22 give you all the specifics.

23 And our request for this fiscal year  
24 is about \$1.4 billion.

1 ASSEMBLYWOMAN GLICK: And that would  
2 deal with actually new things, not just --

3 VICE CHANCELLOR BERGTRAUM: That would  
4 be the beginning of new construction and that  
5 would be the critical maintenance. With the  
6 critical maintenance, the 284, we've gotten  
7 -- we've received 284 for the last three or  
8 four years, and it's made a really big  
9 difference because we can plan ahead, and  
10 it's had a very big impact.

11 We're different from SUNY in the  
12 aspect that we are in New York City, we don't  
13 have -- we have to work in buildings that are  
14 occupied. So when we get capital money, it's  
15 a very interesting procedure to figure out  
16 what we're going to do and where, because  
17 we're renovating in buildings that are being  
18 used by students.

19 ASSEMBLYWOMAN GLICK: And the 1.4 that  
20 you're requesting -- and we'll see a very  
21 detailed book soon -- includes the 284 plus  
22 some additional?

23 VICE CHANCELLOR BERGTRAUM: It  
24 includes the 284 additional critical

1 maintenance request and additional money for  
2 new construction.

3 ASSEMBLYWOMAN GLICK: Okay. In terms  
4 of where you currently are in your efforts to  
5 increase full-time faculty, where are you  
6 now?

7 CUNY CHANCELLOR RABINOWITZ: We have  
8 proposed funding for 200 new faculty a year.  
9 Colleagues, you have seen our numbers. CUNY  
10 has about 7,600 full-time faculty. The ranks  
11 of our adjunct faculty have grown to about  
12 12,000 this year, from 11,000-something last  
13 year.

14 So it is essential for us as a great  
15 university to replenish and grow the  
16 full-time faculty. We lose to retirement in  
17 recent years about -- anywhere from 180 to  
18 200 faculty a year. And about 30 percent of  
19 our faculty are age 62 or older. So we see,  
20 you know, a time of replenishment.

21 While we don't have a numerical target  
22 for new faculty -- that varies by area, by  
23 school, by college -- we have a general goal  
24 of increasing the number of full-time faculty

1 and increasing the percentage of instruction  
2 that is delivered by full-time faculty.

3 ASSEMBLYWOMAN GLICK: It sounds,  
4 though, as if there is substantial  
5 retirement, and so the goal of 200 new  
6 faculty seems to just keep pace.

7 CUNY CHANCELLOR RABINOWITZ: Right.  
8 Right. So, Assemblywoman, that's 200 faculty  
9 above replacement levels, yes.

10 CUNY CFO SAPIENZA: And Chair Glick,  
11 if I can, I also want to add in our budget  
12 request we include our four-year financial  
13 plan and we're seeking to add 200 new faculty  
14 in each of the four years. So over four  
15 years, we would add 800 to that 7600 figure  
16 that the chancellor cited.

17 CUNY CHANCELLOR RABINOWITZ: Right.

18 ASSEMBLYWOMAN GLICK: Okay. On the  
19 issue -- in the Governor's budget the  
20 Governor holds steady on the LEADS program,  
21 but it's my understanding that you continue  
22 to grow the number of students with  
23 disabilities. What kind of gap does just  
24 holding fast generate? And I assume that

1 Chris Rosa will be answering.

2 CUNY CHANCELLOR RABINOWITZ: He  
3 certainly will.

4 I know we have at least 10,000  
5 students with disabilities at the City  
6 University of New York. It's a growing  
7 number. And I will gladly turn to Vice  
8 Chancellor Rosa to answer the question.

9 VICE CHANCELLOR ROSA: Thank you,  
10 Chancellor. And thank you for the question,  
11 Assemblymember.

12 Our chancellor is correct, we've  
13 exceeded more than 10,000 students with  
14 disabilities, pushing towards 11,000. And  
15 for us, that represents a growth of more than  
16 a third in our enrollment of students with  
17 disabilities over the last 25 years. And our  
18 foundation funding for reasonable  
19 accommodations and support services was  
20 established by the state at that same time 25  
21 years ago, and its purchasing power has  
22 eroded by almost 40 percent. So we're  
23 challenged to serve a third more students  
24 with funding that purchases roughly

1           40 percent less accommodations and support  
2           services for students with disabilities.

3                   And it's our understanding that our  
4           colleagues at SUNY and the private and  
5           proprietary colleges are experiencing a  
6           similar dynamic as college students with  
7           disabilities statewide have eclipsed 60,000  
8           in enrollment for the first time in the  
9           history of the state.

10                   ASSEMBLYWOMAN GLICK: I know my time  
11           is out. I will come back just to get a  
12           little more clarification on what your needs  
13           are in that arena.

14                   VICE CHANCELLOR ROSA: Sure. Thank  
15           you.

16                   CHAIRWOMAN WEINSTEIN: Thank you.

17                   We were joined quite a while ago by  
18           Assemblyman Victor Pichardo.

19                   Senate?

20                   CHAIRWOMAN KRUEGER: Thank you.

21                   First questioner, Senator Toby  
22           Stavisky.

23                   SENATOR STAVISKY: Thank you.

24                   And welcome, my colleagues from CUNY.



1                   And to pick up on what Assemblywoman  
2                   Glick was talking about, I know you have a  
3                   lot of programs for the disabled community.  
4                   And I suspect my constituent, Vice Chancellor  
5                   Rosa, will answer that question.

6                   VICE CHANCELLOR ROSA: Sure. We've  
7                   been very, very fortunate through investment  
8                   from the state to create some signature  
9                   programs that promote access and success for  
10                  students with disabilities. Our CUNY LEADS  
11                  program is probably the strongest, where  
12                  intensive career-readiness services that  
13                  begin as students are admitted and continue  
14                  over the course of their matriculation and  
15                  development through CUNY, and ultimately  
16                  working on connecting students to competitive  
17                  employment opportunities.

18                  And through that investment,  
19                  70 percent of our college students with  
20                  disabilities gain competitive employment  
21                  within 18 months of graduation. So it's a  
22                  stunning figure, and it's really all the  
23                  result of the investment by the state, for  
24                  which we're really grateful.

1                   SENATOR STAVISKY: Thank you. I've  
2                   been to many of the events conducted by the  
3                   Committee for Disabled Students at  
4                   Queens College, and they're terrific,  
5                   terrific programs.

6                   Let me ask a question about something  
7                   that I'm obviously concerned about, and  
8                   that's remediation. Can you tell us -- I  
9                   asked Chancellor Johnson the same question.  
10                  Can you tell me how many students are  
11                  receiving remediation, the percentage of the  
12                  student body who are receiving remediation,  
13                  and what the cost is?

14                  CUNY CHANCELLOR RABINOWITZ: Yes, I  
15                  can, Senator. This has been a -- as  
16                  university provost, it was my passion to  
17                  address this problem.

18                  At CUNY, up until a year ago, about 80  
19                  percent of all entering community college  
20                  freshmen and over 50 percent of all CUNY  
21                  freshmen were placed into remedial courses or  
22                  remediation. Or developmental education --  
23                  mostly in mathematics, but in reading and  
24                  writing as well. Of that 80 percent, most of



1 of what is called co-requisite courses, which  
2 is students take credit-bearing courses with  
3 mandatory hours in extra support. These have  
4 been found nationwide to be more effective  
5 than the zero-credit remediation courses.

6 Thirdly, we ramped up our successful  
7 pre-matriculation remediation programs. You  
8 may have heard of CUNY Start, Math Start.  
9 These are nationally renowned programs much  
10 like ASAP where students are immersed in  
11 either just math and English for a six-month  
12 period. They are not enrolled in college.  
13 They pay \$75 for the entire course, and then  
14 they enter college fully college-ready,  
15 thereby using their precious financial aid  
16 for credit-bearing courses and to make  
17 progress toward their degrees.

18 So just to get back to your question,  
19 it cost us, before, \$55 million a year, the  
20 remediation process. And again, it resulted  
21 in lack of success at least 50 percent of the  
22 time.

23 Senator, I cannot give you the current  
24 cost. And we've also received a great deal

1 of grant support and other funding to make  
2 these reforms. But what I can tell you is  
3 this. The state's investment is being spent  
4 more wisely, and it is certainly no more than  
5 \$55 million a year. I will get back to you  
6 on the current cost of our reforms.

7 SENATOR STAVISKY: And this question I  
8 asked of SUNY also. How has the changes in  
9 Title IX as advocated by Betsy DeVos and her  
10 colleagues affected CUNY? And are there  
11 additional Title IX requirements in terms of  
12 cost?

13 CUNY CHANCELLOR RABINOWITZ:  
14 Absolutely. A great question and a very  
15 timely one.

16 Responses are due to the federal  
17 government on the DeVos proposed changes on  
18 Wednesday, Senator, as you know. And CUNY  
19 has prepared a strong response that I think  
20 will stand up to the tens of thousands  
21 they're receiving, and that is this.

22 We oppose the proposed changes by the  
23 federal Department of Education to Title IX.  
24 They significantly weaken protections for

1 claimants of sexual harassment by watering  
2 down what harassment is.

3 Further, at the same time they water  
4 down the definition of harassment, they  
5 significantly raise the bar for so-called  
6 trials where students would need to face  
7 their accusers, with representation on both  
8 sides -- an expensive, costly procedure that  
9 we think would discourage complaints  
10 altogether.

11 And finally, we oppose the new  
12 recommendation that all accusations of sexual  
13 misconduct that occur off campus premises are  
14 not the purview of colleges. We know that  
15 students who experience sexual harassment or  
16 assault or battery anywhere bring their  
17 anguish and their problems to their studies.  
18 They are not receiving an equal access to a  
19 quality education.

20 So we stand with Enough is Enough, and  
21 we stand against the proposed changes on the  
22 federal level.

23 SENATOR STAVISKY: Thank you. So  
24 you're saying that the watered-down version

1 is going to cost you a lot more money.

2 CUNY CHANCELLOR RABINOWITZ: Yes, it's  
3 actually going to cost more money, yes.

4 SENATOR STAVISKY: When I attended  
5 graduate school at Queens College, the  
6 buildings were sort of old. The buildings  
7 are still there --

8 (Laughter.)

9 SENATOR STAVISKY: -- and they're even  
10 older. How safe are -- are there concerns  
11 about safety and building code standards, and  
12 will this critical maintenance funding  
13 alleviate some of our concerns?

14 CUNY CHANCELLOR RABINOWITZ: Great  
15 question. Senator, I'm going to turn to Judy  
16 again.

17 VICE CHANCELLOR BERGTRAUM: You know,  
18 we comply with all the city and the state  
19 regulations. The critical maintenance  
20 program will improve what we have, it will  
21 upgrade systems. For instance, we're  
22 upgrading the fire alarm systems in 100  
23 buildings. So the critical maintenance --  
24 one piece of the critical maintenance funding

1 is to do just what you're talking about.

2 SENATOR STAVISKY: Thank you.

3 And one last question in terms of  
4 enrollment and the Excelsior program. What  
5 has been your experience?

6 CUNY CHANCELLOR RABINOWITZ: So  
7 Senator, as I testified, we have 33 --  
8 about -- just a little less than 3300  
9 students right now receiving the Excelsior  
10 Scholarship.

11 Another 22,000 we estimate would have  
12 been eligible for Excelsior; that is, the  
13 students have all the other characteristics  
14 but for the fact that they were already  
15 receiving full tuition and aid through New  
16 York State TAP and Pell and other forms of  
17 financial aid.

18 SENATOR STAVISKY: And have you found  
19 that the students have been notified of their  
20 eligibility or ineligibility in a timely  
21 fashion?

22 CUNY CHANCELLOR RABINOWITZ: Yes, I  
23 believe that is the case, but I'm going to  
24 ask Senior Vice Chancellor Sapienza to



1 respond more fully.

2 CUNY CFO SAPIENZA: Yes, I think in  
3 the first year of the rollout we were all  
4 trying to implement the program as quickly as  
5 possible.

6 But I really want to recognize and  
7 thank Commissioner Linares and his team at  
8 HESC. They have been incredibly supportive  
9 and incredibly helpful and available to us.

10 And so the program rollout has been  
11 successful. And as we implement new cohorts,  
12 we know that it will be more seamless.

13 SENATOR STAVISKY: I'm sure they'll be  
14 glad to hear that. Thank you.

15 CHAIRWOMAN KRUEGER: Thank you.  
16 Assembly?

17 CHAIRWOMAN WEINSTEIN: Assemblyman  
18 Barclay.

19 ASSEMBLYMAN BARCLAY: Thank you,  
20 Chairwoman.

21 And thank you, Chancellor, for your  
22 testimony.

23 I think it was last summer there was  
24 an article, kind of a high-profile article

1 about a no-bid contract being let to an  
2 advertising firm. Obviously we've heard a  
3 lot about -- around the state there were some  
4 concerns about not appropriate oversight of  
5 economic development programs and other  
6 things.

7 Is CUNY doing anything to maybe change  
8 the processes that you had in place so this  
9 won't happen again?

10 CUNY CHANCELLOR RABINOWITZ:

11 Assemblyman, thank you for your question.

12 CUNY has spent much of the last two  
13 years under the leadership of its Board of  
14 Trustees and in close collaboration with the  
15 Inspector General and the chancellory and the  
16 presidents to make sure that all of our  
17 processes -- and I'm talking about  
18 procurement, about use of discretionary  
19 funds, of tax levy funds, of our fiscal  
20 management and oversight -- is in full  
21 compliance.

22 We have established, among other  
23 things, a standing audit committee -- again,  
24 working closely, the board, the Inspector

1           General and the chancellor, we've  
2           established an audit committee that not only  
3           reviews all of our contracts -- and I'll turn  
4           this over to Matt in a moment -- but also  
5           exercises oversight over all internal and  
6           external audits and makes sure that we're  
7           following all policies, regulations and  
8           procedures.

9                     Matt, I know that procurement falls  
10           under your office's bailiwick. Would you  
11           please --

12                    CUNY CFO SAPIENZA: Yes, as the  
13           chancellor said, we've developed several new  
14           policies regarding financial management that  
15           have been approved by a board, and which we  
16           were very grateful for the assistance of the  
17           inspector general on developing those  
18           policies regarding procurement, regarding the  
19           use of non-tax levy funds, regarding banking,  
20           amongst a few of them.

21                    And we also are requiring now all of  
22           our presidents to report their annual  
23           spending of discretionary non-tax levy funds.  
24           So that's a new requirement that we have as

1 well.

2 ASSEMBLYMAN BARCLAY: So I appreciate  
3 that, and I think it's good reforms to have.

4 Do you have any opinion on having the  
5 Attorney General have some oversight on your  
6 procurement programs?

7 CUNY CHANCELLOR RABINOWITZ: Again,  
8 I'll turn it over to Matt. I must say we are  
9 looking forward to learning more details  
10 about that proposal. We are -- all of these  
11 reforms have been undertaken with an eye to  
12 increased transparency. And if this new  
13 regulation provides that, we are interested  
14 in learning more.

15 But Matt, could you add to it?

16 SUNY CFO SAPIENZA: Yeah, I think, as  
17 the chancellor said, we certainly support  
18 anything that increases transparency. We  
19 know that these are public taxpayer dollars,  
20 and so we want to make sure that we're using  
21 them in the most appropriate way. And  
22 anything that supports that, we're supportive  
23 of.

24 Again, as the chancellor said, we want

1 to look at the details of this new proposal.  
2 And we want to ensure that the equipment that  
3 our faculty and students need, that we're  
4 able to purchase them in a timely manner.

5 ASSEMBLYMAN BARCLAY: Thank you.

6 Thank you, Chairwoman.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 Senate?

9 CHAIRWOMAN KRUEGER: Thank you.

10 Good afternoon. I was going to say  
11 morning, and I realized no, that wasn't true.

12 So actually I did have some questions  
13 about the program for the disabled. But I  
14 believe that Assemblywoman Glick already said  
15 she was going to continue, so I'll skip that  
16 part.

17 So you mentioned that you are -- you  
18 oppose the DeVos changes on sexual harassment  
19 reporting. I had asked SUNY, so I'm going to  
20 ask you as well, to get me your data on how  
21 many cases are going forward under the  
22 existing system and what changes you have  
23 seen in the two years we've implemented a new  
24 program in New York.

1                   CUNY CHANCELLOR RABINOWITZ: Great.  
2                   And Senator Krueger, we're happy to do that.  
3                   I will give you a preview of those data,  
4                   though.

5                   The incidence of sexual harassment at  
6                   CUNY, the reported incidence in surveys is  
7                   very low. We participate -- we comply fully  
8                   with the state's requirement that we survey  
9                   our students every two years. And not only  
10                  do we have low reported incidence -- and I  
11                  admit these are self-reports, and the  
12                  response rate is not a hundred percent by any  
13                  means. But they're very low reports even  
14                  compared to other schools.

15                  And our survey -- and I will ask  
16                  University Associate Provost David Crook to  
17                  correct me if I'm wrong -- our surveys  
18                  indicate that 90 percent of our students feel  
19                  safe at their CUNY college campuses, and over  
20                  80 percent say they believe they understand  
21                  our procedures and how to report. Although I  
22                  will also admit that their applied  
23                  understanding of who their Title IX officer  
24                  is, where they should go if they have a

1 complaint, is not so great.

2 Also Senator, as you know, this is an  
3 evolving story. As high-profile cases within  
4 and beyond higher education come to the fore,  
5 survey results become less representative,  
6 less generalizable.

7 But I'm going to ask Associate Provost  
8 Crock to add to the information about sexual  
9 harassment surveys.

10 ASSOCIATE PROVOST CROOK: So the  
11 information comes from the mandated Enough is  
12 Enough survey that we're required to do every  
13 other year.

14 CHAIRWOMAN KRUEGER: Can you move the  
15 mic a little closer?

16 ASSOCIATE PROVOST CROOK: Oh, sorry.

17 CHAIRWOMAN KRUEGER: Thank you.

18 ASSOCIATE PROVOST CROOK: And the main  
19 thing -- one of the things that we learned  
20 from it is that there's still an opportunity  
21 for us to do a better job of informing our  
22 students about reporting procedures and so  
23 forth. But they do have a very solid  
24 understanding of how to handle themselves in

1 different situations they might find  
2 themselves in.

3 CUNY is a commuter school, and so many  
4 of the incidents that are reported, the great  
5 majority happen off-campus. We're concerned  
6 about those, but it's not the same situation  
7 that we might have in a system with lots of  
8 dormitories or fraternities, sororities and  
9 so forth.

10 CHAIRWOMAN KRUEGER: I think there is  
11 different stories for CUNY and SUNY, because  
12 it is commuters, by and large.

13 CUNY CHANCELLOR RABINOWITZ: Exactly.

14 CHAIRWOMAN KRUEGER: And actually even  
15 before we changed the policies, the records  
16 in New York City were that more students knew  
17 to call NYPD if they thought that they were  
18 being sexually attacked in any situation.  
19 And outside of New York City, college  
20 students didn't seem to understand -- and I  
21 hope they are learning -- that you should  
22 call the police. And the police have to be  
23 trained on how to handle things. But if you  
24 are sexually assaulted, you call the police.



1                   CUNY CHANCELLOR RABINOWITZ: In fact,  
2           Senator, one of our first pieces of advice  
3           and guidance to every student who issues a  
4           complaint is call NYPD, call the police.  
5           Now, obviously not every student chooses to  
6           do that. But we offer to escort the student  
7           to the police department to facilitate that  
8           in any way. That is indeed our advice.

9                   I also want you to know we are  
10          revamping our training, which according to  
11          New York State law or Enough is Enough should  
12          include not only every faculty member and  
13          every staff member, but every CUNY student  
14          will now take sexual harassment training as  
15          early in his or her time as possible.

16                   And our aim is not just to get  
17          policies on a PowerPoint, but to give people  
18          useful information about what do you do if  
19          you experience or witness something like  
20          this.

21                   CHAIRWOMAN KRUEGER: Good. So Hunter  
22          College is in my district. And even reading  
23          the newspaper today, there's the continuing  
24          saga of is there ever going to be a new

1 Hunter nursing school.

2 So my question is, where are we all?

3 Is it true when I hear reports that the

4 building is falling down on the nursing

5 students down in Brookdale? And yet

6 according to various people, there's never

7 going to be enough money to build the

8 building Hunter hoped to have on East 73rd --

9 74th Street. So what's the story, CUNY?

10 CUNY CHANCELLOR RABINOWITZ: Oh, my

11 goodness. Senator Krueger, I will try as

12 best as I can to address this story, which of

13 course I also read. And it's -- you said you

14 have Hunter in your district, and I have

15 Hunter in my history, as you know.

16 Here is my best understanding of where

17 we are. And again, this is an evolving story

18 and nothing is settled yet. But as you heard

19 me testify just moments ago, CUNY does need

20 new buildings. We very much need new

21 construction. We have, I believe, seven

22 projects that we consider very high priority;

23 the Hunter building is among them.

24 I don't believe that the state ever

1 committed a certain amount of money for the  
2 Hunter project. We know that the first phase  
3 will cost approximately \$300 million. It's  
4 an expensive building at a challenging time  
5 for New York State.

6 So but we're -- where I think we are  
7 is this, and I'll turn to Senior Vice  
8 Chancellor Bergtraum in a minute -- is we are  
9 working with the state productively and with  
10 other partners to see if we can make progress  
11 on this. Again, it is not our only priority,  
12 but it is a priority. It is a priority.  
13 That's why it's in our budget.

14 And in terms of the state of repair of  
15 the current Brookdale facilities for Hunter's  
16 superb school of nursing, I can't comment on  
17 that. I honestly don't know. But no one  
18 disputes that this is a serious need.

19 And I will turn now to Judy.

20 VICE CHANCELLOR BERGTRAUM: First let  
21 me answer your second question. The facility  
22 now at Brookdale, the issues that have come  
23 up are the same critical maintenance issues  
24 that come up in other buildings, and we are

1 taking care of them. That's the first part.

2 The second part, I think understanding  
3 how in the past 20 years CUNY has built  
4 buildings is really important here. In the  
5 past 10 years, CUNY has built 10 buildings  
6 with an average of \$200 million. And the way  
7 that happens is there's a master plan done,  
8 there's a plan created, and we move forward.  
9 And we start designing the building and we  
10 start discussions. And we ask for funding.  
11 And it sometimes takes some buildings longer  
12 than others.

13 So 10 buildings in the last 10 years,  
14 many of them science. As the chancellor just  
15 said, three weeks ago we actually -- we  
16 opened a \$400 million building, a New York  
17 City Tech building. The discussion about  
18 that started three, four or five years ago  
19 after we did the master plan.

20 We opened another building, the PAC --  
21 the performing arts center at Brooklyn. And  
22 the next one, which is now in design, will be  
23 the nursing school at Lehman College.

24 So that -- what I'm trying to explain

1 is that there's a process, we go through a  
2 process. That's where we have a request.  
3 And we're going to work very hard, it's a  
4 very important building, it's a very  
5 important building for CUNY and it's a very  
6 important building for Hunter.

7 So that's kind of what the process is  
8 and that's kind of where we are.

9 CHAIRWOMAN KRUEGER: So the Hunter  
10 building was in process also at least four or  
11 five years ago. I feel like I've heard this  
12 storyline for many, many years. So --

13 VICE CHANCELLOR BERGTRAUM: From what  
14 I understand, there were discussions for many  
15 years on -- you know, New York City, you  
16 can't just build a building. There were many  
17 plans on what to do. And one, two or three  
18 of them fell through. This basically came  
19 forward, there was a discussion about this.  
20 It's just like the other buildings. And this  
21 was kind of like a private-public partnership  
22 with MSK, which is the first of its kind for  
23 CUNY.

24 CHAIRWOMAN KRUEGER: So I've taken up

1           too much time already. I'm going to ask you  
2           if you'll follow up to inform me that  
3           somebody went and took a look and whether the  
4           physical conditions at Brookdale nursing are  
5           actually a serious problem.

6                        I'll put it in the context that the  
7           City of New York thinks it bought that  
8           property and wants to tear it down and has  
9           another plan for it -- which they can't do,  
10          which is creating another community problem  
11          because they're leaving sanitation trucks all  
12          over several districts because they can't  
13          build the sanitation garage they were  
14          scheduled to build.

15                       So there's a --

16                       CUNY CHANCELLOR RABINOWITZ: Ripple  
17          effect.

18                       CHAIRWOMAN KRUEGER: There's a ripple  
19          effect or a domino effect that I think  
20          somebody needs to ensure a future for Hunter  
21          nursing school, and I don't think they can  
22          last at Brookdale.

23                       So thank you. My time is up.

24                       Assembly?

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 Assemblyman Weprin.

3 ASSEMBLYMAN WEPRIN: Thank you, Madam  
4 Chair.

5 Welcome, Interim Chancellor and your  
6 whole team, who I've worked with for many  
7 years on many issues.

8 And I also want to advocate for an  
9 expansion of CUNY LEADS. In my prior  
10 chairmanship I chaired a task force on people  
11 with disabilities, worked very closely with  
12 Deputy Chancellor Rosa and Judy as well, and  
13 your whole team. So I want to advocate for  
14 that program and an expansion of that program  
15 as well.

16 Now I chair the Committee on  
17 Corrections and work very closely with John  
18 Jay College on their correction program where  
19 they actually visit state facilities, and  
20 especially at Otisville. And they have  
21 graduations, there are many, many inmates  
22 that receive undergraduate degrees as well as  
23 master's degrees from John Jay. It's a great  
24 program.

1 CUNY CHANCELLOR RABINOWITZ: We're  
2 very proud of that program.

3 ASSEMBLYMAN WEPRIN: You probably know  
4 some of the people.

5 CUNY CHANCELLOR RABINOWITZ: Yes, I  
6 do.

7 ASSEMBLYMAN WEPRIN: And President  
8 Carol Mason has been very supportive of the  
9 program.

10 CUNY CHANCELLOR RABINOWITZ: Yes, she  
11 is.

12 ASSEMBLYMAN WEPRIN: So I'd like to  
13 see an expansion of that program as well, and  
14 I hope you'll be supportive of that.

15 Thank you.

16 CUNY CHANCELLOR RABINOWITZ:  
17 Assemblyman Weprin, I assure you that we are.  
18 We see this as exciting, it's mission-driven  
19 work, and we completely support it. Thank  
20 you.

21 ASSEMBLYMAN WEPRIN: Great. Thank  
22 you.

23 CHAIRWOMAN WEINSTEIN: Thank you.  
24 Senate?



1                   CHAIRWOMAN KRUEGER: Senator  
2 Gounardes.

3                   SENATOR GOUNARDES: Hi. Thank you,  
4 Chancellor. And I apologize if some of my  
5 questions might be repetitive of what my  
6 colleagues have asked.

7                   I'm a proud CUNY alum. I graduated  
8 Hunter College. I have CUNY Kingsboro in my  
9 district. And I believe that my district has  
10 one of the largest percentage of students who  
11 attend Brooklyn College. It's also where my  
12 parents met.

13                   (Laughter.)

14                   SENATOR GOUNARDES: So CUNY is -- in  
15 so many ways CUNY has shaped my life from top  
16 to bottom.

17                   (Laughter.)

18                   SENATOR GOUNARDES: So I come here and  
19 I ask these questions in the spirit of  
20 advocating for an institution that has meant  
21 a lot to me.

22                   And one of the things I really wanted  
23 to focus on is -- and I've heard from a lot  
24 of people on this -- that we're kind of

1 hitting a wall, it seems like, in terms of  
2 our ability to meet class instruction slots  
3 because we're hitting enrollment caps -- not  
4 caps, it's the wrong word. We don't have  
5 enough teachers to teach the classes that we  
6 need, so students are delaying their  
7 graduation requirements because they can't  
8 get access to the core requirements they need  
9 or for their electives or their majors or  
10 things like that.

11 So what are we doing or what efforts  
12 or steps can we take to increase the  
13 availability of classes and teachers and  
14 hiring teachers to teach those classes, to  
15 make sure that students aren't delaying  
16 graduation?

17 CUNY CHANCELLOR RABINOWITZ: You ask a  
18 terrific question. And it's something we  
19 grapple with at CUNY.

20 What we have found in recent years --  
21 and I'm going to turn to Associate Provost  
22 Crook in a moment -- but course availability  
23 is a problem in select areas in majors. You  
24 may have read just this weekend computer

1 science is becoming a nightmare across the  
2 country because students want these courses  
3 and simply cannot get in.

4           And because many of our students work  
5 outside of CUNY, they often meet tight  
6 schedules. Among the things we're doing --  
7 it's not the only answer, and I don't want  
8 you to think that I think it's the only  
9 answer -- but we are in the process of  
10 procuring a technology called Visual  
11 Scheduler that will enable students to look  
12 at different possible schedules with their  
13 advisor and find optimal schedules, whether  
14 it's within a CUNY college or perhaps find  
15 courses to which they can register all  
16 throughout CUNY.

17           Course availability I believe is a  
18 selective problem, but it's serious. You  
19 also, though -- in your question is the  
20 question about instructors, can we find  
21 enough instructors to teach the courses. And  
22 there again, frankly, it depends on area.

23           In certain areas where there is high  
24 student demand and relatively few full-time

1 faculty -- computer science, accounting,  
2 nursing -- I mean, we can put out  
3 advertisements for nurses, accountants and  
4 computer scientists and, even in a hot  
5 New York market, not be able to hire anybody,  
6 any full-time people.

7 So availability remains an issue, but  
8 it's selective. Course availability we're  
9 working on. Maximizing the use of our  
10 facilities we're working on.

11 David, do you have anything to add to  
12 this, please?

13 ASSOCIATE PROVOST CROOK: As a part of  
14 our first-year momentum campaign, we are  
15 encouraging students to take a full credit  
16 load, 15 credits per semester. This is part  
17 and parcel of the Excelsior Scholarship as  
18 well. But to offer the courses that students  
19 need to meet those goals, that implies  
20 discussions with the departments to make the  
21 courses available when students can take  
22 them.

23 So that campaign, together with the  
24 effort to put in place degree maps, a

1 semester-by-semester listing of the courses  
2 that each student needs to take to graduate  
3 on time, has led to a series of productive  
4 discussions at our colleges about making  
5 courses available when students need them.

6 As Vita mentioned also, the e-permit  
7 process, allowing students to take courses  
8 elsewhere. Our efforts to expand online  
9 courses is a another part of this strategy.

10 So we are working on this. We're  
11 painfully aware that this can be an issue at  
12 some of our schools.

13 SENATOR GOUNARDES: Just asking a  
14 follow-up, you mentioned that the inability  
15 or the difficulty in finding full-time  
16 instructors for some of these course areas --

17 CUNY CHANCELLOR RABINOWITZ: In some  
18 areas, yes.

19 SENATOR GOUNARDES: Is this just a  
20 matter of finding qualified individuals who  
21 want to teach full-time, or is it also -- I'm  
22 concerned about the growing trend nationwide,  
23 and I'm sure it's been discussed here as  
24 well, of moving towards a totally adjunct

1 system.

2 And so there's a balance, there's a  
3 tension: We can't find full-time, but maybe  
4 we're not looking for full-time -- I'm not  
5 saying that's the case. But I want to get a  
6 sense from you as to what we're doing to not  
7 be moving to a part-time instructional staff  
8 and shortchanging students because of that.

9 CUNY CHANCELLOR RABINOWITZ: It's a  
10 great question. And again, we want to hire  
11 above replacement levels -- and we'll need  
12 help, which is why it's in our budget  
13 request: 200 full-time faculty a year,  
14 across the university, for the life cycle of  
15 this budget request.

16 We greatly value our adjuncts. They  
17 bring a dimension that sometimes full-time  
18 faculty can't bring because they work in  
19 industry, they have a particular form of  
20 expertise. So, you know, it's not as if we  
21 want -- you know, we want our core of adjunct  
22 faculty that have contributed so much and are  
23 committed to CUNY. But we have to accelerate  
24 our hiring of full-time faculty.

1 CHAIRWOMAN KRUEGER: Thank you.

2 CUNY CHANCELLOR RABINOWITZ: I know  
3 I've run out of time.

4 CHAIRWOMAN KRUEGER: Thank you.  
5 Assembly.

6 CHAIRWOMAN WEINSTEIN: Assemblyman  
7 Pichardo.

8 ASSEMBLYMAN PICHARDO: Thank you,  
9 Madam Chair.

10 It's always nice to see you guys.  
11 Thank you so much for your effort and  
12 everything, your time.

13 I just have a couple of questions.  
14 First and foremost, I heard -- I just want to  
15 make sure this number is correct. The TAP  
16 gap is 72 million, is that correct?

17 CUNY CHANCELLOR RABINOWITZ: This year  
18 it is. Yes, Assemblyman.

19 ASSEMBLYMAN PICHARDO: And it's going  
20 to increase to 85?

21 CUNY CHANCELLOR RABINOWITZ:  
22 Eighty-five million next year, yes.

23 ASSEMBLYMAN PICHARDO: Okay. And then  
24 I understand that the Executive's proposal,

1 in terms of SEEK, is looking to reduce about  
2 \$4.5 million?

3 CUNY CHANCELLOR RABINOWITZ: Right.  
4 And Assemblyman, we want that money restored  
5 in SEEK and in College Discovery, its  
6 associate degree counterpart.

7 ASSEMBLYMAN PICHARDO: Sure. So  
8 how -- putting this into stark terms, how  
9 would this inspect, how would it reduce the  
10 number of students you'd be able to service  
11 or the services that you are able to offer  
12 through this program?

13 CUNY CHANCELLOR RABINOWITZ: I  
14 think -- David, correct me if I'm wrong --  
15 between SEEK and CD together, that's 11,000  
16 together -- about -- something like that.  
17 All right, something like 11,000 students.

18 And these are 11,000 students who are  
19 financially disadvantaged even by the  
20 standards of the City University of  
21 New York. And Assemblyman, we serve a  
22 population of students 42 percent of whom  
23 come from families with annual incomes of  
24 less than \$20,000 a year.



1                   So the SEEK and the CD programs are  
2                   very important to us.

3                   ASSEMBLYMAN PICHARDO: And I  
4                   understand as well that the Executive  
5                   proposes a \$2.5 million reduction in terms of  
6                   ASAP as well.

7                   CUNY CHANCELLOR RABINOWITZ: Yes.

8                   ASSEMBLYMAN PICHARDO: So since the  
9                   inception of ASAP, how many students have you  
10                  been able to have go through this program  
11                  till this fiscal year?

12                  CUNY CHANCELLOR RABINOWITZ: Since its  
13                  inception, about 45,000 students.

14                  At the current time we have 22,000  
15                  students in ASAP, and we have pledged to go  
16                  to 25,000 in fall of 2019.

17                  It's hard to overstate the effects of  
18                  this. I'm bursting with pride -- I had  
19                  nothing to do with its inception, but we have  
20                  a program --

21                  ASSEMBLYMAN PICHARDO: You should take  
22                  credit for it regardless.

23                  (Laughter.)

24                  CUNY CHANCELLOR RABINOWITZ: I mean, I

1 think this is my one moment. We have a  
2 program that has more than doubled reliably,  
3 at scale, gets better, gets more effective as  
4 we scale it up. More than doubles the  
5 graduation rate. The students love it. In  
6 fact, it warms my heart to know that our  
7 students are fighting for more ASAP, because  
8 it works. Right? It works.

9           It's -- and again, an area where I  
10 think New York State could be a leader is an  
11 ASAP-like program at the four-year level.  
12 CUNY's four-year graduation rate, even with  
13 all our improvements, is nowhere near where  
14 it should be. We would love to be a national  
15 leader in producing great four-year  
16 graduation rates for an urban population.

17           ASSEMBLYMAN PICHARDO: You and I are  
18 of the same mindset, Chancellor. Thank you  
19 for that.

20           And one last question. There's a  
21 \$900,000 cut to community college childcare  
22 programs across the system. So my question  
23 is, is there a reduction of the use of these  
24 services for CUNY students across the board

1 or is this --

2 CUNY CHANCELLOR RABINOWITZ: No. No,  
3 there is not. As a matter of fact, we have  
4 16 childcare centers at CUNY right now, and I  
5 believe some of them have waiting lists.

6 There is no intention to reduce our  
7 commitment. In fact, like the Governor, we  
8 want to serve -- we -- for the first time in  
9 my very long, my more than 40 years at CUNY,  
10 I see a budget that puts meeting student's  
11 basic needs at the front and center. It's  
12 food insecurity, it's homelessness, it's  
13 mental health needs, it's all of it. And  
14 childcare for single parents, for others who  
15 are struggling with getting a degree, is  
16 essential.

17 So I think we're all together on this,  
18 and we'll get together on it.

19 ASSEMBLYMAN PICHARDO: Thank you.

20 Thank you, Madam Chair.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 Senator John Liu, recently a professor  
24 at CUNY, but we stole him.

1 (Laughter.)

2 SENATOR LIU: Not fully yet, Madam  
3 Chair. They've got me for one more semester.

4 CUNY CHANCELLOR RABINOWITZ: Does that  
5 make me your boss, Senator?

6 SENATOR LIU: Yes. Yes, it would make  
7 you, yes. Welcome, Madam Boss.

8 (Laughter.)

9 SENATOR LIU: Great to see you and  
10 these awesome vice chancellors and associate  
11 provost, welcome to this chamber.

12 And as our Chairperson Liz Krueger has  
13 already said, I've been an adjunct for many  
14 years now. And I know I -- unfortunately,  
15 there's multiple meetings that we have to  
16 shuttle right now, but I walked in as Senator  
17 Gounardes was asking you about the adjunct  
18 situation. And so, I mean, if it's been  
19 asked and answered, you simply tell me asked  
20 and answered and I'll look at the videotape.

21 But I'm just looking to see, you know,  
22 are we still trending towards more -- a  
23 higher percentage of adjuncts as opposed to  
24 full-time faculty?



1           Where it really matters is in professional  
2           schools, like nursing schools. When your  
3           engineering school is being accredited, they  
4           want to see faculty-to-student ratios that  
5           they feel confident in. They don't want to  
6           see that you are not committed with, you  
7           know, full-time lines and all of that.

8                         So yes. To answer your question, yes,  
9           it can affect accreditation. To my  
10          knowledge, it has not threatened it at CUNY,  
11          and we don't want it ever to.

12                        SENATOR LIU: Okay. And you mentioned  
13          that having adjunct faculty allows CUNY to  
14          bring in people who have experience that may  
15          not be along traditional academic lines. But  
16          is that the driving factor towards this --  
17          the heavier weighting towards adjuncts? Or is  
18          there a fiscal matter at hand here?

19                        CUNY CHANCELLOR RABINOWITZ: I will  
20          answer honestly. It's fiscal. Not that  
21          we -- I mean, in other words, we --

22                        SENATOR LIU: Need more money.

23                        CUNY CHANCELLOR RABINOWITZ: We need  
24          more baselined money to do the hiring we want

1 to do.

2 Matt, would you --

3 CUNY CFO SAPIENZA: The only thing I  
4 want to add to the chancellor's very good  
5 response is that our colleges have done a  
6 really good job in adding more full-time  
7 faculty lines over the last 10 years. One of  
8 the issues we've had is that our enrollment  
9 has grown faster than we've been able to add  
10 full-time faculty lines. So that's a good  
11 problem to have, because we want more  
12 enrollment, we want to have access and --

13 SENATOR LIU: Just a few years ago  
14 there was a declining enrollment; right?

15 SUNY CFO SAPIENZA: -- but that's one  
16 of the issues we haven't been able to catch  
17 up.

18 SENATOR LIU: Wasn't there a declining  
19 enrollment just a few years ago?

20 SUNY CFO SAPIENZA: No, enrollment the  
21 last few years -- this year we're up a little  
22 bit. The last three years I'd say the  
23 enrollment has been stable overall, it's been  
24 steady or ticking up a little bit. But

1 post-recession, from 2009 to 2012 especially,  
2 we had a surge in enrollments. And so  
3 although we were able to use some of the  
4 revenue from that enrollment to hire new  
5 full-time faculty, we haven't really been  
6 able to make a dent in terms of the  
7 percentage of instruction taught by full-time  
8 faculty.

9 SENATOR LIU: And since adjuncts save  
10 so much money, right, is there any thought to  
11 giving the adjuncts something that they might  
12 be able to live on? I am not speaking for  
13 myself here, okay, but certainly --

14 CUNY CHANCELLOR RABINOWITZ: Senator,  
15 I understand --

16 SENATOR LIU: I mean, we value the  
17 adjuncts. Some of them teach very full  
18 loads.

19 SUNY CFO SAPIENZA: We greatly value  
20 the adjuncts. And I just want to add that  
21 we -- in working with the faculty union, the  
22 Professional Staff Congress, over the last  
23 several years we were able to come to an  
24 agreement that provided some of our adjuncts



1 with health insurance, which was a first here  
2 at the university. We were also able to  
3 agree that adjuncts who are teaching six  
4 credits over multiple years would get  
5 multiyear appointments, would get three-year  
6 appointments --

7 SENATOR LIU: I'm out of time. We  
8 need more full-time faculty, but we need to  
9 treat adjuncts fairly.

10 (Applause from the audience.)

11 CUNY CHANCELLOR RABINOWITZ: That's  
12 exactly right. That's exactly right. I join  
13 with my colleagues in front and behind me.

14 CHAIRWOMAN WEINSTEIN: Thank you.  
15 Assemblyman Smith.

16 ASSEMBLYMAN SMITH: Well, that was a  
17 perfect transition, because I want to talk  
18 about the adjuncts also. I have some  
19 information from our maintenance of effort  
20 that many of you were in attendance for in  
21 December, from the employees that serve as  
22 professors and in other capacities.

23 So what they provided to us was that  
24 about 12,000 CUNY professors are adjuncts.

1                   CUNY CHANCELLOR RABINOWITZ: That's  
2 correct.

3                   ASSEMBLYMAN SMITH: That -- as you had  
4 just mentioned, that they need to teach a  
5 minimum of six credit hours in order to  
6 qualify for health insurance.

7                   CUNY CHANCELLOR RABINOWITZ: That's  
8 correct.

9                   ASSEMBLYMAN SMITH: And, you know,  
10 it's not to say that every single one is  
11 relying on this solely, but that we only have  
12 about 2100 of them, so one in six that is  
13 getting health insurance is an adjunct  
14 professor. That's the number that was  
15 provided.

16                   And even though we've seen since 2000  
17 a 45 percent increase in enrollment, the  
18 number of adjuncts has doubled. So as  
19 someone who is an educator -- certified at  
20 the high school level, not at the university  
21 level -- but I am concerned about -- when we  
22 talk about the people who are filling these  
23 roles, I find that a majority of them no  
24 longer are people that are working during the

1 day in a certain profession and, you know,  
2 doing this to add something to the value.  
3 They're actually cobbling together multiple,  
4 you know, classes that they're teaching.

5 I think when we talk about the budget,  
6 the question comes back to are we balancing  
7 the budget on the backs of the employees.  
8 And then when the students talk to us, that  
9 translates to them, because they want to have  
10 that relationship with their professors.

11 CUNY CHANCELLOR RABINOWITZ: Right. I  
12 appreciate the question, Assemblyman. And  
13 again, we rely on our adjuncts, that's clear.  
14 We value them greatly. And one of the things  
15 we've been able to do -- this is small, but  
16 it's been continuous -- is when we do find  
17 extra funding, because -- and we have done  
18 that, we convert some lines into what we have  
19 called adjunct conversion lines. Two hundred  
20 and twenty adjunct professors have become  
21 full-time professors because, you know, we  
22 were able to essentially put together pots of  
23 money to do this.

24 And that is -- that's important to us.



1           that came up in December's hearing from the  
2           students of CUNY were talking about campus  
3           security, making our campuses more secure.  
4           Unlike maybe a typical SUNY campus that's  
5           kind of defined in a certain way, it might be  
6           a little bit different. Can you speak to  
7           that? I know we only have about a minute and  
8           a half.

9                   CUNY CHANCELLOR RABINOWITZ: Actually,  
10           may I ask --

11                   SUNY CFO SAPIENZA: I want to echo  
12           what Chancellor Johnson said earlier about  
13           SUNY public safety, because I think CUNY  
14           public safety just does an amazing job and  
15           they're such dedicated employees.

16                   And the unique thing that we have at  
17           CUNY as well that you don't see throughout  
18           the country is the partnership with the NYPD.  
19           I mean, most of our colleges, if you call the  
20           NYPD, they'll be there in literally minutes.  
21           So we have a great partnership with the NYPD.

