

# Testimony

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Commission on Independent Colleges and Universities (CICU)

## **Private Higher Education: Powering New York's Economy**

Joint Legislative Public Hearing on Economic Development New York State

Senate Committee on Finance

New York State Assembly Committee on Ways & Means

## Members of the Commission on Independent Colleges and Universities

- Adelphi University
- Albany College of Pharmacy and Health Sciences
- Albany Law School
- Albany Medical College
- Alfred University
- American Academy McAllister Institute
- American Museum of Natural History, Richard Gilder Graduate School
- Bank Street College of Education
- Bard College
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- Le Moyne College
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- Manhattan School of Music
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- Medaille College
- Mercy College
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- Molloy College
- Montefiore School of Nursing
- Mount Saint Mary College
- Nazareth College
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- New York Chiropractic College
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- New York Law School
- New York School of Interior Design
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- Paul Smith's College
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- Pomeroy College of Nursing at Crouse Hospital
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- Rensselaer Polytechnic Institute
- Roberts Wesleyan College
- Rochester Institute of Technology
- The Rockefeller University
- The Sage Colleges
- Samaritan Hospital School of Nursing
- Sarah Lawrence College
- Siena College
- Skidmore College
- St. Bonaventure University
- St. Elizabeth College of Nursing
- St. Francis College
- St. John Fisher College
- St. John's University
- St. Joseph's College, New York

- St. Joseph's College of Nursing at St. Joseph's Health
- St. Lawrence University
- St. Peter's Hospital College of Nursing
- St. Thomas Aquinas College
- Syracuse University
- Teachers College, Columbia University
- Touro College and University System
- Trocaire College
- Union College

- University of Rochester
- Utica College
- Vassar College
- Vaughn College of Aeronautics and Technology
- Villa Maria College
- Wagner College
- Webb Institute
- Wells College
- Yeshiva University

## **Centers for Advanced Technology (CATs)**

- Alfred University Center for Advanced Ceramic Technology
- Clarkson University Center for Advanced Materials Processing
- Cornell University Center for Life Sciences Enterprise
- NYU Center for Advanced Technology in Telecommunications and Distributed Information Systems
- Rensselaer Polytechnic Institute Center for Future Energy Systems
- Rensselaer Polytechnic Institute Center for Automation Technologies and Systems
- Rochester Institute of Technology, Additive Manufacturing and Multifunctional Printing Center
- SUNY Stony Brook Center for Biotechnology
- SUNY Stony Brook Center for Integrated Electric Energy Systems
- SUNY Stony Brook Sensor CAT
- SUNY Binghamton Integrated Electronic Engineering Center
- SUNY Poly Center for Advanced Technology in Nanomaterials and Nanoelectronics
- SUNY Buffalo Center for Advanced Technology in Big Data & Health Sciences
- Syracuse University Center for Advanced Systems and Engineering
- University of Rochester Center for Emerging Innovation Sciences

## **Centers of Excellence (COEs)**

- Cornell University Center of Excellence in Food and Agriculture Innovation
- Clarkson University and SUNY ESF Center of Excellence in Healthy Water Solutions
- New York Medical College Center of Excellence in Precision Medicine and Responses to Bioterrorism and Disasters
- New York University, Rensselaer Polytechnic Institute and Rochester Institute of Technology Centers of Excellence in Digital Game Development
- SUNY Albany Center of Excellence in Atmospheric and Environmental Prediction and Innovation
- SUNY Binghamton Center of Excellence in Small Scale Systems Integration and Packaging
- SUNY Buffalo Center of Excellence in Bioinformatics and Life Sciences
- Rochester Institute of Technology Center of Excellence in Sustainable Manufacturing
- SUNY Buffalo Center of Excellence in Material Informatics
- SUNY Poly Albany Center of Excellence in Nanoelectronics
- SUNY Stony Brook Center of Excellence in Advanced Energy Research
- University of Rochester Center of Excellence in Data Science
- SUNY Stony Brook Center of Excellence in Wireless and Information Technology
- Syracuse University Center of Excellence in Environmental and Energy Systems

## Introduction

As Interim President of the Commission on Independent Colleges and Universities (CICU), I want to thank Chairpersons Krueger and Weinstein and Economic Development Committee Chairpersons Senator Kaplan and Assemblymember Bronson for the opportunity to submit testimony on behalf of New York's 100+ private, not-for-profit colleges and universities. Our colleges and universities form the economic backbone of local communities across the State, spur the research and innovation that is the basis for sustainable economic growth, and partner with industry to prepare a well-trained and agile workforce.