22                   But to the point that the students  
23           made back in the fall, we know that there's  
24           always improvements that can be made. And

1 we're happy to work with the students to try  
2 to address those concerns.

3 ASSEMBLYMAN SMITH: Thank you.

4 CUNY CHANCELLOR RABINOWITZ: That's  
5 right. I do want to add one thing,  
6 Assemblyman, and that is that the sexual  
7 harassment surveys, while it did focus on  
8 sexual misconduct, I'm pleased to say one  
9 thing we took from it is our students do feel  
10 safe on our campuses.

11 And again, I also want to applaud our  
12 remarkable public safety peace officer corps.

13 Judy, is there anything you want to  
14 add about -- no, okay. Okay, thank you.

15 CHAIRWOMAN WEINSTEIN: Before we go to  
16 the Senate, we were joined a little bit  
17 earlier by Assemblywoman Griffin, a member of  
18 the Higher Ed Committee.

19 CHAIRWOMAN KRUEGER: And we're on  
20 second round.

21 Senator John Liu.

22 SENATOR LIU: Why, thank you, Madam  
23 Chair. Nice to have seconds.

24 I just -- I wanted to understand how

1 much CUNY's involvement would be in this  
2 Amazon deal, because it's been highly touted  
3 and CUNY has been kind of a cheerleader for  
4 this controversial deal.

5 CUNY CHANCELLOR RABINOWITZ: Yes.  
6 Yes.

7 SENATOR LIU: So, you know, if you  
8 prefer to take the fifth, that's okay too.

9 (Laughter.)

10 CUNY CHANCELLOR RABINOWITZ: No, I --  
11 listen -- no, no. Senator Liu, it's a great  
12 question, given recent events.

13 Both Chair Bill Thompson and I have  
14 been public supporters of the Amazon deal.  
15 And pure and simple, the main reason we are  
16 so excited about this is we see it as  
17 providing unparalleled opportunities for our  
18 students.

19 Now, you may say rightly they're  
20 talking about 25,000 jobs in the near future.  
21 What is that when you graduate 54,000  
22 students a year? And of course CUNY is not  
23 relying on Amazon in any way, shape or form.  
24 What CUNY wants to do is better connect our

1 students to the dynamic future world of work,  
2 of which tech is an important part.

3 In the Amazon deal, we almost lost  
4 sight of the fact that Google plans to add  
5 7,000 jobs in New York City. We've got great  
6 partnerships with Verizon, with Microsoft,  
7 with other great companies. But the Amazon  
8 deal is special, and in part because CUNY was  
9 part of the pitch to bring Amazon to  
10 New York. Our chair was in the lead, with  
11 our university dean for continuing ed and  
12 workforce development.

13 And we see it also as a way of  
14 improving CUNY's ways of connecting students  
15 to meaningful career exploration,  
16 understanding what it's like to work in a  
17 sector, to prepare great resumes, to prepare  
18 for interviews. We see it as a means of  
19 lifting CUNY up and connecting our students  
20 to the world of work. We also see it as an  
21 opportunity for our faculty to collaborate  
22 with dynamic, cutting-edge leaders.

23 So 25,000 of those -- excuse me, half  
24 of those 25,000 jobs will be in non-tech



1 areas, by the way: Human resources, legal,  
2 business processes, sales. So we just see a  
3 world of opportunity. And Amazon is working  
4 closely with us. Senator, we're at the table  
5 with Amazon.

6 SENATOR LIU: Well, I hope you can be  
7 more aggressive with Amazon at the table,  
8 because, you know, you mentioned the 7,000  
9 Google jobs. They're going to -- that's  
10 going to be a huge benefit to CUNY graduates  
11 as well. And how much is Google asking for?  
12 Nada, zilch. Meanwhile, Amazon's going to  
13 cost us \$3 billion. If we get a fraction of  
14 that for CUNY, that would be wonderful.

15 (Scattered applause.)

16 CUNY CHANCELLOR RABINOWITZ: That's  
17 our hope. We are at the table, I'll tell you  
18 that.

19 CHAIRWOMAN WEINSTEIN: Thank you.

20 Assemblyman Epstein.

21 ASSEMBLYMAN EPSTEIN: Thank you.

22 Thank you for taking the time to be  
23 with us today.

24 CUNY CHANCELLOR RABINOWITZ: Of

1 course.

2 ASSEMBLYMAN EPSTEIN: And just like my  
3 colleague on the Senate side, I think  
4 whatever we can do on your side making sure  
5 that we keep our dollars, our public dollars  
6 for a public purpose, I think we're all on  
7 board. And any way we can get that \$3  
8 billion back that we haven't spent, that  
9 would be great.

10 But first I want to talk to you about  
11 students with disabilities. I know we've  
12 heard a little bit about it. And with an  
13 increase in the student population, what do  
14 you think the financial needs are that CUNY  
15 has to really serve those students with  
16 disabilities to ensure that they can get a  
17 high-quality education and get good job  
18 placement?

19 CUNY CHANCELLOR RABINOWITZ: You raise  
20 a great question. Can I -- yes, Vice  
21 Chancellor.

22 VICE CHANCELLOR ROSA: Thanks so much,  
23 Assemblymember, for inquiring.

24 We mentioned earlier that the

1 population of students with disabilities has  
2 grown by a third in the last 25 years, but  
3 the dimensions of that population have also  
4 changed. We have an exponentially growing  
5 number of neurodiverse students that we  
6 didn't see 25 years ago who are remarkably  
7 bright and relying on CUNY more than ever  
8 before for opportunities in college and  
9 beyond, but are tremendously service  
10 intensive in order to level the playing field  
11 so they have equal access and opportunity to  
12 higher education.

13 CUNY has more than 270 deaf students  
14 enrolled across its campuses. And it's not  
15 uncommon for a full-time deaf student, for  
16 sign language interpretation or real-time  
17 captioning, to exceed \$50,000 a year per  
18 student. Last year, as a university, we  
19 spent \$1.3 million on services for deaf and  
20 hard-of-hearing students alone.

21 So the cost of providing high-quality  
22 accommodation and support services has grown  
23 dramatically. And the investment that we  
24 hope the state will be able to make through

1 the State Education Department proposal  
2 across higher ed sectors would help us to  
3 meet those costs for those burgeoning student  
4 populations.

5 ASSEMBLYMAN EPSTEIN: Thank you.

6 VICE CHANCELLOR ROSA: Thank you.

7 ASSEMBLYMAN EPSTEIN: So I wanted to  
8 get back to what Senator Krueger was talking  
9 about with this site on 74th and York,  
10 because there was a land swap of a site in my  
11 district with that site. And I know you said  
12 it's a priority, but not the highest  
13 priority. But we have basically a hole in  
14 the ground there, and we have other projects  
15 potentially being held up, or CUNY has the  
16 opportunity to use that site that the swap  
17 was for.

18 So I'm wondering what's the timeline,  
19 what's it look like? So we can all be clear,  
20 you know, what's happened, what's going to  
21 happen. Is this project going forward? And  
22 if it isn't going forward, what are the  
23 opportunities to deal with the ongoing  
24 maintenance of existing buildings?

1                   CUNY CHANCELLOR RABINOWITZ: Right. I  
2 will kick off the answer. Again, we are in a  
3 -- you know, this is an ongoing challenge. I  
4 did not -- if I implied that this was not a  
5 top priority, then I apologize, because I was  
6 not being clear. It is a top priority. It  
7 is true --

8                   ASSEMBLYMAN EPSTEIN: But you said  
9 Lehman is a higher priority, so --

10                  CUNY CHANCELLOR RABINOWITZ: No, I --  
11 actually, I'm going to let Vice Chancellor  
12 Bergtraum clear that up.

13                  VICE CHANCELLOR BERGTRAUM: The Lehman  
14 issue is that we are designing Lehman, and  
15 that's the next one we're probably going to  
16 do construction on. And that has waited  
17 quite a few years for that to happen.

18                  So we weren't comparing -- I was just  
19 explaining what the process is and how we  
20 built 10 new buildings, we opened two this  
21 year, we're going to open another one. And  
22 then we have -- basically, in our request, we  
23 have seven other buildings. So what I was  
24 trying to explain is how the process works.

1 ASSEMBLYMAN EPSTEIN: So where in the  
2 landscape does this property --

3 VICE CHANCELLOR BERGTRAUM: It's one  
4 of -- one of --

5 ASSEMBLYMAN EPSTEIN: It's one of the  
6 seven.

7 VICE CHANCELLOR BERGTRAUM: It's one  
8 of the seven, yes.

9 ASSEMBLYMAN EPSTEIN: And so what is  
10 your timeline, then, to move forward on this  
11 versus the other six?

12 VICE CHANCELLOR BERGTRAUM: Well, I  
13 think we will see after this budget process  
14 what happens, and then we'll make some  
15 determinations.

16 ASSEMBLYMAN EPSTEIN: And are you  
17 saying depending on this budget it will be  
18 within a three-to-five-year plan, or is it a  
19 longer time frame? What are you thinking?

20 VICE CHANCELLOR BERGTRAUM: It depends  
21 on what happens as far as the funding goes.

22 ASSEMBLYMAN EPSTEIN: Okay. Be great  
23 to follow up after the budget, then, to have  
24 that conversation.

1 CUNY CHANCELLOR RABINOWITZ:

2 Absolutely.

3 ASSEMBLYMAN EPSTEIN: And then the  
4 last thing is just on the Excelsior. I know  
5 you talked about only 3300 students who now  
6 have used Excelsior. I'm wondering what you  
7 think would be necessary to tweak or change  
8 the program to make it more accessible to  
9 more CUNY students. Clearly my concern is  
10 the large part-time SUNY student population  
11 who has no access to the program. But what  
12 other things do you see in Excelsior that  
13 could be changed that more students could  
14 have access to it?

15 CUNY CHANCELLOR RABINOWITZ: Matt,  
16 would you like to try to take --

17 SUNY CFO SAPIENZA: Sure. I think the  
18 best thing at this point, because it is still  
19 a fairly new program, is something that we're  
20 doing internally and our campuses are really  
21 working on, is getting the communication out  
22 to students to let them know when the filing  
23 dates are, what their requirements are, what  
24 the eligibility requirements are.

1                   So I think, you know, as for CUNY and  
2                   our colleges, better communications, I think,  
3                   is something that I would cite.

4                   CUNY CHANCELLOR RABINOWITZ: Right.  
5                   And we want to continue monitoring those  
6                   trends that we talked to you about,  
7                   Assemblyman. For instance, higher GPA --  
8                   actually, much higher. Higher retention  
9                   rates, does that continue? We can't -- you  
10                  know, it is very new.

11                  What I'll tell you we're doing right  
12                  now is we're leveraging Excelsior and the  
13                  advertising about it and its public face, to  
14                  change the culture of CUNY to one in which  
15                  taking 15 credits a semester, taking 30  
16                  credits a year, becomes normal. Because what  
17                  we see is when our students do this, they  
18                  succeed. When they attempt 15 credits a  
19                  semester, they earn it. I'm not saying a  
20                  hundred percent of the students; that  
21                  wouldn't be true. But what we're finding is  
22                  our students can do more and better, and  
23                  Excelsior is one of the ways that we are  
24                  achieving a larger change in --



1                   CHAIRWOMAN WEINSTEIN: Thank you.

2                   Assemblywoman Simon.

3                   ASSEMBLYWOMAN SIMON: Thank you.

4                   I wanted to sort of follow up on  
5                   Assemblymember Epstein's question with regard  
6                   to students with disabilities and the cost.  
7                   I think you mentioned earlier, Vice  
8                   Chancellor Rosa, that the formula by which  
9                   you allocate services or you calculate the  
10                  costs or the -- I guess it's our formula that  
11                  we use to fund those costs -- is 25 years out  
12                  of date.

13                  Do you have a proposed change of  
14                  formula for -- to finance those services?

15                  VICE CHANCELLOR ROSA: Thank you for  
16                  asking, Assemblymember.

17                  We endorse the State Education  
18                  Department's proposed funding methodology in  
19                  its Executive Budget request, which would  
20                  call for a \$15 million investment in  
21                  post-secondary education services for  
22                  students with disabilities across all four  
23                  higher education sectors -- CUNY, SUNY,  
24                  private and proprietary colleges. The money

1 would be allocated to each of the sectors  
2 based on an FTE model.

3 And at CUNY, that would double our  
4 existing commitment to students with  
5 disabilities and would allow us to keep pace  
6 with existing needs. And we hear from our  
7 colleagues from the other sectors that it  
8 would have a catalytic effect on their  
9 efforts to create equal access and  
10 opportunity for students with disabilities.

11 ASSEMBLYWOMAN SIMON: Thank you. A  
12 sort of follow-up question to that is this --  
13 we're talking about the cost for students  
14 with disabilities to provide accommodations  
15 and support services. There are a number of  
16 different programs -- opportunity programs,  
17 other programs that also serve students with  
18 disabilities.

19 Have you broken them down to see where  
20 those costs are in terms of what portion,  
21 proportion of those programs are serving  
22 students with disabilities? And also if  
23 there are capital needs particular to  
24 students with disabilities, whether it's

1 bricks and mortar or it's the technology, for  
2 example, which is increasingly something that  
3 is providing access for our neurodiverse  
4 students.

5 VICE CHANCELLOR ROSA: Sure. And I'll  
6 defer to my colleague Senior Vice Chancellor  
7 Bergtraum, who speaks regularly with our  
8 students with disabilities, the CUNY  
9 Coalition for Students with Disabilities,  
10 about their most significant access needs,  
11 which have become priorities in our capital  
12 plan.

13 In terms of -- we look wherever  
14 possible for synergies with existing  
15 opportunity programs that serve a large  
16 number of students with disabilities. So in  
17 terms of academic support services, we're  
18 able to leverage a lot of support for SEEK  
19 and College Discovery. So the investment in  
20 SEEK and College Discovery is important for  
21 all students who are historically  
22 underrepresented in higher ed, but  
23 particularly for students with disabilities.

24 We rely heavily on campuses that have

1 TRIO programs -- student support services  
2 programs which serve a large number of  
3 students with disabilities -- and we rely on  
4 those funds as well.

5 So you raise a really important point,  
6 that CUNY relies on the support of other  
7 program infrastructures and funding streams  
8 in order to create access and opportunity for  
9 students with disabilities.

10 ASSEMBLYWOMAN SIMON: Thank you.

11 VICE CHANCELLOR BERGTRAUM: We use  
12 critical maintenance money for that, and  
13 every renovation that we do of every space,  
14 we look at those needs and make the changes  
15 that are needed. And we have a massive  
16 program for renovations of bathrooms. And we  
17 meet with what was just described and see if  
18 there's specific problems. So we have a very  
19 large program for that.

20 ASSEMBLYWOMAN SIMON: Mentioning TRIO  
21 -- which actually I ran a TRIO program years  
22 ago -- what is that funding looking like now?  
23 I mean, in terms of the federal government,  
24 are they continuing to fund TRIO?

1                   VICE CHANCELLOR ROSA: We hold our  
2                   breath each and every year, and so far not  
3                   only -- fortunately, not only has it been  
4                   maintained, but we've received increases,  
5                   particularly for student support services  
6                   which serve students with disabilities. So  
7                   fingers crossed.

8                   ASSEMBLYWOMAN SIMON: Okay. And I  
9                   just want to say that my school is City Tech,  
10                  and I've been waiting for an invitation to  
11                  that new building, so thank you.

12                  CUNY CHANCELLOR RABINOWITZ: When is  
13                  the ribbon cutting?

14                  VICE CHANCELLOR BERGTRAUM: The ribbon  
15                  cutting is February 14th.

16                  CUNY CHANCELLOR RABINOWITZ:  
17                  Assemblywoman, you'll get your invitation.

18                  ASSEMBLYMAN EPSTEIN: We'll bring  
19                  chocolate and flowers.

20                  (Laughter.)

21                  ASSEMBLYWOMAN SIMON: Thank you.

22                  CHAIRWOMAN WEINSTEIN: Thank you.

23                  I wanted to say -- thank Brooklyn  
24                  College for bringing my parents together,

1           because otherwise I probably wouldn't have  
2           been here to speak to you.

3                         (Laughter.)

4                         CHAIRWOMAN WEINSTEIN: I had a  
5           question. Can you just talk about the  
6           community college enrollment, where that is  
7           today? Are things getting -- are we having  
8           more students at community college, fewer?  
9           And are they leaving community college and  
10          going to the four-year colleges?

11                        CUNY CHANCELLOR RABINOWITZ: It's a  
12          great question, Senator, in part because it's  
13          a moving target.

14                        CUNY has had about 94,000 or 95,000  
15          students for a few years. The last three  
16          years have shown a very slight trend  
17          downward, more at a few colleges than others.  
18          Again, nothing precipitous, nothing  
19          cataclysmic at all. And the truth is, we  
20          think it can be multiply explained, including  
21          by good things.

22                        Number one, we've seriously increased  
23          the graduation rates at community colleges.  
24          Second, at CUNY lots of our students start at

1 community colleges not so much to learn a --  
2 not so much in workforce development  
3 programs, but they're looking to transfer to  
4 CUNY senior colleges. They state this in  
5 surveys. Something like 80 percent of them,  
6 they want to go to a CUNY senior college. So  
7 whenever they can, they'll go.

8 It is also the case that the economy,  
9 as Matt has already pointed out, has gotten a  
10 little better.

11 So again, we're monitoring this,  
12 because before this it had been up and up and  
13 up in almost every sector. The sector we're  
14 seeing an improvement in right now is  
15 graduate schools. The community college,  
16 flat to slight decline.

17 So what else can -- I think you asked  
18 a second part that I'm forgetting?

19 CHAIRWOMAN WEINSTEIN: Well, I think  
20 you combined the two.

21 One of the Assembly employees is  
22 helping add to that increased graduate school  
23 enrollment.

24 I also would just ask at some point

1 following the hearing if you could have  
2 someone from CUNY's counsel's office be in  
3 touch with my office about this particular  
4 issue I want to just raise briefly.

5 This summer, there was a tour of  
6 Jamaica Bay that was going to take place on a  
7 CUNY research vessel, and I was sent this  
8 assumption of risk and waiver of liability,  
9 and some of the provisions are pretty  
10 concerning. So I don't know if this is a  
11 systemwide standard waiver or if this was  
12 particularly done for this boat trip, which I  
13 declined to go on.

14 CUNY CHANCELLOR RABINOWITZ: Senator  
15 {sic}, thank you. I know nothing about this,  
16 but we will follow up.

17 CHAIRWOMAN WEINSTEIN: But if we could  
18 just look into this, because I wouldn't want  
19 people to be deterred. And also it seems to  
20 be really overly broad, sort of like when you  
21 pull into the garage and you give them your  
22 key and you get that back of the card that  
23 says "We're not responsible for anything."

24 (Laughter.)



1                   CHAIRWOMAN WEINSTEIN: So if we could  
2 just follow up with that.

3                   Thank you again for the work that CUNY  
4 does.

5                   And we just have one -- Assemblywoman  
6 Glick for some follow-up questions for you.

7                   ASSEMBLYWOMAN GLICK: Just a couple.  
8 I think that Assemblymember Epstein went over  
9 some of the things.

10                  But could you identify some of the --  
11 other than interpreters for the deaf and the  
12 hard-of-hearing students, what other kinds of  
13 services are provided, so that we understand  
14 why the costs are so high?

15                  VICE CHANCELLOR ROSA: Sure. Thank  
16 you for asking.

17                  So 25 years ago the internet was a  
18 twinkle in all of our eyes, and now all of  
19 our instruction is delivered digitally. And  
20 so the cost of making sure that all  
21 instructional materials are in an accessible  
22 format is significant. And quite frankly,  
23 all higher ed institutions, including ours,  
24 are -- we're doing due diligence, but we're

1           constantly having to keep up. And so that is  
2           an important opportunity for investment for  
3           us, in order to create equal access and  
4           opportunity.

5                     For neurodiverse students, in  
6           particular for people on the autism spectrum,  
7           there's a lot of coaching -- not just  
8           academic coaching, but managing comportment  
9           in the higher ed setting. And it's  
10          important, and students on the spectrum  
11          thrive with that kind of support. But it is  
12          very service-intensive.

13                    Those are two examples of the type of  
14          ways in which the dimensions of the challenge  
15          has changed. But readily achievable with  
16          kind of targeted investments.

17                    CUNY CHANCELLOR RABINOWITZ: Chris, is  
18          transportation part of the answer to this,  
19          the costs of transportation?

20                    VICE CHANCELLOR ROSA: Transportation  
21          is critical for us. That's typically a  
22          service of a personal nature. It's a cost  
23          for us when we want to make sure that  
24          students with disabilities can participate

1 richly in co-curricular life, so they have  
2 equal opportunity for student life  
3 opportunities and student leadership  
4 opportunities.

5 So thank you, Chancellor, that is a  
6 dimension that wasn't present necessarily.

7 ASSEMBLYWOMAN GLICK: Chancellor, one  
8 quick question. You indicated that there was  
9 a desire to move some of the adjuncts who  
10 have been long-serving into some of those  
11 full-time lines.

12 CUNY CHANCELLOR RABINOWITZ: Yes.

13 ASSEMBLYWOMAN GLICK: It sounded like  
14 that was a once-in-a-while. I'm wondering  
15 what the actual process is for someone to be  
16 considered, and how difficult is it for an  
17 adjunct to actually be in the queue, as it  
18 were?

19 CUNY CHANCELLOR RABINOWITZ: Right.  
20 Right. Assemblywoman, you're right. The  
21 adjunct professor needs to qualify, usually  
22 by virtue of years of service, strong peer  
23 and student evaluations, and a few other --  
24 and even, possibly, need in an area.

1                   I believe it's happened about three or  
2 four times. Matt, could you --

3                   SUNY CFO SAPIENZA: Four, yeah.

4                   I think we've done four  
5 university-wide initiatives, and in each of  
6 those we've had agreements with the faculty  
7 union to move, say, 50 at a time into --  
8 adjuncts into lecturer positions.

9                   So it happens throughout the year. In  
10 terms of when campuses are hiring lecturers,  
11 it's very often that adjuncts at that campus  
12 could qualify, as the chancellor said, for  
13 that position.

14                   But we have had I think it's four  
15 rounds in the last 10 years where we've had  
16 an agreement with the union where we were  
17 going to move a large chunk of the adjuncts  
18 into lecturer vacancies.

19                   ASSEMBLYWOMAN GLICK: My time has  
20 expired. I would only suggest that if in  
21 fact there are adjunct faculty that have  
22 served the university, that it shouldn't  
23 sound like moving someone through the eye of  
24 a needle. So I just want to --

1 CUNY CHANCELLOR RABINOWITZ:

2 Understood.

3 ASSEMBLYWOMAN GLICK: -- make that  
4 point.

5 (Scattered applause from audience.)

6 ASSEMBLYWOMAN GLICK: Thank you very  
7 much.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 That concludes the interrogation.

10 (Laughter.)

11 CUNY CHANCELLOR RABINOWITZ: Thank  
12 you.

13 CHAIRWOMAN WEINSTEIN: Thank you for  
14 being here today.

15 Next, State Education Department,  
16 Commissioner MaryEllen Elia.

17 (Off the record.)

18 CHAIRWOMAN WEINSTEIN: Commissioner,  
19 thank you for being here. Feel free to  
20 begin.

21 SED COMMISSIONER ELIA: Would you like  
22 me to begin?

23 CHAIRWOMAN WEINSTEIN: Yes. Yes,  
24 please. Thank you.

1 SED COMMISSIONER ELIA: Thank you.

2 So good afternoon, Chairs Krueger,  
3 Weinstein, Stavisky and Glick, and members of  
4 the Senate and Assembly here today. My name  
5 is MaryEllen Elia, and I'm the Commissioner  
6 of Education for New York State.

7 I'm joined at the table by Senior  
8 Deputy Commissioner for P-20 Jhone Ebert,  
9 Deputy Commissioner of the Office of Higher  
10 Education John D'Agati. On my left is Deputy  
11 Commissioner for the Office of Professions  
12 Doug Lentivech and Deputy Commissioner for  
13 the Office of Adult Career & Continuing  
14 Education Services Kevin Smith.

15 You have my full testimony in front of  
16 you. The Regents priorities in higher  
17 education are laser-focused on equity and  
18 access to post-secondary education  
19 opportunities, particularly for our  
20 underrepresented students, because we know  
21 from multiple indicators, as you can see on  
22 Slide 2, college completion leads to better  
23 employment opportunities and higher income.

24 As you can see on Slides 3 through 7,

1 the Regents recommend an increase of  
2 \$10 million for our higher education  
3 opportunity programs. These programs provide  
4 access to post-secondary education for  
5 students that are at the highest risk of  
6 either not attending college or not  
7 completing a degree.

8 Over 38,000 students are served by one  
9 of these programs, which would reach more  
10 students across the state with these  
11 recommended additional investments. Under  
12 our STEP and CSTEP programs, for example, we  
13 would provide students with opportunities to  
14 participate in STEM-based research,  
15 internships, or exploratory career  
16 opportunities at area facilities.

17 On Slide 8, we emphasize the need for  
18 our teaching workforce to be as diverse as  
19 the student populations being served by our  
20 schools. This benefits all students.

21 Our Teacher Opportunity Corps, or TOC  
22 II program, continues to be funded by the My  
23 Brother's Keeper initiative, for which we  
24 want to thank all of you again, especially

1 Speaker Heastie. We're asking for an  
2 additional \$500,000 in funding to support new  
3 programs and expand existing programs.

4 TOC II is designed to increase the  
5 participation rate of individuals identified  
6 as underrepresented and underserved in the  
7 teaching profession -- African American,  
8 Hispanic American and American Indian or  
9 Alaskan natives. This program also aims to  
10 enhance the preparation of teachers in  
11 addressing the learning needs of students in  
12 high-need districts and to become culturally  
13 responsive and sustaining educators.

14 Finally, TOC II will assist in the  
15 recruitment, retention and certification  
16 activities necessary to increase the supply  
17 of qualified teachers in schools and  
18 districts experiencing teacher shortages, and  
19 those with a high concentration of students  
20 at risk as well as our struggling schools.

21 We appreciate the strong support  
22 you've demonstrated for opportunity programs.  
23 These programs work, and your support and  
24 funding has made a difference.



1                   Our Access and Opportunity Agenda also  
2                   includes enactment of the New York State  
3                   Senator Jose Peralta DREAM Act. We were very  
4                   excited to finally see this legislation pass  
5                   both houses. The Regents and the department  
6                   have long advocated for this important  
7                   legislation, which is highlighted on Slide 9.  
8                   We look forward to the DREAM Act being signed  
9                   into law so these young New Yorkers are no  
10                  longer punished for decisions that they had  
11                  no control over.

12                  As you negotiate this budget, please  
13                  remember that our workforce and the workforce  
14                  pipeline are the state's most important  
15                  infrastructure -- and our best economic  
16                  development program. A state-of-the-art  
17                  workforce pipeline does not depend only on  
18                  traditional college pathways. As you can see  
19                  on Slide 10, the Regents are requesting a  
20                  \$3 million investment in bridge programs to  
21                  enable out-of-school youth and adults to  
22                  obtain essential basic skills, a high school  
23                  equivalency diploma, industry-recognized  
24                  credentials, and preparation for

1 post-secondary study and careers.

2 The programs would consist of  
3 partnerships between an adult education  
4 program and colleges or training providers of  
5 demonstrated effectiveness. This proposal  
6 could pilot up to 10 bridge programs across  
7 New York State.

8 One of the best examples of this  
9 bridge program model exists at CUNY's  
10 LaGuardia Community College.

11 Described on Slide 11 is our proposal  
12 that would enhance supports and services for  
13 post-secondary success of our students with  
14 disabilities. A number of you have mentioned  
15 that particular proposal to both our SUNY and  
16 our CUNY leaders.

17 The department has been engaged in  
18 collaborative efforts with our higher  
19 education sectors to establish a legislative  
20 framework advocating for critical new funding  
21 that would supplement, not supplant, any  
22 other funding in existence for such services.  
23 This would require funding a \$15 million  
24 grant program that would be allocated in a

1 proportional manner by each identified  
2 student with a disability to eligible  
3 degree-granting colleges, pursuant to a plan  
4 that I would approve.

5 And specifically the program would be  
6 designed to supplement funding for support  
7 and accommodations for students with  
8 disabilities; support summer college  
9 preparation programs to assist individuals  
10 with disabilities with the transition to  
11 college and prepare them to navigate campus  
12 facilities and systems; provide full- and  
13 part-time college faculty and staff with  
14 disability training; and improve the  
15 identification process of individuals with  
16 disabilities and enhance data-collection  
17 capabilities.

18 We need to start this critical  
19 conversation of how as a state we can better  
20 support our students with disabilities to be  
21 successful in college.

22 On Slides 12 through 17, we provide  
23 you with updates on the work of the Office of  
24 Professions. I want to bring particular

1 attention to the office's modernization and  
2 electronic licensing activities on Slide 16.  
3 In 2009, the Legislature and Executive  
4 approved a 15 percent registration fee  
5 increase so that we could replace a  
6 35-year-old COBOL-based licensing system and  
7 enhance our customer service.

8           Unfortunately, many of the goals  
9 proposed in the advocacy for this fee  
10 increase have not yet been realized, due to  
11 ever-rising costs, increased  
12 statutory-related responsibilities and a  
13 tightening of spending controls and waiver  
14 approvals, which decreased our staff to  
15 unsustainable levels.

16           Recently, though, we've started to see  
17 some progress in these areas. We want to  
18 thank the Governor for increasing the Office  
19 of Professions general spending authority by  
20 \$7.3 million in his proposed budget, and also  
21 ask for your support so that we can begin to  
22 increase our staffing to more appropriate  
23 levels in order to improve cycle times of  
24 both licensure and discipline processes;

1 provide enhanced customer service to  
2 licensees, employers and the public; and meet  
3 our mandated responsibilities of overseeing  
4 access to competent professional services to  
5 every citizen in this state.

6           Additionally, after many years of  
7 requesting the authority to spend funds we  
8 already have on hand in the Office of  
9 Professions account to use in our  
10 modernization efforts, we finally received  
11 approval by both the Executive and the  
12 Legislature last year to move forward with  
13 these critical efforts.

14           We again thank you for your efforts to  
15 make these resources available to the  
16 department. We have moved to use the funds  
17 to get Phase 1 underway, which includes the  
18 development of online applications and many  
19 customer service improvements.

20           We want to thank the Governor for  
21 including our Regents priority request in his  
22 recent budget proposal and ask for your  
23 support for \$7.2 million in capital spending  
24 authority. This funding is needed to

1 continue development of an electronic  
2 licensing system and other modernization  
3 activities.

4 Before I take your questions, I want  
5 to thank you for the opportunity to discuss  
6 our priorities with you and for all of your  
7 support last year. We look forward to  
8 working with you again on our shared goals,  
9 and now I look forward to your questions.

10 CHAIRWOMAN WEINSTEIN: Thank you,  
11 Commissioner. We're going to go to Deborah  
12 Glick, our Higher Ed chair.

13 ASSEMBLYWOMAN GLICK: Thank you very  
14 much, Commissioner, for being here. I want  
15 to say at the outset that I know that we'll  
16 see you again, I think on February 6th, to  
17 deal with the K-12 questions that many of us  
18 will have. But we want to focus today on the  
19 work that you're doing relative to higher ed.

20 In your -- it may be in your  
21 testimony; obviously we give you a rather  
22 short time to go through an extensive  
23 portfolio. I'm wondering about what you see  
24 as the capacity we could, if we gave you some

1 additional resources, what the capacity is  
2 for STEP and CSTEP. There are sometimes  
3 delays in funding, and there have been  
4 questions that programs have had about the  
5 need to expand and how much you estimate some  
6 of that would cost.

7 SED COMMISSIONER ELIA: Well, we have  
8 a \$10 million budget request in specifically  
9 for those access and opportunity programs.  
10 It is Slide 3 in your information. You'll  
11 note that in several of the programs together  
12 we're serving 36,000 students. And it is  
13 across the state in many different school  
14 districts as well as many different  
15 post-secondary opportunities.

16 These programs really support students  
17 who, without that support, have less chance  
18 to be able to complete a college program.  
19 And so we know that if we give extra supports  
20 and we provide opportunities for students to  
21 be involved in summer programming outside, if  
22 they in fact go into programs that are  
23 connected to specifically specialized labor  
24 markets, all of those things support students

1 to help them keep going in their degree or in  
2 their program. And these programs are  
3 particularly helpful in that way.

4 So we have many institutions and  
5 students benefiting, and we believe that \$10  
6 million extra in those programs will really  
7 make a difference.

8 ASSEMBLYWOMAN GLICK: Okay. Another  
9 way to look at it is are there applicants for  
10 whom they are rejected, and what that number  
11 is. Maybe you don't have that in front of  
12 you, but that would be --

13 SED COMMISSIONER ELIA: So we will get  
14 specific information. We do have, in fact,  
15 numbers that relate to each of the programs  
16 and how many students are being served.

17 So for instance, in the Liberty  
18 Partnership programs, we have 47 different  
19 programs. I go to those meetings, and there  
20 are many other districts and/or program areas  
21 at universities that we would like to open,  
22 and we put them out -- the funding that we  
23 have, we make that available. But it does  
24 not meet the needs of all of the programs



1           that would like to begin having a Liberty  
2           Partnership.

3                        So any point for any of these  
4           programs, we believe that there certainly is  
5           a need for growth.

6                        ASSEMBLYWOMAN GLICK: On a completely  
7           different tack, I know that you have been  
8           underfunded for a period of time and that  
9           there's slowly been the ability to add some  
10          personnel.

11                       One of the questions that we receive  
12          relates to review for program authorization.  
13          So a college may want to start -- they've  
14          never had a psychology program, they want to  
15          offer a B.A., or they have a program but do  
16          not have a graduate-level authorization.

17                       What have you been able to do in terms  
18          of the program review process?

19                       SED COMMISSIONER ELIA: Well, we  
20          actually have two areas within the department  
21          where that question can reside, if you will.  
22          In John D'Agati's higher ed, we review  
23          programs there for our colleges and  
24          universities and for any degree-granting

1 institutions.

2 And so there has to be a balance. And  
3 so one of the things you've pointed out is  
4 the need for staff to be able to do the  
5 reviews so that we make sure that the  
6 programs, when they open, are providing the  
7 kind of high quality that we want in New York  
8 State for our students.

9 We have been working with SUNY and  
10 SUNY specifically to look at the process to  
11 make sure that it is as streamlined and as  
12 informative for everyone that's involved in  
13 it, so that as applications come in and we  
14 work with them and need additional answers,  
15 that they immediately know what has to happen  
16 at SUNY Central and that they tell the  
17 specific university.

18 So I think the streamlining is one of  
19 the areas that we have, over the last three  
20 years, really made some inroads in. We have  
21 another area Doug Lentivech's Department of  
22 the Professions has to oversee, and that is  
23 very specific to areas within medical  
24 professions and specific programs to prepare

1 professionals to be licensed through us.

2 And again, they are very  
3 time-consuming, and it requires coordination  
4 between our department and the particular  
5 institution that is seeking that. We are, as  
6 I said, working very closely to streamline  
7 and make sure that we can do that in a timely  
8 way.

9 In both of those areas, we have staff  
10 that is right now not in place that, if they  
11 were identified for us to be able to move  
12 them on our staff, then we would be able to  
13 do things quicker and, in the case of both of  
14 those, higher ed and in the professions, we  
15 need the kind of staff members who have  
16 background in those things and can then come  
17 in and make sure that we're doing what's  
18 appropriate.

19 So it is all of those things, it's the  
20 process that we're streamlining, it's the  
21 staffing that we need to review. And I think  
22 it's a coordination between what we have to  
23 do and an understanding from the perspective  
24 of the institution of what they have to.

1 ASSEMBLYWOMAN GLICK: If you had to  
2 put a number on the additional personnel, do  
3 you have that, how much more staffing would  
4 be required?

5 SED COMMISSIONER ELIA: Well, right  
6 now in higher ed we have 23 openings in that  
7 area. And that particular area also does  
8 certifications and all of the reviews of  
9 college requests, et cetera.

10 And in the Office of Professions, we  
11 have 22 openings. And all of that -- and  
12 those in many cases are very specialized. So  
13 a person comes in and gets hired, it takes a  
14 period of time to develop the skill and the  
15 understanding and knowledge that are  
16 necessary to make those kinds of  
17 determinations and reviews.

18 So those are just the two areas that  
19 you mentioned.

20 ASSEMBLYWOMAN GLICK: Let me ask you  
21 one -- I can see that the time goes quickly.  
22 And I appreciate your thorough response.

23 In the area of specialized  
24 education -- and I guess that's more of the

1           vocational rehab, what used to be called  
2           vocational rehab and now is called, I'm sure,  
3           something else -- there are a lot of adults  
4           who don't have a high school diploma but want  
5           to start going to college. I wanted to go to  
6           graduate school and I didn't have my  
7           undergraduate; they were very picky about  
8           that, so I had to go back and finish that.

9                        SED COMMISSIONER ELIA: There's a  
10           process.

11                       ASSEMBLYWOMAN GLICK: There is a  
12           process.

13                       So perhaps Mr. Smith has some insight?

14                       SED COMMISSIONER ELIA: Well, we've  
15           asked for the funding for the bridge  
16           programs, which I think really addresses that  
17           need across the state to allow individuals  
18           who don't even have a high school diploma to  
19           access high school equivalency to get  
20           training in a particular area. These are all  
21           partnered with colleges that are providing --  
22           that can provide the training, and also for  
23           institutions and in fact some of our  
24           for-profit schools that can provide training

1 in particular skill areas.

2 So that is a request that we have to  
3 provide up to 10 programs across the state  
4 that would mirror what's going on at  
5 LaGuardia. Because it's an excellent bridge  
6 program and provides that very specific  
7 opportunity for students that don't have  
8 their high school diploma but could expand.

9 ASSEMBLYWOMAN GLICK: Go ahead.

10 SED DEPUTY CMR. SMITH: Thank you,  
11 Assemblywoman.

12 And for individuals with disabilities,  
13 students with disabilities, we are doing  
14 everything we can to improve our  
15 coordination, cooperation with our Office of  
16 Special Education to assist and support  
17 students with disabilities to transition to  
18 higher education opportunities, and we are in  
19 coordination, as you've heard from the last  
20 two testimonies, with our colleagues in the  
21 four higher education sectors to improve the  
22 coordination and cooperation for the  
23 transition of students with disabilities to  
24 higher education institutions and the

1 supports that go along with that,  
2 communicating the need for accommodations of  
3 those students.

4 We are also spending, through  
5 ACCES-VR, which is what it's called now,  
6 ACCES-Vocational Rehabilitation, in the  
7 neighborhood of \$30 million in support of  
8 individual students to attend our higher  
9 education institutions.

10 ASSEMBLYWOMAN GLICK: Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 Senate?

13 CHAIRWOMAN KRUEGER: Thank you.

14 Senator Toby Stavisky, chair of Higher  
15 Ed.

16 SENATOR STAVISKY: Thank you.

17 In the past, as you know, I've asked  
18 questions about the fees that are received  
19 from people looking for professional  
20 licensure. And in fact we've discussed the  
21 fact that 10 years ago I sponsored the  
22 legislation with I believe Assemblywoman  
23 Glick to increase the fees by 15 percent.  
24 And there have been problems over the years

1 in terms of SED using the money for the  
2 professions and to speed up applications, and  
3 instead I remember one instance, your  
4 predecessor wanted -- in fact did use the fee  
5 money for Regents exams, because they ran out  
6 of money for that. I will never forget that  
7 discussion.

8 SED COMMISSIONER ELIA: I'm not doing  
9 that.

10 (Laughter.)

11 SENATOR STAVISKY: My first reaction  
12 to that was there would be a lot of happy  
13 high school students if we --

14 But are we now on track in terms of  
15 speeding up the licensure process in terms of  
16 using the money for which it was intended?

17 SED COMMISSIONER ELIA: Yes. And  
18 Senator Stavisky, I want to thank you,  
19 because it really is putting us forward  
20 now -- not at the speed with which any of us  
21 feel comfortable, but I would say that last  
22 year we were able to have the Division of  
23 Budget support an amount of money that we  
24 could begin our processing. We have since



1 moved forward with our staffing and the  
2 process to start e-licensing.

3           So just for your information, one of  
4 the slides showed that we have close to a  
5 million New Yorkers that get their licensure  
6 through our Professions Office. And what  
7 you're talking about, I think, and I want to  
8 thank the Governor specifically for this  
9 year's budget, which has in it an amount of  
10 money, \$7.3 million, to support the staffing  
11 necessary to move all of the time periods  
12 that can cause us all to be anxious about  
13 moving things more quickly, but doing that in  
14 the context of making sure that we are being  
15 very thorough when we make decisions about  
16 licenses and what's required there.

17           And also the Governor this year has  
18 put in to allow us another amount of money,  
19 \$7.2 million, specifically to support that  
20 technology upgrade and all of the functions  
21 that will come with our technology upgrade.

22           So I can say we have started it.  
23 You'll note -- and if you're talking to  
24 people that are putting in licenses and

1 requests for licenses, some of it is online,  
2 and we are on a timetable to move that as  
3 quickly as possible.

4 So I urge you to support the  
5 Governor's proposal because both of those  
6 amounts of money are in -- are coming from  
7 the very account that you're talking about.

8 SENATOR STAVISKY: Yes, and in fact I  
9 have a copy of your budget request.

10 And along those lines, last year -- or  
11 maybe it was the year before -- there was an  
12 issue involving spending or authorization to  
13 spend a little over \$4 million. Has that  
14 been resolved, and did you have access to the  
15 four-point --

16 SED COMMISSIONER ELIA: Yes, 4.2.

17 SENATOR STAVISKY: Four-point-three, I  
18 have.

19 SED COMMISSIONER ELIA: So we have --  
20 now we are able to spend that money.  
21 Understand that although it may have been  
22 appropriated, we have to go through another  
23 process to be able to move on it. And so  
24 we're working very closely with the Division

1 of Budget to be able to access those funds.

2 And on this particular budget  
3 appropriation that the Governor's put in for  
4 both of those, those are very important for  
5 us. And then we will follow up to make sure  
6 that we have access to the money that you  
7 approve.

8 SENATOR STAVISKY: You mentioned the  
9 slides. On Slide 12, you opened 260 illegal  
10 practice cases. What was the carryover from  
11 the previous year? Because obviously --

12 SED COMMISSIONER ELIA: 2017?

13 SENATOR STAVISKY: Chart 12.

14 SED COMMISSIONER ELIA: So on Slide 12  
15 we have the 2018 illegal practice cases were  
16 opened here.

17 SENATOR STAVISKY: How many were  
18 carried over from previous years? The reason  
19 I ask that question is obviously you have 523  
20 compliance agreements, but it's not all from  
21 2018, I assume.

22 What's the backlog? That's really the  
23 question.

24 DEPUTY CMR. LENTIVECH: Yeah, I'd have

1 to get you that exact number, Senator. There  
2 are about -- they're pretty static each year,  
3 so I would expect we're probably seeing a  
4 similar number opened -- I mean, I don't know  
5 off the top of my head, but I'm telling you  
6 it's a static number of how many illegal  
7 practices we see coming to us every year.

8 And we're pretty static in the number  
9 we maintain. We're not really backlogged  
10 much in illegal practice because those cases  
11 aren't cases that we take to hearing or  
12 adjudicate in that way. Those are cases that  
13 then are going to be referred for criminal  
14 prosecution to the Attorney General's office.  
15 So they don't stay in our office a ton of  
16 time.

17 SENATOR STAVISKY: That's the question  
18 I'm asking. Because if there's an illegal  
19 practice, it's detrimental to the health and  
20 safety of the people whom they treat.

21 DEPUTY CMR. LENTIVECH: Right. And we  
22 would get those over to the Attorney  
23 General's office. Because remember, while  
24 we'll have misconduct available against a

1 licensee, these are felony prosecutions  
2 against the unlicensed people, so they're  
3 handled criminally. And they're a matter of  
4 referral to that agency, and we do that  
5 pretty regularly, pretty quickly.

6 SENATOR STAVISKY: One other question,  
7 on Slide 16. The applicants are applying  
8 online. And you and I have had discussions,  
9 Commissioner Lentivech, in the  
10 past concerning nursing, particularly the  
11 licensure of foreign nurses and why it takes  
12 -- it took a year and a half for somebody to  
13 receive a license, a totally qualified  
14 individual.

15 Has that been resolved, and what is  
16 the length of time it takes for a license to  
17 be approved?

18 SED COMMISSIONER ELIA: So I remember  
19 last year that we did talk about that. In  
20 fact, at that point in time we were requiring  
21 applicants to go through an agency.

22 SENATOR STAVISKY: Exactly.

23 SED COMMISSIONER ELIA: We have lifted  
24 that requirement and said to them it's really

1 critical that we have all of the information  
2 that's necessary. And I believe -- you know,  
3 Doug can respond specifically on the timing,  
4 but it has gotten better.

5 SENATOR STAVISKY: It's gotten better  
6 and there's no longer that requirement that  
7 --

8 SED COMMISSIONER ELIA: No.

9 SENATOR STAVISKY: -- this person  
10 spend -- it was over a thousand dollars.

11 DEPUTY CMR. LENTIVECH: Agreed.

12 And, you know, we listened to you  
13 maybe three or four years ago I think you  
14 first brought it to us --

15 SENATOR STAVISKY: That's when it was.

16 DEPUTY CMR. LENTIVECH: -- and we said  
17 this is crazy that we're making people depend  
18 upon an enterprise that they have no control  
19 over and they may be getting no results.

20 That being said, sometimes those  
21 enterprises are the best deal for people too,  
22 because sometimes they can get information  
23 that others can't. But we leave it up to the  
24 individuals to do that.

1                   SENATOR STAVISKY: Thank you.

2                   DEPUTY CMR. LENTIVECH: What we're  
3                   trying to do is find more and improved ways  
4                   to get information from those very tricky  
5                   institutions in parts of the globe it's very  
6                   difficult for us to get access to. And they,  
7                   sadly, do become the most time-consuming of  
8                   our applications. We're quicker on the ones  
9                   where they're coming directly to us, but this  
10                  is an area where we could use more staffing,  
11                  this is an area that could use more resources  
12                  because it's just difficult to get that  
13                  information from some isolated schools in  
14                  some places when they have real-deal  
15                  education, but sometimes the way those  
16                  schools do business make it very difficult  
17                  for us to get --

18                  SENATOR STAVISKY: This was a major  
19                  institution in the Philippines. It involved  
20                  my chief of staff's wife. I never called you  
21                  to expedite it, but I said to myself, what  
22                  happened to her shouldn't happen to anybody  
23                  else.

24                  DEPUTY CMR. LENTIVECH: Right.

1 SED COMMISSIONER ELIA: Right.

2 DEPUTY CMR. LENTIVECH: Absolutely  
3 appreciate it.

4 And the Philippines isn't that bad. I  
5 mean, Philippines are --

6 SENATOR STAVISKY: I understand that  
7 they are very professionally trained and  
8 ready to -- their knowledge is certainly  
9 superior to many other areas. That's why I  
10 was concerned, because we used to talk about  
11 a nursing shortage, and sometimes it can be  
12 self-imposed.

13 DEPUTY CMR. LENTIVECH: Yes,  
14 absolutely.

15 SENATOR STAVISKY: Thank you.

16 CHAIRWOMAN KRUEGER: Thank you.  
17 Assembly.

18 CHAIRWOMAN WEINSTEIN: Thank you.  
19 Assemblyman Barclay.

20 ASSEMBLYMAN BARCLAY: Good afternoon.

21 SED COMMISSIONER ELIA: Good  
22 afternoon.

23 ASSEMBLYMAN BARCLAY: I've got I guess  
24 a couple of specific questions, but just one



1 general.

2 On your page 9, you talk about the  
3 enactment of the DREAM Act. So I appreciate  
4 your support of that, but does SED have any  
5 -- is it just generally you like the policy,  
6 or what's SED have to do with the DREAM Act?

7 SED COMMISSIONER ELIA: So  
8 specifically -- well, as of now, we -- so let  
9 me clarify your question. Are you asking us  
10 what you have passed now and our reaction to  
11 that?

12 ASSEMBLYMAN BARCLAY: Either one. I  
13 mean the proposed bill or the -- either the  
14 Governor's proposal or the legislation we  
15 passed. I'm just not sure why you opined on  
16 the DREAM Act, other than maybe you just want  
17 to add that you support it. But does SED  
18 have any -- you don't have oversight of the  
19 DREAM Act --

20 SED COMMISSIONER ELIA: We want to  
21 make sure that we can serve the undocumented  
22 students that have been in New York for a  
23 very long period of time, generally have  
24 supported and been supported by our high

1 schools, have received their diplomas, have  
2 received their degrees in our schools -- and  
3 the fact that they haven't had access to  
4 supports would really be a negative for them.

5 ASSEMBLYMAN BARCLAY: So it's just a  
6 general support of the --

7 SED COMMISSIONER ELIA: Yes. But  
8 there are some things that we believe could  
9 be supported and shifted in the Governor's  
10 proposal -- that's the one that we've really  
11 had the opportunity to review closely. And  
12 we will work with anybody that would like to,  
13 to clarify anything that we think would be  
14 important.

15 ASSEMBLYMAN BARCLAY: Okay, thank you.  
16 Your Office of Professions -- I'm not  
17 overly aware of how this all works, so please  
18 bear with me. How many professions do you  
19 license?

20 SED COMMISSIONER ELIA: Fifty-four.

21 ASSEMBLYMAN BARCLAY: Okay. And then  
22 what's the average time -- I mean, I know  
23 obviously every profession probably has a  
24 different time period for licensing. But

1           what's -- do you have like the shortest one  
2           versus the longest one, and what's the  
3           longest one to receive a license?

4                   DEPUTY CMR. LENTIVECH: Well, you're  
5           absolutely right, it's going to be very  
6           different depending upon the profession. If  
7           you went to a program that's in New York  
8           State and they use a service that reports to  
9           us electronically and it's a state school and  
10          we get the stuff like that, I mean, you could  
11          be talking about a few days after we get  
12          their application from the student.

13                   If you go to a school out of the  
14          United States and you've taken an  
15          examination, it's not an examination we're  
16          familiar with so we're doing all comparative  
17          reviews, those could take a very, very long  
18          time -- if you ever meet the New York State  
19          qualifications.

20                   So it goes from very short to --

21                   ASSEMBLYMAN BARCLAY: I know it's  
22          tough because obviously every case could be a  
23          little different. But is there any way to --  
24          what's your shortest versus what's the

1           longest? I mean, assuming things aren't  
2           jammed up because the licensee hasn't given  
3           their documents in time or something like  
4           that. But --

5                     DEPUTY CMR. LENTIVECH: Yeah, I mean  
6           you should be six to eight weeks. You know,  
7           you should be able to get stuff and get out  
8           when they're easily verified. For something  
9           that doesn't require a review of experience  
10          or something like that. When you're talking  
11          about making sure they went to an accredited  
12          program -- that's not unreasonable -- and  
13          things.

14                    ASSEMBLYMAN BARCLAY: How many people  
15          do you have working in that office now?

16                    DEPUTY CMR. LENTIVECH: Nowhere near  
17          what we should. It's 294 today.

18                    ASSEMBLYMAN BARCLAY: And you said  
19          there's eighty -- that was for a school  
20          curriculum, the 80 that you have openings.  
21          How many openings do you have, and --

22                    SED COMMISSIONER ELIA: We have right  
23          now 127 openings across the entire State  
24          Education Department. And that is

1 approximately seven different departments.

2 We are working closely -- all of the  
3 approvals that we have are things that have  
4 to go through the Division of Budget. We  
5 work very closely for them to understand our  
6 needs. And it can sometimes be a difficult  
7 process in the fact that we may get approvals  
8 but we have a time period on the approvals,  
9 we have to find -- recruit the right person,  
10 do all of the interviews, and at the end of  
11 that time period that is required, if we  
12 don't get it completed, then we start again.

13 ASSEMBLYMAN BARCLAY: Okay, I presume  
14 -- or has there been legislation out there to  
15 loosen up your ability so you don't have to  
16 get approvals from the DOB every time?

17 SED COMMISSIONER ELIA: Well, I would  
18 say there's two parts to it. It is the  
19 approval that comes from the Legislature in  
20 specific areas. We have -- one of the slides  
21 requests that you look at new programming  
22 and, as new programs are approved, that we be  
23 allowed like the federal government allows  
24 for a 5 percent set-aside for administrative

1 costs to implement the program.

2 Let me give you an example. We have  
3 37 PTECH programs. There's a proposal that  
4 the Governor has made -- and we think PTECH  
5 programs are an excellent model. But there's  
6 a proposal for another eight to 10 PTECH  
7 programs; we never received any staff to  
8 stand up any of the 37 we have, and now we're  
9 going to do more.

10 ASSEMBLYMAN BARCLAY: Yeah, okay.

11 Thank you.

12 CHAIRWOMAN KRUEGER: Hi. Good  
13 afternoon.

14 SED COMMISSIONER ELIA: Hi there.

15 CHAIRWOMAN KRUEGER: Just two  
16 questions. So you testified that you thought  
17 the HEOP, SEEK programs for disabilities in  
18 our colleges are all very important and  
19 recommended money. I feel like every year --  
20 I've been here for a lot of years now --  
21 everybody tells us these are really good  
22 programs, the Governor or whoever they are  
23 cuts them, we try to put them back and maybe  
24 increase them a little -- which always

1 frustrates me, because if everybody's talking  
2 about how great these programs are, why do we  
3 give them such a small amount of money?

4 But that's not my question. My  
5 question is, can you go back and then get me  
6 the answer, all of us the answer, other  
7 states with -- you can just do a ratio, how  
8 much are they investing in their equivalent  
9 programs for their college students? because  
10 I feel like we're probably not investing  
11 enough money in these important programs, and  
12 one way to argue that is that in comparison  
13 to other states, New York is only putting in  
14 X amount.

15 So do you think you'd have the ability  
16 to go back and help me do the research on  
17 what other states are doing?

18 SED COMMISSIONER ELIA: We can  
19 certainly review and see what we can gather  
20 for you and provide whatever information  
21 we're able to get. Because some of this --  
22 some programs do things more like TAP and it  
23 may have -- they may have requirements with  
24 that that would overlap what we do with our

1 other programs.

2 So I'm not sure it will be a clean  
3 review, but we'll see what we can find out  
4 for you.

5 CHAIRWOMAN KRUEGER: I'd appreciate  
6 that, thank you.

7 SED COMMISSIONER ELIA: Sure.

8 CHAIRWOMAN KRUEGER: Then my second  
9 question -- if I haven't lost it. See, the  
10 day's not that long but I've already  
11 forgotten the second question. I give up the  
12 rest of my time. I'll get back to you when I  
13 remember it. Thank you.

14 SED COMMISSIONER ELIA: Thank you.

15 CHAIRWOMAN WEINSTEIN: It's nothing  
16 you said; there's a Ways and Means meeting  
17 that has to take place, so the respective  
18 members have left and will return.

19 In the meantime, we will hear from  
20 Assemblymember Smith.

21 ASSEMBLYMAN SMITH: Thank you.

22 And thank you, Commissioner, for being  
23 here today.

24 I've spent the better part of a year



1 to try to get some answer to this question.

2 I had some other questions but they're

3 actually --

4 SED COMMISSIONER ELIA: You're a

5 teacher, aren't you?

6 ASSEMBLYMAN SMITH: That's right.

7 That's right, I am, licensed through State

8 Ed.

9 And as far as this goes -- and I asked

10 the SUNY chancellor a little bit earlier, and

11 I was kind of disturbed by her answer -- the

12 Smart Schools Review Board, of which you, the

13 Governor's budget director and the SUNY

14 chancellor are members, right now, to date it

15 was approved -- it was \$2 billion approved by

16 the Legislature in 2014, approved by the

17 voters in that subsequent election. Right

18 now we're still waiting on \$1.2 billion of

19 funding to be disbursed.

20 I reach out in vain, my district, \$42

21 million have been provided to six districts,

22 six school districts. One of my largest

23 districts, Sachem, is waiting on \$11 million.

24 And as we debate this week on gun legislation

1           -- we live in a very scary time -- that money  
2           is going to be used to harden the security in  
3           the school to put vestibules in the schools,  
4           increase security cameras. Some of these  
5           buildings are very old, they need technology  
6           upgrades just to run the wifi.

7                     I'm very concerned -- and my districts  
8           are watching right now, and curious as to  
9           what the answer's going to be. When I reach  
10          out to your office -- rather, when I reach  
11          out to the Governor's budget office, he  
12          points to your department and says that  
13          without staffing, these plans aren't being  
14          reviewed.

15                    Your office, and I think I believe  
16          this, and my districts do, say that it's the  
17          fact that this review board, of which you're  
18          a member, along with the SUNY chancellor and  
19          the budget director, has not met that  
20          frequently. I asked the other day; there's  
21          no meeting on the schedule.

22                    As our schools are planning their  
23          budgets for the upcoming year, it's very  
24          difficult -- because this grant, as you know,

1 is not reimbursable. So if my school  
2 districts go ahead and put in all these extra  
3 security features, the local property  
4 taxpayers who are going to be paying for that  
5 can't be reimbursed under Smart Schools.

6 SED COMMISSIONER ELIA: That's right.

7 ASSEMBLYMAN SMITH: Can we -- can we  
8 do --

9 SED COMMISSIONER ELIA: Well, let me  
10 give you some background on this.

11 ASSEMBLYMAN SMITH: Please.

12 SED COMMISSIONER ELIA: First of all,  
13 all of the proposals have to come into our  
14 office. And over the period of time that  
15 I've been there, about three and a half  
16 years, this is an area that has been  
17 challenged with staffing.

18 We have, in fact, put in some  
19 additional changes. We put in a technology  
20 system so every one of the school districts  
21 who puts a submittal in can get the feedback  
22 immediately on where we are, where they are  
23 in the process so they know where they are in  
24 the queue. And then if we do get to their

1           proposal and we have questions or we need  
2           additional information, they can see that on  
3           that technology system so it will be updated.

4                     And you could go to every one of the  
5           six districts and you could find out exactly  
6           where they are in the queue to get approved.

7                     ASSEMBLYMAN SMITH: Now if I could --  
8           because I have a limited time. If I could  
9           speak to that, because my districts have  
10          submitted plans and two of them have already  
11          been told that the old submission process  
12          isn't working anymore, they're now going to  
13          be using the new submission process -- that's  
14          Middle Country and Sachem -- for this  
15          funding.

16                    Sachem Schools, as I mentioned, a  
17          large district, just submitted a new plan  
18          under the new proposal system. They  
19          literally have to detail every single nut and  
20          bolt to the T under current vendor contracts  
21          that they have. And after submitting that  
22          now, it's already been eight months since  
23          they've gotten any -- they've gotten no  
24          feedback whatsoever. So those --

1                   SED COMMISSIONER ELIA: So I would  
2 suggest to you that we'll provide for you all  
3 of the information that has been the numbers,  
4 if you will, on where we are in terms of the  
5 push-out --

6                   ASSEMBLYMAN SMITH: I mean, I have  
7 that, I actually have that.

8                   SED COMMISSIONER ELIA: And if you ask  
9 us on your specific districts, we can give  
10 you the information on them --

11                  ASSEMBLYMAN SMITH: Right, which you  
12 have done, and I thank you for that. I have  
13 that information, your office has --

14                  SED COMMISSIONER ELIA: So you have  
15 that.

16                  ASSEMBLYMAN SMITH: Yes. However, we  
17 don't know when is this review board going to  
18 be meeting, it was supposed to meet  
19 quarterly, there's no date.

20                  SED COMMISSIONER ELIA: So let me  
21 explain. There are three people that are  
22 appointed to the review board, myself, the  
23 SUNY chancellor, and the head of the Division  
24 of Budget. The head of the Division of the

1 Budget is the person in that trio that  
2 identifies when the meetings will be held.

3 ASSEMBLYMAN SMITH: Okay, that's  
4 actually a great answer.

5 Now, would it surprise you that the  
6 SUNY chancellor, who was here today, was  
7 unaware that she's even part of this and  
8 asked me privately if I was sure that it was  
9 the SUNY chancellor and not the Board of  
10 Regents chancellor. You know, that kind of  
11 --

12 SED COMMISSIONER ELIA: She has a  
13 representative that goes to those meetings,  
14 as do I, so -- Beth Berlin, who's in the  
15 audience here, is the representative for  
16 State Ed. And so she is the senior deputy  
17 commissioner, goes to every one of the  
18 meetings. But we only go when the meetings  
19 are held, obviously --

20 ASSEMBLYMAN SMITH: That's the  
21 Governor's budget --

22 SED COMMISSIONER ELIA: -- and we are  
23 not in charge of holding the meetings and  
24 scheduling them. But as soon as -- and we do

1 inform the other two members when we have  
2 proposals that have been approved and that  
3 they're waiting in the queue to be approved.

4 ASSEMBLYMAN SMITH: All right, thank  
5 you. And I will ask that you join me in  
6 asking the Governor to have his office set a  
7 new date for a meeting. Thank you.

8 SED COMMISSIONER ELIA: You're  
9 welcome.

10 CHAIRWOMAN KRUEGER: Assemblywoman  
11 Glick.

12 ASSEMBLYWOMAN GLICK: Assemblymember  
13 Buttenschon.

14 ASSEMBLYWOMAN BUTTENSCHON: Thank you  
15 for being here today. I appreciate your  
16 time.

17 Again, if this question was asked, I  
18 apologize, as I was in session.

19 SED COMMISSIONER ELIA: No problem.

20 ASSEMBLYWOMAN BUTTENSCHON: I come  
21 from upstate New York, the Utica/Rome area,  
22 and a major concern in regards to the -- as  
23 other colleagues have talked about, the  
24 timing of processing an individual's license.

1           And you've stated that there's a wide  
2           parameter.  These individuals do not have  
3           unique situations, it just seems that it is  
4           somewhat slow in regards to -- in their  
5           terms.  The funding is there for you.  I just  
6           wanted to have a --

7                         SED COMMISSIONER ELIA:  So I mentioned  
8           that earlier, and we have it in the slides  
9           that we've presented to you.  So one of the  
10          things that we are identifying for you all is  
11          that the Governor has put in funding in his  
12          budget for staff and for supports for us to  
13          move forward --

14                        ASSEMBLYWOMAN BUTTENSCHON:  Yes, I'm  
15          aware of that.  My concern was what type of  
16          plan you have specifically to expedite this.

17                        SED COMMISSIONER ELIA:  So we've been  
18          working on a plan to make sure that our  
19          technology is able to handle online  
20          licensure, which will make all of the license  
21          requests move forward.  A few of them already  
22          are online, but not all of them.

23                        And our plan would be to use the  
24          funding that the Governor has in his budget



1 to complete that process, it's going to be a  
2 three-to-four-year process. But the first  
3 part of it is the part where we believe that  
4 the license -- those that are requesting a  
5 license will have the most bang for that by  
6 getting it done online, and we believe that  
7 that will help the situation.

8 ASSEMBLYWOMAN BUTTENSCHON: And that  
9 wouldn't affect the 127 openings you have,  
10 then?

11 SED COMMISSIONER ELIA: It will. Let  
12 me point out, the 127 openings are openings  
13 that are in fact budgeted, they're in our  
14 budget, but we don't have approval to fill  
15 them.

16 ASSEMBLYWOMAN BUTTENSCHON: Okay. And  
17 is that like a normal -- the norm for you,  
18 that you would have for --

19 SED COMMISSIONER ELIA: It is somewhat  
20 normal for State Ed.

21 ASSEMBLYWOMAN BUTTENSCHON: Okay.

22 SED COMMISSIONER ELIA: We are -- for  
23 your information --

24 ASSEMBLYWOMAN BUTTENSCHON: And is

1           there someone looking into why?

2                       SED COMMISSIONER ELIA: We are not a  
3           Governor's agency. We are different.  
4           Unique. I like to think the word "unique"  
5           fits us well.

6                       ASSEMBLYWOMAN BUTTENSCHON: Just one  
7           other question regarding the timing of  
8           curriculum development in higher ed and that  
9           process. I know there's probably a lot of  
10          fingers that say -- but how long is that  
11          generally for programs? Is that something  
12          you consider a concern, or you feel that  
13          you're up to snuff in regards to --

14                      SED COMMISSIONER ELIA: So I did  
15          mention that briefly before. One of the  
16          things that we found was that the process  
17          itself needed to be streamlined. And so  
18          there are actually two places within State Ed  
19          where we do that. We actually, for higher  
20          ed, for all degree granting, it's done in our  
21          higher ed department. And if it has to do  
22          with professions, it's done in the Office of  
23          Professions.

24                      And so you have two offices. The

1 process that we had in place I will suggest  
2 to you was not the most efficient for  
3 everyone, and it didn't let everyone know  
4 where they were in the process. And so we've  
5 streamlined that, working with SUNY and CUNY  
6 and the independents to make sure that they  
7 are aware of where we are in asking for  
8 information back so that we can move the  
9 process forward. And we think that that will  
10 help.

11 It also will help as we get more staff  
12 into those two departments to be able to move  
13 things more quickly.

14 ASSEMBLYWOMAN BUTTENSCHON: So another  
15 technology update --

16 SED COMMISSIONER ELIA: It will be the  
17 technology, but it's also actually the people  
18 to do the reviews.

19 ASSEMBLYWOMAN BUTTENSCHON: And in  
20 your handout on page 5 you talk about STEM,  
21 but I also just was questioning -- STEAM also  
22 was probably a priority for you also --

23 SED COMMISSIONER ELIA: Yes.

24 ASSEMBLYWOMAN BUTTENSCHON: It's just

1 the area I come from is highly motivated by  
2 STEAM.

3 SED COMMISSIONER ELIA: Where are you  
4 from?

5 ASSEMBLYWOMAN BUTTENSCHON: Upstate.  
6 Utica/Rome area.

7 SED COMMISSIONER ELIA: That's right.

8 ASSEMBLYWOMAN BUTTENSCHON: So that is  
9 a priority; correct?

10 SED COMMISSIONER ELIA: That is a  
11 priority as well, yeah. The Regents are very  
12 focused on making sure that the arts are  
13 included in the work that we do across the  
14 board.

15 ASSEMBLYWOMAN BUTTENSCHON: Okay.  
16 Thank you very much.

17 SED COMMISSIONER ELIA: Thank you.

18 ASSEMBLYWOMAN BUTTENSCHON: Thank you,  
19 Chair.

20 ASSEMBLYWOMAN GLICK: I believe our  
21 final questioner will be Assemblymember  
22 Griffin.

23 ASSEMBLYWOMAN GRIFFIN: Greetings.  
24 Thank you for being here today.

1                   Just two questions. I wanted to  
2                   reiterate what my colleague to the left of me  
3                   had said about the Smart School bond money  
4                   for the school security. I too I think --  
5                   I'm in southwestern Nassau County in Long  
6                   Island, and that is a big issue. A couple of  
7                   schools have gotten other funding for it and  
8                   have completed upgrading their security, but  
9                   many of our schools haven't had -- you know,  
10                  haven't had that opportunity. And there's a  
11                  lot of schools that are lacking in that  
12                  school security.

13                  And I was at a school board meeting  
14                  last year right after Parkland took place,  
15                  and I would say there was like 300 parents  
16                  all extremely concerned, crying and just  
17                  really worried about so many things, but for  
18                  their young elementary schoolchildren  
19                  especially. They were really worried about  
20                  all these different security barriers that  
21                  they could have.

22                  So I'm glad that we can now check them  
23                  in the queue that you've talked about.

24                  SED COMMISSIONER ELIA: Yes.

1 ASSEMBLYWOMAN GRIFFIN: But I just  
2 wanted to just urge if there's any way to  
3 expedite that, because it does take a long  
4 time to get complete.

5 SED COMMISSIONER ELIA: Well, we have  
6 moved on expediting them, and if you get --  
7 and find out your particular districts, you  
8 can go on there and see exactly where they  
9 are.

10 ASSEMBLYWOMAN GRIFFIN: Thank you.

11 And I'm really happy to see the  
12 increase in funding for enhancing support  
13 services for students with disabilities. I  
14 think that's really well needed. One of my  
15 sons goes to a school where they had some  
16 special services and it really made a big,  
17 big difference.

18 And I just wondered how do you find  
19 out -- like do you go back to the high  
20 schools to find out what services are most  
21 needed for students? Where are you getting  
22 information to have programs that could best  
23 serve this population of so many students  
24 with disabilities?

1                   SED COMMISSIONER ELIA: So that all  
2                   has to do with the student self-identifying  
3                   at the school site, that, you know, "In fact  
4                   I did have services when I was in high  
5                   school, I'm now in college and I need these  
6                   additional services." Or supports that may  
7                   be required.

8                   You heard the gentleman who was here  
9                   with the chancellor from CUNY talk about the  
10                  cost for students who are deaf and hard of  
11                  hearing and the work that they're doing to  
12                  provide those services. A student who goes  
13                  into a college at this point in time, we  
14                  don't have a connection of the data systems  
15                  from high school into college, and so a  
16                  student would have to self-report that "I  
17                  need help."

18                  ASSEMBLYWOMAN GRIFFIN: Okay, thank  
19                  you very much.

20                  SED COMMISSIONER ELIA: You're  
21                  welcome.

22                  ASSEMBLYWOMAN GLICK: Thank you very  
23                  much, Commissioner. Always good to hear from  
24                  you and your team.

1 SED COMMISSIONER ELIA: Thank you.

2 ASSEMBLYWOMAN GLICK: We will next  
3 hear from the Higher Education Services  
4 Corporation, Dr. Guillermo Linares.

5 Anytime you're ready.

6 ACTING HESC PRESIDENT LINARES: Good  
7 afternoon, Chairs Krueger, Weinstein,  
8 Stavisky, Glick, and to all my former  
9 colleagues in the Senate and Assembly, thank  
10 you for the opportunity to speak today about  
11 the Governor's 2019-2020 Executive Budget  
12 recommendations that impact the New York  
13 State Higher Education Services Corporation,  
14 HESC. I am Dr. Guillermo Linares, acting  
15 president of HESC, and this morning I am  
16 joined by my executive vice president, Elsa  
17 Magee.

18 HESC is responsible for administering  
19 more than two dozen New York State student  
20 financial aid and college access programs  
21 that help to ease college costs for New York  
22 State students and families, including the  
23 first-in-the-nation Excelsior Scholarship.  
24 Collectively, these programs provide nearly



1           \$1.2 billion in financial aid awards to  
2           support the college costs of approximately  
3           400,000 students attending public and private  
4           colleges inside our state.

5                         New York continues to be a leader in  
6           college access. The Excelsior Scholarship  
7           provided more than 20,000 students with free  
8           college tuition in its first year. This is a  
9           great number. But it is not about just the  
10          ability to go to college tuition-free, it is  
11          the other promising outcomes. Student  
12          retention is higher among Excelsior students  
13          than non-Excelsior students. This suggests  
14          that these students will incur less total  
15          costs in completing their degrees and begin  
16          their careers sooner.

17                         As stated earlier, the number of  
18          students taking 15 credits in the first  
19          semester at our public university systems is  
20          increasing. That is a key indicator of  
21          college success and completion. These are  
22          positive developments resulting from  
23          Excelsior.

24                         Getting back to the numbers,

1           Excelsior, with TAP and other scholarships,  
2           is enabling more than half of all resident  
3           full-time students going to a public  
4           university or college in New York State to  
5           attend tuition-free. That is over 200,000  
6           students attending tuition-free. And when  
7           Excelsior is fully implemented, 55 percent of  
8           resident full-time students will be attending  
9           college tuition-free, a remarkable  
10          achievement.

11                    But it's not just Excelsior. New York  
12          has one of the most robust and generous  
13          financial aid programs of any other state,  
14          providing nearly \$1 billion in grants. TAP  
15          is the largest need-based student financial  
16          aid program in the country.

17                    Governor Cuomo's 2019-2020 Executive  
18          Budget continues to make college more  
19          accessible for all New Yorkers and provide  
20          opportunities that prepare all students to  
21          thrive in the 21st century. From launching  
22          the Excelsior Scholarship and Enhanced  
23          Tuition Awards programs to the pioneering Get  
24          On Your Feet Loan Forgiveness Program and the

1 New York State Standard Financial Aid Award  
2 Letter, the Governor has led the way in  
3 making college affordable for all New York  
4 State students.

5 This leadership is apparent in the  
6 Governor's higher education proposals, which  
7 year after year pushed for funding for the  
8 DREAM Act, an issue that has been near and  
9 dear to me. Approval of legislation allowing  
10 undocumented New York State students, who are  
11 deserving of the same advantages our great  
12 state gives to their citizen peers -- access  
13 to TAP and all other state award and  
14 scholarship programs through the Senator Jose  
15 R. Peralta DREAM Act -- has been a  
16 cornerstone of the Governor's higher  
17 education proposals.

18 While the DREAM Act has been a  
19 long-awaited step forward, the Governor's  
20 budget also proposes to expand New York's  
21 Excelsior free college scholarship for  
22 middle-class families to incorporate those  
23 making up to \$125,000 a year, ensuring that  
24 nearly 55 percent of full-time SUNY and CUNY

1 in-state students can earn a college degree  
2 tuition-free; to ensure that for-profit  
3 schools are not overly reliant on public  
4 support by placing a threshold on their  
5 taxpayer-based revenues, and requiring that  
6 for-profit schools spend at least 50 percent  
7 of their revenues on instruction and learning  
8 resources; and to require the licensure of  
9 student loan servicers and take steps to  
10 ensure that these companies cannot mislead  
11 borrowers or engage in practices that may  
12 harm student loan borrowers.

13 In closing, Governor Cuomo is a  
14 leading voice in protecting access to higher  
15 education for everyone. The 2019-2020  
16 Executive Budget increases state support for  
17 higher education to \$7.6 billion, an increase  
18 of \$1.6 billion or 27 percent since fiscal  
19 year 2012. Under his leadership, New York  
20 has implemented an unprecedented number of  
21 new and strategic student financial aid  
22 programs and initiatives to make college more  
23 accessible and encourage the best and  
24 brightest students to build their future in

1 New York.

2 His recommendations for higher  
3 education programs continue to pave a path to  
4 an affordable and high-quality college  
5 education, and HESC is pleased to play a  
6 vital role in providing New York State's  
7 students with a gateway to a successful  
8 academic and professional career.

9 Thank you, and I will be happy to  
10 answer any questions you may have.

11 ASSEMBLYWOMAN GLICK: Thank you. It's  
12 good to see you.

13 Let me ask you a few questions, and  
14 then you can -- because they are kind of  
15 similar and get at different aspects.

16 First, how many applicants have you  
17 had, and how many have been rejected? Is  
18 there a consistent reason for rejection, or  
19 are there several different categories for  
20 the applicants for Excelsior to be rejected?  
21 And are there any who have received a  
22 scholarship who have at this point reverted  
23 to loans?

24 ACTING HESC PRESIDENT LINARES: Well,

1 first of all, as you are aware, we just got  
2 numbers for the first year of implementation  
3 for Excelsior. There was an overwhelming  
4 response, there was about 108,000  
5 applications that were received. I'm talking  
6 about both fall and spring of the first year,  
7 which is the numbers that we're reporting on.

8 Of those, close to half were found  
9 eligible to receive Excelsior. And when you  
10 combine both those who already have full  
11 tuition plus the 20,000 that received the  
12 scholarship, that's the total figure that we  
13 have up to this point.

14 I think the news is that we have  
15 received a significant number, we're very  
16 satisfied with the over 20,000 students that  
17 are receiving scholarships.

18 ASSEMBLYWOMAN GLICK: So there were  
19 about half that were eligible for other  
20 reasons, but their TAP and Pell covered the  
21 cost of tuition and then it dropped down  
22 to -- from 108 --

23 ACTING HESC PRESIDENT LINARES:  
24 Excelsior is the last dollar --

1 ASSEMBLYWOMAN GLICK: Right. So it  
2 went from 108,000 down to 20,000, roughly.

3 ACTING HESC PRESIDENT LINARES: Well,  
4 when you look at the number of students that  
5 received for the first year, it was over  
6 20,000 students.

7 ASSEMBLYWOMAN GLICK: And have any  
8 already fallen off of receiving Excelsior?

9 ACTING HESC PRESIDENT LINARES: We're  
10 not aware of any that have not received.  
11 We're excited that we have on track over  
12 20,000.

13 ASSEMBLYWOMAN GLICK: For each of  
14 these 20,000 students, the scholarship  
15 provides the top TAP award of \$5165, and the  
16 actual cost of tuition is around \$6700. So  
17 for each of those students, there's a  
18 shortfall for the schools. Is there any  
19 discussion about an increase in what the  
20 scholarship would cover so that the schools  
21 are not eating the cost of tuition?

22 ACTING HESC PRESIDENT LINARES:  
23 Whatever the difference between what they  
24 receive in full tuition and the actual cost

1 will be covered by the colleges.

2 ASSEMBLYWOMAN GLICK: Will be covered  
3 by the colleges.

4 ACTING HESC PRESIDENT LINARES: Yes,  
5 the way that we have it now.

6 ASSEMBLYWOMAN GLICK: So the question  
7 remains, has there been any conversation  
8 about increasing what that award would be in  
9 view of the fact that what we're doing is  
10 adding to the TAP gap? So is there any  
11 discussion about trying to remedy that at  
12 all?

13 HESC EXEC VP MAGEE: With regards to  
14 the rational tuition policy, SUNY and CUNY  
15 currently receive funding for the tuition  
16 credit to close that gap between TAP and the  
17 actual SUNY/CUNY tuition. So for students  
18 who would get a full TAP award, they're still  
19 receiving the total award for -- to cover  
20 tuition at a SUNY or CUNY college or  
21 university.

22 ASSEMBLYWOMAN GLICK: Well, the  
23 student isn't impacted, but the schools are.  
24 If your tuition is -- I do not believe, based



1 on what I've read, that Excelsior students --  
2 if I'm Queens College and I have an Excelsior  
3 student, I am getting \$5165 for a fixed  
4 period of years for that student.

5 HESC EXEC VP MAGEE: For an Excelsior  
6 recipient, the tuition is frozen at the  
7 2017-'18 -- '16-'17 tuition rate, at \$6470,  
8 and that is what they would receive in total  
9 for their Excelsior award, would cover the  
10 difference between --

11 ASSEMBLYWOMAN GLICK: So on Excelsior,  
12 schools are actually receiving the full  
13 amount of the tuition for each student?

14 ACTING HESC PRESIDENT LINARES: Yes.

15 HESC EXEC VP MAGEE: Yes, that's  
16 correct.

17 ASSEMBLYWOMAN GLICK: They're not  
18 simply receiving \$5165.

19 HESC EXEC VP MAGEE: No, they're not.

20 ASSEMBLYWOMAN GLICK: But if there is  
21 an increase in the tuition based on each year  
22 the tuition going up \$200, is HESC covering,  
23 for each of those students, that additional  
24 \$200? Or is it frozen at the earlier rate,

1           thereby creating an Excelsior gap?

2                   HESC EXEC VP MAGEE: The tuition for  
3           an Excelsior recipient is frozen. So the  
4           tuition would not increase for that student.  
5           And the Excelsior Scholarship would cover  
6           that full tuition award for the duration of  
7           their time at the school.

8                   CHAIRWOMAN KRUEGER: Can you speak up  
9           a little bit into the microphone?

10                   HESC EXEC VP MAGEE: Did you hear --

11                   CHAIRWOMAN KRUEGER: Yes.

12                   HESC EXEC VP MAGEE: Okay.

13                   ASSEMBLYWOMAN GLICK: Well, I think  
14           what you've said is that -- I think that one  
15           is glued. For whatever insane reason,  
16           they're not movable. I don't know if the  
17           wire is short or what. But perhaps you can  
18           lean into it.

19                   It does seem as though I'm hearing two  
20           different things. And I just want to clarify  
21           that as tuition goes up, the tuition that is  
22           covered by Excelsior is frozen. But students  
23           who come in not with Excelsior, at the same  
24           -- in future years pay an extra \$200, but

1           Excelsior is not increased; is that correct?

2                   HESC EXEC VP MAGEE: The tuition for  
3           an Excelsior recipient is frozen at the  
4           2016-'17 tuition rate level. So there is no  
5           gap. They're always covered at the \$6470  
6           tuition rate.

7                   But for those who are not Excelsior  
8           recipients, if they're receiving TAP, there  
9           is another TAP tuition credit that covers the  
10          tuition.

11                   ASSEMBLYWOMAN GLICK: So the reality  
12          is that all of the schools that have  
13          Excelsior students, as the tuition rises,  
14          they are -- the schools are not getting  
15          additional resources for that student.  
16          They're getting the fixed amount, even though  
17          every other student's tuition goes up,  
18          thereby creating an Excelsior gap.

19                   HESC EXEC VP MAGEE: The tuition  
20          credit covers the -- that goes to SUNY and  
21          CUNY covers the \$200 increase.

22                   ASSEMBLYWOMAN GLICK: Yes, it's not  
23          covered by the money they receive, it is  
24          covered by them squeezing out of their

1 operating funds. That is how it is covered.  
2 It's covered, but it's covered by the school,  
3 not by the state.

4 Let me just as we -- I'm almost out of  
5 time. Is there any planning for how the  
6 state is going to follow the students for  
7 their five years after graduation to ensure  
8 that they stay in the State of New York?

9 ACTING HESC PRESIDENT LINARES: Well,  
10 one of the stipulations within the program is  
11 to, as we invest in Excelsior scholarship --

12 ASSEMBLYWOMAN GLICK: I understand  
13 that. Is there a plan for figuring out how  
14 you're going to monitor that?

15 ACTING HESC PRESIDENT LINARES: We are  
16 preparing to do that. We're rolling out the  
17 second year. So this is very much part of  
18 what we intend to do moving forward.

19 HESC EXEC VP MAGEE: Yes. And we also  
20 monitor right now for programs such as STEM,  
21 where there are work requirements, we have  
22 other programs, we have a longstanding math  
23 and science teacher incentive program that  
24 has similar requirements, so we're just using

1 the same process that we do for those other  
2 programs.

3 ASSEMBLYWOMAN GLICK: Okay, thank you.  
4 Senate.

5 CHAIRWOMAN KRUEGER: Thank you.  
6 Our first speaker is Senator Toby  
7 Stavisky.

8 SENATOR STAVISKY: Got it. Thank you.

9 A couple of questions on Excelsior and  
10 also on Enhanced TAP. You mentioned the  
11 20,000 eligible applicants. How would you  
12 break that down in terms of SUNY, CUNY and  
13 the independent colleges? Approximately.

14 ACTING HESC PRESIDENT LINARES: You're  
15 talking about Excelsior?

16 SENATOR STAVISKY: Yes.

17 ACTING HESC PRESIDENT LINARES:  
18 Excelsior is for SUNY and CUNY.

19 SENATOR STAVISKY: CUNY and SUNY.

20 ACTING HESC PRESIDENT LINARES: Yes.

21 SENATOR STAVISKY: How would you break  
22 that down in terms of SUNY versus CUNY?

23 ACTING HESC PRESIDENT LINARES: It's  
24 pretty much proportionate to the enrollment

1           that both systems have. Of course SUNY is a  
2           little larger than CUNY. But the breakdown,  
3           we can provide you the numbers. But it is  
4           not far off from what the breakdown is with  
5           TAP, for that matter.

6                        So proportionately it is quite  
7           balanced with the number of students that are  
8           receiving the scholarship. And it's an open  
9           process that has been made available to  
10          students throughout. So we've seen quite a  
11          response for both systems.

12                       SENATOR STAVISKY: For the students  
13          who have elected to use the Excelsior  
14          Scholarship, approximately what percentage  
15          have failed to complete the -- or did fail to  
16          complete the 30-credit requirement?

17                       ACTING HESC PRESIDENT LINARES: Well,  
18          we right now just received the total number  
19          of the 20,000 that are receiving for the  
20          first year. But from the testimony that we  
21          heard earlier today, the -- it's very  
22          promising, the fact that retention for, you  
23          know, Excelsior students is higher than for  
24          non-Excelsior. So --

1                   SENATOR STAVISKY: The SUNY chancellor  
2                   said 10 percent, right.

3                   ACTING HESC PRESIDENT LINARES: So  
4                   those are all positive signs. And we fully  
5                   anticipate that the number of 20,000 plus  
6                   students will continue to increase. This was  
7                   when we had the threshold at \$100,000. This  
8                   year it's \$110,000. Next year, \$125,000. So  
9                   we fully expect for that number to increase  
10                  significantly.

11                  SENATOR STAVISKY: Let me rephrase the  
12                  question, then. Have you found that the  
13                  30-credit requirement -- and I must thank  
14                  your executive vice president. We had a  
15                  lengthy discussion on it on the requirement a  
16                  couple of years ago, and I appreciate your  
17                  insights.

18                  But what has been the result? Have  
19                  students failed to fill the 30-credit  
20                  requirement and therefore are no longer  
21                  eligible?

22                  ACTING HESC PRESIDENT LINARES: We  
23                  have -- it's pretty early in the  
24                  implementation of the program. But from the

1 numbers that we've seen so far, and from what  
2 we heard from both SUNY and CUNY, in terms of  
3 retention there are very positive signs.

4 And bear in mind that what drives  
5 Excelsior is the pursuit of having students  
6 complete --

7 SENATOR STAVISKY: I understand that.

8 ACTING HESC PRESIDENT LINARES: --  
9 their degree on time, to save money and time  
10 at the same time. So this is the driver that  
11 hopefully will send a message, not just to  
12 Excelsior students but others that will enter  
13 the systems.

14 SENATOR STAVISKY: On a totally  
15 different issue, on the Enhanced -- I didn't  
16 mean to mix the two. On Enhanced TAP,  
17 there's been a proposal for a \$7 million  
18 appropriation, I believe, for Enhanced TAP.

19 How many students will that amount  
20 enable to be eligible for the Enhanced TAP?  
21 Presumably there's going to be a cutoff, not  
22 everybody's going to have -- there won't be  
23 enough money to fund the entire 20,000 -- the  
24 entire cohort. But how students do you



1 expect the \$7 million appropriation, if it's  
2 included in the budget, will that help?

3 HESC EXEC VP MAGEE: What we're seeing  
4 is that the number -- between the  
5 applications and the number of students who  
6 are eligible, we've doubled over two years  
7 the number of students who are receiving the  
8 award. But the volume is lower than what was  
9 anticipated.

10 There had been \$19 million that was  
11 budgeted in the first year of the program,  
12 but there were only 1100 students who were  
13 receiving the awards. So the \$7 million  
14 that's budgeted this year would keep on track  
15 with what we're seeing with the numbers. So  
16 there were about 2,000 eligible recipients  
17 for this current year that we're in.

18 ACTING HESC PRESIDENT LINARES: And  
19 I'd just like to add that, you know, again,  
20 for the enhanced tuition program, the same  
21 criteria as with Excelsior is -- comes into  
22 play and again is emphasizing on-time  
23 completion for those students as well.

24 SENATOR STAVISKY: One other area that

1           you cover is the 529 plans. And how  
2           successful has that been? How many families  
3           have participated in the 529 plan?

4                     ACTING HESC PRESIDENT LINARES: We'll  
5           be happy to provide you with --

6                     SENATOR STAVISKY: You'll get back to  
7           me with that information?

8                     ACTING HESC PRESIDENT LINARES: We'll  
9           be happy to provide you with detailed numbers  
10          on those.

11                    SENATOR STAVISKY: Particularly how  
12          much money has been invested, and how does  
13          this compare to other states. Because it's  
14          my understanding that this plan has some  
15          problems.

16                    ACTING HESC PRESIDENT LINARES: We'll  
17          get back to you with some of those numbers.

18                    SENATOR STAVISKY: And lastly, getting  
19          back to Excelsior, I was thinking about the  
20          30-credit requirement and the difficulty that  
21          a working individual perhaps with childcare  
22          responsibilities -- do you see any way to  
23          have a hardship exemption to deal with  
24          certain cases that need special attention?

1           ACTING HESC PRESIDENT LINARES: We do  
2           have, with Excelsior, built-in exceptions for  
3           hardship -- when students have either medical  
4           circumstances that impact or extenuating  
5           circumstances -- that allow for them to  
6           either take a break from their studies as  
7           long as it can be justified.

8           But we also have other types of  
9           flexibility. For example, we allow for  
10          students to take summer courses or winter  
11          courses if they need. We also acknowledge  
12          all the courses that have been taken in high  
13          school, which become part of a bank where  
14          students can use those courses that they  
15          bring from high school.

16          SENATOR STAVISKY: You're talking  
17          about AP classes?

18          ACTING HESC PRESIDENT LINARES: Yes.  
19          Those also very much come into the equation  
20          so that they can use it as they move forward  
21          with their requirement.