The past year has challenged New York's colleges in ways unfathomable only twelve months ago. After deciding to send all students home early last spring as the pandemic began, our members quickly pivoted to virtual learning. Both students and professors rose to the immense challenges of this new model. At the same time, private colleges in New York worked together to form a task force to envision how campuses could safely reopen in the fall, producing a report that formed the basis for many colleges' reopening plans. As colleges spent the summer weighing whether, and how, to safely reopen in the fall, they were under a constant economic strain caused by the pandemic. Private colleges made huge investments in PPE, testing programs, contact tracing, and improved remote learning. Meanwhile, their expected revenues plummeted. Overall the financial toll of the pandemic on New York's private college tops \$2 billion and continues to climb.

College students and their families are also struggling – in addition to losing out on many of the normal college experiences they expected, students have faced lost jobs and internships and many are helping to support families that are reeling from the financial crisis. Through it all, though, these students continue to pursue their studies and remain committed to their career paths.

Today I am calling on New York to maintain its commitment to these students and families, as well as to our institutions as employers and anchors of their communities. I want to remind you of who our students are.

New York is home to the nation's largest independent sector of higher education. Here's a look at our sector by the numbers:

- 100+ private colleges and universities;
- 40 percent of all college students in the state attend private colleges; nearly 500,000 students total, more than half of whom are New York residents;
- Two-thirds of private college students in New York are from families that earn less than \$125,000 annually;
- 40 percent of the Black and Latinx students who attend college in New York attend a private college;
- New York's private colleges confer 49 percent of the bachelor's, 72 percent of the master's and 78 percent of the doctoral degrees awarded in the state annually;
- 415,000 jobs supported by New York private colleges;
- \$88.8 billion annual economic impact;
- New York is the No. 1 destination for U.S. students who leave their home state for college and the No. 2 destination for international students who leave their home country for college; many of these students stay in New York after graduation, keeping their talents in New York.

New York's independent colleges and universities serve as cultural beacons and meeting hubs for our communities. The economic impact of our presence is visible across the state, whether it be students and faculty supporting a local coffee shop in Garden City, researchers spinning innovations into small businesses in Ithaca and Brooklyn, hotels fully booked for graduation weekend in Troy or professors buying homes and putting down roots in places like Poughkeepsie, Syracuse and Rochester.

For centuries, we have embraced the call to educate students of every background, while bringing jobs, talent and energy to communities across the state. Those of you with campuses in or near your district know that better than anyone. But higher education is at a crossroads, buffeted by changing demographics, policies at the state level that create an uneven playing field between private and public institutions, the need to provide more support services to our students and the imperative to adapt quickly to changing market forces. This legislative body will play an instrumental role in whether New York's higher education landscape can surmount these forces and continue to serve as transformative agents in the lives of thousands of students and in the communities that we call home.

Investment in higher education is one of the most fundamental and cost-effective ways to promote real and sustainable economic growth. College-centric towns are well-positioned to see 11 percent employment growth over the next decade by leveraging their well-educated worker pools in STEM, health care and creative jobs, according to a recent [McKinsey Global Institute study](#).

State investment in the Independent Sector of higher education can come in several forms: supporting research and development that creates the companies of the future; funding capital programs that create sustainable campuses across the state; and investing in proven student aid programs that make it possible for students to secure a degree.

When you talk about economic development in New York, it is impossible to do so without factoring in the importance of the state's higher education landscape. Higher education has long been at the forefront, supporting – and often leading – the state's economic development efforts. There are many opportunities in this year's budget to strengthen that landscape and undergird the state's economy in the process.

Private, not-for-profit colleges and universities contribute to the state's economy in three distinct ways: as employers, innovators, and educators.

## **Employers**

First, New York counts on our campuses to drive local economies, and we have not disappointed. We contribute \$88.8 billion to our state's economy each year and are responsible for almost 416,000 jobs. In six regions across the state – Central New York, the Finger Lakes, Long Island, New York City, the North Country and the Southern Tier – our campuses are among the top 10 private sector employers.

One way we create jobs in our communities is by investing in our infrastructure. Unfortunately, the Governor has proposed eliminating the Higher Education Capital Assistance Program (HECap). This program provides not-for-profit colleges with grants to allow investment in capital projects.