22          SENATOR STAVISKY: I would assume so.  
23          But the legislation doesn't say 15 credits,  
24          it says 30 credits per year.

1                   My question is, let's say there's a --  
2                   I represent a large immigrant population.  
3                   Many of them are working and going to  
4                   community college or a four-year college.  
5                   Some of them have children. Would they be  
6                   eligible for a hardship or an exemption from  
7                   the 30-credit rule?

8                   ACTING HESC PRESIDENT LINARES: Well,  
9                   we --

10                  SENATOR STAVISKY: You said  
11                  extenuating circumstances. I'm trying to  
12                  flesh out what you mean by -- would a working  
13                  parent be eligible?

14                  ACTING HESC PRESIDENT LINARES: Well,  
15                  if you have a death in the family, if you  
16                  have a critical illness, if you have a health  
17                  situation. Unexpected circumstances that  
18                  impact.

19                  But -- there is some discretion there,  
20                  but they have to demonstrate extenuating  
21                  circumstances in order for there to be a  
22                  break in terms of, you know, the process of  
23                  completing, you know, your degree on time.

24                  SENATOR STAVISKY: I must say I too am

1 concerned about the gap between the so-called  
2 rational tuition policy, the \$200 tuition  
3 increase, and the college losing out.  
4 Because we want to encourage the colleges to  
5 participate, not make it a financial burden  
6 to them.

7 Thank you.

8 CHAIRWOMAN KRUEGER: Okay, thank you.  
9 Assembly.

10 ASSEMBLYWOMAN GLICK: Assemblymember  
11 Epstein.

12 ASSEMBLYMAN EPSTEIN: Thank you.

13 Thank you for coming to testify before us  
14 today.

15 I wanted to turn your attention to the  
16 conversation we had around the for-profit  
17 schools. It was good that the Governor in  
18 the budget put some new programs forward,  
19 ensuring that lots of the tuition dollars are  
20 going towards education. But I want to talk  
21 about the public nature of that, because I'm  
22 concerned that people are being scammed by  
23 some of these for-profit schools with all the  
24 advertising they're doing.

1                   I wonder if we can add a public  
2                   announcement requirement to whatever  
3                   for-profit schools are doing towards  
4                   advertising, for tuition, for teaching, where  
5                   if we can add a component that allows the  
6                   public to make an informed decision about  
7                   whether that for-profit college is actually  
8                   doing the right thing or just taking its  
9                   resources and putting it into their pockets  
10                  and not putting it into students and tuition.

11                  ACTING HESC PRESIDENT LINARES: Well,  
12                  part of the concern with the budget proposal  
13                  the Governor has now up for discussion is to  
14                  make sure that, you know, the mission of  
15                  affording and providing the best possible  
16                  education is afforded to all students. And  
17                  that means that, you know, especially in the  
18                  private funds that we make available, those  
19                  go directly to primarily the youth for those  
20                  purposes rather than other ways.

21                  And so what is now being considered  
22                  and discussed in the budget is precisely to  
23                  try to make sure that the public funds that  
24                  go to help fulfill the mission of the

1 preparatory schools are used in the best  
2 possible way to fulfill the mission that we  
3 are pursuing.

4 ASSEMBLYMAN EPSTEIN: I'm just really  
5 concerned that -- I think it's a huge  
6 problem. I don't feel like the Governor's  
7 proposal goes far enough. It doesn't do  
8 anything for the consumer. What it does, it  
9 says to the for-profit colleges they have to  
10 report to the state on whether they're  
11 putting enough tuition dollars -- but it  
12 doesn't let the buyer beware about for-profit  
13 colleges that might be using tuition dollars  
14 for their profit instead of using it for the  
15 school.

16 So I'd really love to see a public  
17 component to this to allow all students who  
18 are applying to schools to understand --  
19 they'd be rated, like if you walk into a  
20 restaurant in New York City now, as you know,  
21 you may not walk into a restaurant with a C,  
22 because you want to go to the ones that have  
23 an A on it.

24 So if we can rate for-profit colleges,

1 we can also then deal with the for-profit  
2 colleges that are taking advantage of our  
3 young people.

4 ACTING HESC PRESIDENT LINARES: Well,  
5 I'm sure that the intention that is being  
6 pursued by the changes being introduced and  
7 proposed now is precisely to make sure that  
8 part of the process is greater  
9 accountability, but at the same time to  
10 inform those who will attend the schools,  
11 wherever those schools may be, to really hold  
12 them accountable to what we're pursuing,  
13 which is the best possible education and an  
14 informed decision-making for students and  
15 families.

16 ASSEMBLYMAN EPSTEIN: Well, great, I'd  
17 love to see if we can go further than we've  
18 been proposed.

19 I want to turn our attention to  
20 Excelsior, because of this issue that, you  
21 know, the Senator raised around the part-time  
22 students. In my district we have a lot of  
23 people who attend school part-time because  
24 they're poor, they don't have the economic



1 opportunities, they have to work full-time.  
2 And so if they're working full-time or even  
3 working part-time to take care of their  
4 family, they can't get Excelsior if they  
5 don't go to school full-time.

6 I'd really love to see us deal with  
7 this population, because those are the  
8 students who are the highest-need. If they  
9 can finish college, their economic  
10 opportunities in the future are tremendous.

11 And so is there any way that we can  
12 talk about expanding Excelsior for that  
13 really high-need part-time population who  
14 can't get to the 15 credits a semester?

15 ACTING HESC PRESIDENT LINARES: You  
16 know, as you are aware, Excelsior is for  
17 full-time students and the idea of getting  
18 them to complete their studies in time  
19 without a high percentage that are not doing  
20 so.

21 But when it comes to part-time  
22 students, we have a brand-new program that is  
23 up and running for part-time students, it's a  
24 part-time scholarship, it's up and running,

1           which is a response to the concern you just  
2           expressed.

3                       We also have a TAP part-time program.  
4           The program I just mentioned to you is for  
5           CUNY and SUNY public colleges. But we also  
6           have a part-time TAP for part-time students  
7           and a part-time study program as well. So  
8           those are three programs all tailored and  
9           geared to provide financial aid for part-time  
10          students.

11                     And I agree with you, you know, the  
12          numbers are growing in terms of the needs  
13          that they have. But those three programs --  
14          and the one I mentioned first goes directly  
15          to respond to the need that they have.

16                     ASSEMBLYMAN EPSTEIN: Thanks.

17                     CHAIRWOMAN KRUEGER: Thank you.

18                     (Discussion off the record.)

19                     CHAIRWOMAN KRUEGER: Senator Seward.

20                     SENATOR SEWARD: Thank you.

21                     And Dr. Linares, thank you for being  
22          here and good to see you again.

23                     I just wanted to try to get a real  
24          handle on the exact cost of the Excelsior

1 program. I know the 2018-2019 budget  
2 included I believe \$118.4 million for the  
3 Excelsior scholarship, and it was targeted to  
4 serving an estimated 27,000 students.

5 In this year's Executive proposal, it  
6 only provides, as I read it, about \$200,000  
7 more than last year, yet with the increase in  
8 income level it is anticipated that there  
9 would be an additional 3,000 students  
10 participating, or eligible to participate.  
11 Just with a \$200,000 increase in this year's  
12 budget proposal, is that enough money to  
13 cover the increase that we expect in terms of  
14 numbers of students? Or is it that there's  
15 money left over from last year? We didn't  
16 quite get that.

17 ACTING HESC PRESIDENT LINARES: Yeah,  
18 the number you referred to initially was a  
19 projected number that we had. With the  
20 actual numbers that we have for the first  
21 year of over 20,000, that is within the  
22 ballpark figure of the projections that we  
23 have. It's a lesser amount. And we do  
24 expect an increase in students receiving

1           Excelsior this year, with the threshold going  
2           to \$110,000. And next year we'll continue to  
3           increase.

4                     I feel very comfortable that we're  
5           going to, within the budget that we have  
6           projected, that we're going to be able to  
7           accomplish covering the scholarships for  
8           those increases, which will -- in all  
9           likelihood will surpass 30,000 by the end of  
10          the program, the three-year rollout that we  
11          have.

12                    SENATOR SEWARD: So is it safe to  
13          assume, then, that we -- last year's  
14          appropriation, all of that was not needed and  
15          so that's why we can --

16                    ACTING HESC PRESIDENT LINARES: That  
17          was a projection that we had. And the number  
18          that we report is a little below that, but it  
19          is within the scope of what we were  
20          projecting. We're very satisfied with the  
21          numbers that we have.

22                    But moving forward, the number will  
23          continue to increase, and I feel comfortable  
24          that we're going to be able to cover all the

1 new Excelsior Scholarships there will be this  
2 year and next year.

3 SENATOR SEWARD: Okay. That is in the  
4 Governor's proposal, you're comfortable with  
5 those numbers.

6 ACTING HESC PRESIDENT LINARES: Yes.

7 SENATOR SEWARD: Going forward with  
8 the Excelsior program, has HESC -- do you  
9 expect that number to increase or hold steady  
10 as we go forward? Have there been any  
11 projections at all made in terms of -- I know  
12 we've had that buildup with raising the  
13 income eligibility number. Obviously that  
14 will include more students and their  
15 families.

16 But in terms of going forward, are  
17 there any projections in terms of the numbers  
18 participating in this program?

19 ACTING HESC PRESIDENT LINARES: If we  
20 look at it three years, we fully anticipate  
21 that the numbers will increase.

22 I want to highlight that we have  
23 47 percent -- 48 percent, roughly, of  
24 students in both systems receiving full

1           tuition. The number now has increased  
2           significantly with the 20,000, the difference  
3           being that this 20,000 are on track to  
4           graduate on time.

5                     And I'd like to highlight a number  
6           that really, you know, highlights the  
7           importance of Excelsior. At the two-year  
8           colleges, 9 percent of students graduate on  
9           time. That's the rough number that I have  
10          that drove the creation of this scholarship.  
11          At the four-year colleges, there's about 38,  
12          39 percent that graduate on time. When you  
13          don't graduate on time, you exhaust your TAP  
14          and other programs and you run out. And you  
15          have to either borrow or, worse, you drop  
16          out.

17                    The signal of this initiative is to  
18          encourage not just Excelsior but other  
19          students that are getting full tuition to  
20          attend full-time and try to get their degree,  
21          because they will save money and time into  
22          the workforce. So that's the big driver.  
23          I'm confident that we will increase in the  
24          numbers. But it's a game changer from the

1 way that I see it, as a program to send a  
2 message.

3 SENATOR SEWARD: Thank you.

4 CHAIRWOMAN KRUEGER: Thank you.  
5 Assembly.

6 ASSEMBLYWOMAN GLICK: Assemblymember  
7 Hyndman.

8 ASSEMBLYWOMAN HYNDMAN: Thank you,  
9 Dr. Linares. It's good to see you.

10 I have a couple of questions, and I  
11 hope I don't go over my time.

12 I know that HESC has the ability to do  
13 TAP audits. Do you know in the last, say  
14 three to five years -- I know you've been in  
15 the position, I think it's your second year  
16 now?

17 ACTING HESC PRESIDENT LINARES: Yes.

18 ASSEMBLYWOMAN HYNDMAN: Would you  
19 happen to know has HESC done any audits of  
20 the proprietary colleges?

21 HESC EXEC VP MAGEE: The audits are  
22 actually conducted statutorily by the Office  
23 of the State Comptroller. They do come up  
24 with an audit plan each year, with a segment,

1 cross-segment of the colleges.

2 So I know we have seen the reports on  
3 audits that have been done on proprietary  
4 colleges. We can get you the information  
5 about what the audit plan looked like for the  
6 last year and the current year.

7 ASSEMBLYWOMAN HYNDMAN: Has anything  
8 been glaring in any of those reports on the  
9 proprietary colleges?

10 HESC EXEC VP MAGEE: I think what we  
11 find is that the findings are typical across  
12 sectors --

13 ASSEMBLYWOMAN HYNDMAN: Whether it's  
14 proprietary, independent, SUNY, it's usually  
15 the same?

16 HESC EXEC VP MAGEE: Yes, the same --

17 ASSEMBLYWOMAN HYNDMAN: So that leads  
18 me to, you know, looking at the Governor's  
19 proposal in this section to essentially -- if  
20 you're making it from 90/10 to 80/20 for the  
21 proprietary colleges, essentially that will  
22 close a lot of them in the next two to three  
23 years. Because he has a mandate in the  
24 proposal, which is that if the schools don't



1           comply with the statutory information, then  
2           the schools have to cease operating. That's  
3           what's in the Article 7 language.

4                    ACTING HESC PRESIDENT LINARES: Well,  
5           I will say to you, you know, private schools  
6           are highly valued in terms of the mission and  
7           the work that they do helping prepare  
8           students to get their degrees.

9                    So I think that the proposal that the  
10          Governor is presenting is one that is now  
11          going to be discussed, and I can say to you  
12          that we intend to continue to work closely  
13          with all sectors that are providing higher  
14          education across the State of New York.

15                   ASSEMBLYWOMAN HYNDMAN: I think that's  
16          good to hear. When we were talking about  
17          Excelsior Scholarships last year, I know the  
18          independent colleges reached out because they  
19          also wanted an increase, and I believe we did  
20          increase Bundy Aid. But there was no  
21          increase, obviously, to proprietary colleges,  
22          because they get whatever the student  
23          applies, they get TAP or Pell based on the  
24          financial need. Right?

1                   ACTING HESC PRESIDENT LINARES: But  
2                   the Enhanced Tuition Program is now available  
3                   for them as well.

4                   ASSEMBLYWOMAN HYNDMAN: I do know just  
5                   what my colleague, when he asked the question  
6                   about bad -- there are bad actors in every  
7                   industry, we would say. And there was a  
8                   recent article in October where there was a  
9                   proprietary college that's now under  
10                  investigation from New York City for  
11                  aggressively recruiting students and --  
12                  aggressively recruiting students into their  
13                  institution, and now that's under  
14                  investigation by the City of New York. How  
15                  does that affect, on the state level, if  
16                  they're found guilty of actually defrauding  
17                  students, so to speak?

18                  HESC EXEC VP MAGEE: Similar to --

19                  ASSEMBLYWOMAN HYNDMAN: Do they have  
20                  to pay TAP back, other entities?

21                  HESC EXEC VP MAGEE: Students are  
22                  always held harmless regardless of the  
23                  actions of the school.

24                  We would work with the State Education

1 Department as far as cutting off financial  
2 aid for any school, including the proprietary  
3 schools that are under review. We work very  
4 closely with their offices to identify where  
5 a school is in that process and whether the  
6 financial aid should be stopped that are  
7 going to those schools.

8 And we would also work with the State  
9 Education Department as far as identifying  
10 schools for these students to transfer to.

11 As far as their federal aid, if they  
12 had federal student loans, they would not be  
13 required to repay those federal student  
14 loans. But the students would have to go  
15 through the process to have those loans  
16 discharged.

17 ACTING HESC PRESIDENT LINARES: And we  
18 do have contractual agreements that need to  
19 be -- you know, it's an obligation. When you  
20 do not fulfill that contractual agreement,  
21 then that kicks in to safeguard students and  
22 also to address those commitments that are  
23 made when the contracts are signed.

24 ASSEMBLYWOMAN HYNDMAN: Thank you.

1 CHAIRWOMAN KRUEGER: Thank you.

2 Hi. Just two quick questions.

3 One, apparently we're still waiting  
4 for your budget request. It wasn't included  
5 in the budget materials that were  
6 distributed. Do we know when we might get  
7 your official budget request?

8 ACTING HESC PRESIDENT LINARES: It has  
9 been submitted.

10 CHAIRWOMAN KRUEGER: Today sometime?

11 ACTING HESC PRESIDENT LINARES: If you  
12 haven't received it, it should be with you --

13 CHAIRWOMAN KRUEGER: Okay, we'll  
14 follow up, because this is finance behind me  
15 and they said they hadn't gotten it.

16 ACTING HESC PRESIDENT LINARES: Yeah.  
17 Yeah.

18 CHAIRWOMAN KRUEGER: All right, thank  
19 you.

20 So many of my colleagues have asked  
21 questions about the proprietary schools and  
22 the Governor's proposal. But I'm curious, he  
23 also in his budget briefing book talked about  
24 dealing with student loan debt from the

1           licensing of loan servicers and bad players  
2           there, and yet I can't find anything proposed  
3           in any Article 7 language. Do you know what  
4           the Governor meant or what he plans to do, or  
5           you plan to do?

6                    ACTING HESC PRESIDENT LINARES: Well,  
7           from my understanding, there's going to be a  
8           license requirement, you know, for anyone  
9           involved in lending in this state. So that's  
10          the proposal, from the way I understand it to  
11          be.

12                   So that and also to make sure that  
13          there are protections in place for students  
14          not to be defrauded. And that is the impetus  
15          of presenting this as an initiative, to  
16          address and send a clear message.

17                   CHAIRWOMAN KRUEGER: And when are we  
18          going to see that? Is that going to be a  
19          30-day amendment to the budget? Is that  
20          going to be a freestanding bill?

21                   ACTING HESC PRESIDENT LINARES: I  
22          think it's the Department of Finance Services  
23          that --

24                   CHAIRWOMAN KRUEGER: So it will go

1 through as a Department of Financial Services  
2 regulation or a program bill?

3 ACTING HESC PRESIDENT LINARES: We'll  
4 have to check with them to see, you know, how  
5 they are approaching it.

6 CHAIRWOMAN KRUEGER: And does HESC  
7 have any plans now to try to assist the  
8 students who do have these kinds of loans  
9 that were inappropriate -- you know, they got  
10 sucked into a phony servicer or a ridiculous  
11 deal? You know, it's kind of like the same  
12 people who were selling you bad mortgages  
13 years ago, decided to go into the student  
14 loan business now.

15 Is there any model for HESC to provide  
16 assistance and resolution for the students  
17 out there who owe millions and millions of  
18 dollars to these programs?

19 ACTING HESC PRESIDENT LINARES: Well,  
20 we are a guaranty agency for federal loans.  
21 And in that context, we provide assistance  
22 and guidance for students who are in debt.  
23 And so within that universe, we are already  
24 doing that.

1                   HESC EXEC VP MAGEE: And I think right  
2                   now there is a department within the  
3                   Department of Financial Services that works  
4                   with students currently who have defrauded  
5                   activities regarding their student loans.

6                   We work with those who we guarantee  
7                   and would assist those who we guarantee their  
8                   loans. But there are many more students who  
9                   have loans in the state that we don't  
10                  guarantee, and they would work with the  
11                  Department of Financial Services.

12                 CHAIRWOMAN KRUEGER: Can you explain  
13                 the difference between a guaranteed loan and  
14                 a not-guaranteed loan?

15                 HESC EXEC VP MAGEE: If you have a  
16                 federal student loan that was issued before  
17                 2010, it was guaranteed by an agency like  
18                 HESC that guarantees student loans.

19                 So we work with each -- there were 34.  
20                 Students would work with their guaranty  
21                 agency if they had a federal student loan  
22                 dating back to that time.

23                 But there are many students who have  
24                 private student loans and loans that we do

1 not guarantee who live in New York State.  
2 They would work through the Department of  
3 Financial Services.

4 CHAIRWOMAN KRUEGER: Thank you.  
5 Assembly.

6 ASSEMBLYWOMAN GLICK: For a second  
7 round, Mr. Epstein.

8 ASSEMBLYMAN EPSTEIN: Thank you, Madam  
9 Chair.

10 I just had two quick questions, one  
11 just on the for-profit colleges. You  
12 mentioned that schools that have been  
13 defrauding students, the students will not be  
14 -- the TAP dollars will not be cost against  
15 them, they'll be able to be forgiven.

16 Can you give us, in the last two  
17 years, how many occurrences has that happened  
18 and those stories? It would be great to know  
19 how often you're doing that and the  
20 implications for how many students does that  
21 impact.

22 HESC EXEC. VP MAGEE: In the last year  
23 there's one that I'm aware of that closed on  
24 Long Island. And again, we worked with



1 SED for those students. I believe a hundred  
2 percent of them found another school to  
3 attend. Excuse me? Dowling, yes.

4 ASSEMBLYMAN EPSTEIN: Dowling.

5 And the other question -- thank you,  
6 there's one that you know of. It would be  
7 great -- if there are others, we'd love to  
8 see what happened in those situations and  
9 what happened with those students, to ensure  
10 that they were made whole.

11 And the other thing is just -- you  
12 know, we've talked a lot about an increase of  
13 students with disabilities. And I'm  
14 wondering what you're seeing and how we can  
15 ensure that those students have full access  
16 to community -- and I raised this issue about  
17 Excelsior earlier because sometimes students  
18 with disabilities don't take full caseloads  
19 because of life circumstances and things that  
20 they need to do. So I wanted to see what  
21 you're experiencing on the ground and how we  
22 can provide more support for those students  
23 with disabilities.

24 ACTING HESC PRESIDENT LINARES: Yeah,

1 one of the good things about the offering of  
2 Excelsior, for example, is that it is wide  
3 open for all constituencies and from one  
4 corner of the state to another. And I think  
5 the numbers reflect that.

6 But we'd be happy to share with you  
7 any specific numbers that you'd be interested  
8 in.

9 ASSEMBLYMAN EPSTEIN: It would be  
10 great to see what percentage of the 20,000  
11 are students who have self-identified with  
12 disabilities. It would be great to see those  
13 numbers.

14 ACTING HESC PRESIDENT LINARES: We'll  
15 be happy to get them to you.

16 CHAIRWOMAN KRUEGER: Thank you.

17 I think Senate's done. Assembly?

18 ASSEMBLYWOMAN GLICK: Assemblymember  
19 Hyndman.

20 ASSEMBLYWOMAN HYNDMAN: Just a quick  
21 question. Do you know how many of the  
22 community colleges or proprietary colleges,  
23 independent colleges still offer ATB to  
24 students in order to get financial aid? Has

1           that number decreased over the years since  
2           2007? Or is it in any one area of higher  
3           education than others? Ability to benefit  
4           exams, yeah.

5                       HESC EXEC. VP MAGEE: I think we would  
6           have to get back to you on that information.  
7           I'm not sure that we directly get that  
8           information, but we can try to find it for  
9           you.

10                      ASSEMBLYWOMAN HYNDMAN: Okay.

11                      I know that the Office of College and  
12           University Evaluation, they do the oversight  
13           for -- when it comes to issues of  
14           accreditation, faculty/student teacher  
15           ratios. In your expertise in the time that  
16           you've been HESC, do you see that the Office  
17           of College and University Evaluation has  
18           enough oversight over the higher education  
19           sector?

20                      ACTING HESC PRESIDENT LINARES: Well,  
21           I can share with you that the collaborative  
22           efforts between HESC and the other sectors,  
23           including both CUNY and SUNY as well as CICU,  
24           which is --

1 ASSEMBLYWOMAN HYNDMAN: Yup.

2 ACTING HESC PRESIDENT LINARES: -- and  
3 also even proprietary schools, all of the  
4 sectors we have worked aggressively and  
5 proactively to engage with them in making  
6 sure that there is greater collaboration in  
7 terms of the administration of our program  
8 but more importantly, I say for us as an  
9 agency, to really give information about the  
10 offerings that we have, over two dozen  
11 different scholarship programs. And we have  
12 been doing that to communicate with students  
13 and families, we've done it with higher  
14 education, but we also have done it with  
15 K-12, particularly, you know, middle schools  
16 and high schools, but not limiting it to  
17 them.

18 So there's been tremendous effort that  
19 we have undertaken to really address that.  
20 You know, I just want to give you a picture  
21 of how the collaboration has been since I've  
22 been on board.

23 ASSEMBLYWOMAN HYNDMAN: Thank you.

24 ASSEMBLYWOMAN GLICK: Just a couple of

1 follow-up questions.

2 I will observe that TAP is a  
3 completion program, in that you only get  
4 eight semesters. So that the notion that it  
5 is new -- the notion that we want students to  
6 graduate on time is actually not a new  
7 proposal but rather one that is a little more  
8 inflexible.

9 On your website, we've had  
10 instances -- and of course I want to thank  
11 Elsa for her attempt to clarify for us how  
12 students can run afoul of the requirement to  
13 be moving through your program. And so a  
14 student who needs financial aid may, in their  
15 sophomore year, think that they wanted to  
16 pursue sociology and now, having been exposed  
17 in some way or other to psychology, take a  
18 course that is not actually within their  
19 major and -- although it may turn out to be  
20 within their major -- but they run afoul.

21 I've looked on the website; I don't  
22 see any clarification of that. When a letter  
23 is sent -- because I presume you've now sent  
24 out an award letter -- is there any

1           indication included in that that clarifies  
2           for students what their real requirements are  
3           in relation to proceeding with that program  
4           of study? And if there isn't, I would  
5           suggest to you there ought to be, so that we  
6           don't have students who write to the college  
7           president, who then writes to me, and says,  
8           you know, I just found all of a sudden that I  
9           really wanted to switch, and now I've lost my  
10          eligibility and now I'm in the soup.

11                        It seems to me we don't want a  
12          two-tier educational system. So if you are  
13          able to pay, you can switch your major  
14          willy-nilly three times and it doesn't  
15          matter, it's coming out of your pocket. And  
16          I understand we want to make certain that the  
17          taxpayer dollars are used appropriately. But  
18          by the same token, we don't want students who  
19          need financial aid to not be able to explore  
20          another avenue of study. We may be cutting  
21          off our nose to spite our face, as my  
22          grandmother used to say, because we are not  
23          providing those students with sufficient  
24          flexibility when the reason you go to college

1 is for personal growth and for exploration,  
2 educational exploration. We shouldn't be  
3 expecting 19-year-olds to know what it is  
4 they want to do for the rest of their lives.

5 And indeed we have moved into a  
6 different place; I understand that the  
7 program started a long time ago when people  
8 did sort of, you know, work at the same  
9 company for 30 years. They don't do that  
10 anymore. And if we talk about life learning  
11 (a) you should be informing students in an  
12 award letter -- which I don't think is  
13 currently happening -- and (b) we need your  
14 recommendations on how we can change things  
15 to make it a little more flexible without  
16 opening the flood gates to, you know, making  
17 decisions all over the map because we want to  
18 encourage students to go towards completion.

19 That's an observation. And maybe your  
20 website could provide, in your "Frequently  
21 Asked Questions," a little bit more, and  
22 certainly in the award letter.

23 Now, about the TAP audit, it's my  
24 understanding that the Office of the

1           Comptroller does that, but there is nothing  
2           in a budget request from you all that  
3           includes any chargeback, any dollars in your  
4           budget to cover the cost of those audits.  
5           And if they're saving money in your agency,  
6           it shouldn't come strictly out of the Office  
7           of the Comptroller.

8                     Is there any thought to making that  
9           part of your request to the Executive?

10                    ACTING HESC PRESIDENT LINARES: Well,  
11           I have saved the communication that you sent  
12           recently and I have shared that suggestion,  
13           that concern that you expressed in your  
14           communication. And so it's -- I passed on  
15           what you indicated was --

16                    ASSEMBLYWOMAN GLICK: And you've not  
17           received any feedback.

18                    ACTING HESC PRESIDENT LINARES: I have  
19           not received any feedback, but it's -- the  
20           Governor's office is aware.

21                    ASSEMBLYWOMAN GLICK: Okay. Just  
22           lastly, one of the problems you had with  
23           Excelsior was getting information relatively  
24           to whether or not sufficient credits had been



1 taken. Was that just a startup problem, or  
2 is that an ongoing problem? And is there  
3 something that is being discussed as a means  
4 of ensuring that students have the 30  
5 credits?

6 I mean, that was one of the issues,  
7 that students were taking stuff over the  
8 summer, they might qualify, they might not.  
9 Has that been addressed, resolved?

10 ACTING HESC PRESIDENT LINARES: This  
11 was something that we encountered  
12 particularly as we introduced the program.  
13 We needed to look, you know, the starting  
14 point for students so that they would be on  
15 track had they intended previously to  
16 graduate on time.

17 But the bulk of the numbers I think we  
18 had in the first year. Following that, I  
19 don't think it's significant numbers that  
20 we're looking at.

21 HESC EXEC. VP MAGEE: I think it was a  
22 first-term issue. But as we moved even into  
23 the first spring application, it was a much  
24 smoother process. And this year for

1 2018-2019, it's gone much smoother as well.

2 ASSEMBLYWOMAN GLICK: So since the  
3 eligibility has jumped up, will you have  
4 students who are in their second year who now  
5 their family would be eligible because they  
6 are -- the family income has now moved up to  
7 125. So you're going to have another group  
8 of students, possibly, who are in their  
9 second year and are looking to be eligible  
10 but might be a few credits short.

11 Are you going to find that -- I mean,  
12 are you going to keep having that problem of  
13 trying to ascertain where they are in that  
14 continuum of having sufficient credits to be  
15 eligible?

16 HESC EXEC. VP MAGEE: No, I think the  
17 coordination that we have now with the  
18 university systems, I think that that has  
19 smoothed out tremendously.

20 Also, the students who are in their  
21 second year now -- again, when the program  
22 was first rolled out, it was identified what  
23 the income ranges would be through each of  
24 the three years of the rollout. So I think

1           those students going in that may have not had  
2           incomes above \$110,000 or within the \$125,000  
3           range knew about the on-time completion. So  
4           I think that we're going to find that those  
5           students are taking 15 credits, getting their  
6           30 credits per year, and that they will be  
7           just coming right into the program now that  
8           we've moved to the third year.

9           ASSEMBLYWOMAN GLICK: Okay, thank you.  
10          Anyone else? Okay.

11          CHAIRWOMAN KRUEGER: Thank you very  
12          much for your time today.

13          ACTING HESC PRESIDENT LINARES: Thank  
14          you.

15          CHAIRWOMAN KRUEGER: Thank you.

16          And our next testifier will be Carolyn  
17          Fast, special counsel to the New York State  
18          Office of the Attorney General.

19          CHAIRWOMAN WEINSTEIN: So feel free to  
20          begin.

21          OAG SPECIAL COUNSEL FAST: Great.  
22          Thank you very much.

23          My name is Carolyn Fast. I'm special  
24          counsel in the Consumer Frauds and Protection

1 Bureau of the New York Attorney General's  
2 Office.

3 The focus of my remarks today will be  
4 about the Governor's proposal to enact  
5 accountability and transparency measures for  
6 for-profit colleges.

7 Each year, thousands of New York  
8 students enroll in for-profit colleges with  
9 the hope that higher education will provide a  
10 path to economic success. Unfortunately,  
11 many for-profit colleges lure students with  
12 false promises of employment while offering  
13 high-cost, low-quality programs. These  
14 for-profit schools leave students with few  
15 employment opportunities and insurmountable  
16 debt.

17 Although for-profit schools enroll  
18 only 4 percent of students in New York, or  
19 thereabouts, for-profit schools have  
20 accounted for more than 40 percent of student  
21 loan defaults five years after students leave  
22 school. Despite these poor outcomes for  
23 students, for-profit colleges receive tens of  
24 millions annually in state funding.

1           The New York Attorney General's Office  
2           has extensive experience investigating abuses  
3           by predatory for-profit colleges. We have  
4           also participated in multiple lawsuits  
5           challenging the federal government's efforts  
6           to dismantle regulations protecting  
7           for-profit college students. Our enforcement  
8           and other experiences have provided our  
9           office with considerable expertise and unique  
10          insight into the need for strong state  
11          regulation of for-profit colleges.

12                 In the past several years, our  
13          office's investigations have revealed  
14          widespread abuses, including  
15          misrepresentations of employment and salary  
16          outcomes, misrepresentations of graduates'  
17          eligibility for professional certifications,  
18          misrepresentations about students' ability to  
19          transfer credits earned, and placement of  
20          students in loans that the schools knew their  
21          graduates would not be able to pay back.

22                 Our office's investigations have  
23          resulted in settlements with multiple schools  
24          and millions of dollars in restitution and

1 debt relief to New York students. Our office  
2 regularly hears from for-profit college  
3 students who are struggling to repay their  
4 student loan debt. Many default on their  
5 loans, damaging their credit and making it  
6 difficult or impossible to pursue further  
7 education, obtain a car loan or mortgage, or  
8 even rent an apartment.

9 Student loan debt, unlike many other  
10 types of debt, is non-dischargeable in  
11 bankruptcy, except where the borrower is able  
12 to meet the high standard of demonstrating  
13 that repayment would impose an undue  
14 hardship. As a result, many  
15 for-profit-college students are burdened with  
16 insurmountable debt over the course of their  
17 entire life.

18 New York State provides tens of  
19 millions of dollars in financial aid to  
20 for-profit schools. When these funds go to  
21 low-quality programs that fail to prepare  
22 students for employment, taxpayer dollars are  
23 wasted. In the last few years the federal  
24 government has dismantled federal regulation

1 of for-profit colleges and eviscerated  
2 federal protections for victims of  
3 for-profit-college misconduct. Under  
4 Secretary DeVos, the U.S. Department of  
5 Education has delayed the implementation of  
6 several key federal rules that protect  
7 students. These actions open the door to  
8 more fraud and abuses.

9 Although our office has joined with  
10 other state attorneys general to successfully  
11 challenge the department's rollback of some  
12 of these federal protections, our efforts  
13 have not succeeded in restoring all of these  
14 federal protections.

15 Among the regulations dismantled by  
16 Secretary DeVos is one regulation aimed at  
17 ensuring that for-profit colleges offer  
18 quality programs. This is the Gainful  
19 Employment Rule. It required for-profit  
20 schools to meet benchmarks demonstrating that  
21 their programs led to jobs that provided  
22 sufficient pay to enable students to pay back  
23 loans. This protected students and taxpayers  
24 by ensuring that federal aid was not spent to

1 fund programs that failed to prepare students  
2 for employment.

3 The rule also required schools to  
4 disclose key information to prospective  
5 students about student outcomes.

6 The U.S. Department of Education  
7 delayed the rule and has announced an  
8 intention to rescind it in its entirety. Our  
9 office has joined with other states in a  
10 lawsuit challenging this delay.

11 Secretary DeVos also delayed another  
12 important rule that protects students from  
13 for-profit college abuses, the Borrower  
14 Defense Rule. This rule established a  
15 process for students who were the victims of  
16 abuses to apply for a discharge of federal  
17 loans. Our office, along with 18 other state  
18 attorneys general, brought a legal action to  
19 challenge the delay of this rule. In  
20 September of 2018, the federal court hearing  
21 our lawsuit ruled that the department's delay  
22 was unlawful. As a result, the Borrower  
23 Defense Rule is now in effect. However, the  
24 U.S. Department of Education has begun the



1 process of drafting a rule to replace the  
2 rule with a weaker version.

3 The department has also proposed  
4 weakening federal rules governing  
5 accreditation of higher education  
6 institutions, including for-profit colleges.

7 In the wake of these rollbacks of  
8 federal protections, state-level action is  
9 critically needed to protect students in our  
10 state. The Governor's proposed legislation  
11 is an important step forward to protecting  
12 New York students.

13 Thank you very much.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 Senate?

16 CHAIRWOMAN KRUEGER: Senator John Liu.

17 SENATOR LIU: Thank you, Madam Chair.

18 Thank you for your testimony.

19 I mean, I certainly support any effort  
20 that the Attorney General's Office has to  
21 protect students against predatory private  
22 for-profit colleges -- predatory anything,  
23 really. In your testimony you cite that this  
24 is a prevalent problem. Right? I mean --

1                   OAG SPECIAL COUNSEL FAST: Well, there  
2                   are two issues -- I'm sorry, let me let you  
3                   finish your question. I apologize.

4                   SENATOR LIU: Well, is it really  
5                   prevalent? I mean, are we talking about a  
6                   problem with most of the for-profit colleges?

7                   And number two, my understanding is  
8                   that the proposed rules would actually bring  
9                   the vast majority of these for-profit  
10                  colleges into noncompliance.

11                  OAG SPECIAL COUNSEL FAST: Okay, those  
12                  are both good questions.

13                  So the first question is, is it most  
14                  for-profit colleges that are bad actors? And  
15                  the answer is -- you know, my perspective is  
16                  perhaps a little bit biased because I'm on  
17                  the enforcement side and I'm dealing with  
18                  just the bad actors. So it's sort of perhaps  
19                  a little bit hard for me to know whether I'm  
20                  only seeing that tip of the iceberg because  
21                  all I'm seeing is the bad guys.

22                  But I can tell you that we do get  
23                  consumer complaints and we track patterns of  
24                  consumer complaints, and our consumer

1 complaints are one of the things that lead us  
2 to our enforcement actions, and those have  
3 been concentrated in for-profit colleges.

4 SENATOR LIU: In a select number of  
5 for-profit colleges or a vast range? I mean  
6 --

7 OAG SPECIAL COUNSEL FAST: We have  
8 seen a lot of different complaints about a  
9 lot of different for-profit colleges. So far  
10 our office has brought enforcement actions or  
11 obtained settlements with respect to four,  
12 some of whom operated multiple campuses in  
13 New York. So overall, affecting --

14 SENATOR LIU: All right. I mean, I  
15 understand what you're saying, but again --  
16 and you may not know the answer, because as  
17 you said you're looking at it from an  
18 enforcement perspective.

19 My question, and you can follow up if  
20 you like, is number one, are we talking about  
21 a problem with most of the for-profit  
22 colleges or is it a relatively small number  
23 or small percentage of them that are  
24 having -- that we're seeing these abuses

1           within?

2                     And secondly, if -- well, I guess the  
3           second question has everything to do with the  
4           first question. Which is my understanding is  
5           that with these new rules, most of the  
6           for-profit colleges would actually not  
7           comply. So if we're trying to ban for-profit  
8           colleges, maybe that's one thing we can talk  
9           about. But this -- it seems like a -- kind  
10          of like a back-door way to approach the  
11          problem.

12                    OAG SPECIAL COUNSEL FAST: I hear you  
13          on that. I think there's two ways of looking  
14          at the problem. One is there are schools  
15          that violate the law completely, and then  
16          there's also the issue of whether they're  
17          offering high-quality programs. And there  
18          have been studies that show that in New York  
19          people are less likely to graduate, graduate  
20          with more debt, et cetera.

21                    So I think it's a good point -- if  
22          I can continue talking, sorry -- that you  
23          raise if -- because I don't think the idea is  
24          to actually try to put all for-profit

1 colleges out of business. And if that is  
2 going to be the result, that could be a  
3 reason to look at the proposal and figure out  
4 if that's really what it's doing.

5 But I think the idea was to create,  
6 through accountability and transparency, very  
7 clear incentives for the schools to offer  
8 higher-quality programs and to weed out those  
9 that are not.

10 CHAIRWOMAN KRUEGER: Just because  
11 we're done with time, we're going to have to  
12 ask you to stop now.

13 OAG SPECIAL COUNSEL FAST: Sorry.

14 CHAIRWOMAN KRUEGER: I think that  
15 Mr. Liu will want to continue this  
16 conversation with you perhaps beyond the five  
17 minutes we give him here today.

18 SENATOR LIU: Yes.

19 CHAIRWOMAN KRUEGER: Assembly.

20 CHAIRWOMAN WEINSTEIN: There may be  
21 other members on the same topic.

22 Assemblywoman Fahy first.

23 ASSEMBLYWOMAN FAHY: Yes, thank you,  
24 Madam Chair.

1                   Thank you to our Assistant AG for  
2                   being here and for your testimony.

3                   I just want to follow up on Senator  
4                   Liu's questions. Have you analyzed the  
5                   Governor's proposal and do you have any  
6                   estimate on what the impact of the proposal  
7                   with regard to the proprietary schools would  
8                   be, to what extent it will impact them?

9                   OAG SPECIAL COUNSEL FAST: I think  
10                  different parts of the proposal will have  
11                  different effects on for-profit colleges.  
12                  For example, placing requirements on how much  
13                  revenues or expenditures need to be used for  
14                  instruction will definitely have an effect on  
15                  the for-profit schools that are right now not  
16                  using more than 50 percent of their  
17                  expenditures for instruction. But it seems  
18                  to me that it would possible for those  
19                  schools to come into compliance rather than  
20                  stop offering the programs altogether. So  
21                  for that one, for example.

22                  And then for also other -- some of the  
23                  other proposals that have to do with just  
24                  transparency and reporting of their

1 expenditures and the salaries of officers, et  
2 cetera. Those seem to be things that would  
3 not be likely to put these schools out of  
4 business.

5 ASSEMBLYWOMAN FAHY: Thank you.  
6 That's helpful. And obviously any of the bad  
7 actors -- we all care about that, and we care  
8 about any -- especially the very high levels  
9 of loan defaults. So we share your concerns  
10 on that.

11 I just want to make sure we're not  
12 throwing out the baby with the bathwater,  
13 because certainly I have one of them near my  
14 district that seems to have a very good  
15 graduation rate, and want to make sure that  
16 they're not inadvertently harmed or shut down  
17 over it.

18 My understanding is there may be only  
19 six schools, six proprietary schools that  
20 meet the proposed requirement. And is that  
21 what you think is needed here? And how long  
22 would they -- how long is your understanding  
23 that they would have to meet that -- the  
24 required 50 percent then?

1 OAG SPECIAL COUNSEL FAST: I think I  
2 would need to check on that. But I think  
3 that it would go into effect very soon.

4 ASSEMBLYWOMAN FAHY: It would, okay.

5 Are there -- you know, is this -- were  
6 you able to work with the Governor's office  
7 on this proposal? Or is this just -- your  
8 testimony is generally just in support from  
9 what you've seen on the enforcement side?

10 OAG SPECIAL COUNSEL FAST: That's  
11 right, we are just generally in support of  
12 the proposal, but we were not involved in the  
13 coming up with it.

14 ASSEMBLYWOMAN FAHY: Okay. So it's  
15 not something you have helped with drafting,  
16 it's just what you have encountered, okay.

17 All right, thank you. Again, I  
18 appreciate your concerns on this. And I just  
19 wonder if we've maybe gone a little bit too  
20 far, but certainly need to address some  
21 serious issues that you have raised, and  
22 appreciate your testimony. Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Senate?



1                   CHAIRWOMAN KRUEGER: Senator Seward  
2 has one question.

3                   SENATOR SEWARD: Well, I might stretch  
4 it into two.

5                   I just wanted to follow up on your  
6 previous discussions regarding the proposed  
7 new rules on how proprietary colleges earn  
8 and spend their money.

9                   So do you have an estimate of how many  
10 schools would be out of compliance? I know  
11 we've been sort of dancing around that issue.  
12 But just directly, the question is do you  
13 have an estimate in terms of the number of  
14 schools that would be out of compliance if  
15 these proposed rules became law?

16                  OAG SPECIAL COUNSEL FAST: I'm sorry,  
17 I do not have that information.

18                  SENATOR SEWARD: And do you have any  
19 estimate in terms of how many of our public  
20 SUNY and CUNY community colleges, for  
21 example, which are also involved in a lot of  
22 workforce training and so on, how many of our  
23 public institutions could not meet the  
24 standards that are being presented for

1           proprietary colleges?

2                         Which -- who -- my exposure to them  
3           has been they serve a great number of  
4           low-income students, giving them a skill and  
5           an occupation so they can go out and earn a  
6           living.

7                         OAG SPECIAL COUNSEL FAST:  I don't  
8           unfortunately have information on that as  
9           well.  I think there have been some studies  
10          that compared for-profits on average -- for  
11          example, their expenditures on instruction  
12          with not-for-profits.  But I'm not sure that  
13          that would directly answer your question.  
14          And I don't have those numbers at my  
15          fingertips, but I can get them.

16                        SENATOR SEWARD:  One final question --  
17          I guess I've stretched it to three questions  
18          here -- you say your unit is dealing with bad  
19          actors, so to speak.  Do you currently, as  
20          the AG's office, lack the legal tools to go  
21          after bad actors --

22                        OAG SPECIAL COUNSEL FAST:  That's a  
23          great question.

24                        SENATOR SEWARD:  -- and then, you

1 know, leave the good actors alone?

2 OAG SPECIAL COUNSEL FAST: That is a  
3 really good question. I feel that we have  
4 great tools for enforcement. But these  
5 proposals will complement it, and especially  
6 get at the things that enforcement can't get  
7 at, which is program quality.

8 So I think all of these things that  
9 are in the Governor's budget are aimed at  
10 really trying to put pressure on the schools  
11 to provide a quality program that is worth  
12 the investment of students and taxpayers, and  
13 that's something that unfortunately we can't,  
14 as just enforcement attorneys, accomplish on  
15 our own. We need that complementary work.

16 SENATOR SEWARD: Thank you.

17 CHAIRWOMAN KRUEGER: Thank you.  
18 Assembly.

19 CHAIRWOMAN WEINSTEIN: Assemblyman  
20 Barclay.

21 ASSEMBLYMAN BARCLAY: Thank you.

22 I'll be very quick, and maybe just a  
23 little bit what the Senator was hitting on  
24 with the -- I mean, obviously, the Attorney

1 General is opposed to the pullback on the  
2 Gainful Employment Rule. So the inverse of  
3 that, does the AG support extending that rule  
4 to public schools and public colleges?

5 OAG SPECIAL COUNSEL FAST: I don't  
6 think we have a position on whether those  
7 rules should be extended to not-for-profit  
8 colleges. I think that there are reasons  
9 that they were -- that the federal government  
10 limited them to -- well, actually it's not  
11 entirely limited to for-profit colleges, it's  
12 limited primarily to for-profit colleges with  
13 a few not-for-profit programs that don't  
14 offer degrees that kind of got also -- those  
15 that are more focused on vocational programs,  
16 for example, that are -- where nonprofits can  
17 get occasionally kind of under the Gainful  
18 Employment Rule.

19 But I think that we also understand  
20 and agree with the idea that there are  
21 special requirements and special needs in the  
22 sector of the for-profits, that there are  
23 reasons to treat them differently.

24 ASSEMBLYMAN BARCLAY: More reason that

1 the Gainful Employment Rule would apply to  
2 private colleges versus public, is that what  
3 you're saying?

4 OAG SPECIAL COUNSEL FAST: Right, that  
5 there are reasons for having additional  
6 restrictions such as the Gainful Employment  
7 Rule that apply to for-profit colleges  
8 primarily.

9 ASSEMBLYMAN BARCLAY: What would those  
10 reasons be?

11 OAG SPECIAL COUNSEL FAST: The reasons  
12 are that they have different financial  
13 incentives and that they have a concentration  
14 of uses and worse outcomes in terms of  
15 graduation rate, debt burden, debt default,  
16 and job outcomes.

17 ASSEMBLYMAN BARCLAY: Right. I mean,  
18 it just seems to me -- I guess what I  
19 understand from the federal administration is  
20 that the reason they pulled it back, they  
21 want to apply it everyone, not just -- I  
22 guess they haven't done it yet, so time will  
23 tell. So I'm somewhat sympathetic to the  
24 fact that we want to fill in that void.

1                   But, I mean, why -- whenever -- I'm  
2                   sorry, I'll just finish pontificating --  
3                   whenever is additional information a bad  
4                   thing? I mean, greater disclosure, whether  
5                   it's public or private, seems to me to be a  
6                   great idea. So I look forward to seeing what  
7                   the federal rules come out and if they do  
8                   include public institutions.

9                   Thank you.

10                  CHAIRWOMAN KRUEGER: Senator Toby  
11                  Stavisky.

12                  SENATOR STAVISKY: Thank you.

13                  I commend your office for doing a  
14                  thorough investigation a number of years ago  
15                  and suing in court and ultimately closing a  
16                  quasi-university, which received a lot of  
17                  media attention.

18                  However, I'm looking at your testimony  
19                  in this case -- you did a very thorough  
20                  investigation in that other so-called  
21                  university, and they were put out of  
22                  business, as well they should be. However,  
23                  you have three footnotes, and I'm trying to  
24                  figure out what kind of investigation you

1           conducted that brought you to deliver this  
2           testimony today. I see there's a court case,  
3           there's a report and an article, but none of  
4           it seems to be primary source.

5                        So did you, you know, conduct an  
6           investigation or interview individuals or  
7           whatever?

8                        OAG SPECIAL COUNSEL FAST: That is a  
9           good question. So my window into this has  
10          been somewhat limited in that I have been an  
11          enforcement attorney. So part of being an  
12          enforcement attorney means they have had the  
13          opportunity to speak with consumers who are  
14          directly affected by problems with their  
15          for-profits. But again, I have this lens  
16          that I'm only talking to the people who are,  
17          you know, defrauded and victimized, so that  
18          could certainly give me a perspective.

19                       So one of the cases that's cited here  
20          was a case that our office brought, we were  
21          one of the plaintiffs in the lawsuit, that  
22          was the challenge to the federal rule. And  
23          we've also had the opportunity to participate  
24          in some of the federal rulemaking, which has

1 given us a little bit more background in sort  
2 of the policy issues. I was able to serve on  
3 a negotiated rulemaking committee for the  
4 rule that had to do with state authorization  
5 of for-profit colleges offering distance  
6 education when it was made under the Obama  
7 administration, so I have a little bit of  
8 background in it.

9 But to your point in terms of the --  
10 some of the other --

11 SENATOR STAVISKY: Well, let me get to  
12 the point, because I'm almost out of time.

13 You say you interviewed people. Did  
14 you bring a lawsuit or in any way investigate  
15 or formally try to put them out of business  
16 or -- I mean, what is the base? That's the  
17 question.

18 OAG SPECIAL COUNSEL FAST: Sorry, say  
19 that again? I missed the last part, the very  
20 last thing.

21 SENATOR STAVISKY: On what ground --  
22 what is your statement, what facts did you  
23 determine to be correct, what investigations  
24 did you conduct in preparation for your



1 testimony today?

2 OAG SPECIAL COUNSEL FAST: Okay, thank  
3 you. We -- as the office, we have  
4 investigated a number of for-profits leading  
5 to four settlements that I can think of off  
6 the top of my head with for-profit colleges.  
7 In each case we spoke with consumers --

8 SENATOR STAVISKY: Can you tell us the  
9 names?

10 OAG SPECIAL COUNSEL FAST: Sure. One  
11 of them was a settlement with Career  
12 Education Corporation, which --

13 SENATOR STAVISKY: Are they in  
14 business now?

15 OAG SPECIAL COUNSEL FAST: They offer  
16 online education in our state but they -- I'm  
17 sorry. Another one was DeVry, another one  
18 was a company that gave loans to Corinthian  
19 students, and the last one was a coding  
20 school.

21 SENATOR STAVISKY: But they're not in  
22 business, that's --

23 OAG SPECIAL COUNSEL FAST: Well,  
24 DeVry's in business still.

1 SENATOR STAVISKY: Thank you.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Assembly.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 Assemblywoman Hyndman.

6 ASSEMBLYWOMAN HYNDMAN: Thank you,

7 Ms. Fast.

8 How many proprietary colleges,  
9 for-profit colleges are in the State of  
10 New York?

11 OAG SPECIAL COUNSEL FAST: I don't  
12 have that information, but I could get back  
13 to you.

14 ASSEMBLYWOMAN HYNDMAN: Okay. I  
15 believe the number, last time I checked, was  
16 25 colleges, which isn't a lot. I just  
17 recently received a degree-granting  
18 proprietary college in my district, and I  
19 happen to have a long history because I used  
20 to be an employee with the State Education  
21 Department, and one of the things with this  
22 school, there's no other school, and correct  
23 -- I know the audience will shake their heads  
24 yes or no, but I don't know of any other

1           automotive training school, degree granting,  
2           in the State of New York.

3                     And this school is now in my district,  
4           and most of the students there are black  
5           males, Latino males. And this school has a  
6           long record, before they became  
7           degree-granting, of graduating individuals  
8           and getting them into the trade of auto  
9           repairs. Because I know when we all go to an  
10          auto shop, we want to make sure that someone  
11          knows how to fix our cars. And the amount of  
12          computer technology that's required now in  
13          that field is much more than it was 20 years  
14          ago.

15                    So when you say you've investigated  
16          these -- from your report and the citations  
17          you've cited, it doesn't seem like that  
18          there's that much of a -- we may have a few  
19          bad actors in the State of New York, but not  
20          to the point where we're really, with the  
21          Governor's legislation or Governor's budget  
22          language to really cut those schools off --  
23          there are always bad actors. But I just  
24          wonder if there was a department as to

1           proprietary schools, the non-degree- granting  
2           sector, that dealt with the oversight, would  
3           that alleviate or lessen the responsibilities  
4           of the Attorney General's Office?

5                        Because there's an office that does  
6           the -- reviews the curriculum, reviews the  
7           teachers and so forth, within the State  
8           Education Department. The Office of College  
9           and University Evaluation doesn't get to go  
10          to schools that much and do investigations  
11          and make sure the teachers and faculty  
12          facilities are up to code. But if there was  
13          an office like that, then I think that  
14          industry would have the oversight they  
15          needed. I think the legislation is very --  
16          the budget language is very harsh to 25  
17          schools in the State of New York that  
18          individually may -- one or two may have --  
19          like you said DeVry and CIG, which is no  
20          longer in business, or offers online -- may  
21          have done wrong by students.

22                        But on the whole, when you talk about  
23          education, there's a lot of nurses who now  
24          have come out of proprietary -- the

1 for-profit sector. There's a lot of  
2 nurses that in two years they can get a  
3 degree, whereas if they're going to some of  
4 our community colleges, it takes longer.

5 So -- oh, my time is up. But thank  
6 you for your testimony.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 Senate?

9 CHAIRWOMAN KRUEGER: Thank you.

10 Hi, Senator Krueger here. So I'm sort  
11 of torn because I hear my colleagues talking  
12 about that the Governor's proposal will  
13 translate into a very large number of the  
14 programs having to close down. I don't know  
15 if that's true, but I do know it's more than  
16 a few bad apples out there. And certainly  
17 down in New York City, where I'm from, the  
18 storylines of exploitation, particularly of  
19 new Americans being the first students in  
20 their families going to colleges and the  
21 really aggressive marketing by some of these  
22 companies where all the money is put into  
23 signing you up, getting you to sign on the  
24 dotted line, you end up maxing out every

1 possible student loan or grant you could ever  
2 get -- and then you discover somebody who  
3 says they're a computer training school and  
4 doesn't have computers. A program that says  
5 they are training you for licensure in X, you  
6 learn you're not qualified to take the exam  
7 that New York State calls on you to take when  
8 you've completed your program.

9           So I don't know what the right answer  
10 is and whether the Governor's answer is  
11 right, but I think what you're hearing today  
12 is, at least from me, let's figure out how to  
13 get this right. Because I really do believe  
14 it is incumbent on New York State to make  
15 sure that if you are not a legitimate  
16 educational facility, you should not be  
17 draining both public monies and private  
18 monies primarily from low-income people.  
19 That not only doesn't get them the education  
20 they need to compete in our society, they've  
21 then used up all their ability to use their  
22 grants and loans for a quality education the  
23 second time out of the chute when the first  
24 time didn't work.

1                   So perhaps this would be an ideal  
2 roundtable for Assembly and Senate and the  
3 Governor's people and your people and SED to  
4 sit at a table and actually figure out how do  
5 we make sure we get this right. So I think  
6 that's my recommendation to us all.

7                   Thank you.

8                   CHAIRWOMAN WEINSTEIN: Thank you.

9                   Assemblyman Epstein.

10                  ASSEMBLYMAN EPSTEIN: Thank you.

11                  And thank you for coming here today.

12                  I'm wondering if you've seen any  
13 problems with some of the online colleges,  
14 especially the online colleges that are  
15 operating out of New York, and seeing fraud  
16 happening within the state.

17                  OAG SPECIAL COUNSEL FAST: Certainly  
18 on our radar screen is to look at whether  
19 there are issues in that sector, definitely.

20                  ASSEMBLYMAN EPSTEIN: And have you  
21 come across students who've complained about  
22 online colleges and feeling defrauded by -- I  
23 mean, they could be advertising in our  
24 jurisdiction but they're not from New York.





1           graded, or tobacco warnings that are on the  
2           package so there's kind of a buyer beware.  
3           I'm wondering how about expanding into that  
4           field.

5                        OAG SPECIAL COUNSEL FAST:  We  
6           definitely think there could be additional  
7           room for improvement in this area.  And  
8           looking at sort of what is missing, one thing  
9           that has changed now that the Gainful  
10          Employment Rule has rolled back has also been  
11          disclosures to students about outcomes.  And  
12          certainly that's another thing that the state  
13          could consider as a way to address that void  
14          at the federal level.

15                      ASSEMBLYMAN EPSTEIN:  Great.  And so  
16          also because we're expanding TAP to Dreamers,  
17          hopefully when the Governor signs, and so we  
18          have a real vulnerable population who might  
19          be at risk of being scammed by any of these  
20          for-profit institutions, whether online or in  
21          the jurisdiction, I'm wondering if you're  
22          putting any -- is the Attorney General's  
23          Office doing any additional protections for  
24          those Dreamers?

1 OAG SPECIAL COUNSEL FAST: That's a  
2 really good point. And I'm not really sure  
3 about that, but I can get back to you on that  
4 as well.

5 ASSEMBLYMAN EPSTEIN: That would be  
6 great.

7 And just finally, this issue of  
8 for-profit colleges, it's not just obviously  
9 happening in New York. A recent Times  
10 article around people who went to -- working  
11 in the hair industry and spending, you know,  
12 tens of thousands of dollars to get a minimum  
13 wage job.

14 So I'm wondering if there's a way to  
15 figure out opportunities for people to be  
16 able to go into careers that may not need as  
17 much education as possible and opening up  
18 that system a little to allow more  
19 opportunities without the huge burden of some  
20 of these universities. I'm wondering if  
21 you've looked into that at all. Thank you.

22 OAG SPECIAL COUNSEL FAST: Thank you.

23 CHAIRWOMAN KRUEGER: You can get back  
24 to him later.

1 (Laughter.)

2 OAG SPECIAL COUNSEL FAST: Yes. Will  
3 do.

4 CHAIRWOMAN KRUEGER: I think the  
5 Senate is done.

6 CHAIRWOMAN WEINSTEIN: So the Assembly  
7 is finished also.

8 Thank you for being here and hearing  
9 people's questions.

10 OAG SPECIAL COUNSEL FAST: Thank you.

11 CHAIRWOMAN WEINSTEIN: Next we have a  
12 panel of Andrew Pallotta, NYSUT president;  
13 Frederick Kowal, president of United  
14 University Professions; and Barbara Bowen,  
15 president, Professional Staff Congress/CUNY.

16 So we just have a question, because we  
17 just need to figure out about the time clock.  
18 So I know you have 15 minutes total. Do you  
19 each want five minutes or do you want to  
20 share the time?

21 MR. PALLOTTA: I'll be about three  
22 minutes.

23 CHAIRWOMAN WEINSTEIN: Why don't we  
24 put 10 on the clock and then we'll do another

1 five if we need it. How does that sound?

2 MR. PALLOTTA: Well, thank you. And  
3 good evening. I thought I would have been  
4 saying good morning or maybe good afternoon,  
5 but good evening.

6 (Laughter.)

7 MR. PALLOTTA: Chairperson Krueger,  
8 Chairperson Weinstein, Chair Stavisky, Chair  
9 Glick, we thank you for this opportunity to  
10 testify before you today. I am joined with  
11 Dr. Kowal from UUP and Dr. Bowen from PSC.

12 I will not read my testimony, I will  
13 be summarizing --

14 CHAIRWOMAN WEINSTEIN: Good.

15 MR. PALLOTTA: And that is very good.

16 -- the need for state investment for  
17 four-year SUNY and CUNY campuses, community  
18 college funding, and the SUNY hospitals.

19 First let me start with the state  
20 investment. Since 2011, operating aid to  
21 SUNY and CUNY's core instructional budgets  
22 has remained relatively flat. This Executive  
23 Budget continues this trend. The impact of  
24 flat funding is being felt by many students

1 across the state. It is also felt by our  
2 membership.

3 In the case of SUNY, campuses are  
4 facing difficult decisions concerning the  
5 potential elimination of programs, declining  
6 student services due to inadequate resources.

7 At CUNY, the PSC is currently in  
8 contract negotiations and the university has  
9 been unwilling to put a financial offer on  
10 the table because they do not have the  
11 funding to make this offer. Nor do they have  
12 the financial commitment from the state to  
13 fund the cost of a new contract. Meanwhile,  
14 adjunct faculty, who make up the vast  
15 majority, as we've heard today, of the  
16 instructional staff are not being paid a  
17 living wage. The situation at CUNY has  
18 reached a crisis point and must be addressed.

19 The financial situations at SUNY and  
20 CUNY are a direct result of the budgets, the  
21 austerity budgets that we've seen over the  
22 past few years, and I call on the Legislature  
23 to make operating aid for public higher  
24 education a priority in this year's budget

1 negotiations.

2 On community colleges, I would like to  
3 thank you for your continued efforts  
4 throughout the years to support these  
5 campuses. Also, the Executive Budget  
6 proposes flat funding for full-time  
7 equivalent student for community colleges,  
8 which will likely force these campuses to  
9 raise tuition and/or eliminate programs and  
10 services.

11 Both SUNY and CUNY community college  
12 students are paying the lion's share of  
13 operating costs on these campuses, and just a  
14 couple of small statistics here I think are  
15 very important. Over the 10-year period from  
16 2008 to 2018, SUNY community college students  
17 went from paying 40.8 percent of the  
18 operating costs to approximately 41.4  
19 percent. That might not seem a lot to some  
20 people, but we also look at the state's  
21 contribution for the same period decreased  
22 from 30.8 to 25 percent. We see a similar  
23 trend for CUNY community colleges during the  
24 same time period, where student share

1           increased from 32.3 to 40.6, while the  
2           state's share decreased from 28.9 to 23.7.

3                       NYSUT urges the Legislature to  
4           increase base aid by \$250 per FTE. This  
5           would raise the level of spending to 3,097  
6           and would greatly mitigate the impact of loss  
7           of state aid due to enrollment fluctuations.

8                       At the SUNY hospitals, with respect to  
9           the SUNY health science centers and  
10          hospitals, NYSUT wants to thank you for the  
11          support you've given them over the past few  
12          years. We have done this year after year,  
13          we've come to you when the budgets have been  
14          cut. Under the proposed Executive Budget,  
15          the hospitals have lost their state subsidy,  
16          and this is a vital funding source.

17                      While we are pleased that the  
18          Executive Budget provides the hospitals with  
19          additional DSH funding, they are still owed  
20          approximately \$83 million for services  
21          provided for patients in prior years. We  
22          once again ask for you to look into this.

23                      In conclusion -- and I think I'm  
24          really under the wire here -- the Legislature

1 spends a lot of time on these budget  
2 negotiations, and we appreciate that. This  
3 is also an opportunity to give aid to the  
4 students that need it the most. While these  
5 restorations are important, the table targets  
6 assigned to higher ed during the course of  
7 state budget negotiations is almost always  
8 taken up by these restorations. This leaves  
9 little if any funding for investments in the  
10 instructional core at CUNY and SUNY.

11 As you head into these negotiations,  
12 we call upon the Legislature to make funding  
13 higher education a priority. This is a high  
14 priority for NYSUT, and it is desperately  
15 needed to address the budgets that have come  
16 to the SUNY and CUNY campuses over the past  
17 few years.

18 Again, thank you for this opportunity.  
19 And I now turn it over to Dr. Kowal.

20 DR. KOWAL: Thank you.

21 Chairperson Krueger, Chairperson  
22 Weinstein, distinguished members of the  
23 Senate Finance Committee, Assembly Ways and  
24 Means Committee and Higher Education



1 Committees, thank you for providing the  
2 opportunity for United University Professions  
3 to testify on the 2019-2020 Executive Budget  
4 for higher education.

5 My name is Dr. Frederick Kowal, and  
6 I'm president of United University  
7 Professions, which is the largest higher  
8 education union in the United States.

9 You have my written testimony, and in  
10 order to ensure that my colleague Dr. Bowen  
11 can speak as well before we turn to  
12 questions, I just want to draw your attention  
13 to several points that I raise in that  
14 testimony as it pertains to some issues you  
15 have already heard a great deal about.

16 First and foremost, in terms of  
17 funding itself for SUNY, you are aware of the  
18 cuts that have been made. And I believe that  
19 it is most dramatic to show how that has  
20 impacted the hiring of full-time faculty and  
21 staff. It is why we welcome the Governor's  
22 proposal for 1,000 new full-time faculty over  
23 the next 10 years. However, there are no  
24 funds included in the Executive Budget

1           proposal. Those funds are necessary,  
2           obviously.

3                     In fact, it is a priority for us in  
4           UUP because the goal that needs to be  
5           achieved is bringing diversity to the faculty  
6           and staff of SUNY, because it is lacking.

7                     Second, on the TAP gap. Again, you've  
8           heard a great deal about this. I just want  
9           to point out a couple of important factors.  
10          First and foremost, right now the maximum TAP  
11          award only covers 75 percent of tuition. The  
12          second fact, which may be even more  
13          important, is that tuition today covers only  
14          25 percent of the cost of higher education in  
15          SUNY. The rest is made up of fees and other  
16          costs associated with higher education.

17                    On the hospitals, Andy mentioned the  
18          subsidy that is so crucial. Bear in mind  
19          that the subsidy was intended from the start  
20          to cover the cost of fringe benefits and debt  
21          servicing at the hospitals. SUNY has  
22          proposed and the Governor has included  
23          funding for debt servicing -- but not for the  
24          fringe benefit costs. Those costs right now

1           are reaching nearly \$500 million annually at  
2           the three hospitals. And so the subsidy and  
3           restoring that subsidy becomes crucial.

4                     On Opportunity Programs, you have  
5           heard a great deal. A couple of pieces of  
6           information that were not mentioned in SUNY's  
7           testimony. First and foremost, if the  
8           restoration does not occur, the incoming  
9           freshman class would be reduced by 70  
10          percent. That's seven-zero. This would be a  
11          dramatic impact on an incredibly successful  
12          program. We urge you to once again restore  
13          and hopefully expand that program.

14                    In closing, once again I want to thank  
15          you for the opportunity to testify and look  
16          forward to answering questions that you may  
17          have.

18                    DR. BOWEN: Thank you. Thank you very  
19          much. And it's an honor to be here with my  
20          colleagues Fred and Andy and also with so  
21          many supporters. I'm looking at supporters  
22          right now of public higher education.

23                    And I'm also very proud to have  
24          several members, faculty and staff, of the

1 Professional Staff Congress behind me. It  
2 was so important to us, the funding this  
3 year. We think this is a pivotal year, and  
4 that's why we came out in force to be with  
5 you.

6 I also want to thank you and  
7 congratulate you on passage of the DREAM Act.  
8 With the Governor's support, that will become  
9 law, and he has said he would support it.  
10 That is a much-needed provision that many of  
11 us have fought for for a long time.

12 And just as passage of the DREAM Act  
13 this year signals that New York is taking a  
14 different course from the administration in  
15 Washington and is doing its utmost to end the  
16 criminalization of young immigrants and to  
17 invest in their education, we're asking you  
18 this year to make this a year in which New  
19 York sends an equally strong message about  
20 public higher education.

21 So I won't speak about everything in  
22 the testimony, and please don't think that  
23 anything not mentioned is not important. But  
24 I do want to pull out a few things.

1                   It's been a very long day, but I'm  
2                   going to ask you even at the near end -- not  
3                   even -- of this day to work with me to  
4                   reframe the debate about public higher  
5                   education. Many, many hardworking and  
6                   well-intentioned people in the state,  
7                   including advocates and legislators included,  
8                   have framed the debate primarily in terms of  
9                   access and affordability. And New York does  
10                  invest in access, it does invest strongly in  
11                  the TAP program, which goes to private and  
12                  for-profit colleges as well as the public  
13                  sector. And New York has invested strongly  
14                  there.

15                  Where New York lags is in the  
16                  investment in the operating budgets of the  
17                  public higher education systems. And because  
18                  there's been so much debate, and rightfully,  
19                  about the need for investment, there's been  
20                  somewhat of an obfuscation of the other need,  
21                  which is at least as important, and that is  
22                  the need for investment in education itself,  
23                  in the ability to promote educational quality  
24                  and to deliver an education for students that

1 is worthy of their goals.

2 So I would like to ask the Legislature  
3 this year -- we would, from the PSC -- to  
4 frame the debate also in terms of the quality  
5 of education. Because access without a  
6 meaningful quality of education actually  
7 equals denial. It is not access if what you  
8 come to in college is a college where the  
9 buildings are falling down, where you do not  
10 have -- where there are not even enough desks  
11 or chairs for you in the classroom, where the  
12 libraries have cut back their hours, where  
13 the Writing Center has closed -- that, in my  
14 view, is not true access. It's cynical  
15 access.

16 So we are asking you to invest and  
17 make this a year in which the rising energy  
18 carries us to make investment in the  
19 operating funds of public higher education a  
20 top priority, gets into your one-house bills,  
21 and is carried all the way to the end.

22 You heard this morning from Interim  
23 Chancellor Rabinowitz about CUNY having a  
24 sustainable financial model. I would have to

1 say the union disagrees with that. And my  
2 colleague Fred spoke about this earlier, and  
3 also Andy. When the previously agreed-to  
4 contracts are not funded by the state, when  
5 the state's portion is not funded, the result  
6 has been that the CUNY four-year colleges  
7 have been told for two, three years to carve  
8 out 2 percent of their operating funds and  
9 hold them back to cover the costs of  
10 collective bargaining. That's not fair.  
11 That is not a sustainable model if that keeps  
12 going on and on.

13 And in fact this year's budget, in the  
14 Executive's proposed budget for public higher  
15 education or for CUNY, I'll say, is  
16 essentially a flat budget. There is an  
17 increase in the fringe benefits number, about  
18 48 million, but the rest of the budget is  
19 essentially flat. And yet the number of  
20 students rises, we've had -- if you take the  
21 actual enrollments and inflation increase,  
22 we've had a 18 percent decrease in  
23 per-student funding between 2008 and 2018.

24 So that's where it matters, how much

1 money is there for each student to get a good  
2 education. That has been going down. So  
3 while we're hearing about New York's  
4 increasing investment, I'm asking you to peel  
5 away some of the layers of that and look at  
6 what's going down.

7 So we are calling on you this year for  
8 an increased investment at the per-student  
9 level so that the operating budget can reach  
10 the size it should be for the number of  
11 students we have. And that's so that CUNY  
12 doesn't have to cannibalize its existing  
13 academic programs to pay to keep the lights  
14 on. And so that student tuition is not  
15 raised every year to cover basic operating  
16 expenses. Student tuition increases were  
17 supposed to be for enhancements, not for  
18 basic expenses like rent.

19 I'd also join my colleagues in saying  
20 let's take a hard look at the TAP gap, which  
21 is increasing every year. That should not be  
22 absorbed by the universities.

23 And I'll just try to finish up, but I  
24 do want to speak about a couple of other



1 things which are important.

2 Andy mentioned the fact that we are in  
3 contract negotiations and that --

4 CHAIRWOMAN WEINSTEIN: How about a  
5 quick summary?

6 DR. BOWEN: I'll do a quick summary.  
7 It's the penalty of being the third one.

8 CHAIRWOMAN WEINSTEIN: No, you had a  
9 full five minutes.

10 DR. BOWEN: Okay. But -- okay.

11 Well, we're in contract negotiations,  
12 and as Andy said, there's been no offer on  
13 the table. One of the key reasons is that  
14 the CUNY administration has not had an  
15 allocation of funding from the state in order  
16 to make an offer.

17 You have heard today from some of the  
18 very powerful questions that CUNY runs on  
19 adjunct labor. More than half the courses at  
20 CUNY are taught by people who are being paid  
21 at a piecework rate, they're being paid  
22 \$3,500 a class, they are doing all the work  
23 for that class, and they are having to run  
24 from that job to some other job, because you

1 cannot live on the amount you earn by being  
2 an adjunct. Which means that our students  
3 are necessarily shortchanged.

4 So we are urgently seeking your  
5 attention and your support to address that  
6 issue in this budget, in helping us conclude  
7 our negotiations. New York has taken a very  
8 strong stance on the minimum wage for most  
9 workers. We've got to do it for these  
10 workers.

11 CHAIRWOMAN WEINSTEIN: Thank you. We  
12 do have some questions.

13 Assemblywoman Glick.

14 ASSEMBLYWOMAN GLICK: Thank you.

15 Earlier today we heard the chancellor,  
16 the interim chancellor talk about the fact  
17 that there was some attempt, some program to  
18 try to move adjuncts into full-time  
19 positions. It sounded like it was a small  
20 number. And then there was a -- I'm not sure  
21 if it was a clarification, but another  
22 statement that there is a plan to move 50 a  
23 year, or something like that.

24 I'm just wondering, since you would

1 know who's moving from adjunct to full-time,  
2 what your perception of reality is in this  
3 regard.

4 DR. BOWEN: Okay. Well, thank you.

5 Chancellor Rabinowitz said -- I had it  
6 written down -- something about a queue,  
7 there is a queue. There is no queue for  
8 adjuncts to move into full-time positions.  
9 There should be, and the union has pressed  
10 for one, but there isn't. There is no  
11 systematic movement. Through discussions  
12 with the university concurrent with contract  
13 negotiations, we have on three different  
14 occasions reached a point where the  
15 university has added 100 new positions for --  
16 exclusively for people who are currently  
17 adjuncts at a certain level of seniority to  
18 move into lecturer positions. That has  
19 happened in three different negotiations with  
20 about 200 in one, 100 in another, 25 most  
21 recently.

22 But the idea that there is a steady  
23 stream of people moving is not correct.  
24 There is no queue. There's no ladder. There

1           should be. And certainly one of the things  
2           that PSC is looking for in increasing the  
3           number of full-time faculty positions overall  
4           is the opportunity for some of the people who  
5           have dedicated years and years to CUNY as  
6           adjuncts to move into those full-time  
7           positions.

8                     ASSEMBLYWOMAN GLICK: If you could --  
9           I agree that there is insufficient support  
10          for operating aid, whether it's SUNY or CUNY.  
11          And since the time is short, if there is a  
12          specific amount that you are recommending, it  
13          would be helpful to have that as we go  
14          forward for each of the systems.

15                    Clearly there is the looming TAP gap,  
16          which we've talked about, but that's only a  
17          part of it.

18                    DR. BOWEN: It's only a part of it.

19                    ASSEMBLYWOMAN GLICK: And so  
20          understanding what is a, from your  
21          perspective, a more adequate or real number  
22          in order to get to quality (air quotes) or  
23          maintain what quality there is would be very  
24          helpful for us to have.

1 DR. BOWEN: I think we all have that  
2 in our testimony. It's 332 million for CUNY,  
3 which includes 86 million for the TAP gap,  
4 money to sustain collective bargaining, and  
5 some of the other pieces that are necessary.  
6 And we support the request on the community  
7 colleges.

8 DR. KOWAL: On the SUNY side, we can  
9 provide you with more information. In my  
10 testimony basically the largest sum has to do  
11 with the hospitals, but then also on the TAP  
12 gap. Which would assist those campuses that  
13 are struggling the most right now.

14 ASSEMBLYWOMAN GLICK: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 To the Senate now.

17 CHAIRWOMAN KRUEGER: Senator Toby  
18 Stavisky.

19 SENATOR STAVISKY: Very briefly, thank  
20 you for your testimony and for your comments,  
21 particularly about the maintenance of effort  
22 issue, which I'm not going to ask about but I  
23 was thinking about it.

24 I don't know if you heard Chancellor

1 Johnson earlier talk about the online classes  
2 that she's recommending.

3 DR. KOWAL: Yes.

4 SENATOR STAVISKY: I asked -- we all  
5 asked a number of questions about the online  
6 classes. And I'm wondering what your  
7 response would be to relying on the online  
8 classes.

9 DR. KOWAL: Well, two points that I  
10 would make. One is I found her response  
11 interesting in that she said most of the  
12 courses are hybrid courses right now, and  
13 those are not what they're looking at. As  
14 one who has taught online courses, the online  
15 courses that are the most effective are  
16 hybrid courses where there is an in-place  
17 classroom meeting that takes place along with  
18 an online component.

19 Which points to the second thing, is  
20 that online is not going to generate massive  
21 amounts of revenue. The most recent study  
22 that was published in Inside Higher Ed  
23 pointed out that in fact online education is  
24 more expensive. We've known that because

1           it's not just an instructor, it's also the  
2           support staff that is required to make the  
3           courses work.

4                     SENATOR STAVISKY: The technical.

5                     DR. KOWAL: The technical side, that  
6           is correct.

7                     SENATOR STAVISKY: Because I had the  
8           same reaction. Thank you.

9                     CHAIRWOMAN KRUEGER: Senator Seward.

10                    SENATOR SEWARD: Thank you.

11                    I had one question for Dr. Kowal. We  
12           had a discussion earlier in the day with  
13           Chancellor Johnson in terms of the paying for  
14           the covering the expenses associated with the  
15           recent contract that was approved. And by  
16           the way, I'm very, very pleased that we  
17           finally got there --

18                    DR. KOWAL: So am I.

19                    SENATOR SEWARD: -- to an approved  
20           contract. But with an increase in expenses  
21           of about 386 million, as I recall. And even  
22           though there's new money in the Governor's  
23           proposal for fringe benefits, not the money  
24           to cover these increases --

1 DR. KOWAL: Right.

2 SENATOR SEWARD: That -- and I note  
3 that, you know, you are supporting  
4 \$30 million for additional full-time  
5 tenure-track professors, something that I  
6 agree should be a top priority.

7 But my question is, do you have  
8 concerns about how this \$386 million is going  
9 to be covered? And when I say do you have  
10 concerns, in terms of taking it out of the  
11 hides of the local campuses, or even a  
12 portion of it, at a time when, you know, we  
13 are looking to increase the state support of  
14 our local campuses.

15 DR. KOWAL: Certainly. And I think  
16 what the chancellor indicated is important,  
17 and that is when we look at the campuses  
18 right now that I indicated in my testimony,  
19 for the most part, whether it be Fredonia,  
20 Buffalo State, Plattsburgh, Potsdam, those  
21 campuses have seen a real drop-off in terms  
22 of enrollment which has really exacerbated  
23 their financial crisis.

24 And secondly, when you look at the TAP



1 numbers, the percentage of students who are  
2 TAP-eligible and beneficiaries are very high  
3 at those campuses as well, which means  
4 they're getting that hit at the same time.

5 I think, as the chancellor pointed  
6 out, the most expensive parts of this  
7 contract are in the outyears. The contract  
8 runs through '22. And I agree, we had  
9 conversations about this as the contract was  
10 wrapping up. She said, she volunteered, that  
11 she would be willing to advocate with me to  
12 get funding for the university, which I  
13 welcome. It's overdue, because I think SUNY  
14 has not in the past been as aggressive in  
15 advocating for itself as it should be. And  
16 certainly that's the case with the hospitals,  
17 but now with this financial challenge.

18 And so I welcome the opportunity to  
19 advocate with her, it's going to be  
20 necessary, but particularly in those  
21 outyears. In my conversations with the  
22 chancellor and with campus leaders, it's  
23 clear that except for one or two campuses  
24 where enrollment has been a real problem, the

1 campuses are going to be fine in this first  
2 couple of years of the contract; it's in the  
3 outyears.

4 SENATOR SEWARD: Thank you.

5 CHAIRWOMAN KRUEGER: Thank you.

6 Senator John Liu.

7 SENATOR LIU: Thank you, Madam Chair.

8 Thank you for your wonderful  
9 testimony.

10 A couple of questions. One relates to  
11 the adjuncts and the effort, I guess the  
12 administration's effort or claims that  
13 there's an effort to make them full-time  
14 faculty or tenure-track faculty.

15 My question, you know, is apart from  
16 fiscal constraints, are there any other  
17 constraints that make it hard for some of  
18 these adjunct faculty to become full-time?  
19 For example -- I'll cut right to the chase --  
20 is it possible that at every school there's a  
21 faculty senate, there's some faculty involved  
22 in making those decisions? Is there any  
23 impediment there, or is it just purely  
24 fiscal?

1 DR. BOWEN: The issue is money. It's  
2 100 percent money.

3 SENATOR LIU: That's great to hear.

4 DR. BOWEN: It's 100 percent money.  
5 When CUNY last had a student body approaching  
6 the size that it has now, there were 11,500  
7 faculty, full-time. Now CUNY has about  
8 7,600 full-time faculty. We're 4,000  
9 full-time faculty positions short.

10 CUNY should start filling those 4,000  
11 positions, full-time positions right now.  
12 And it's a question of money. They can start  
13 by looking internally at the adjuncts we  
14 have. We heard over and over again this  
15 morning "We value our adjuncts." We value  
16 them, but we don't pay them properly. I  
17 mean, where is the measure of value there?

18 And I would go a step further and say  
19 if we value the students, then you must value  
20 the people who teach the students. It is a  
21 gesture --

22 SENATOR LIU: Your whole point about  
23 quality.

24 DR. BOWEN: -- of disrespect not to

1 value the people who deliver education to the  
2 students.

3 SENATOR LIU: Thank you very much.  
4 That's very helpful.

5 And then my other question is, you  
6 know, to what extent do you think maybe  
7 there's not enough money in the entire CUNY  
8 budget and SUNY budget that goes to the  
9 individual campuses, as opposed to remaining  
10 in central administration?

11 DR. BOWEN: I'm sure we could look at  
12 things and find things. But I think the  
13 chief issue is the basic level of funding.  
14 It's not really the distribution of funds,  
15 it's the fact that the per-student funding  
16 has declined almost 20 percent in the last 10  
17 years.

18 I mean, when you take a 20 percent  
19 decline of an already inadequate budget -- it  
20 wasn't so great 10 years ago, and then to see  
21 a decline in that, that has led to the  
22 effects that we talked about. For example,  
23 the number of adjuncts has nearly doubled  
24 since 2000 as the number of students has gone

1 up.

2 SENATOR LIU: So the administration is  
3 running pretty lean?

4 DR. BOWEN: I would not say that, no.  
5 I mean, I'm sure that there are criticisms we  
6 have. But what I really would want to ask us  
7 to focus on -- it is not the case, I would  
8 say, that there is an adequate overall budget  
9 and it's being wrongly distributed. The  
10 issue is that there is an inadequate budget.

11 And I'd just add that for us that's an  
12 issue not just of economic justice but also  
13 racial justice. It's a racial injustice to  
14 underfund the university where the student  
15 population is 77 percent people of color.

16 SENATOR LIU: Thank you, Dr. Bowen.

17 Madam Chair, I've been a proud member  
18 of PSC.

19 (Applause from the audience.)

20 CHAIRWOMAN KRUEGER: Thank you.

21 DR. BOWEN: We're very proud of you.

22 CHAIRWOMAN KRUEGER: Senator Robert  
23 Jackson.

24 SENATOR JACKSON: Thank you, Madam

1           Cochair.

2                   And let me thank President Bowen and  
3           President Pallotta and Dr. Kowal for coming  
4           forward and giving testimony. I apologize  
5           for not being here earlier; we were in  
6           session, where we passed the Child Victims  
7           Act, which --

8                   (Scattered applause.)

9                   SENATOR JACKSON: And so that was  
10          important to many, many people.

11                   But I wanted just to touch base. I  
12          heard you talk about the deterioration of  
13          funds and the deterioration of CUNY with  
14          respect to -- because of the lack of funds.  
15          Knowing the population of CUNY and SUNY, what  
16          is the average time it's taking for  
17          individuals to graduate? It is it four  
18          years, is it five years, is it six years?

19                   And how has the lack of funds and the  
20          increase in adjuncts compared to full-time  
21          professors? What type of impact has that had  
22          on the students and increasing the time it  
23          takes to graduate?

24                   If all of you can comment on that, I'd

1 appreciate it very much.

2 DR. KOWAL: Yeah, absolutely there has  
3 been an impact. And we have seen it where --  
4 with underfunding, courses aren't offered in  
5 the sequence where students can take  
6 advantage of them. I saw that firsthand at  
7 my home campus at Cobleskill, which is a tech  
8 campus. And again, those are the ones that  
9 receive the least funding. And in doing so,  
10 it forces students that now on average take  
11 five years to graduate.

12 And so when you consider, as you were  
13 asking questions about student debt, it  
14 increases that burden significantly. And so  
15 absolutely, it is a case where without the  
16 funding, students -- the time period for them  
17 to graduate is extended out, and that creates  
18 a further burden as well.

19 MR. PALLOTTA: And I just have a story  
20 of a friend of mine who was a  
21 paraprofessional in the Bronx, and to get the  
22 last course he needed to become a science  
23 teacher, it took at least five years to be  
24 able to get to that course on a time that he

1           could actually take it during his work  
2           schedule.

3                        So yes, he has graduated and he is  
4           going to become a science teacher, but how  
5           many years it took because they just did not  
6           -- were not able to offer that at Lehman?

7                        DR. BOWEN: CUNY's own survey of their  
8           students showed that 22 percent of students  
9           report they can't get a course they need in  
10          order to graduate.

11                       And beyond that, I would say that the  
12          constant presence of a hollowed-out and  
13          stripped-down budget hurts every student.  
14          Every student. So a student could have an  
15          adjunct who is absolutely dedicated and their  
16          favorite professor, and then they go back  
17          next semester to find that adjunct to be  
18          their mentor, to write a recommendation --  
19          that person has been moved to another college  
20          or didn't get a course that term.

21                       That hurts the continuity. That also  
22          says to the student you don't matter, you  
23          don't matter enough for us to make sure that  
24          your professor is here. That's what it says



1 to the student. And on top of that, the  
2 students are paying more and more tuition and  
3 more fees. So all of that communicates to  
4 the students -- whatever the official  
5 message, the funding message communicates and  
6 effectively communicates that you don't  
7 matter and that shows. And the students who  
8 do persist and graduate are heroes.

9 SENATOR JACKSON: Thank you.

10 CHAIRWOMAN KRUEGER: Thank you. Thank  
11 you very much.

12 CHAIRWOMAN WEINSTEIN: Thank you for  
13 being here.

14 MR. PALLOTTA: Thank you.

15 DR. BOWEN: Thank you.

16 DR. KOWAL: Thank you.

17 (Applause from audience.)

18 CHAIRWOMAN WEINSTEIN: Next we have  
19 the New York Public Interest Research Group,  
20 NYPIRG, Jana Bergere and Blair Horner.

21 MR. HORNER: Ready whenever you are.

22 CHAIRWOMAN WEINSTEIN: Can the -- can  
23 we have quiet in the cafeteria, please.

24 (Laughter.)

1                   CHAIRWOMAN WEINSTEIN: If people are  
2                   leaving, please be quiet. We have other  
3                   witnesses and your voices carry.

4                   Yes. Let's go.

5                   MS. BERGERE: Good evening. My name  
6                   is Jana Bergere. I am here to deliver the  
7                   testimony of Smitha Varghese. Smitha sends  
8                   her apologies, she was unable to make it  
9                   today due to an academic conflict.

10                  With me today is Blair Horner,  
11                  NYPIRG's executive director.

12                  As I mentioned, my name is Jana  
13                  Bergere, and I'm a student at SUNY New Paltz.  
14                  And I'm also interning with NYPIRG this  
15                  semester. Our comments summarize some of the  
16                  key points found in Smitha's written  
17                  testimony and highlight NYPIRG's biggest  
18                  areas of concern. The written testimony also  
19                  includes personal stories from students  
20                  impacted by the state budget.

21                  Before I start, a quick introduction  
22                  to NYPIRG. Established in 1973, NYPIRG is a  
23                  statewide nonpartisan research and advocacy  
24                  organization based on college campuses at

1           some of the state university, SUNY  
2           university, and independent institutions of  
3           higher education. NYPIRG's mission is to  
4           offer interested college students an  
5           opportunity to gain hands-on experience in  
6           policy decision-making while learning about  
7           civic life at the same time.

8                         NYPIRG's board of directors are  
9           college students elected from the campuses in  
10          which students have chosen to join. Smitha  
11          is a college student attending Queens College  
12          and is a chairperson of NYPIRG's board of  
13          directors.

14                        Now to summarize our testimony.  
15          NYPIRG thanks the Legislature for its recent  
16          approval of the DREAM Act. Approval has been  
17          long overdue. As you know, undocumented  
18          college students have been eligible for  
19          in-state tuition as a result of an agreement  
20          between then-Governor George Pataki and the  
21          Legislature well over 10 years ago. Since  
22          then, those students have been ineligible for  
23          state financial aid programs, which has  
24          created needless obstacles to attending

1 college. Passage of the Dream Act, and  
2 hopefully approval by the Governor, fixes  
3 that problem.

4 NYPIRG supports the Governor's plan to  
5 expand financial aid through the Excelsior  
6 Program. The Excelsior Program should also  
7 be expanded to allow greater participation by  
8 needy students. In our testimony we make  
9 specific recommendations as to how, but in  
10 sum we believe that the 30-credit-per-year  
11 limit should be lowered. It should be  
12 available during summer and winter sessions,  
13 and that students who fail to meet the  
14 criteria should not be burdened with more  
15 debt.

16 NYPIRG urges you to bolster the  
17 Governor's funding levels for state support  
18 of SUNY and CUNY. As you know, when the  
19 so-called rational tuition plan was put in  
20 place, a bargain was struck: Tuition  
21 increases will be used to enhance the  
22 universities, not fill budget gaps. Yet it  
23 sure looks to us that the pledge is being  
24 broken and tuition is being used to plug

1 budget shortfalls, and the Legislature has  
2 been well aware of the problem.

3 Both houses have approved an enhanced  
4 maintenance of effort to supplement state  
5 support for SUNY and CUNY to allow greater  
6 freedom to use tuition dollars for student  
7 service enhancement. We urge you to approve  
8 an enhanced maintenance of effort in your  
9 budget plan.

10 Also the fact that tuition charges now  
11 exceed the maximum TAP award leave SUNY and  
12 CUNY having to provide support to needy  
13 students instead of the state. We urge you  
14 to close the TAP gap.

15 Lastly, we urge you to reject cuts  
16 included in the Governor's budget that target  
17 aid programs for college students from  
18 educationally and economically disadvantaged  
19 backgrounds, the Opportunity Programs. These  
20 have been models for the nation. In  
21 particular, the Accelerated Study in  
22 Associate Programs was highlighted by the  
23 Obama administration as a model for the  
24 nation.

1                   Yet the Governor's budget zeroes out  
2                   state support for ASAP, a reduction of  
3                   \$2.8 million, and his proposed cuts don't  
4                   stop there. For example, the Governor's  
5                   budget calls for cuts to Opportunity Programs  
6                   that total \$28 million. All of those cuts  
7                   must be restored. In fact, the programs  
8                   should be expanded.

9                   Our testimony identifies other  
10                  recommendations as well, including community  
11                  college funding and protections for student  
12                  borrowers and food insecure students.

13                  We appreciate the opportunity to  
14                  testify. Thank you.

15                  MR. HORNER: We finished in less than  
16                  five minutes.

17                  CHAIRWOMAN WEINSTEIN: Oh. I didn't  
18                  know, Blair, if you were going to --

19                  MR. HORNER: Nope.

20                  CHAIRWOMAN WEINSTEIN: Oh, okay.

21                  MR. HORNER: Any questions?

22                  CHAIRWOMAN WEINSTEIN: Does any --  
23                  Assemblyman Barclay.

24                  ASSEMBLYMAN BARCLAY: I don't know --

1           thank you -- thanks for your testimony.

2                       I don't know if you were here when the  
3           assistant attorney general testified, but she  
4           talked about -- you know, we were talking  
5           about private colleges and the rules have  
6           been pulled back, and the federal government  
7           with them, with the Gainful Employment Rule,  
8           which essentially said we have to kind of  
9           tell students how much they can possibly earn  
10          after they get out of the program.

11                      Do you have any position or does  
12          NYPIRG have any position on that as it  
13          applies to public universities?

14                      MR. HORNER: We do not.

15                      ASSEMBLYMAN BARCLAY: Fair enough.  
16                      Why not?

17                      MR. HORNER: We can't do everything.

18                      ASSEMBLYMAN BARCLAY: Fair enough.

19                      (Laughter.)

20                      ASSEMBLYMAN BARCLAY: Well, would you  
21          formulate an opinion and get back to me,  
22          then?

23                      MR. HORNER: Well, we'll certainly  
24          take a look at it.

1 ASSEMBLYMAN BARCLAY: All right, thank  
2 you.

3 MR. HORNER: It's a good question.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 MR. HORNER: Thank you.

6 CHAIRWOMAN KRUEGER: Senate's good.

7 Thank you very much. Thank you for  
8 your testimony and fuller testimony.

9 CHAIRWOMAN WEINSTEIN: So now we'd  
10 like to ask the -- we're going to invite the  
11 CUNY University Student Senate, Greshawna  
12 Clement, vice chair for international  
13 affairs, and the SUNY Student Assembly, Alex  
14 George, chief of staff of the SUNY Student  
15 Assembly, to come down together, and you'll  
16 each have a five-minute time period.

17 MS. CLEMENT: Thank you.

18 CHAIRWOMAN KRUEGER: I do not see your  
19 other -- so you should start, and if they get  
20 here we'll let them know.

21 MS. CLEMENT: Okay. Thank you.

22 Good afternoon, members of the  
23 New York State Legislature. My name is  
24 Greshawna Clement, and I am a senior at



1 Medgar Evers College serving as the evening  
2 and weekend vice president and the vice chair  
3 for international student affairs for the  
4 University Student Senate. I am here today  
5 to advocate for the 500,000 students in CUNY  
6 this academic year and beyond.

7           Since the creation of the rational  
8 tuition plan in 2011, there has been a  
9 culture of tuition hikes created from the  
10 lack of funding at CUNY from the state to  
11 cover the mandatory operating costs. A  
12 predictable tuition hike of \$200 has been and  
13 continues to be an injustice and  
14 disappointment to the students, as CUNY is  
15 being encouraged to operate on the backs of  
16 students by counting on tuition hikes to  
17 cover the costs. The recently approved  
18 tuition hike is the 16th tuition increase at  
19 CUNY senior colleges since the academic year  
20 1990-1991, 30 years.

21           What we would like to highlight is the  
22 consistent rise of tuition directly increases  
23 the TAP gap. In turn, CUNY has to request  
24 funds from the state to provide parity. It

1 is not fiscally responsible to raise tuition  
2 and provide -- and then provide funds to make  
3 up for the TAP gap.

4 As of now, the maximum amount of TAP  
5 that can be awarded is \$5,165, while the cost  
6 of attendance at a four-year college is  
7 \$6,730, leaving a gap of \$1,565 that students  
8 will need to cover.

9 It has been evident over the years  
10 that the priorities of the state budget are  
11 not education. We are calling on this  
12 democratic, progressive legislature to start  
13 prioritizing education. It is time to fund  
14 CUNY now, stop tuition hikes, close the TAP  
15 gap, and provide financial aid to graduate  
16 students again, which was eliminated in 2010.

17 Every year since 2015, the budget of  
18 senior colleges has taken a cut by 1 to  
19 2 percent. This continuous decision severely  
20 impacts the student experience. These cuts  
21 have impacted a number of staff, faculty,  
22 programming, and opportunities on the local  
23 campuses, which plays a vital role in student  
24 success and school pride.

1                   Opportunity Programs have  
2                   statistically been proven to help thousands  
3                   of students annually graduate on time. Every  
4                   year we have to advocate why we need them  
5                   restored. The budget reflects a decrease of  
6                   23.4 million from SEEK and 2.4 million from  
7                   the ASAP program, but references investing in  
8                   new pilot programs. We are concerned about  
9                   this when there are working programs like  
10                  ASAP, SEEK, ACE, and CUNY LEADS receiving  
11                  cuts to fund new pilot programs. Why not use  
12                  these same funds to restore and enhance these  
13                  successful Opportunity Programs?

14                  Mental health services is an  
15                  additional area where state funding is  
16                  lacking, and has now become a priority of  
17                  CUNY, as it is reflected in their budget  
18                  requests.

19                  According to the report by the CUNY  
20                  School of Public Health, more than 18 percent  
21                  of our undergraduates reported symptoms of  
22                  clinical depression, and more than 20 percent  
23                  suffer from anxiety. Nearly 10 percent lack  
24                  any form of health insurance, and more than

1           15 percent lack any relationship with a  
2           healthcare provider.

3                     Currently, the CUNY student-to-  
4           counselor ratio of 2400 students per  
5           counselor is well above the level of 1500  
6           students per counselor that is recommended by  
7           the International Association of Counseling  
8           Services. The needs for these services are  
9           immense, and the needs necessary for students  
10          to avoid the crisis.

11                    There is also a disparity in  
12          disability services. The number of students  
13          enrolled with disabilities has increased by  
14          more than 30 percent in the last 25 years.  
15          However, the funding has remained flat at  
16          \$1.5 million. There is a need for more  
17          funding to the services that this growing  
18          population of students needs, and currently  
19          the state is not addressing them.

20                    We are also concerned about our  
21          childcare centers that were created to assist  
22          our student parents aiming to achieve a CUNY  
23          degree. Currently, because of the lack of  
24          funding, some campuses such as Queens College

1 are raising their student activity fees to  
2 keep open childcare centers on campus.  
3 Again, we say student activity fees should  
4 not be used to make up for the lack of  
5 funding, they should be used for student  
6 activities.

7 Women make up 56.6 percent of the  
8 student population in CUNY senior colleges  
9 and 57 percent of the student population in  
10 CUNY community colleges. We are also  
11 requesting funding for feminine hygiene  
12 products, as CUNY senior and community  
13 campuses are predominantly female. Female  
14 hygiene products should be free and  
15 accessible for college students, not just  
16 mandatory through K-12. Women do not stop  
17 being women when they go to college. We  
18 still have needs that need to be addressed.

19 We are calling on the State  
20 Legislature to hear our concerns and  
21 requests. Fully fund the operating cost of  
22 CUNY, restore the funding for Opportunity  
23 Programs, and invest in student services such  
24 as mental health counseling, feminine hygiene

1 products, and services for students with  
2 disabilities.

3 We are calling for a new deal that  
4 provides justice for students. Enough is  
5 enough. Fund CUNY now.

6 CHAIRWOMAN WEINSTEIN: Thank you.  
7 Thank you for being here. I'm not sure if we  
8 have any questions.

9 Senator Liu has a question.

10 SENATOR LIU: Thank you, Madam Chair.

11 I don't have questions as much as I  
12 have heard your testimony very clearly and I  
13 want to thank you for taking the time. You  
14 heard everybody else speak today, and we hear  
15 you speak. And it's very important that we  
16 hear from the students as well, so thank you.

17 MS. CLEMENT: Thank you.

18 CHAIRWOMAN KRUEGER: Thank you.

19 CHAIRWOMAN WEINSTEIN: Is Alex George  
20 of SUNY Student Assembly -- obviously you're  
21 both not Alex George, so --

22 MR. GEORGE: I'm Alex. Good evening.

23 CHAIRWOMAN WEINSTEIN: If you're going  
24 to speak, hopefully you'll identify yourself.

1 MS. CADESCA: Oh, good evening. My  
2 name is Langie Cadesca. I'm the president of  
3 the University at Albany Student Association.

4 CHAIRWOMAN WEINSTEIN: Okay. Thank  
5 you. Are you going to be speaking also?

6 MS. CADESCA: What?

7 CHAIRWOMAN WEINSTEIN: Are you going  
8 to speak also?

9 MS. CADESCA: Yes, ma'am.

10 CHAIRWOMAN WEINSTEIN: Okay. So you  
11 have five minutes between the two of you.

12 MR. GEORGE: Great. Thank you.

13 On behalf of the SUNY Student Assembly  
14 and SUNY's 1.4 million students, I would like  
15 to thank Chairpersons Weinstein, Krueger,  
16 Glick, Stavisky, and the members of the  
17 committee presiding over this hearing for  
18 allowing us to testify today.

19 My name is Alex George. I'm a  
20 graduate student at the University at Albany,  
21 and I serve as the chief of staff for the  
22 SUNY Student Assembly. I'm joined by Langie  
23 Cadesca, president of the Student Association  
24 at the University at Albany, one of the four

1 university centers in the SUNY system.

2 SUNYSA President and Trustee Michael  
3 Braun, Vice President Austin Ostro, and our  
4 government relations team wish they could be  
5 here. However, they are currently in  
6 Washington, D.C., with student leaders from  
7 across the country, speaking with members of  
8 Congress and the Department of Education on  
9 the importance of federal financial aid,  
10 DACA, and Title IX.

11 The Student Assembly is the recognized  
12 overarching student government for the SUNY  
13 system. The Student Assembly advocates on  
14 the local, state, and federal levels on  
15 behalf of the collective student interest on  
16 matters of higher education policy. Today we  
17 will be discussing the importance of  
18 furthering the investment of public higher  
19 education across our state, including the  
20 need for a new funding formula for SUNY's 30  
21 community colleges, investing in mental  
22 health, capital funding support, retention  
23 grants through the emergency fund program,  
24 and expanding EOP and EOCs.



1 MS. CADESCA: Strengthening the  
2 Educational Opportunity Program is key for  
3 ensuring that all New Yorkers have access to  
4 SUNY. EOP has empowered students like me to  
5 succeed in college and beyond.

6 As a proud EOP student, I have seen  
7 firsthand the power of this program and what  
8 it has done to change lives. I have been  
9 able to have one-on-one advisory mentorship,  
10 professional development programs, and been  
11 exposed to different career pathways. Coming  
12 from Brooklyn, New York, many of these  
13 programs are not provided locally, and EOP  
14 has given me hope and perseverance to excel  
15 socially, academically, and professionally.

16 Unfortunately, the Governor's budget  
17 once again calls for cuts to Educational  
18 Opportunity Programs and Educational  
19 Opportunity Centers. We urge the Legislature  
20 to restore these cuts and to expand funding  
21 for both EOP and our EOC. Doing so will put  
22 a SUNY education within reach for more  
23 New Yorkers.

24 Additionally, when students enroll on

1 a SUNY campus, we must do all that we can to  
2 ensure their completion. Sometimes students  
3 are forced to take academic leave or even  
4 drop out of school due to unforeseen personal  
5 financial difficulties. It could be a  
6 broken-down car, an unexpected medical bill,  
7 or being a victim of a crime, and sometimes  
8 just as little as \$100 can be the difference  
9 between a student staying in school and  
10 dropping out.

11 Multiple campuses have created  
12 emergency funds which give students  
13 micro-grants to manage through these  
14 circumstances, and these grants -- which are  
15 never more than \$2,000 -- are a blessing for  
16 students who have nowhere else to turn.  
17 Investment from the state would allow SUNY to  
18 take on this initiative to scale.

19 Furthermore, in order to guarantee  
20 student success, our campuses must have  
21 modern infrastructure. SUNY accounts for  
22 40 percent of all public infrastructure in  
23 New York State, and most of it was  
24 constructed in the 1960s. The \$550 million

1           in critical maintenance capital funding  
2           proposed in the Executive Budget is not  
3           enough to keep up with necessary renovations.

4                     Underfunding maintenance has created a  
5           backlog of projects, forcing students to  
6           learn in antiquated and occasionally  
7           dangerous facilities. We urge the  
8           Legislature to expand funding for SUNY  
9           infrastructure and to ensure that our  
10          campuses maintain the world-class facilities  
11          that students deserve.

12                    MR. GEORGE: We also want to draw your  
13          attention to an important program being  
14          utilized by hundreds of SUNY students.

15                    SUNY's telecounseling initiative  
16          offers psychiatric services to students in  
17          medically underserved regions of the state.  
18          Students can remotely connect with a mental  
19          health provider and seek treatment, and  
20          without this program students may be forced  
21          to go without the care they need to maintain  
22          their mental and physical well being.

23                    Unfortunately, the Governor's budget  
24          proposes eliminating this vital program. We

1           urge the Legislature to restore the \$600,000  
2           in funding the program had last year.

3                       SUNY students are also concerned by  
4           the deficiencies in the community college  
5           formula. Twenty-seven out of 30 SUNY  
6           community colleges are on track for reduced  
7           state support year. This means cuts to  
8           academic programs and student support  
9           services that are essential to student  
10          success.

11                      Fluctuating enrollment should not  
12          jeopardize the experience of students on our  
13          community college campuses. Establishing a  
14          funding floor would give security to  
15          community college students that their  
16          institutions will continue to be able to  
17          offer high-quality programs.

18                      Once again, we would like to thank the  
19          assembled committees for hearing our concerns  
20          on behalf of SUNY's 1.4 million students. We  
21          look forward to answering your questions.

22                      CHAIRWOMAN WEINSTEIN: Thank you.

23                      No Assembly.

24                      CHAIRWOMAN KRUEGER: Excuse me.

1                   Senator Jackson.

2                   SENATOR JACKSON:   Thank you.  I was  
3 going to say good afternoon.  Good evening.

4                   So let me just -- I want to thank you,  
5 as John thanked the other students.  You're  
6 young people, you're involved in your  
7 education and the education of others.

8                   And I say to you I am a SUNY alum,  
9 SUNY New Paltz, an EOP student.  My wife, who  
10 was a foreign student, came in at SUNY New  
11 Paltz and my daughter, who's an M.D., came in  
12 as a regular admission student.

13                   And my message to all of you, and  
14 students all over the world, is there's  
15 different ways to get in.  The most important  
16 thing is you have to have the willingness to  
17 get in there and do your best.  And hopefully  
18 we as legislators will help you by giving you  
19 access to funds that you need in order to get  
20 a good education so that you can, you know,  
21 achieve your goals and objective as an adult  
22 and be a positive influence to others and to  
23 our great city and our state.

24                   So let me thank you for coming in,

1           understanding that I'm going to fight to make  
2           sure that -- as much as I can, to make sure  
3           that you get the funding that you need, and  
4           also at the elementary and intermediate  
5           school level, so that people will have the  
6           opportunity to go to college just like the  
7           two of you.

8                         Thank you on behalf of all of the  
9           people of New York State. Thank you.

10                        MS. CADESCA: Thank you, Senator.

11                        MR. GEORGE: Thank you.

12                        CHAIRWOMAN WEINSTEIN: Thank you.

13                        CHAIRWOMAN KRUEGER: Senator Liu,  
14           sorry.

15                        SENATOR LIU: Thank you, Madam Chair.  
16           Very briefly, I certainly want to echo what  
17           Senator Jackson already said, to thank these  
18           student leaders for coming here.

19                        Way back when I was a member of what  
20           was then called SASU, which was the Student  
21           Association of the State University, we had  
22           our conferences everywhere in the state,  
23           including Plattsburgh, New York. I drove my  
24           horse-drawn carriage there --

1 (Laughter.)

2 SENATOR LIU: And I thank you for  
3 continuing the advocacy for our SUNY students  
4 and trying to keep tuition low, as well as  
5 many of the other issues that you have  
6 brought up. Thank you.

7 MR. GEORGE: Thank you.

8 MS. CADESCA: Thank you.

9 CHAIRWOMAN KRUEGER: Thank you very  
10 much.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 Next we have the Commission on  
13 Independent Colleges and Universities, Mary  
14 Beth Labate.

15 MS. LABATE: Good evening.

16 CHAIRWOMAN KRUEGER: Good evening.

17 CHAIRWOMAN WEINSTEIN: Good evening.

18 MS. LABATE: Thank you, Chairpersons  
19 Krueger, Weinstein, Senator Stavisky,  
20 Assemblymember Glick. Thank you for your  
21 leadership and continued support for  
22 New York's college students.

23 I'm Mary Beth Labate; I'm the  
24 president of the Commission on Independent

1 Colleges and Universities. For those of you  
2 who don't know CICU, we represent more than  
3 100 private, not-for-profit colleges in the  
4 state, including the 500,000 students that  
5 they educate.

6 I will make my abbreviated comments  
7 even more abbreviated, given the time of  
8 evening, but first I'd like to thank you for  
9 moving so quickly on the DREAM Act. And I  
10 want to thank the Governor for including it  
11 in his Executive Budget. Like the  
12 New Yorkers they are, Dreamers deserve  
13 financial aid, and we do hope it sparks a  
14 broader discussion of TAP.

15 Let me touch on just a few key points  
16 from my testimony. The Governor and the  
17 Legislature should be proud that the state  
18 provides close to \$7.4 billion a year to its  
19 public higher education systems. It's  
20 critical, however, that New York also invest  
21 in its independent sector of higher ed,  
22 supporting all of New York's students in the  
23 institutions that attract investment and  
24 talent from across the globe. It is only



1 with public and private sectors working  
2 together that New York can educate  
3 1.2 million students each year.

4 Investment in private, not-for-profit  
5 colleges provides tremendous taxpayer value.  
6 With just 4 percent of the state's higher  
7 education budget, private colleges confer  
8 60 percent of the bachelor and graduate  
9 degrees in the state. We educate nearly  
10 500,000 students, including almost 300,000  
11 New Yorkers, and count more than 1.3 million  
12 New Yorkers as our alums.

13 We are the number-one destination for  
14 students leaving their home states to go to  
15 college and the number-two state for  
16 international students. More black and  
17 Hispanic students earn bachelor's and  
18 graduate degrees at private colleges than  
19 anywhere else in New York.

20 Approximately 72,000 of our students  
21 qualify for TAP because their families earn  
22 less than \$80,000 a year. New York's private  
23 colleges contribute \$5.7 billion from their  
24 own resources to student aid each year.

1 Eighty-eight cents of every dollar that's  
2 provided for financial aid comes directly  
3 from our colleges.

4 In 2017 New York's private  
5 not-for-profit colleges contributed  
6 \$88.8 billion to our state's economy and  
7 supported almost 416,000 jobs. Given the  
8 scale of our role in the higher education  
9 landscape, I think our requests in this  
10 year's budget are quite modest.

11 First, funding for the Opportunity  
12 Programs like HEOP that improve access to  
13 higher education for high-needs students  
14 suffered a 17 percent cut in the budget even  
15 as Dreamers became eligible to benefit from  
16 transformative initiatives. Our students are  
17 grateful to the Legislature for safeguarding  
18 these programs, and we ask that you do so  
19 once again and increase opportunity funding  
20 in total to \$98 million.

21 Second, TAP. TAP serves more than  
22 336,000 New Yorkers, including 72,000  
23 attending private not-for-profit colleges.  
24 However, the program is helping fewer

1 students because the eligibility parameters  
2 have remained stagnant. Now is the year to  
3 modernize TAP so that it reaches more  
4 New Yorkers. We ask that the state begin a  
5 three-year phase-in to increase the maximum  
6 TAP award to 6,000, the minimum TAP award to  
7 1,000, and the maximum income eligibility to  
8 95,000.

9 We were very pleased to see Senators  
10 Stavisky and Skoufis begin this important  
11 discussion by introducing a bill that would  
12 increase income eligibility to \$95,000 and  
13 increase the minimum award to \$750. And with  
14 a lot of discussion this afternoon about the  
15 TAP gap I will also point out that an  
16 increase in TAP will go a long way towards  
17 helping SUNY and CUNY to close their TAP gap.

18 The Higher Education Capital  
19 Assistance Program has been used in every  
20 corner of the state to spur much-needed  
21 construction at our private college campuses.  
22 Regrettably, the Executive Budget proposes to  
23 eliminate funding for the program. We ask  
24 that you restore funding to HECap,

1 historically at \$30 million per year, and  
2 enhance it to \$35 million. For every dollar  
3 that you invest, our campuses invest at least  
4 another \$3.

5 The STEM Incentives Program. Last  
6 year's budget opened the state's STEM  
7 Incentive Scholarship to students at private  
8 colleges only to have that door shut in the  
9 proposed budget, and we ask that you include  
10 funding for a second cohort of students.

11 Thank you all for fighting to restore  
12 Bundy Aid in last year's budget. We are very  
13 grateful to you and the Governor that  
14 Bundy Aid was included this year's budget,  
15 and we ask that you consider increasing  
16 Bundy Aid funding to \$40 million in the state  
17 budget by reinvesting some of \$15.6 million  
18 cut from the Enhanced Tuition Award Program.  
19 This would be the first increase in Bundy in  
20 more than a decade.

21 Without data from HESC on the amount  
22 of money or the number of scholarships  
23 awarded under the Enhanced Tuition Award  
24 Program, it's impossible to know if the

1           \$7 million proposed in the Executive Budget  
2           is sufficient. We urge you to fully meet all  
3           demands for that program.

4                         With that, my time is up. The only  
5           thing I had left to say is thank you and I  
6           appreciate all of your support over the  
7           years, and I'd be glad to answer any  
8           questions.

9                         CHAIRWOMAN WEINSTEIN: I think you're  
10          up first.

11                        ASSEMBLYWOMAN GLICK: Are the colleges  
12          that are part of CICU, currently do they have  
13          DACA students? And are they providing the  
14          funding privately?

15                        MS. LABATE: Yes. Yes, we do have  
16          DACA students. I don't have a specific  
17          count. We very purposefully do not ask, but  
18          most of our schools will make any financial  
19          aid that they have available -- will make it  
20          available regardless of citizenship.

21                        ASSEMBLYWOMAN GLICK: Okay. And aside  
22          from -- now, since HESC did not have a number  
23          of details, on your enhanced tuition, how  
24          many schools are actually participating?

1 MS. LABATE: There are about 30  
2 schools who are participating.

3 ASSEMBLYWOMAN GLICK: And what will be  
4 the impact of cutting that out?

5 MS. LABATE: We don't know. We know  
6 that this -- what we've been told is that the  
7 \$7 million that has been appropriated is  
8 sufficient to fully fund the first two  
9 cohorts and to fund a third cohort. But what  
10 we don't know is how much is needed for those  
11 first two cohorts and therefore how much will  
12 be available for the third.

13 We clearly don't want to encourage a  
14 lot of students to apply if there's not going  
15 to be money for them, that's just dashing  
16 their hopes. That's why I'm hoping we can  
17 work that out and we can fully fund realistic  
18 demands for the program.

19 CHAIRWOMAN KRUEGER: Could you just  
20 pull the microphone up a little closer?

21 MS. LABATE: Certainly.

22 CHAIRWOMAN KRUEGER: I think we've  
23 just --

24 MS. LABATE: Is that better?

1                   CHAIRWOMAN KRUEGER: Yes.

2                   MS. LABATE: Okay.

3                   CHAIRWOMAN KRUEGER: Thank you.

4                   ASSEMBLYWOMAN GLICK: On the HECap  
5 funding, was there any explanation, was there  
6 an attempt to suggest that there are projects  
7 that are already funded but some leftover  
8 resources?

9                   MS. LABATE: No. We are in the middle  
10 of a funding round now. That should be  
11 awarded this year. Once that is awarded,  
12 there will be no more funding. So it would  
13 completely zero out the program for any  
14 future rounds. And no, I don't know the  
15 explanation.

16                   I do know, though, when you look at  
17 the SUNY and CUNY system -- and again, we  
18 understand the tremendous amount of support  
19 for the SUNY and CUNY system -- but when you  
20 look at their capital plan they are  
21 proposing, the state is proposing almost  
22 \$7 billion in capital spending for those two  
23 systems over the next five years. I think a  
24 worthy investment, but when you think about





1 projects starting under the program unless  
2 funding is restored.

3 SENATOR STAVISKY: Yeah, I think  
4 that's unfortunately -- the cut I think was  
5 not well-thought-out.

6 MS. LABATE: I think it's a very  
7 modest investment for what the state gets in  
8 return. In almost every community you can  
9 find HECap-funded projects.

10 SENATOR STAVISKY: Two other  
11 questions.

12 Your independent colleges do not get  
13 the STEM scholarship. What do you recommend  
14 in terms of providing the equality of  
15 opportunity for the independent college  
16 students?

17 MS. LABATE: Well, we did get -- this  
18 year was the first year that we were eligible  
19 for the STEM scholarship. Unfortunately, in  
20 the proposed budget for next year it's  
21 recommended for elimination.

22 We strongly encourage that our  
23 students be eligible for it. We need all the  
24 STEM degrees in this state that we can get.

1 We confer 70 percent of them, and we want to  
2 keep as many students in the state studying  
3 STEM and studying STEAM as possible, and  
4 having our schools be part of that helps that  
5 to happen.

6 SENATOR STAVISKY: I'm sure you saw  
7 the story in the Times Union by Rick Karlin:  
8 "Facing Financial Headwinds, Region Colleges  
9 Adapt, Innovate."

10 MS. LABATE: Yes. Yes, I did.

11 SENATOR STAVISKY: And I commend the  
12 innovation of these private and public  
13 colleges.

14 Last question. I asked it of the CUNY  
15 and SUNY chancellors: What's the effect of  
16 Betsy DeVos' watering down of regulations  
17 involving Title IX?

18 MS. LABATE: We have real concerns  
19 about it. And I heard what my colleagues at  
20 SUNY and CUNY said, and I would mirror many  
21 of those.

22 We have concerns about the narrowing  
23 of the definition of sexual harassment, about  
24 the need for live hearings, and particularly

1           about limiting the scope of claims under  
2           sexual harassment, that they have to happen  
3           on the campus. We know that the campus  
4           community often extends well beyond the  
5           campus borders.

6                         So we have commented. I think there  
7           will be an unprecedented number of comments,  
8           and we're hoping to see significant changes  
9           in those proposals.

10                        SENATOR STAVISKY: Thank you.

11                        CHAIRWOMAN KRUEGER: Thank you.

12                        Members?

13                        CHAIRWOMAN WEINSTEIN: Will Barclay.

14                        ASSEMBLYMAN BARCLAY: Thank you.

15                        Good evening. And this may be -- I  
16           have a son who's a senior, so we're looking  
17           at colleges. So this issue is particularly  
18           acute to me, and it's regarding obviously the  
19           tuition increases. I think next to health  
20           care, higher ed costs are maybe the highest  
21           increases -- or they may be higher now, as  
22           far as I know. And when I look at the  
23           private colleges, going around, when I see  
24           beautiful campuses, there's no doubt that

1           some of the improvements put on campuses are  
2           really incredible.  And when I talk to the  
3           admissions people and sometimes college  
4           presidents, they all indicate that they're in  
5           an arms race with this.

6                     What are your member colleges doing,  
7           other than looking for more government aid --  
8           which I don't blame them, I would be doing  
9           the same -- to try to stabilize tuition or  
10          actually even lower tuition so more people  
11          can afford it rather than have a very few  
12          afford it and everybody else on financial  
13          aid?

14                    MS. LABATE:  Sure.  I think what the  
15          important point to look at, the important  
16          statistic to look at there is really the net  
17          price that students pay.  And 90 percent of  
18          all students get financial aid at our  
19          schools, so very, very few are paying the  
20          actual sticker price.

21                    ASSEMBLYMAN BARCLAY:  Is that a  
22          healthy way to have it, though?  I mean,  
23          seriously, we're eventually going to get to  
24          99 percent and maybe 100 percent.  Why not

1           have it so more people can afford it rather  
2           than having less people -- only a few being  
3           able to afford it? Or at least advertise --  
4           I guess you have got to get the fees somehow  
5           from the people that can afford it.

6                         But it seems like it's a balance -- I  
7           know I went to St. Lawrence, and that's  
8           almost 80 percent of the students are on  
9           financial aid. That seems unsustainable to  
10          me.

11                        MS. LABATE: Well, I kind of look at  
12          it as similar to our progressive tax  
13          structure. You need a certain amount of  
14          money to run your institution. What our  
15          schools have done -- but it does certainly  
16          have limitations, and that's why we encourage  
17          more support from government. What our  
18          schools have done is for those few who can  
19          afford to pay a higher tuition price, our  
20          schools charge that higher tuition price.  
21          And that allows them to subsidize to a large  
22          extent the number of students who can't.

23                        ASSEMBLYMAN BARCLAY: Aren't you  
24          concerned --

1                   MS. LABATE: The costs are -- the cost  
2 structure is not terribly dissimilar,  
3 Assemblymember, between publics and private  
4 institutions. The biggest differential is  
5 the amount of subsidy that the state provides  
6 its public systems to keep that tuition low.

7                   ASSEMBLYMAN BARCLAY: I'm sympathetic  
8 to that. But aren't you concerned -- I even  
9 had a college president tell me they should  
10 be raising -- do a means test for SUNY,  
11 because they're losing too many higher-wealth  
12 students to SUNY because they don't want to  
13 pay the tuition anymore.

14                   Again, eventually you're going to have  
15 100 percent of people on financial aid.  
16 That's the problem with the progressive  
17 tuition, I guess -- eventually people are  
18 going to say "I'm not going to pay this  
19 anymore." You're going to price yourself  
20 out.

21                   MS. LABATE: I think our schools look  
22 for every alternative to tuition to help  
23 support the students who want to go there.  
24 One of those alternatives that I encourage

1           this body to consider are increases in TAP  
2           and other financial aid programs.

3                   ASSEMBLYMAN BARCLAY: Thank you.

4                   CHAIRWOMAN KRUEGER: Thank you.

5                   Senator Bob Antonacci.

6                   SENATOR ANTONACCI: Thank you. Madam  
7           President, thanks for your time today.

8                   I'm new to this committee, so I may be  
9           a little inartful, but I did go to a private  
10          school, I went to Le Moyne and Syracuse  
11          University, as well as my wife going to  
12          Le Moyne, and my son graduates from Cazenovia  
13          in May. So we're very fond of the private  
14          university.

15                   You've had testimony here today, so I  
16          think you've answered my questions to some  
17          degree, that you are treated differently.  
18          And I grant that we're in Albany, we're  
19          talking about the SUNY schools all day, and  
20          CUNY, I get it -- that's what government  
21          does, and that's our jewel. And don't get me  
22          wrong, the SUNY system is phenomenal, and I'm  
23          a big supporter of OCC and the like.

24                   But you are treated differently. My

1 question is this -- and by the way, you're  
2 all not-for-profit. I mean, there's nobody  
3 really getting rich or making money, there's  
4 no stockholders -- I mean, yeah, there's a  
5 private school here or there, but for the  
6 most part the schools I mentioned are all  
7 not-for-profits.

8           What can we do for you and your member  
9 organizations that doesn't involve tax  
10 dollars? What rules, what laws, what  
11 regulations can we change that don't involve  
12 tax dollars that would allow you to be more  
13 competitive, operate more efficiently?

14           I did reach out to one of your members  
15 and I got a little laundry list of restoring  
16 authority of private colleges that  
17 participate in enhanced tuition awards to set  
18 their own tuition rates, something as simple  
19 as allowing students to access specific  
20 travel and accident insurance policies by  
21 providing an exemption to insurance law  
22 mandates.

23           I know that we've only got about a  
24 minute and a half left, and you could always



1 get this to me offline, but what can we do  
2 that doesn't involve tax dollars that helps  
3 you be more competitive?

4 MS. LABATE: Well, I think you just  
5 named two of them. I think some flexibility  
6 in how we operate the enhanced tuition award  
7 helps. There are several of our schools that  
8 have concerns about trying to procure  
9 insurance for their students.

10 I would say that a big issue that I  
11 encourage this body to look at, and we're  
12 certainly engaging with SED on it, is the  
13 whole program approval process. We are only  
14 one of six states in the nation that requires  
15 such an extensive process. We certainly  
16 understand the need for certain elements of  
17 that to ensure program integrity and program  
18 quality, but I think as with all regulations  
19 that have built up over time, there's always  
20 some opportunity to look at how those can be  
21 streamlined so that our schools can be more  
22 nimble in responding to the needs of the  
23 marketplace.

24 SENATOR ANTONACCI: And you're

1 participating with DACA kids, you've  
2 congratulated the Governor on the  
3 DREAM Act --

4 MS. LABATE: Absolutely.

5 SENATOR ANTONACCI: I mean, you're  
6 playing ball with all of the other  
7 regulations and rules that are coming out of  
8 Albany.

9 MS. LABATE: Absolutely. Every  
10 regulation that affects a small business  
11 affects us, and we play with them -- we  
12 comply with all of them.

13 SENATOR ANTONACCI: Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Is there any other Assemblymember?

16 Senator John Liu.

17 SENATOR LIU: Thank you, Madam Chair.

18 My questions have generally been  
19 answered already. I want to thank you for  
20 your testimony, and I also want to thank you  
21 for the work of your wonderful staff,  
22 especially a young man by the name of  
23 Tom Schnurr.

24 Thank you.

1 MS. LABATE: He's okay.

2 (Laughter.)

3 SENATOR LIU: He's relentless, I tell  
4 you.

5 MS. LABATE: I know.

6 SENATOR LIU: You just call him off a  
7 little bit.

8 MS. LABATE: He keeps me on my toes.

9 SENATOR STAVISKY: And his father.

10 (Laughter.)

11 CHAIRWOMAN KRUEGER: Thank you very  
12 much for your time today.

13 MS. LABATE: Very good. Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 CHAIRWOMAN WEINSTEIN: The Association  
16 of Proprietary Colleges.

17 ASSEMBLYWOMAN GLICK: Anytime you're  
18 ready. You have your five minutes.

19 MS. STELLING-GURNETT: Chairwoman  
20 Stavisky, Chairwoman Krueger, Chairwoman  
21 Glick, members of the Legislature, thank you  
22 for this opportunity to present this  
23 testimony on behalf of the Association of  
24 Proprietary Colleges.

1           My name is Donna Gurnett, and I am the  
2 president of the association. And I am  
3 joined here today by Christopher Barto, who  
4 is the vice president of government affairs  
5 for LIM College.

6           I would start my testimony today by  
7 asking you to turn to the last page of my  
8 testimony, to the APC Fast Facts that we've  
9 put together for you. I've had the  
10 opportunity to participate in this hearing  
11 for several years now, and so I know that  
12 you've heard me talk in the past about who  
13 our members are, who our students are, where  
14 they come from, the demographics, and most  
15 importantly the strong student outcomes that  
16 they have.

17           It's important to keep these facts in  
18 mind today as I would like to talk to you  
19 today about the Governor's proposed  
20 For-Profit College Accountability Act. In  
21 many ways the goals of APC align with the  
22 Governor's goals of expanding access to  
23 higher education and combating student debt.  
24 However, we believe that the Governor's

1           proposal, which was conceived due to reports  
2           touting inaccurate and misleading data, is  
3           flawed -- not only because it targets just  
4           the proprietary sector, but because it also  
5           ignores the strong, long history of strong  
6           student outcomes and success demonstrated by  
7           this sector.

8                        To be clear, if this act goes into  
9           play as it currently stands, it will decimate  
10          the entire proprietary sector, both the  
11          non-degree schools and degree-granting  
12          colleges entirely. This is not a proposal  
13          that measures accountability as suggested but  
14          a proposal that will eliminate the entire  
15          sector of higher education in New York, a  
16          sector that educates thousands of students  
17          with strong graduation and job placement  
18          rates and provides a direct pipeline to  
19          employers across the state in critical  
20          industries.

21                       Now, the Governor's proposal has five  
22          components to it, but Christopher and I are  
23          going to limit our remarks, due to time, to  
24          just two. And the first is I'd like to talk

1           about the 80/20 rule. This requires that  
2           for-profit colleges demonstrate that they are  
3           not receiving more than 80 percent of their  
4           tuition revenue from public sources,  
5           including Pell, TAP, ETA, and federally  
6           backed student loans.

7                     At the federal level there is a  
8           similar regulation called the 90/10 rule that  
9           states that for-profit colleges cannot  
10          receive more than 90 percent of their tuition  
11          revenues from federal sources. All APC  
12          member colleges meet the federal metric with  
13          no issue.

14                    The Governor's 80/20 proposal,  
15          however, would not only increase the amount  
16          of revenue that must come from private  
17          sources, it also significantly expands the  
18          definition of public funding. Because  
19          proprietary colleges receive no direct state  
20          or federal aid, this tuition revenue accounts  
21          for over 90 percent of our overall revenue.  
22          Therefore any institutions that serve a high  
23          number of low-income students, minority or  
24          first-generation students that are eligible

1           for these financial aid programs will have  
2           difficulty meeting this metric. This metric  
3           amounts to little more than a reflection of  
4           the demographics of the students these  
5           institutions serve.

6                     The second metric is the requirement  
7           that for-profit colleges spend at least  
8           50 percent of their expenses on student  
9           instruction, and I'm going to turn it over to  
10          Christopher to address that.

11                    MR. BARTO: Thank you, Donna.

12                    Again, I represent LIM College, which  
13          will be celebrating our 80th anniversary and  
14          is an institution with a rich and unique  
15          history focused on educating students in the  
16          business of fashion, located in Midtown  
17          Manhattan, one of the global homes of the  
18          fashion industry.

19                    This proposal would have a direct  
20          impact on our institution, imposing an  
21          unreasonable requirement that we and other  
22          proprietary colleges must spend at least  
23          50 percent of our expenditures on student  
24          instruction, which in the Governor's budget

1 is defined primarily as faculty salary and  
2 benefits.

3 This completely disregards the  
4 substantial investment we have made in  
5 student academic support programs, in  
6 personnel, with comprehensive math and  
7 writing centers, other wraparound services  
8 such as advising, career management,  
9 counseling and accessibility services,  
10 student affairs, co-curricular programming,  
11 student financial services counseling -- all  
12 of those without the benefit of any direct  
13 public dollars -- and other capital  
14 investments and improvements made to ensure  
15 that our students successfully graduate on  
16 time and find jobs in their fields of study.

17 We've looked at the data, it's  
18 publicly available on the Department of  
19 Education's IPEDS website. In fact, even  
20 with a broad definition of what constitutes  
21 institutional instructional expenditures,  
22 over 65 percent of all four-year colleges,  
23 regardless of sector of higher ed in  
24 New York, would not meet this measure. That



1 includes institutions such as NYU, Cornell,  
2 Juilliard, and many other prestigious  
3 institutions in this state. In fact, a very  
4 narrow definition of just salary and wages as  
5 implied in the Governor's budget -- when you  
6 take that look, you'll find that less than  
7 10 colleges in the state actually meet that  
8 metric.

9 MS. STELLING-GURNETT: So what  
10 happens -- can we just finish this one  
11 more -- yup? Okay.

12 ASSEMBLYWOMAN GLICK: It's all right.

13 (Laughter.)

14 MS. STELLING-GURNETT: That's okay.  
15 That's all right. I know it's been a long  
16 day.

17 ASSEMBLYWOMAN GLICK: We're into  
18 questions now.

19 MS. STELLING-GURNETT: Okay.

20 ASSEMBLYWOMAN GLICK: If this is too  
21 narrow a definition on the revenue side of  
22 expenses that you attribute the 50 percent,  
23 what other -- perhaps you could give it to us  
24 at some other time -- what other markers and

1           what percent they would -- so that we sort of  
2           look at a different definition.

3                     Right now you're saying the definition  
4           is too narrow. So come back and tell us what  
5           would be a more appropriate definition and  
6           what that looks like.

7                     MR. BARTO: We can share that the  
8           average percent of instructional expenses for  
9           faculty salary and wages in the state across  
10          all sectors is about 22.4 percent. That's  
11          average -- public, private, nonprofit,  
12          for-profit. And that's publicly available  
13          information.

14                    ASSEMBLYWOMAN GLICK: What other  
15          categories would you include in making what  
16          you believe the definition would be more  
17          reflective of what is appropriate?

18                    MS. STELLING-GURNETT: If I can just  
19          answer that. I think what we need to do is  
20          kind of get to the heart of what it is that  
21          the regulation is trying to do, and I guess  
22          the whole deal was that they didn't want us  
23          spending too much money on advertising, which  
24          is fine. I completely get that.



1           80/20 rule -- I've surveyed our members, and  
2           about 50 to 60 percent of them --

3                    SENATOR STAVISKY: Really?

4                    MS. STELLING-GURNETT: -- can meet  
5           that. Yes, I was -- that was very good news  
6           to hear.

7                    It's really the very narrow definition  
8           of the instructional expense. The budget  
9           language is clear, it is just salaries and  
10          benefits paid to your instructors for  
11          classroom time. So that's really our main  
12          key, and quite honestly none of our members  
13          would meet that metric.

14                   SENATOR STAVISKY: That's my point.  
15          Thank you.

16                   MS. STELLING-GURNETT: Yes.

17                   SENATOR STAVISKY: A couple other real  
18          quick questions.

19                   What is the default rate on student  
20          loans for the proprietary colleges?

21                   MS. STELLING-GURNETT: I could tell  
22          you for our sector, and again I think that we  
23          need to kind of make the distinction between  
24          the non-degree schools and the

1 degree-granting colleges --

2 SENATOR STAVISKY: Degree-granting.

3 MS. STELLING-GURNETT: We represent  
4 the degree-granting colleges, so I'm going to  
5 speak from that perspective. And our average  
6 for the APC members is about 10.9 percent at  
7 three years out. And then including the  
8 entire degree-granting proprietary sector, I  
9 believe it goes up about another percent,  
10 maybe 11 percent.

11 SENATOR STAVISKY: And what is the  
12 national average?

13 MS. STELLING-GURNETT: For the  
14 proprietary sector?

15 SENATOR STAVISKY: Yes.

16 MS. STELLING-GURNETT: 15.5 percent.

17 SENATOR STAVISKY: In other words,  
18 you're --

19 MS. STELLING-GURNETT: We're well  
20 below.

21 SENATOR STAVISKY: Well below. Thank  
22 you.

23 A couple of other questions. What  
24 provision is there in the proposal for cities

1           where expenses are high -- rent, for example,  
2           in New York City. I'm sure your rent is  
3           astronomical unless you own the building.

4                     MR. BARTO: Yes.

5                     SENATOR STAVISKY: What provisions are  
6           there for these --

7                     MR. BARTO: There's no provisions in  
8           the Governor's proposal, and in our case  
9           you're right, Senator. Being in Midtown  
10          Manhattan, much of our space -- while we do  
11          own our historic landmark townhouse, much of  
12          the rest of our instructional space is leased  
13          space, and it's some of the most expensive  
14          real estate certainly in the country, if not  
15          in the world.

16                    SENATOR STAVISKY: And lastly, what  
17          will happen if these regulations are enacted?

18                    MS. STELLING-GURNETT: So what happens  
19          is the penalties are very severe. Our  
20          colleges would be prohibited from enrolling  
21          new students, and our current students could  
22          potentially lose access to TAP and ETA. So  
23          that's essentially the death knell for our  
24          students -- or for ourselves. For our

1 students, essentially, but for our  
2 institutions. And they would be forced into  
3 immediate teach-out situations.

4 And so as devastating as that would be  
5 for us, it would truly be devastating to the  
6 26,000 students who attend our institutions  
7 and would have to scramble to transfer and  
8 finance and complete their degrees. So it  
9 would be very disruptive to our students.

10 CHAIRWOMAN KRUEGER: Senator  
11 Antonacci.

12 SENATOR ANTONACCI: Thank you,  
13 Madam Chair.

14 I'm a proud former professor at Bryant  
15 & Stratton. And if you think being called  
16 Senator inflates your ego, when you get  
17 called "Professor," that's equally  
18 prestigious and an awesome responsibility. I  
19 loved teaching at Bryant & Stratton -- and  
20 full disclosure, I haven't been there in a  
21 bunch of years.

22 I think you're being targeted  
23 unfairly. I think it has a lot to do with a  
24 certain resident of Washington, D.C., that

1 had his own university that had its issues.  
2 I think targeting just because you're making  
3 a profit is unreasonable.

4 I don't think I'm going to be able to  
5 support this act, but I think what you need  
6 to let me know, and others, is what is it  
7 that you're maybe willing to hold yourselves  
8 accountable for, how can we measure you, how  
9 can we keep you accountable.

10 You are receiving federal funds and  
11 state funds and are responsible for making  
12 sure that these kids are educated. I will  
13 tell you the students that I had at Bryant &  
14 Stratton were phenomenal. Some of them to  
15 this day still keep in contact with me.

16 So I'm more than willing to help. It  
17 is the environment that we're in. We're in a  
18 town that has been reeking {ph} about being  
19 fair and treating people equally, but yet  
20 you're seeing disparate treatment in -- in  
21 just in education.

22 So anything I can do to help, please  
23 let me know. You're more than happy to  
24 contact my office with what you think we



1           should be advocating for.

2                       MS. STELLING-GURNETT: Okay. Can I  
3 respond to that?

4                       SENATOR ANTONACCI: Please. And you  
5 can finish what you were going to say  
6 earlier, too.

7                       MS. STELLING-GURNETT: Right.  
8 Absolutely. Thank you very much.

9                       So our request for today really is to  
10 reject the proposal outright. There is no  
11 fiscal attached to it, so there's no rush to  
12 get this done throughout this budget proposal  
13 system and process.

14                      What we'd really like to do is have  
15 the conversation about where the issues  
16 really lie. So let's talk about strategies  
17 and metrics that can be used for on-time  
18 graduation. Let's talk about strategies and  
19 metrics that can be used to judge student  
20 loan debt. Let's talk about cohort default  
21 rates.

22                      I know we heard earlier one of the  
23 Senators say something about creating a task  
24 force perhaps to take a look at some of those

1 things, and I think that that would be a  
2 wonderful idea. Right now APC participates  
3 on many state task forces, so we'd love to be  
4 a part of that.

5 SENATOR ANTONACCI: Thank you.

6 CHAIRWOMAN KRUEGER: So your  
7 association represents 12 degree-granting  
8 proprietary colleges.

9 MS. STELLING-GURNETT: Correct.

10 CHAIRWOMAN KRUEGER: How many  
11 non-degree-granting proprietary schools do  
12 you think there are in New York State?

13 MS. STELLING-GURNETT: It's my  
14 understanding there's about 350 to 400.  
15 That's what the Governor said in his  
16 proposal.

17 CHAIRWOMAN KRUEGER: So the Governor  
18 is talking about a proposal that would impact  
19 everyone.

20 MS. STELLING-GURNETT: Correct.

21 CHAIRWOMAN KRUEGER: But you are only  
22 here making the arguments based on the facts  
23 of your institutions, just to clarify.

24 MS. STELLING-GURNETT: That is

1 correct.

2 CHAIRWOMAN KRUEGER: Thank you very  
3 much. Thank you for your time tonight.

4 MS. STELLING-GURNETT: You're welcome.  
5 Thank you.

6 ASSEMBLYWOMAN GLICK: Veterans  
7 Education Success.

8 MR. CURTIS: Good evening, how are you  
9 doing this evening?

10 CHAIRWOMAN KRUEGER: Good evening.

11 MR. CURTIS: I'd just like to first  
12 pour some water, actually. And also thank  
13 you for taking this time this late in the  
14 evening to hear our testimony.

15 My name is Ramond Curtis. I am the  
16 state policy manager for Veterans Education  
17 Success. I am also a combat veteran of the  
18 United States Army. I served from 2003 to  
19 2006 and in Iraq during 2005, 2006 -- excuse  
20 me, 2003 to 2009. Six years.

21 We are thrilled that New York is  
22 focusing on protecting students and also  
23 protecting veterans through this policy,  
24 through this specific budget that's coming.

1           I will be reading some from my  
2           testimony, but mostly I'll try to skip  
3           through it because I imagine you'll have some  
4           questions.

5           I'm sure the committee is aware that  
6           not all colleges are created equal.  
7           Unfortunately, because of a loophole in the  
8           federal law, one that was referenced earlier  
9           this evening called the 90/10 rule, the GI  
10          bill usage is currently dominated by  
11          low-quality on-line colleges that soaked up  
12          about 39 percent of the GI bill tuition and  
13          fees between fiscal years 2009 and 2017 and  
14          that routinely overpromise and underdeliver  
15          as well.

16          This leads many students to drop out  
17          and to not complete college. If I may read  
18          some quotes from veterans that have come to  
19          us at VES and described some of the issues  
20          that they face. I will be leaving out names  
21          for privacy purposes.

22          From Timothy in Kirkville, New York:  
23          "The curriculum was deceiving, all the core  
24          courses were an intro course. When I

1 graduated, they sent me to interviews with  
2 companies who said that if they were really  
3 in need, they might bring me in on a entry  
4 level. With most of my courses being intro  
5 courses, I was unable to find a job in the IT  
6 field. They had the nerve to ask me to come  
7 back as a success story. To see the  
8 commercials they put on television, I felt it  
9 was all a smoke screen."

10 The next quote, from Michelle out of  
11 New York: "When I dealt with the financial  
12 aid advisor I was told that since I was a  
13 veteran, that my GI bill should cover the  
14 cost of my tuition, and all I had to do would  
15 be to apply through the VA website. While  
16 waiting for my GI Bill application to be  
17 approved, the financial advisor stated that I  
18 was eligible for a stipend which would cover  
19 the cost of books, supplies and living costs.  
20 I filled out the required application to  
21 receive this stipend, and I was never told  
22 how or where the funding was coming from. I  
23 soon discovered that it was student loans  
24 that I was being -- that I was taking out for

1           this so-called stipend."

2                     The for-profit college accounts for --  
3           and I think this is a very important  
4           statistic, because we were speaking earlier  
5           about how many students go into default from  
6           these schools. But of how many students in  
7           New York that are going into default are  
8           coming from these schools I think is a more  
9           important statistic.

10                    The for-profit college sector accounts  
11           for just 4 percent of all undergraduate  
12           students in State of New York -- but  
13           40 percent of the borrowers who defaulted  
14           after five years of graduating. According to  
15           new data recently released by the Center for  
16           an Urban Future, at 73 percent of all  
17           for-profit programs, graduates earn less than  
18           \$25,000 a year, which is equivalent to the  
19           average wage of a high school graduate  
20           between 25 and 32.

21                    In 38 percent of for-profit colleges,  
22           graduates' student loan repayments totaled  
23           more than 8 percent of their annual earnings,  
24           which places an enormous burden on students

1 as they re-enter the workforce.

2 With such poor results, it is even  
3 more concerning that the worst-performing  
4 for-profit schools receive tens of millions  
5 annually in federal and state subsidies. In  
6 2015 alone, more than \$37 million from  
7 New York's Tuition Assistance Program went to  
8 colleges with at least one program that  
9 failed or nearly failed the U.S. Department  
10 of Education's Gainful Employment standard.  
11 Thirty-one million went to colleges at which  
12 no more than 30 percent of the former  
13 students made any payments to their loan's  
14 principal within three years of entering  
15 repayment.

16 One of the primary demographics  
17 for-profit schools target aggressively and  
18 deceptively is the veteran community.  
19 Federal law prohibits for-profit colleges  
20 from receiving more than 90 percent of their  
21 revenues from federal education aid. The  
22 purpose of this revenue cap is to provide a  
23 market test ensuring that federal student aid  
24 funds aren't used to prop up low-quality

1 schools that are unable to attract at least  
2 10 percent of the revenue from private  
3 sources, including employers or private  
4 scholarships or families.

5           However, the post 9/11 GI bill and  
6 Defense Department Tuition Assistance are not  
7 listed in the policy as federal education  
8 aid. Additionally, New York State tuition  
9 assistance programs like TAP and ETAP are not  
10 included in the federal policy and are  
11 counted as private money. So that means that  
12 for-profit colleges can legally receive  
13 100 percent of their revenues from state and  
14 federal education aid.

15           If the state doesn't take action,  
16 for-profit college salesmen will continue to  
17 recruit on military bases, inside VA  
18 hospitals, and even at the homes of veterans  
19 and servicemembers.

20           I will skip to the end really quickly  
21 also, because I think this is maybe the most  
22 important part because it's the direction  
23 that we are coming from -- not an attack on  
24 for-profit schools, but an opportunity to



1 improve.

2 While these enforcement actions are  
3 necessary to root out bad practices, the  
4 greater hope in New York is that they can  
5 prevent predatory practices and bad outcomes  
6 by implementing strong policies that hold  
7 for-profit colleges accountable to the  
8 students and taxpayers they have an  
9 obligation to serve, and in doing so New York  
10 will be able to identify the schools that  
11 rely on deceptive and aggressive marketing  
12 tactics to attract and enroll students.

13 And I'll just end there, because it  
14 says it pretty well.

15 ASSEMBLYWOMAN GLICK: First of all, I  
16 want to thank you for your service and for  
17 the service of those with whom you have  
18 worked.

19 When you indicated -- it was a little  
20 bit surprising when you said that there's  
21 actually recruitment on military bases.

22 MR. CURTIS: Yes. And in VA  
23 hospitals.

24 ASSEMBLYWOMAN GLICK: How does one

1 gain access to a military base in order to --

2 MR. CURTIS: You can go on a military  
3 base as a civilian and they can go into  
4 different areas that are communal spaces.

5 Military bases -- you know, speaking  
6 largely -- have you visited some of the  
7 bigger ones? They're quite large. Stores,  
8 opportunities for them -- I mean, salespeople  
9 will go to the PX. I encountered it  
10 frequently, you know, even back in the early  
11 2000s.

12 ASSEMBLYWOMAN GLICK: Well, it's been  
13 many years. I thought that they had gone a  
14 little bit more restrictive in terms of  
15 security, that's all.

16 MR. CURTIS: Restrictive in security,  
17 but there's not really a security clearance  
18 issue with recruiters going to the base.

19 ASSEMBLYWOMAN GLICK: Thank you.

20 CHAIRWOMAN KRUEGER: I also want to  
21 thank you for your testimony tonight. It's  
22 very powerful.

23 I'm glad you were here representing a  
24 concern that has gone national, the

1 exploitation of veterans by sucking GI bill  
2 money dry, giving you no other opportunities.  
3 And I just -- we've all been in this hearing  
4 room all day, but the Albany Times Union  
5 today has a front-page story about the  
6 student loan debt, and the one example was a  
7 78-year-old woman who now owes \$20,000 in  
8 loans for a breach of a student loan from  
9 40 years ago.

10 So that's another -- I thought it was  
11 important to remind everybody student loan  
12 debt is the one kind of debt that follows you  
13 forever, I believe even into death -- so onto  
14 military bases and post-life.

15 So thank you very much for coming and  
16 testifying tonight.

17 MR. CURTIS: Thank you.

18 CHAIRWOMAN KRUEGER: Do you have  
19 anyone else? Toby? Nope, we're done.

20 ASSEMBLYWOMAN HYNDMAN: Mr. Curtis,  
21 thank you for your service and testimony.

22 You said that your association has  
23 received more than 4,000 complaints from  
24 veterans?

1 MR. CURTIS: That's correct.

2 ASSEMBLYWOMAN HYNDMAN: How many of  
3 them are from New York? And what do you do  
4 when a complaint comes in? Do you refer it  
5 to a state agency?

6 How many are from New York, and what  
7 do you do when a complaint comes in?

8 MR. CURTIS: I apologize, I do not  
9 have the exact number that we have from  
10 New York at this moment. It is one of the  
11 largest, if not the largest -- most of them  
12 that we have are coming from New York, more  
13 than any other state, I would say. But I can  
14 get you that number, without a doubt.

15 And the second part of the question,  
16 I'm sorry?

17 ASSEMBLYWOMAN HYNDMAN: What do you do  
18 when the complaints come in? I mean, you're  
19 not -- I don't know if you're equipped to  
20 handle them. Or do you refer them to a state  
21 agency?

22 MR. CURTIS: We work with veterans.  
23 The organization started out with mostly  
24 attorneys who will offer their services to

1 veterans who are in need of bringing a case  
2 against a for-profit school so they can get  
3 their benefits back. It's a much more  
4 difficult process for a veteran to get their  
5 earned benefits back than, say, a Pell grant  
6 or to get student loans forgiven. And so  
7 we'll work with them if we can.

8 And also collect stories and  
9 information, whistleblowers as well telling  
10 us about tactics from inside, and use that so  
11 we can help change policy, shift the needle,  
12 and stop these for-profit predatory schools  
13 from robbing GIs blind of the benefits that  
14 they earned in service to this country.

15 CHAIRWOMAN KRUEGER: Thank you very  
16 much.

17 ASSEMBLYWOMAN GLICK: Thank you.

18 MR. CURTIS: Thank you.

19 ASSEMBLYWOMAN GLICK: Legal Services  
20 New York City.

21 MR. TYLER: Good evening. Thank you  
22 for asking me to testify today. My name is  
23 Johnson Tyler. I'm an attorney at Brooklyn  
24 Legal Services in Brooklyn, New York. I work

1 at Legal Services NYC. We are the largest  
2 provider of free civil legal services in the  
3 country.

4 I specialize in student loan law and  
5 see borrowers every day. Some of those  
6 borrowers go to private schools, some of  
7 those borrowers go to SUNY schools, and a lot  
8 go to for-profit schools.

9 The repeating fact pattern that I see  
10 with the borrowers who go to for-profit  
11 schools is they're basically working the same  
12 jobs that they worked prior to going to  
13 school. They're working as home attendants,  
14 they're working as security guards, they're  
15 working as waitresses. They basically have  
16 made no progress in their education.

17 And you might say, as some people have  
18 said to Ms. Fast, who testified earlier,  
19 Well, maybe you're just seeing a snapshot.  
20 But the data shows that that is a fact.

21 If you look at the Department of  
22 Education's own data -- and this is why  
23 for-profit schools are in the news all the  
24 time -- 43 percent of the for-profit

1 students, seven years after they are repaying  
2 their loans, are able to pay down a dollar a  
3 day.

4 So how does this work? You have an  
5 amount of debt and you have -- which is your  
6 student loan -- and your income, and there's  
7 basically formulas that the federal  
8 government has provided where if you're not  
9 making much money, you're not going to pay  
10 much down on that debt.

11 And so for the majority of the people  
12 who go to for-profit schools, they are  
13 actually paying a debt that will never  
14 disappear. As long as they stay -- they can  
15 keep recertifying their income, they are  
16 never going to repay that debt. They are  
17 never going to move into middle-class life,  
18 essentially, which is what the goal is of  
19 education.

20 Now, not all of these schools are  
21 terrible, not all of them, because some  
22 people are actually repaying their debt and  
23 making progress. Some of these nursing  
24 schools are terrific nursing schools. But

1 the question really is how do we sort out  
2 these people, the good apples from the bad  
3 apples?

4 And right now there is no metric.  
5 There's no metric out there. The CDR metric  
6 that the federal government has has long been  
7 moribund, and it's moribund because there are  
8 completely legal ways to manipulate that  
9 data.

10 I put it in my testimony that GAO's --  
11 the General Accounting Office's study -- that  
12 they actually pay people gift cards to get  
13 them to forbear their debt during that review  
14 period so that they don't show up as a bad  
15 statistic. So it's a meaningless statistic.

16 So who's going to come up with the  
17 criteria? The federal government certainly  
18 is not. And Governor Cuomo here has come up  
19 with two criteria. Are they perfect?  
20 Perhaps not. Will they wipe out some of the  
21 schools? They may have difficulty reaching  
22 them, but they are legitimate criteria.

23 So I want to talk specifically about  
24 the 50 percent rule, which requires



1           50 percent of tuition dollars to go towards  
2           education. Now, 29 percent of for-profit  
3           schools are already doing that. So those  
4           schools are doing okay, and they have good  
5           outcomes for their students.

6                     The other schools are not doing it.  
7           Well, some of them can do, some of them can't  
8           do it. It really relates to where they put  
9           their priorities. With respect to -- you  
10          know, sometimes what they do is take a lot of  
11          money as profit. There's a school in Queens,  
12          Lincoln Tech, where the CEO paid himself  
13          two and a half times the amount of the  
14          president of Harvard in 2010. That all came  
15          out in a report that the U.S. Senate  
16          investigated, and of course he cut his salary  
17          after that. But this is part of the reason  
18          that you're not making -- they're not making  
19          money.

20                    The last point I want to make is where  
21          some of this money goes. So we've heard a  
22          lot about advertising and how that's really  
23          not what the problem is here. But  
24          recruitment is a huge portion of where the

1 money goes in terms of the tuition dollars  
2 paid for for-profits. It's at least  
3 20 percent, some people say 23 percent.

4 But as an example, I tried to get some  
5 information off of a for-profit website. You  
6 can't actually get into it very far without a  
7 pop-up coming in front of you and saying "Do  
8 you want more information about our  
9 programs?" So I got a little fed up and  
10 actually filled it out and gave them my  
11 cellphone number. I got a phone call every  
12 day for three weeks from them.

13 I thought, hmm, what's a CUNY school  
14 going to do? So I did the same thing with a  
15 CUNY school. I did not get a single phone  
16 call. All I got was an email saying thanks  
17 for registering, we'll be with you shortly.

18 So we're stuck with this debt.  
19 Taxpayers are stuck with this debt. If  
20 people can't pay -- and a majority of  
21 for-profit students seven years out are not  
22 paying down their debt -- that is a debt that  
23 they will take with them all the way to the  
24 end of their lives. And we as taxpayers are

1 subsidizing that debt.

2 So I think the Governor's program is a  
3 sound program, it's a bold program. It's  
4 worthy of more discussion if people want to  
5 have it, but there is data supporting the  
6 benchmarks that he's created.

7 Thank you. I'm sorry I went over my  
8 time.

9 ASSEMBLYWOMAN GLICK: Assemblyman  
10 Hyndman.

11 CHAIRWOMAN KRUEGER: That's okay.

12 Questions? Toby Stavisky.

13 Oh, sorry. Hold on. Assembly first.

14 ASSEMBLYWOMAN GLICK: Assemblywoman  
15 Hyndman.

16 ASSEMBLYWOMAN HYNDMAN: Thank you for  
17 your testimony.

18 MR. TYLER: Sure.

19 ASSEMBLYWOMAN HYNDMAN: I noticed that  
20 you -- in your report and listening to you,  
21 you mixed proprietary degree-granting with  
22 non-degree-granting proprietary schools also.

23 Some of the examples -- Lincoln Tech  
24 is not just in New York State, they're around

1 the country too, right? So the owner of  
2 Lincoln Tech schools around the country,  
3 that's what you're referring to?

4 MR. TYLER: Yes. But Harvard  
5 University is the premier university in the  
6 nation, and the guy there pays himself a  
7 third less.

8 ASSEMBLYWOMAN HYNDMAN: I'm not  
9 doubting that. I don't know if they --  
10 housing is provided, or allowances, so I  
11 don't know if all of that is factored into  
12 it.

13 But I think -- while I do think there  
14 is some oversight needed, I just think that  
15 this level is -- and I don't see the examples  
16 given in your argument. I know that  
17 arbitration is not allowed in the proprietary  
18 non-degree-granting sector because the State  
19 Education Department makes sure of that. Did  
20 you know that?

21 MR. TYLER: Well, with all due  
22 respect, I'll put aside that arbitration  
23 agreement. That is not what is hurting  
24 low-income people. But it's hurting --

1 ASSEMBLYWOMAN HYNDMAN: No, I'm just  
2 saying these are all arguments you're using.

3 MR. TYLER: Excuse me?

4 ASSEMBLYWOMAN HYNDMAN: You're using  
5 arguments to say the proprietary sector is  
6 defrauding students left, right, and center.

7 MR. TYLER: I'm saying that a large --

8 ASSEMBLYWOMAN HYNDMAN: And you're  
9 saying that --

10 MR. TYLER: -- segment of low-income  
11 students are not properly served by  
12 for-profit schools. Yes.

13 ASSEMBLYWOMAN HYNDMAN: And these are  
14 students that come to Brooklyn Legal  
15 Services, right?

16 MR. TYLER: Definitely, yes.

17 ASSEMBLYWOMAN HYNDMAN: And in some of  
18 the examples you put in here is a woman who  
19 went to school in 1985 when the proprietary  
20 school sector back then was rampant --

21 MR. TYLER: Excuse me?

22 ASSEMBLYWOMAN HYNDMAN: In the  
23 proprietary school sector, the oversight in  
24 the '80s was not what it is now. Would you

1 say that?

2 MR. TYLER: It was Wilfred Beauty  
3 School. They were ripping off everyone at  
4 welfare centers.

5 But I will say this. I've seen ASA  
6 College, which is a for-profit school, parked  
7 right outside the subway in a low-income part  
8 of Brooklyn. So I think that the techniques  
9 that they're using are no different than  
10 before.

11 ASSEMBLYWOMAN HYNDMAN: Okay. Thank  
12 you.

13 CHAIRWOMAN KRUEGER: Senator Toby  
14 Stavisky.

15 SENATOR STAVISKY: Thank you.

16 Have you ever visited Lincoln Tech?

17 MR. TYLER: I have not. I've never --

18 SENATOR STAVISKY: I have. I have.

19 It's right outside my district.

20 And I had no idea what the president  
21 was making, but to me what I saw were a large  
22 number of students working on cars. And I  
23 know that they get jobs. And to me, a lot of  
24 this has to do with educating a sector and

1           educating young people for jobs that exist.

2                       So as I said, I've been there on  
3           several occasions and I was impressed. And I  
4           taught at a vocational high school at one  
5           time which taught auto repair, auto  
6           mechanics. I saw these kids working, and I  
7           must tell you I was impressed.

8                       MR. TYLER: If I may respond, I have a  
9           client -- I had to research Lincoln Tech --  
10          he had an internship at Pep Boys changing  
11          oil, which he knew how to do before he got  
12          there.

13                      I actually looked up the data when I  
14          heard about an auto school in Queens that I  
15          thought maybe you were talking about: Only  
16          37 percent of Lincoln Tech students are able  
17          to repay their loans seven years after  
18          leaving the institution. Therefore, the  
19          majority of them are basically not making  
20          enough money to repay the debts that they  
21          took out from Lincoln Tech. It's data that  
22          the Department of Education is collecting,  
23          it's not stuff that we're making up.

24                      So there are lots of the anecdotes

1 here and there, and there are certainly some  
2 students who did benefit from Lincoln Tech.  
3 But there are a lot of students who are not  
4 benefiting, and taxpayers and New Yorkers are  
5 supporting that.

6 SENATOR STAVISKY: This is a  
7 non-degree-granting institution, though.

8 MR. TYLER: They have all the data  
9 there, it's right on the IPEDS form. I'm  
10 happy to share it with you.

11 SENATOR STAVISKY: Presumably they're  
12 not getting TAP or anything.

13 Thank you.

14 MR. TYLER: Sure.

15 CHAIRWOMAN KRUEGER: So the  
16 proprietary colleges that testified, there  
17 are 12 of them, and they're degree granting.  
18 Do you see them as a different universe than  
19 the issues you're seeing for your clients?

20 MR. TYLER: Well, I don't really. I  
21 mean, I'm not -- I'll be honest, I don't  
22 really make a distinction between degree  
23 granting or not degree granting. I make a  
24 distinction between whether people are



1 repaying their debts and able to make a  
2 living off of what they're doing.

3 So I know some of the people who come  
4 from that group do a pretty good job of  
5 educating people, some of the institutions.  
6 But I would say -- so I guess that's my  
7 answer. Some are better than others. But  
8 I'm familiar with all the groups in there.

9 I know one of the groups in there --  
10 and no offense to the Senator here, but  
11 Bryant & Stratton has a 27 percent repayment  
12 rate after seven years of college. That's a  
13 really low rate of people who are actually  
14 able to pay that debt down. Now, I'm sure  
15 they help some students, but there are a lot  
16 of students where that education was a lost  
17 opportunity.

18 I think that's one other thing that I  
19 see from my clients. You don't get a do-over  
20 on your education. You basically use the  
21 capital of your family to have someone take  
22 care of your child while you go to school or  
23 to have someone put up with you working late  
24 at night to do your homework, and if it

1 doesn't work out, you don't get to do it  
2 again. So it's a real loss when people go in  
3 the wrong direction.

4 I mean, the last thing I'll say is I  
5 heard about community college enrollment  
6 going down. And when you think of the  
7 competition of trying to get enrolled in a  
8 school where -- getting into community  
9 college is not an easy thing. They're not  
10 providing all the bells and whistles to sign  
11 up for your student loans. They're not  
12 calling you on the phone. But those are  
13 really places of value, and that's what we  
14 should be supporting people to do, is go to  
15 those schools.

16 And if there's no criteria -- if  
17 there's no accountability for the schools  
18 that are making money off of this, they're  
19 just going to keep doing it again. There  
20 needs to be some metric here.

21 CHAIRWOMAN KRUEGER: So you would  
22 recommend that the metrics that are used are  
23 whether or not people are getting jobs that  
24 they are supposedly getting educated for that

1 pay them more than before they went to  
2 school, and also the rate of default?

3 MR. TYLER: I would actually -- I  
4 mean, if I were to do it -- I once was on the  
5 Gainful Employment Negotiating Rule  
6 Committee, and we spent a lot of time  
7 thinking about this. And most of the policy  
8 wonks said look at repayment rates at an  
9 extended period of time. You're dealing with  
10 the same people whether they dropped out from  
11 a CUNY school, you're dealing with the same  
12 person whether they dropped out of a  
13 for-profit, you're dealing with the same  
14 person whether they graduated -- it's the  
15 best metric, and it informs whether you're  
16 getting value for the subsidy that's being  
17 provided by the taxpayers.

18 CHAIRWOMAN KRUEGER: Thank you very  
19 much.

20 Oh, I'm sorry. Senator Bob Antonacci.

21 SENATOR ANTONACCI: Thank you.

22 You know, I appreciate the comments  
23 and your written testimony. I didn't say  
24 Bryant & Stratton was Harvard, right? So

1           there's always an element of personal  
2           responsibility.

3                         What about the flip of this now, would  
4           this accountability act -- and again, you  
5           heard the testimony earlier, nobody's saying  
6           we don't want any accountability, nobody's  
7           saying we don't want any metrics. But what  
8           about the inverse where an institution  
9           decides not to take that chance on a student,  
10          whether it be low-income or somebody who  
11          struggled in school, decides not to take that  
12          chance because they're worried about getting  
13          judged or sued by your organization or judged  
14          by other organizations? How do we balance  
15          all of those interests?

16                        And there's -- you're not saying that  
17          there's not a student loan problem in private  
18          education at the higher level. The SUNY  
19          system has loan defaults. I get it, there's  
20          probably a larger balance coming out of, to  
21          your point, these proprietary schools. But I  
22          guess my question is, where do we draw that  
23          balance on kids that maybe this is one of  
24          their only avenues?

1 MR. TYLER: That's a great question.

2 I think one of the things I've always  
3 been struck with is tuition doesn't  
4 necessarily correlate to the risk that the  
5 school is taking. So, you know, why is it  
6 that ASA charges \$28,000 to be a nursing  
7 assistant, which is -- there is no such job  
8 as a nursing assistant. It's basically a  
9 feel-good job, you get to wear a stethoscope  
10 and wear a smock, but there is no market for  
11 that. And you can go to community college  
12 and actually learn something, to be a  
13 phlebotomist, for a much lesser amount.

14 So if you want to meet these metrics,  
15 the way you meet the metrics, part of it  
16 would have to do with tuition, how much  
17 you're charging for. I don't think it has so  
18 much to do with selectivity. I think it has  
19 to do with where you put your money in terms  
20 of instruction.

21 SENATOR ANTONACCI: But again, where  
22 is the personal responsibility? If I'm doing  
23 some research on my career and I want to give  
24 an institution \$28,000 to be a nursing aide

1           that doesn't exist, isn't there some  
2           culpability on the individual that didn't do  
3           the -- our community colleges are  
4           unbelievable. I mean, they're fantastic.

5                        So how -- but if we can't advertise  
6           any more, we can't do any more, I believe, to  
7           tell these young people that these are  
8           beautiful institutions that are very low-cost  
9           and you get a great education.

10                      So I don't know where the disconnect  
11           is. But do we blame the private institution,  
12           the for-profit institution for offering a  
13           product that somebody avails themselves of?  
14           Unless there's fraud or duress, what do we  
15           do?

16                      MR. TYLER: Well, there's rarely  
17           duress, but there often is puffery, in the  
18           word of law, that happens. Like the woman  
19           who has that -- who actually has that \$28,000  
20           debt for the nursing assistant, she was told  
21           she was going to make essentially twice the  
22           wage she was making at the time. And it  
23           didn't happen.

24                      There's -- I have a client who

1           actually was -- kind of went with eyes open  
2           to a school called The Art Institute with her  
3           mom, and her mom's like, How is my daughter  
4           going to make money as a fashion designer? I  
5           mean, you have to catch lightning in a bottle  
6           to do that. And they convinced her that they  
7           had relationships with all the big fashion  
8           places and she'd have the job. She's working  
9           now at Newark Airport in a restaurant.

10                         So, you know, there's salesmanship  
11           that goes along with some of these things.

12                         CHAIRWOMAN KRUEGER: Thank you.

13                         SENATOR STAVISKY: They closed The Art  
14           Institute.

15                         MR. TYLER: Thank you.

16                         CHAIRWOMAN KRUEGER: Thank you.

17                         They did close The Art Institute, yes.  
18           Right.

19                         ASSEMBLYWOMAN GLICK: Western New York  
20           Law Center, followed by the New York Legal  
21           Assistance Group.

22                         So after Western New York Law Center,  
23           if the New York Legal Assistance Group could  
24           come down close so we don't have to wait for

1           you to make the appearance at the --

2                       (Laughter.)

3           ASSEMBLYWOMAN GLICK:  You're on, five  
4           minutes.

5           MS. LANICH:  Hi, good evening.  My  
6           name is Pam Lanich.  I am an attorney at the  
7           Western New York Law Center, which is in  
8           Buffalo.

9                       Our office represents consumers in a  
10           variety of matters.  We're not-for-profit, we  
11           have a CLARO clinic in four counties in  
12           Western New York, where we represent  
13           consumers with primarily consumer debt  
14           issues.

15                      So my testimony is primarily concerned  
16           with the student debt issue, a lot of which  
17           was talked about in the last testimony, a lot  
18           of the same kind of statistics about the  
19           default rates of these proprietary colleges.

20                      And I don't really want to offend the  
21           Senator who taught at Bryant & Stratton, but  
22           unfortunately I have some statistics about  
23           Bryant & Stratton's Buffalo college campus in  
24           comparison to Erie Community College, for



1           example.  Actually, the Buffalo campus has a  
2           little bit even of a worse statistic than the  
3           overall Bryant & Stratton, which the  
4           statistic was given earlier.  Only 16 percent  
5           of the Buffalo campus's students are able to  
6           repay any of their debt after three years,  
7           which means most of them are making very low  
8           incomes, even not being able to pay anything  
9           on their loans.

10                   ECC costs less than half of Bryant &  
11           Stratton in Buffalo but spends double the  
12           money on teaching.  Bryant & Stratton has  
13           students graduate with three times the amount  
14           of student loans versus ECC, but they make  
15           30 percent less money.  They actually make  
16           less than if they just graduated high school  
17           after 10 years.

18                   The problem with this is while there  
19           might be some good schools out there, if  
20           you're going to school and taking out huge  
21           amounts of debt that are going to ruin your  
22           life and never be able to pay back, can't  
23           discharge in bankruptcy -- some are even  
24           taking private loans on top of their federal

1 loans which they're getting sued for, they're  
2 getting garnished for. They're coming to our  
3 clinics with \$100,000 in debt, already being  
4 garnished or being sued, and they're no  
5 better off than if they didn't go to school  
6 at all.

7 I just can't reconcile that -- those  
8 kind of statistics and not think that  
9 something needs to be done. So I do support  
10 the 80/20 proposal and the 50 percent being  
11 used for actual teaching costs.

12 Maybe there are better ways of doing  
13 this. A lot of it was talked about last time  
14 as well, with the measures of actual gainful  
15 employment. Maybe that would be better. But  
16 I think that a step needs to be taken in our  
17 state to do something and get out of the  
18 horrible statistics that we're seeing with  
19 the debt, student debt.

20 I don't really have anything else.

21 ASSEMBLYWOMAN GLICK: A quick  
22 question.

23 MS. LANICH: Yes.

24 ASSEMBLYWOMAN GLICK: When you've

1           dealt with students who have come to you out  
2           of desperation, how did they wind up going to  
3           these schools?

4                     MS. LANICH: I think a lot of it is --

5                     ASSEMBLYWOMAN GLICK: If ECC is  
6           there --

7                     MS. LANICH: Right. I think a lot of  
8           it, like we talked about with the other  
9           people that have been up here, is the  
10          advertising. There's -- I see advertising on  
11          TV for Bryant & Stratton and different  
12          things.

13                    I think if even -- you know, the  
14          Senator talked a lot about accountability of  
15          the student earlier, but we're talking about  
16          18-year-olds who are looking on the internet  
17          and seeing a lot of flashy advertisements.  
18          They're getting recruiters calling them if  
19          they put their phone number in. We can't  
20          expect they're going to make an informed  
21          decision about which school really is best  
22          when they have that kind of tactic being  
23          thrown at them.

24                    The other thing that's concerning to

1 me is that in Buffalo we have a very huge  
2 refugee population, refugees that are  
3 obviously new to the country. I deal with  
4 them in consumer scams a lot, and I'm also  
5 concerned about the advertising that they  
6 would see and buy into versus doing a really  
7 great, informed decision-making about which  
8 college to go to.

9 ASSEMBLYWOMAN GLICK: Thank you.

10 CHAIRWOMAN KRUEGER: Anyone?

11 Senator Antonacci.

12 SENATOR ANTONACCI: Thank you. I just  
13 have a comment rather than really a question.

14 I appreciate your passion, as well as  
15 the speaker before you. And I can tell you  
16 those 18-to 21-year-olds, this Legislature's  
17 going to make sure they can't smoke a  
18 cigarette in a couple of weeks. But again, I  
19 believe in people being able to make up their  
20 own minds, being able to do their own  
21 research.

22 But isn't this really a bigger  
23 problem? And maybe there's an article you  
24 can send me, or topic -- isn't higher

1 education in general just overinflated? And  
2 didn't the student loan industry enable it to  
3 some degree, especially the federal  
4 guarantee? I mean, what came first, the  
5 higher education bills creeping up or the  
6 fact that they were able to be financed with  
7 loans?

8 I mean, wouldn't it be a lot cheaper,  
9 wouldn't everybody kind of -- salaries and  
10 costs come down if the student loan market  
11 wasn't so prevalent and the federal guarantee  
12 as well?

13 So I don't know if that's a question  
14 or a comment, but I appreciate what you are  
15 doing. I'm sure there's been those that have  
16 been misled, and those individuals should be  
17 sued in a court of law and, if found liable,  
18 they have to pay back the money.

19 But -- I have a student going to  
20 college, I have student loan debt that I  
21 actually took out for my son, so I'm not  
22 unsympathetic to the plight of middle-class  
23 families. But it just seems like -- and  
24 you've got to see the sticker shock on some

1 of these universities, as I'm sure you're  
2 aware. So I guess that's just my general  
3 comment. What do we do about it in general  
4 in terms of the price of college to begin  
5 with?

6 MS. LANICH: I do agree with you. I  
7 think that student debt is an issue outside  
8 of just proprietary colleges. Student debt  
9 is a huge issue -- for myself, even.

10 The difference is the statistics still  
11 show that a lot of the students at the  
12 proprietary colleges have higher debt loads,  
13 lower wages, lower job rates. And that's  
14 just there.

15 CHAIRWOMAN KRUEGER: So I want to  
16 thank you for your testimony.

17 And I suppose in response to my  
18 colleague, so half of today has been around  
19 the state colleges and Excelsior and TAP and  
20 showing that you can actually get through one  
21 of our state universities and community  
22 colleges with a very, very low rate of  
23 student debt, if none at all.

24 And I think what we're hearing this

1 evening are a group of people testifying  
2 about exploitation of young people. And I  
3 don't agree with you, Senator, I think  
4 consumer protection is right there in our job  
5 description for New Yorkers.

6 And certainly when they're using up  
7 Pell grants, private money -- I mean, I don't  
8 know if you were here when the veteran was  
9 testifying about people saying, Oh, we'll  
10 give you a stipend, and then you learn they  
11 signed you up for a student loan you didn't  
12 know about to pay you your stipend. So I  
13 think that there is serious consumer  
14 protection and fraud problems that we need to  
15 address.

16 Thank you very much.

17 MS. LANICH: Thanks.

18 ASSEMBLYWOMAN GLICK: We will now hear  
19 from the New York Legal Assistance Group,  
20 followed by New York Automotive and Diesel  
21 Institute, the College of Transportation  
22 Technology. So if you can move yourself up.  
23 And followed by the Coalition of New York  
24 State Career Colleges.

1                   Anytime you're ready.

2                   MR. BERKMAN-BREEN: Thank you. My  
3 name is Joseph Berkman-Breen, and I am a  
4 legal fellow at the New York Legal Assistance  
5 Group, where I primarily represent low-income  
6 veterans who have been defrauded by  
7 for-profit schools.

8                   I would like to start by telling you  
9 about two of our clients who were harmed by  
10 high-cost, low-value for-profit schools. The  
11 first client I'll refer to as Carter.

12                  Carter is a veteran who attended  
13 Sanford-Brown, a for-profit school in  
14 White Plains, New York, which was so costly  
15 that he needed to take out thousands of  
16 dollars in loans in addition to exhausting  
17 his veterans benefits. But he enrolled  
18 despite that fact because of a promise from  
19 the school that if he graduated, he was  
20 almost guaranteed a job in his field that  
21 would be high-paying, and he was promised a  
22 lifetime of career services support.

23                  Carter graduated with the highest  
24 grades in his class and applied to dozens of



1 jobs in his field, but to no avail. The  
2 school provided no help in his career search  
3 and soon closed, leaving Carter with nothing  
4 but debt, and he is now living on the brink  
5 of default.

6 The second client I'll refer to as  
7 Anthony. Anthony was disabled as a result of  
8 his military service. In an effort to  
9 retrain for a civilian career, he enrolled in  
10 DeVry, a for-profit school in New York City.  
11 He was explicit with DeVry that he did not  
12 want to take out loans. He only wanted to  
13 enroll if his VA benefits would cover all of  
14 his costs. He was reassured by the school,  
15 but after graduating was frankly horrified to  
16 learn that the school had signed him up for  
17 loans without his knowledge. Anthony is now  
18 in financial crisis because he cannot afford  
19 to pay back those loans.

20 These are typical stories of our  
21 clients who attended for-profit schools in  
22 New York. Further, veterans like Carter and  
23 Anthony are disproportionately impacted by  
24 for-profit schools because current federal

1 laws incentivize low-value for-profit schools  
2 to target veterans for their education  
3 benefits.

4 The current law prevents for-profit  
5 schools from receiving more than 90 percent  
6 of their revenue from federal financial aid.  
7 This is the 90/10 rule, as it's referred to,  
8 and it helps prevent taxpayer funding from  
9 propping up low-value schools that can't find  
10 private sources of revenue. But  
11 unfortunately this rule is too weak as it is,  
12 in part because of a loophole in which there  
13 is no limit on for-profit school revenue that  
14 can come from veteran education benefits.  
15 This leads schools to target veterans to fill  
16 the 10 percent revenue gap.

17 With the proposed For-Profit College  
18 Accountability Act, New York has the  
19 opportunity to step up where the federal  
20 government has failed to strengthen the 90/10  
21 rule. However, for the proposal to achieve  
22 its goal of holding for-profit schools more  
23 accountable, it must close the loophole that  
24 incentivizes the targeting of veterans, and

1           it can do this by ensuring that veteran  
2           education benefits are included among the  
3           limited revenue sources in the act.  If it  
4           does not do this, the consequence would be an  
5           increase in the incentive for schools to  
6           target veterans.

7                         In sum, we see the proposed act as an  
8           opportunity to hold low-value for-profit  
9           schools to a higher standard to protect  
10          students and to stop the targeting of  
11          veterans.  Thank you.

12                        ASSEMBLYWOMAN GLICK:  Thank you very  
13          much.

14                        CHAIRWOMAN KRUEGER:  Thank you very  
15          much.

16                        ASSEMBLYWOMAN GLICK:  Next is the  
17          New York Automotive and Diesel Institute,  
18          The College of Transportation Technology.

19                        MR. HATTEN:  Thank you all for this  
20          opportunity to appear before this committee  
21          this evening, even at this late hour.  I  
22          thought it would be appropriate to stay all  
23          day and put a face to the for-profit college  
24          sector.

1                   I am the chairman and CEO of  
2                   Automotive and Diesel Institute, the company  
3                   that owns New York Automotive and Diesel  
4                   Institute, the College of Transportation  
5                   Technology.

6                   I've been employed in this sector  
7                   since 1970. I've been admissions director,  
8                   financial aid director, teacher, director,  
9                   vice president, president, and chairman and  
10                  CEO of a for-profit college in the State of  
11                  New York.

12                  New York Automotive and Diesel  
13                  Institute recently, in 2017, made history in  
14                  this state, becoming the first non-degree  
15                  school in 13 years to be offered the ability  
16                  to offer a degree to its students, an ALS in  
17                  Automotive and Automotive and Diesel  
18                  Technology.

19                  The school has been visited by Deputy  
20                  Commissioner Kevin Smith, Deputy Commissioner  
21                  John D'Agati, Regent Judy Chin in Queens,  
22                  Regent Kathleen Cashin -- excuse me,  
23                  Christine Cea from Staten Island, and finally  
24                  Regent Dr. Kathleen Cashin, who also is the

1           cochair of the Higher Education Committee in  
2           the Regents. All of these individuals have  
3           visited our institution over the past 12  
4           months. They loved the school. They thought  
5           it was a terrific educational institution.

6                     I know it's a terrific educational  
7           institution. We educate the non-traditional  
8           student in the State of New York. And we  
9           educate the individuals who come to us who  
10          are at the highest level in automotive  
11          technology in our state.

12                    Since becoming degree-granting in  
13          September 2017, our institution has reached  
14          out to manufacturers throughout this country,  
15          from one end of the country to the other, to  
16          bring the latest techniques to our graduates.  
17          We've reached out to CTE programs in the City  
18          of New York that are desperate for quality  
19          educators, and we've established partnerships  
20          with them.

21                    This evening -- well, it's already  
22          happened -- we had an in-service afternoon  
23          for six teachers from Alfred E. Smith Career  
24          and Technical Education Institution to bring

1           them up to speed on industry certifications  
2           that they could bring -- that they could get  
3           in their professional development and that  
4           they can bring to their students.

5                       Next week we're going to host  
6           Pete Dalton, who is the principal at Nassau  
7           County BOCES Barry Tech. And we already have  
8           established a partnership to build their --  
9           to help them build their diesel program.

10                      Our students are 95 percent men, black  
11           and Hispanic men, a demographic that we  
12           oftentimes talk about as having not an  
13           ability to achieve at a high level. They're  
14           all disadvantaged, basically, economically.  
15           They come to our institution, we graduate  
16           them at over 50 percent. Probably when you  
17           go to the three-year statistic, it'll reach  
18           up to 70 percent. At night, 80 to 90 percent  
19           of our students find employment.

20                      We've done everything that you have  
21           wanted from us in education. The average  
22           student loan debt that comes out of our  
23           institution: \$20,000, for a college degree  
24           which they can turn into some real gold out

1           there.

2                     Our 90/10 is 75/25.  If you start  
3           messing around with the formula, you'll  
4           probably end up putting us out of business.  
5           I don't know of any institution that --  
6           almost anywhere in this country that can say  
7           that they're going to devote 50 percent of  
8           their expenses to faculty salaries.  I don't  
9           think that's going to happen.  And it  
10          certainly would eliminate every for-profit  
11          college in our sector and others as well.

12                    We have achieved the outcomes you have  
13          wanted us to achieve.  We've served the  
14          population that you want us to serve.  It's  
15          in the state plan, we read it all the time.  
16          Access to individuals who are nontraditional,  
17          underserved in higher education.

18                    Our students take an incredible amount  
19          of pride in the degrees that they get.  
20          Dr. Kathleen Cashin, cochair of the Regents  
21          Higher Education Committee, spoke at our  
22          first cohort graduation this past  
23          December 13th.  In that graduation ceremony  
24          we had three students, we had three

1 students -- and I know there was more -- we  
2 had three students that went from -- we have  
3 an eligible career pathway program where we  
4 teach ATB students. We bring them in, we do  
5 this, we do the bridge program, we've been  
6 doing it for three years with an incredible  
7 amount of success.

8 We have over 50 students who have got  
9 their high school equivalence diploma from  
10 being associated with our institution while  
11 they took the program. They went from a  
12 certificate, coming in with no high school  
13 credential, entering our certificate program,  
14 getting their high school equivalency,  
15 passing the TASC test, and then going into a  
16 degree program and coming out at the end with  
17 a college degree from the State of New York.

18 That's extraordinary. That's exactly  
19 what we want, and that's a story that should  
20 be told over and over again.

21 I'll stop here and let you do the next  
22 thing.

23 ASSEMBLYWOMAN GLICK: Thank you.

24 Assemblymember Hyndman.



1 ASSEMBLYWOMAN HYNDMAN: Now, I've  
2 known Mr. Hatten I think maybe 20 years  
3 now --

4 MR. HATTEN: Twenty years.

5 ASSEMBLYWOMAN HYNDMAN: Is this on?

6 How many -- in your previous schools  
7 that you had, non-degree-granting proprietary  
8 schools, how many of your students got loans?

9 MR. HATTEN: Got loans?

10 ASSEMBLYWOMAN HYNDMAN: Yeah.

11 MR. HATTEN: As a non-degree school?

12 ASSEMBLYWOMAN HYNDMAN: Yup.

13 MR. HATTEN: Just about everybody.

14 ASSEMBLYWOMAN HYNDMAN: Okay. Now how  
15 many students in your --

16 MR. HATTEN: Excuse me, except for the  
17 veterans. I have 50 veterans in my school  
18 that didn't get student loans.

19 ASSEMBLYWOMAN HYNDMAN: Okay. And how  
20 much did you invest in job placement for  
21 those students? Internships --

22 MR. HATTEN: I'm sorry, can you --

23 ASSEMBLYWOMAN HYNDMAN: How much did  
24 you invest in job placements for your

1 students? Internships, working with the job  
2 placement department, career education. How  
3 much did you invest in that way?

4 MR. HATTEN: A significant amount of  
5 money came out of the institution, because we  
6 want to have -- I can't tell you the exact  
7 amount. If you want, I'll get it for you.

8 All I know is that we appropriated the  
9 necessary dollars to meet our mission and go  
10 beyond, and to get the student outcomes that  
11 we've been able to achieve should be evidence  
12 of the dedication of the Board of Trustees.

13 I'm a trustee. We have a board,  
14 13 members, they're the governing body of our  
15 college, and everybody is on the same page.  
16 Ownership, president, Board of Trustees, and  
17 all of us want the best outcomes for our  
18 students.

19 So I don't know exactly how to answer  
20 that question.

21 ASSEMBLYWOMAN HYNDMAN: How long did  
22 you own -- how long did you own New York  
23 Automotive and Diesel before it became  
24 degree-granting?

1                   MR. HATTEN: I bought New York  
2                   Automotive and Diesel Institute in 2008. The  
3                   school had been terminated from participation  
4                   in the Title IV programs at that point in  
5                   time. The federal government had a two-year  
6                   wrangle with the previous owner, and they  
7                   were teaching out at the time when I bought  
8                   the school.

9                   I went there in 2008. There were a  
10                  few students in the school, it was taught  
11                  out, and it was going out of business. But I  
12                  was encouraged by the State Education  
13                  Department, our national accreditor. And  
14                  even the Department of Education that was  
15                  putting them out of business said, you know  
16                  what, go do it.

17                 Our first certification with the  
18                 Department of Education was a thing called a  
19                 temporary provisional certification. We went  
20                 over that, we went to provisional, we had the  
21                 four-year certification, and now we enjoy a  
22                 full six-year certification with the U.S.  
23                 Department of Education.

24                 A national accreditor just came in and

1 gave us -- and did a visit. They did a  
2 survey of our students: 98 percent of our  
3 students would recommend the education to  
4 their relatives, 98 percent were very  
5 satisfied with their education -- 98 percent.  
6 And that wasn't a survey we did, it was the  
7 accrediting council.

8 ASSEMBLYWOMAN HYNDMAN: I've known him  
9 a long time. I know he loves his school.

10 So you bought the school in 2008 and  
11 it became degree-granting in 2017. Did  
12 you -- was it ever about profit for you? Was  
13 it about profit or making money, being in the  
14 proprietary degree-granting business?

15 MR. HATTEN: Thanks for asking the  
16 question. I really wasn't going to go down  
17 this avenue, but for the last four years I  
18 have taken not one penny out of the  
19 institution.

20 As we transitioned from a non-degree  
21 school into a degree-granting college, every  
22 penny went towards that goal, towards that  
23 end. Does that get factored in anywhere? I  
24 cashed in my IRA, I cashed in my life

1 insurance policy, I mortgaged my home to make  
2 sure that the institution would survive,  
3 because I knew there was incredible quality  
4 there. And it's being borne out every day,  
5 day in and day out.

6 THE WITNESS: And if I run out of time  
7 and you tell me to leave, I'd like to invite  
8 you to the institution. If you want to see a  
9 degree-granting institution that you can be  
10 proud of, that the for-profit label can be worn with  
11 distinction, come to my institution.

12 ASSEMBLYWOMAN GLICK: Thank you very  
13 much.

14 CHAIRWOMAN KRUEGER: Thank you.  
15 Senator Antonacci.

16 SENATOR ANTONACCI: I'm not against  
17 making a profit, and that's certainly your  
18 choice. I am against, as to my colleague's  
19 point, Senator Krueger, against ripping off  
20 students.

21 Have you ever been -- I take it you do  
22 get federal loans or your students do get  
23 federal loans, and you help administer that?

24 MR. HATTEN: Yes.

1                   SENATOR ANTONACCI: Have you ever been  
2 found to have defrauded a student or lied to  
3 a student in terms of acquisition or  
4 acquiring of a student loan?

5                   MR. HATTEN: Never once. You haven't  
6 heard a single complaint when we transitioned  
7 from non-degree to degree -- you would think  
8 maybe a couple of students would get a little  
9 sort of -- not one complaint to the State  
10 Education Department. No. I've been --  
11 sorry.

12                   SENATOR ANTONACCI: No, that's okay.  
13 Because I don't know who talks quicker, me or  
14 you. But you've really given me some energy  
15 here while I'm watching you. I know you're  
16 passionate.

17                   But let me ask you this -- there is  
18 accountability in -- again, I'm new here,  
19 right? So there is accountability in the  
20 for-profit schools, you have to answer to at  
21 least the Department of Education -- I would  
22 assume the federal Department of Education as  
23 well as the State Education Department;  
24 correct?

1 MR. HATTEN: Yes.

2 SENATOR ANTONACCI: Okay. What  
3 happens to your school if you go out of  
4 business, to these young men and women that  
5 want to be automotive and diesel mechanics?  
6 Where do they go?

7 MR. HATTEN: Okay, so -- so --  
8 nowhere, basically. Where are they going to  
9 go? The community colleges are not serving  
10 them an ALS degree. We're the only ALS  
11 degree-granting institution south of Albany.

12 Our outcomes should stand for  
13 themselves, that students get to the finish  
14 line, get jobs, and are repaying their  
15 student loan debt.

16 Okay, I'm a veteran, I served in the  
17 '60s. I have 50 veterans who are in my  
18 institution, right? They came not from us  
19 camping out at some military base, they came  
20 from referrals from counselors in the VA and  
21 from past students who are incredibly  
22 satisfied with the education they're  
23 receiving.

24 I would never -- I've been doing this

1           for 49 years. I have a reputation in this  
2           state. Twenty-five years I served on the  
3           Advisory Council for Licensed Private Career  
4           Schools, appointed by Mario Cuomo in 1993,  
5           reappointed by his son on numerous occasions  
6           as the chairman. I have 49 years in this  
7           sector, and never ever has there been anyone  
8           who has ever accused me or the institution I  
9           serve of ripping off a student.

10                         There may be out there -- and I  
11           believe there are some institutions out  
12           there -- but it's not my job to do that. You  
13           want to know how to fix the problem? I'll  
14           tell you how to fix the problem. I think I  
15           heard some testimony earlier today. Give the  
16           State Education Department professionals more  
17           money, let them have more associates out  
18           there, and then some of the problems that are  
19           perceived to be problems can be adjudicated.  
20           Build up the Education Department. I want  
21           that oversight, because that oversight will  
22           protect my institution.

23                         SENATOR ANTONACCI: Well, thank you  
24           for your service, and thank you for what you



1 do for the veterans. And best of luck.

2 MR. HATTEN: Thank you.

3 SENATOR ANTONACCI: Thank you.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 Next, the Coalition of New York State  
6 Career Schools.

7 MR. ZALESKI: Thanks.

8 CHAIRWOMAN WEINSTEIN: Our former  
9 colleague, Terence Zaleski.

10 MR. ZALESKI: It's more fun sitting on  
11 that side. Try it on this side.

12 CHAIRWOMAN WEINSTEIN: I don't know.  
13 Try it for nine or 10 hours, you might have a  
14 different --

15 MR. ZALESKI: It's much more fun on  
16 that side. Trust me.

17 I admire the fact that you guys have  
18 been there for 10 hours. I heard there was  
19 one in here the other day for --

20 CHAIRWOMAN WEINSTEIN: Eleven hours.

21 MR. ZALESKI: We're getting close.

22 But we're going to be wrapping up soon, too.

23 Well, thank you very much, first of  
24 all, for giving me the opportunity to speak.

1 I've sat down, so the light is on.

2 I'm not given to hyperbole. But let  
3 me just tell you, I'm here regarding Part E,  
4 and the 20 years since I've been executive  
5 director and counsel for the Coalition of  
6 New York State Career schools, I've never  
7 appeared before this committee before. I  
8 never had any occasion to do so.

9 Occasionally I come before higher  
10 education people, their offices, or I'd see  
11 some other people in their offices about one  
12 thing or another, but I've never had an  
13 occasion to come to a joint hearing like  
14 this.

15 The reason I'm here today is because  
16 I'm extremely concerned -- as I said, I'm not  
17 given to hyperbole, but if you look at my  
18 testimony, the first paragraph says it all.  
19 This is why I'm here. This Part E -- and I  
20 hope the Governor does not intend for this to  
21 be the purpose, but this will shut the  
22 doors -- I'm not kidding -- shut the doors to  
23 the approximately 400 non-degree-granting  
24 for-profit career schools in New York State.

1                   You want a headline? A half-billion-  
2                   dollar sector of the economy will be crushed.  
3                   It will end the jobs of over 5,000 licensed  
4                   teachers. And most importantly, it will  
5                   eliminate paths to opportunity for over  
6                   180,000 students in a typical year. That's  
7                   what we're talking about here.

8                   If you read on a little bit in my  
9                   testimony, our demographic data, our  
10                  students -- black, Hispanic, Asian,  
11                  countless nationalities, origins. Many women  
12                  returning to the workforce seeking a first  
13                  career. Others, dislocated unemployed  
14                  workers pursuing a new and different path.  
15                  Others, returning veterans, those with  
16                  disabilities, many recovering from alcohol or  
17                  substance abuse, others formerly incarcerated  
18                  who are seeking a new shot at life. Large  
19                  numbers of our students try their hand at  
20                  community college in despair. Some are not  
21                  high school graduates.

22                  I read this to a school owner the  
23                  other day to get her take on my testimony of  
24                  characterizing who we serve. She said,

1 "You're not telling them." Right? "Here's  
2 what I want you to say." And these are notes  
3 I took from a school owner in the Bronx who  
4 has had a school, very successful for  
5 20 years, in the allied health field.

6 She said: You tell those legislators  
7 that this proposal impacts the marginalized.  
8 It impacts those who are in the crevices of  
9 this world. It impacts those who are at the  
10 fringes, who are hidden in society. These  
11 are people, they said, who are intimidated by  
12 the traditional college atmosphere, who can't  
13 navigate the environment of community  
14 colleges. They're not friendly like we are.  
15 We help them get a job.

16 Quite frankly, that's the truth. What  
17 she said is really the truth. And now who  
18 are our schools, what are we? I mean, we are  
19 not TAP receiving, okay? There are no state  
20 funds that come to our schools. The budget  
21 for our oversight is provided by our schools.

22 There are three people in this room  
23 who helped to pass legislation in 1990 -- and  
24 it may have been one of the first bills, may

1           have been in the first year of Assemblywoman  
2           Glick's tenure, perhaps. But there was the  
3           Brodsky bill, you may recall, that we passed  
4           in 1990 which put in place a comprehensive  
5           scheme for oversight and regulation of the  
6           non-degree-granting for-profit sector. And  
7           all aspects of our schools are regulated.

8                     If this piece of legislation were to  
9           pass, I'll tell you what the impact is going  
10          to be, because I see time runs fast. One of  
11          the big impacts will be a proliferation of  
12          unlicensed, unregulated schools. We're  
13          licensed, we're regulated.

14                    Another impact will be unbalanced  
15          balance sheets for these schools. I mean, we  
16          have to present a balance sheet to the  
17          State Education Department every year which  
18          shows how our expenditures are allocated,  
19          where our resources are coming from. Our  
20          schools would not be able to pass the tests  
21          necessary for financial viability if this  
22          were to go into effect.

23                    And by the way, who are our school  
24          owners anyway? Let's understand. Our school

1 owners are part of the community. Our school  
2 owners are black, Hispanic, women, Arab,  
3 Iranian, Bangladeshi, from Poland, from  
4 Jamaica, from Pakistan, from India, from  
5 China, from Russia, from Puerto Rico, from  
6 Haiti -- I can go on and on and on.

7 They represent the communities, that's  
8 why they're so successful in many ways. They  
9 are training people in their communities who  
10 feel comfortable coming to them and getting  
11 training at their schools.

12 You can read the rest of the stuff  
13 after. It's a bad piece of legislation.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 Any questions?

16 CHAIRWOMAN KRUEGER: Senator, you got  
17 your hand up?

18 SENATOR ANTONACCI: I'm sorry, yes.

19 CHAIRWOMAN KRUEGER: Senator  
20 Antonacci.

21 SENATOR ANTONACCI: Thank you very  
22 much, Madam Chair. It's been a long day, but  
23 thank you very much for all your courtesy.  
24 And thank you, everyone, for staying.

1                   Is it fair to say that National  
2                   Tractor Trailer School is one of your  
3                   clients?

4                   MR. ZALESKI: They're not one of our  
5                   members. They're regulated through the  
6                   Department of Motor Vehicles, not the State  
7                   Department of Education.

8                   SENATOR ANTONACCI: They're not an  
9                   educational institution?

10                  MR. ZALESKI: They are an educational  
11                  institution.

12                  SENATOR ANTONACCI: Are they similar  
13                  to --

14                  MR. ZALESKI: They're part of a  
15                  coalition of New York State career schools.  
16                  They don't fall under the State Education  
17                  Department's umbrella through the Bureau of  
18                  Proprietary School Supervision.

19                  SENATOR ANTONACCI: Okay. So are they  
20                  similar to your organization or -- because  
21                  I'm told that they take -- they get federal  
22                  student loans for their students.

23                  MR. ZALESKI: They do receive federal  
24                  student loans, but I'm not directly aware of

1 the tractor trailer school that you're  
2 referring to.

3 SENATOR ANTONACCI: Okay. I must have  
4 gotten that information. I apologize.

5 Well, let me say this to you. The  
6 National Tractor Trailer School -- and in  
7 full disclosure, the owner of that company  
8 did donate to my campaign, I want to make  
9 sure that that's out there. But I'm very  
10 aware of their organization. They're in my  
11 community, they are in my district.

12 They can't find students right now to  
13 become tractor trailer drivers. They have  
14 job openings -- \$65,000 a year, four days on,  
15 four days off, sleep in your own bed. And  
16 they're an educational institution, their  
17 training facility is unbelievable.

18 Will this bill hurt those kind of  
19 institutions from being able to provide the  
20 services you --

21 MR. ZALESKI: I haven't spoken to any  
22 of the owners over there. I would imagine  
23 yes, it certainly would. And the provision  
24 that's most damaging and most hurtful as we



1           see it is the 50 percent of overall  
2           expenditures going towards teacher salaries.  
3           It's just something that totally skews the  
4           entire way a school operates.

5                     And when -- the question was raised  
6           earlier, I believe by Senator Stavisky,  
7           regarding the rents in New York City and what  
8           people have to pay. Many of our schools are  
9           located in New York City and in high-rent  
10          areas. Much of the fixed costs of the  
11          schools are what really drive the expense  
12          equations for schools.

13                    And it's very difficult to meet that  
14          50 percent -- nobody is going to meet that  
15          50 percent number. That 50 percent number --  
16          and you heard some testimony before. I mean,  
17          no one is anywhere close to that number or  
18          could be close to that number. It would  
19          close everybody down.

20                    And there's also another provision in  
21          this bill -- this is one of the most poorly  
22          written pieces of legislation I've seen, and  
23          I've tried to pull this thing apart. There's  
24          a section over here that talks about any

1 other local, state, or federal government  
2 loan grant or scholarship program utilized to  
3 pay tuition as part of this limited --  
4 limited -- what do they call it? Limited  
5 revenue source.

6 What this would put out of business  
7 are schools that are in our organization and  
8 in our sector that provide targeted,  
9 specialized services to students with  
10 disabilities who are receiving ACCES-VR  
11 dollars under contract with the State  
12 Education Department and who have basically  
13 dedicated their entire portfolio to working  
14 with those students.

15 This legislation, the way it's  
16 written, actually closes that school down.  
17 And other schools like this -- not just one,  
18 but several schools that depend on it.

19 CHAIRWOMAN WEINSTEIN: Thank you for  
20 answering the question.

21 I don't believe there's -- there are  
22 any more. Thank you.

23 MR. ZALESKI: Aw, shucks. I wanted to  
24 be here for the rest of the night.

1 (Laughter.)

2 MR. ZALESKI: Thank you for your time,  
3 and it's a pleasure to see you again,  
4 Helene.

5 CHAIRWOMAN WEINSTEIN: Thank you.  
6 Thank you, Terry.

7 MR. ZALESKI: And Assemblywoman Glick,  
8 nice to see you too.

9 CHAIRWOMAN WEINSTEIN: Next, Lisa  
10 Stifler, deputy director of state policy, the  
11 Center for Responsible Lending.

12 Proceed.

13 MS. STIFLER: Good evening. Thank  
14 you, Chairs Krueger, Weinstein, Glick, and  
15 Stavisky and members of the committee, and  
16 thank you for allowing me to testify this  
17 evening.

18 My name is Lisa Stifler. I am deputy  
19 director of state policy at the Center for  
20 Responsible Lending. CRL is a nonprofit,  
21 nonpartisan research and policy organization  
22 dedicated to protecting homeownership and  
23 family assets by working to eliminate abusive  
24 financial practices.

1                   CRL is an affiliate of Self-Help  
2                   Credit Union, the nation's largest community  
3                   development financial institution. We strive  
4                   to promote responsible lending and access to  
5                   fair credit for low-wealth families.

6                   I'm going to use most of my time to  
7                   share some of our new research on for-profit  
8                   colleges with a particular focus on how  
9                   for-profit schools deepen the racial wealth  
10                  gap and disproportionately harm low-income  
11                  students and women.

12                  In short, New York students who attend  
13                  for-profit schools are more likely to have  
14                  higher debt loads, lower graduation rates,  
15                  and higher loan default rates than other  
16                  students in the state. An inordinate number  
17                  of students of color, low-income students,  
18                  and women in New York are left with large  
19                  loans that they cannot repay, and often have  
20                  very little to no educational benefit in  
21                  return. And with multiple rollbacks at the  
22                  federal level, the state can and must act to  
23                  fill the void, and New York has this  
24                  opportunity.

1           You've already heard a lot of the  
2           concerns about for-profit schools, and I'm  
3           not going to repeat them, but I do echo many  
4           of those concerns. And a report that we're  
5           going to be releasing tomorrow supports these  
6           concerns.

7           Using the most recent College  
8           Scorecard data from the federal government,  
9           the report that we're releasing provides a  
10          snapshot of for-profit colleges in New York  
11          by comparing demographics, costs, and  
12          financial burdens for students. To make an  
13          apples-to-apples comparison, we focused our  
14          research on four-year degree programs,  
15          comparing those at the state's for-profit,  
16          non-profit, and public schools.

17          Our research found a few things.  
18          New York's for-profit schools are expensive.  
19          The median debt level for students of the  
20          state's for-profit schools is more than  
21          \$28,000, compared to under \$17,000 for the  
22          state's public schools. And almost  
23          66 percent of New York's for-profit students  
24          borrowed to attend school, compared to

1 41 percent of the state's public schools.

2 At New York's for-profit schools, the  
3 students are less likely to graduate. Less  
4 than 41 percent of for-profit students  
5 graduate within six years, compared to  
6 55 percent of the state's public students.

7 And you have also heard about how some  
8 students are left worse off, sometimes  
9 earning less than a typical high school  
10 graduate. And in large part because of that,  
11 New York students who attend for-profit  
12 schools are more than two times more likely  
13 to default on their student loans within  
14 three years of leaving school than those who  
15 attend the state's public and nonprofit  
16 schools. And that rate increases over time.

17 These outcomes are particularly  
18 troubling given the well-documented targeting  
19 that we've heard about today. CRL's research  
20 bears this out. New York's for-profit  
21 schools disproportionately enroll low-income  
22 students, students of color, and female  
23 students. The student body of New York's  
24 for-profit schools is 29 percent black,

1           61 percent low-income, and almost 68 percent  
2           women. All of these groups are represented  
3           in greater numbers among the for-profit  
4           student body than in the state population as  
5           a whole, and these students bear the brunt of  
6           the harms and financial consequences due to  
7           for-profit school abuses.

8                         These students also face additional  
9           barriers in repaying their student debt due  
10          to structural inequalities in family wealth,  
11          education, and employment. And far from  
12          helping students advance, many for-profit  
13          schools instead contribute to the racial  
14          wealth gap and other structural inequities  
15          that exist in New York and around the  
16          country.

17                        These same debt loads prevent progress  
18          in closing the racial wealth gap as they  
19          hamper opportunities for home ownership,  
20          starting a business, and saving for  
21          retirement. Defaulting on student loans  
22          leaves borrowers even further behind with  
23          damaged credit scores, creating even more  
24          barriers for jobs, housing, and affordable

1 credit in the future.

2 Just one last point, and my time --  
3 despite the well-documented concerns that  
4 we've heard and that have existed and been  
5 borne out over the years, the U.S. Department  
6 of Education is currently rolling back  
7 existing protections against for-profit  
8 school abuses. And in light of these  
9 rollbacks, states can and should take action  
10 to fill the void. State oversight is  
11 critical, and it would ensure not just  
12 quality of education in schools but also  
13 protect students against abusive practices  
14 that have the consequence of burdening these  
15 students with large debt loads and often  
16 little to no educational benefits in return.

17 And with the For-Profit College  
18 Accountability Act, New York has the  
19 opportunity to stem the tide of for-profit  
20 school abuses and student loan debt, and we  
21 hope you take that opportunity.

22 CHAIRWOMAN WEINSTEIN: Thank you.  
23 Thank you for the work that the Center for  
24 Responsible Lending does in this area and



1 others.

2 MS. STIFLER: Thank you.

3 CHAIRWOMAN KRUEGER: Senator Seward.

4 SENATOR SEWARD: Just a quick  
5 question.

6 In your testimony you cut kind of what  
7 I would call a very wide swath in describing  
8 the for-profit schools.

9 MS. STIFLER: Okay.

10 SENATOR SEWARD: With your  
11 generalizations -- are there any good ones  
12 that do meet the needs of the students in  
13 your estimation? Or, I mean, are there --

14 MS. STIFLER: Well, there are  
15 certainly --

16 SENATOR SEWARD: That's my question,  
17 in terms of you kind of generalize --

18 MS. STIFLER: Right.

19 SENATOR SEWARD: But I'm wondering if  
20 you have some -- we talked earlier with a  
21 previous witness about good actors, bad  
22 actors. Is that the phenomenon that you see  
23 out there?

24 MS. STIFLER: There's always that

1 argument that there are good apples and bad  
2 apples. I think one of the concerns we have  
3 is just general oversight to make sure  
4 whatever degree or whatever education is  
5 pursued, that then it will lead to  
6 professional opportunities down the line.

7 And so I -- you know, there are  
8 certain schools that have good programs and  
9 bad programs or not as helpful programs, and  
10 I -- you know, I don't -- I'm taking the  
11 wide -- the overall swath because there  
12 are -- you can't say there's one good school,  
13 one bad school.

14 I think there are -- we believe there  
15 are programs that do end up educating for  
16 certain careers and others that don't. And  
17 so it's about making sure that the promises  
18 that are offered and made then actually do  
19 come to fruition in helping students attain  
20 employment and get ahead in their careers.

21 SENATOR SEWARD: Thank you.

22 CHAIRWOMAN KRUEGER: Thank you very  
23 much.

24 CHAIRWOMAN WEINSTEIN: Yes, thank you.

1                   Next, Yan Cao, fellow, The Century  
2                   Foundation.

3                   MS. CAO: Good evening. Thank you for  
4                   your sustained attention today over the  
5                   course of the day to the critical matters of  
6                   higher education funding and accountability.

7                   My name is Yan Cao. I'm a fellow  
8                   focusing on higher education research at  
9                   The Century Foundation, a New York-based  
10                  think tank that for 100 years has focused on  
11                  fostering opportunity, reducing inequality,  
12                  and promoting security.

13                  It is my honor to close out today's  
14                  hearing. I have to say I am deeply impressed  
15                  by your stamina, and in my book I think the  
16                  higher education funding and  
17                  accountability -- taxpayers and students --  
18                  is worth it.

19                  Funding higher education is such a  
20                  priority because it is critical that students  
21                  from all backgrounds can make their way  
22                  through college, strive for a better life for  
23                  themselves and for their families. But  
24                  unfortunately, it doesn't always work out

1           that way.

2                       I promised to share the story of Zach  
3           Hastie, a Poughkeepsie firefighter and  
4           ex-Marine whose life was nearly derailed by a  
5           for-profit college. He wanted to join today  
6           but was unable to stay given the timing of  
7           the testimony. His written testimony is  
8           before you, and I'll pull out a few  
9           highlights.

10                      After returning from service, Zach  
11           searched for schools that would accept his GI  
12           benefits. He plugged in "GI benefits" into  
13           his computer and was directed through the use  
14           of a lead generator paid for by for-profit  
15           colleges that target military veterans. A  
16           recruiter who was paid by DeVry University  
17           showed up at his house the next day.

18                      The recruiter promised that his  
19           benefits would cover the costs and that DeVry  
20           would set him up for good jobs at great pay.  
21           The recruiter also said that should Zach sign  
22           up his name, the recruiter would be able to  
23           hold his spot, as seats were going fast.

24                      Each statement was a lie. The

1 signature enrolled Zach for DeVry. In two  
2 years, DeVry drained Zach's GI bill benefits  
3 and put him in \$90,000 of student loan debt  
4 that he did not know about. At any public  
5 college, the GI bill would have covered  
6 Zach's program and gotten him to a degree  
7 without debt.

8 Worse, DeVry discontinued Zach's  
9 program before he could get the degree, and  
10 that's when Zach realized his credits could  
11 not be transferred to reputable colleges and  
12 universities.

13 Zach had trusted the DeVry recruiter.  
14 After all, the recruiter was representing a  
15 college, one that participated in the GI Bill  
16 program, one that participated in your TAP  
17 program that was licensed by the State of  
18 New York. Zach had been taught to believe  
19 that colleges were a good thing, and how bad  
20 could a college be?

21 Unfortunately, there is a deep record  
22 of stories like Zach's in the for-profit  
23 sector. You've heard that although these  
24 schools enroll 4 percent of New York

1 students, they account for 41 percent of the  
2 student loan defaults after five years, more  
3 student loan defaults than all the CUNY and  
4 SUNY schools put together.

5 In addition to that, these schools  
6 represent 98 percent of student fraud  
7 complaints submitted across the country by  
8 students like Zach. And the problem isn't  
9 going away. In fact, it's going to get  
10 worse.

11 DeVry University stock shot up  
12 31 percent in one quarter when Trump  
13 announced plans to deregulate for-profit  
14 colleges. The federal government is rolling  
15 back every protection that has been put in  
16 place to prevent abuse like what happened to  
17 Zach. For example, Education Secretary DeVos  
18 has stopped investigating fraud complaints  
19 and won't share incidence of fraud complaints  
20 with the state attorneys general. That will  
21 allow, without a cop on the beat, for-profit  
22 colleges that engage in bad practices to  
23 grow.

24 The Secretary of Education has stopped

1           processing student borrower defense  
2           complaints so that every time a for-profit  
3           like DeVry defrauds students, it gets to keep  
4           the money and students are left with their  
5           federal student loan debt. And the  
6           department has proposed to eliminate the  
7           Gainful Employment Rule so that federal aid  
8           dollars can fuel rapid growth at schools that  
9           lead to high debt and low earnings, a recipe  
10          for default.

11                         Not every for-profit college uses the  
12          same playbook. But when the rules of the  
13          game are written to reward predatory  
14          practices, bad actors will grow -- and we've  
15          seen this happen in the past. New York  
16          offers generous aid to help students access  
17          and succeed through higher education. I say  
18          with great student aid should come great  
19          responsibility, specifically responsibility  
20          not just to owners and investors, but to  
21          students and taxpayers who end up bearing the  
22          burden of the costs and the debt.

23                         With federal oversight being stripped  
24          away, New York's generous aid without

1 additional oversight and accountability to  
2 step in to fill the void will mean that  
3 student aid is used to prop up predatory  
4 colleges. There is an opportunity before you  
5 to protect students with commonsense  
6 guardrails that promote high-quality and  
7 affordable degrees: An 80 percent TAP cap on  
8 reliance on federal benefits, 50 percent of  
9 revenue being used on teaching.

10 These commonsense accountability  
11 metrics are needed to make sure that aid goes  
12 to helping students learn to succeed rather  
13 than going to profit and marketing while  
14 students get buried in debt that they cannot  
15 repay and with little educational benefit to  
16 show for it.

17 Passing the Accountability Act will  
18 help protect students and help ensure better  
19 quality and value for students in New York's  
20 for-profit college sector.

21 Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.  
23 Thank you for the other statistics that you  
24 include in your written testimony.



1                   Assemblyman Barclay has a question.

2                   ASSEMBLYMAN BARCLAY: Thank you for  
3 your testimony.

4                   The one thing I'm getting confused on  
5 is all these different statistics that every  
6 side has been offering.

7                   And I guess the question I have -- I  
8 mean, because the for-profit -- the private,  
9 for-profit -- you broke down -- I thought I  
10 saw -- maybe it was someone before that, but  
11 I think you probably would agree with the  
12 testimonies that the people who attend  
13 for-profit colleges tend to be lower-income  
14 minority-type students, and for the classes  
15 they're teaching wouldn't you expect them --  
16 not them particularly as a class, but just  
17 generally to have a higher default rate than  
18 I guess some of them with a different body, a  
19 student body?

20                   I mean, it's not really surprising,  
21 one -- with the education that they're trying  
22 to receive, their socioeconomic background,  
23 is it surprising that they have a bigger  
24 default rate?

1                   And then the default rate, which isn't  
2                   insubstantial, but it's 20-26 percent. Is  
3                   that -- and then how did you get -- the last  
4                   question I kind of had, maybe it's a bunch,  
5                   and maybe you can agree with it -- how do you  
6                   come up with a five-year period? I mean,  
7                   where did that five-year period come?  
8                   Sometimes you -- I've seen statistics also,  
9                   and they do 10 years, and that changes the  
10                  numbers substantially. Or two years.

11                  So maybe you could just answer my  
12                  question.

13                  MS. CAO: I'll take those one at a  
14                  time if you don't mind, Assemblymember.

15                  ASSEMBLYMAN BARCLAY: Thank you.

16                  MS. CAO: So on the population, how  
17                  that might impact default rate, that's why we  
18                  try to look at metrics where we could compare  
19                  more apples to apples.

20                  So one of the data points we found is  
21                  that when you look at enrollment of  
22                  African-American students, a population that  
23                  is overrepresented in the for-profit college  
24                  community, you can see that over 12 years,

1           75 percent of them -- nearly 75 percent are  
2           defaulting on student loans. Which means  
3           that three out of four students who are  
4           starting at a college are going to end up in  
5           default rather than being able to advance in  
6           their careers, when you look out over a long  
7           time span.

8                         Now, if you look at that same  
9           population and you look at them attending  
10          not-for-profit and public schools in New York  
11          without attending for-profit colleges, you  
12          see a 25 percent default rate. And so even  
13          when you compare within a demographic  
14          population, when you look at low-income  
15          students, when you look just at middle-income  
16          students, when you look at any ethnographic  
17          group, you see much higher default rates in  
18          the for-profit college sector.

19                        Going to the question of the time span  
20          of default rates, as one of the prior  
21          witnesses testified, the three-year default  
22          rate is gameable. Because within a  
23          three-year period, for-profit colleges and  
24          also student loan servicing companies can

1 convince students to just take a forbearance,  
2 which means their loans will grow and they  
3 won't go away, but the schools avoid the  
4 oversight of the current federal rule, which  
5 only looks to a three-year period.

6 And that's why we've looked at a  
7 five-year period, to see what happens after  
8 those tools for gaming the federal system go  
9 away. And the 12-year period is even more  
10 useful, but it can't be broken down at a  
11 school-by-school basis. You can only look on  
12 a sector basis.

13 ASSEMBLYMAN BARCLAY: All right, thank  
14 you. That's helpful.

15 So how long are these loans usually?  
16 What's the length of an average loan at a  
17 private for-profit school?

18 MS. CAO: That's a great question.

19 ASSEMBLYMAN BARCLAY: You'll have to  
20 say your answer before we run out of time.

21 MS. CAO: Standard repayment is  
22 supposed to be 10 years on a student loan.  
23 But when you have a loan debt that you cannot  
24 repay, as the gentleman from Legal Services

1 mentioned, the repayment rate for many of  
2 these schools is below 50 percent.

3 So you have a student, Zach, the  
4 veteran I mentioned, he's currently paying  
5 \$800 a month towards the \$90,000 debt that he  
6 never signed up for. But we have a \$100,000  
7 debt even at a 6 percent rate -- he can pay  
8 \$800 for the rest of his life, and that loan  
9 won't go away.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 We have an added speaker who wasn't on  
12 the list but who had responded, so our final  
13 speaker tonight is Jonathan Teyan, New York  
14 State Academic Dental Centers.

15 MR. TEYAN: Good evening to the chairs  
16 and members. Thank you for accommodating me  
17 at the very end of the agenda. I appreciate  
18 it.

19 So my testimony is going to be a  
20 slight departure from what we've been  
21 discussing, but student loan debt does figure  
22 prominently in the story.

23 So my name is Jonathan Teyan. I'm the  
24 chief operating officer for the New York

1 State Academic Dental Centers. We're the  
2 consortium of the six dental schools in the  
3 state. They're at Columbia University, NYU,  
4 Stony Brook University, Touro College,  
5 University of Buffalo, and University of  
6 Rochester.

7 And I'll just take a moment and say  
8 that our dental schools educate and train  
9 nearly 3,000 students and residents every  
10 year, and those graduates go on to practice  
11 all across the state and are a vital part of  
12 oral health care and also primary care.

13 In addition to that, our dental  
14 schools conduct research that results in new  
15 treatments and cures.

16 And finally, and very importantly, our  
17 dental schools are safety net providers for  
18 vulnerable populations. And so annually we  
19 have about 400,000 Medicaid visits at our  
20 dental schools, and about 35,000 of those  
21 visits are developmentally disabled and  
22 medically compromised patients who really  
23 can't seek oral health treatment anywhere  
24 else because the facilities simply can't

1 accommodate them.

2 So the issue I actually wanted to  
3 bring to your attention this evening has to  
4 do with a chronic shortage of dental faculty.  
5 This has been something that's plagued our  
6 schools for at least a decade. And currently  
7 we have 66 budgeted but unfilled faculty  
8 positions at our dental schools. We are  
9 concerned also because nationally -- and this  
10 is a national problem -- those numbers seem  
11 to be ticking upwards.

12 And the genesis of the problem is sort  
13 of very complex, but one of the things that  
14 really does constrict the pipeline for future  
15 dental faculty is simply -- is a financial  
16 one. The average indebtedness coming out of  
17 dental school nationwide is nearly a quarter  
18 of a million dollars. So when you are coming  
19 out of dental school with that sort of debt  
20 and you sort of look at the potential career  
21 landscape, you can make three times as much  
22 or more in private practice as in academia.  
23 And so it's not surprising that less than  
24 one-half of 1 percent of dental graduates in

1 the U.S. indicate an interest in a career in  
2 academia. And so we really have constricted  
3 the pipeline, then, because of this.

4 And in New York we have a bit more of  
5 a challenge because we have -- our licensure  
6 rules don't allow for or haven't allowed for  
7 dentists who have done their training and  
8 education outside the U.S. to get licensure.  
9 Since 2008 we have had a narrow, restricted  
10 category of licensure for dentists who did  
11 train and educate outside the U.S. As long  
12 as they're serving on faculty at a New York  
13 dental school, they are eligible for this  
14 restricted licensure.

15 Unfortunately, this is due to sunset  
16 again in another year and a half, and we have  
17 had to come back every two years and ask for  
18 an extender on this. We are actually asking  
19 the Legislature to make this permanent. We  
20 would love to see this licensure made  
21 permanent. It really works quite well and we  
22 have many very, very talented faculty members  
23 who are in this category of licensure.

24 And quickly -- I see my time is



1 running short -- another thing we are looking  
2 for the Legislature's support on is a loan  
3 forgiveness program. And we have started  
4 talking about this two years ago, also in the  
5 context of being able to recruit and retain  
6 faculty.

7 This program would be supported by the  
8 State of New York, and it would provide for  
9 up to \$40,000 per year for up to four years.  
10 And these are for U.S.-trained dentists.  
11 While they are serving on faculty, they'd be  
12 eligible for this loan forgiveness and they  
13 would have a service commitment to at least  
14 two years and up to four years, depending on  
15 how much loan repayment they got, to serve on  
16 faculty at a New York State dental school.

17 So with that, I will conclude my  
18 testimony and answer any questions if there  
19 are any.

20 CHAIRWOMAN KRUEGER: Senator  
21 Antonacci.

22 SENATOR ANTONACCI: Thank you very  
23 much. I promise the last question of the  
24 evening.

1                   Thank you for staying or coming in  
2                   late.

3                   I'm a big fan of competition in my  
4                   profession, even though I'm a certified  
5                   public accountant. There are some  
6                   limitations of people that can't compete with  
7                   me doing my licensure, but like doing a basic  
8                   tax return, somebody can do it out of their  
9                   house. So I'm a big fan of competition.

10                  How do we -- would more dentists drive  
11                  down the cost of dentists and make it more  
12                  accessible? And how do we get more dentists?  
13                  I would assume that the next 20 kids that  
14                  don't get accepted to a dental school in the  
15                  State of New York are pretty bright kids, I  
16                  would guess.

17                  So how do we -- if we were to help  
18                  with this and help with faculty retention,  
19                  would that allow us to expand dental schools  
20                  and then drive down the cost of dentistry and  
21                  make it more accessible and more available  
22                  across the state, especially in low-income  
23                  areas?

24                  MR. TEYAN: So the cost issue is

1           certainly a much more complex one. I  
2           think -- to address your primary question,  
3           yes, I think if we were to enact both of  
4           these, we would have more of an ability to  
5           enroll more students and educate and train  
6           more dentists for New York State.

7                     I think the flip side of it is that  
8           if -- particularly on the licensure, if that  
9           were to sunset, we would suddenly have about  
10          50 faculty members who are no longer able to  
11          teach, and as a result we would have many  
12          fewer dentists being educated in New York  
13          State.

14                    So -- but to answer your question,  
15          yes, we would like to train more dentists to  
16          serve in New York and particularly to serve  
17          in shortage areas. There are many shortage  
18          areas, both rural and urban, where folks just  
19          don't have access to dentists, and we would  
20          like to help address that problem as well.

21                    SENATOR ANTONACCI: Thank you.

22                    CHAIRWOMAN WEINSTEIN: So the final  
23          question will actually be by  
24          Assemblywoman Hyndman.

1 ASSEMBLYWOMAN HYNDMAN: Sorry,  
2 Senator. I have the last question.

3 Hi, Jonathan. How are you?

4 MR. TEYAN: Good.

5 ASSEMBLYWOMAN HYNDMAN: I thank you  
6 for waiting this out.

7 Which of the practitioner dentists can  
8 make up to \$322,000? Is that like an  
9 orthodontist or endodontist?

10 MR. TEYAN: That's right. Those are  
11 the specialities. Yes.

12 ASSEMBLYWOMAN HYNDMAN: All right. So  
13 why would anyone teach, right? If I can go  
14 out and make \$322,000, why would I -- why  
15 would I teach at a -- why would I get on  
16 faculty for a dental school, right?

17 MR. TEYAN: Well, you know, for many  
18 people it's simply a calling. I mean,  
19 academia is something that they really want  
20 to do. And what we would like to do is  
21 remove some of the financial barriers.  
22 Certainly not all of it.

23 But for those who really want to do it  
24 and just feel that they can't because of

1           their student loan debt, we want to help make  
2           their decision a little bit easier. We won't  
3           convince the people who are in it just for  
4           the money, but certainly for those who do  
5           have academia as a calling, we want to make  
6           that possible.

7                     ASSEMBLYWOMAN HYNDMAN: I just want  
8           to -- I fully support this. I think that if  
9           we want to keep dental services -- you know,  
10          a lot of insurance companies don't always  
11          offer good dental programs. So a lot of my  
12          constituents I know -- especially seniors --  
13          are looking for free services.

14                    So if we can keep dental faculty in  
15          our schools instead of leaving the state or  
16          going into private practice, and I think --  
17          we spend a lot of money on a lot of things in  
18          New York State, but I think keeping our  
19          faculty here in our dental schools -- if you  
20          grow up in New York, go to dental school in  
21          New York, you should be able to say I want to  
22          teach in New York and give back to the State  
23          of New York.

24                    So thank you. Last question, I'm

1 done.

2 (Laughter.)

3 MR. TEYAN: Thank you.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 This concludes our Higher Ed budget  
6 hearing. Come back tomorrow at 9:30 when we  
7 will have our hearing on Public Protection.

8 (Whereupon, the budget hearing concluded  
9 at 8:07 p.m.)

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