Our campuses match every state dollar with three of their own to create a strong public-private partnership. This partnership enables colleges and universities across the state to create sustainable academic and research facilities. **We urge that HECap funding be restored to \$30 million.**

## **Innovators**

Our private, not-for-profit colleges lead the way in the groundbreaking research so critical to the knowledge economy. The talent and innovation coming out of our research universities is a major draw for companies across the globe, but we cannot reach our full potential without a stronger partnership from government. Unfortunately, the Executive Budget scales back rather than expands the state's partnership with its research universities, both private and public.

New York's colleges spend \$6.4 billion on R&D each year, putting us second only to California; three-quarters of that spending is done by private, not-for-profit colleges and universities. This innovation powers our economy today and sets us up to be globally competitive for years to come. There are two key ways the 2021-2022 State Budget can harness our research capabilities:

**Restore funding for the 15 Centers for Advanced Technology (CATs) and the 13 Centers of Excellence (COEs) by funding each center at \$1 million;** the Executive Budget cuts funding for COEs and consolidates the remaining funding into the CAT program. CATs and COEs provide important research, development and troubleshooting services for small- and medium-sized companies in New York. According to the 2017 Empire State Development annual report, CATs and COEs combined have created or retained 6,083 jobs and generated \$1.1 billion in economic impact.

The Governor's proposed consolidation of the CAT and COE programs go beyond a cut in funding. By forcing the Centers of Excellence into the CAT program, we lose what makes these programs work in a complimentary fashion. CATs require corporate matching funds, to build on existing industries and leverage private sector dollars to maximize return on the State's investment. COEs work with start-ups and smaller companies that are unable to provide a corporate match as they work to create the next wave of economic growth. The Legislature has wisely recognized the important benefits that both of these programs bring, and we urge you to reject proposals that reduce state support for our efforts and force a one-size-fits-all approach onto our research community.

**Restore funding for the NYSTAR Matching Grants program to help leverage federal research dollars.** In the supercharged competition for federal and foundation research dollars and the jobs and innovation that come with them, other states are moving quickly to partner with their higher education institutions to secure these funds. New York risks falling behind if it does not demonstrate a more expansive partnership with its research universities to capture competitive grant funding. The NYSTAR Matching Grants program, which is fully subscribed at its current funding level of \$6 million, is the vehicle for doing this. Expenditures in this program bring guaranteed return on investment for the state, as only those who win a federal or foundation research grant are eligible for matching funds under the state's program.

Unfortunately, the Executive Budget Proposal would cut funding by \$1 million in FY22. This would hamper the ability of campuses to bring additional federal dollars to New York, and is

counterproductive to the long-term economic health of the state. We ask that the legislature restore funding.

## **Educators**

Our campuses also provide the well-educated workforce that helps draw companies to New York. We confer almost 60 percent of all undergraduate and graduate degrees in the state each year, 61 percent of STEM degrees, 60 percent of teaching degrees and 55 percent of nursing degrees.

The decision to invest in a college degree is a pivotal moment in a person's life and it can set a person on a path toward upward social mobility. It is not a decision that any student takes lightly. The investments that students make at New York's private not-for-profit colleges and universities pay off. Graduates are more employable, have significantly higher lifetime earnings than those without a degree and are critical to the fabric of every community in the state.

Higher education policy is economic development policy. Investments made in student aid programs like the Tuition Assistance Program, the STEM Incentive Scholarship program and opportunity programs (HEOP, STEP/C-STEP, and LPP) make higher education possible for New York's future workforce and entrepreneurs. The success of our colleges and universities in creating a highly educated workforce attracts companies in pursuit of the best and the brightest. That is why CICU endorses student aid policies that support students regardless of what New York college or university they attend.

CICU, alongside our colleagues at SUNY and CUNY, support the proposed Program Approval reforms proposed in the Executive Budget (ELFA Part C). These changes will allow campuses to provide cutting edge education and compete with colleges and universities across the world while maintaining the Education Department's important role in ensuring educational quality.

**We urge the Legislature to expand TAP and expand funding for opportunity programs**, so that the next generation of New Yorkers can realize the economic benefits of higher education.

## **Conclusion**

With your leadership, New York can continue to benefit from its unparalleled network of public and private colleges whose students, faculty, researchers and campus centers sustain our economy and bring vitality to communities across the state.

I call on you today to make investments to help our campuses overcome the pandemic that threatens our state and continue their leadership as employers, innovators, and educators to build the foundation for long term economic growth. We welcome an opportunity to work with you to develop and implement a comprehensive strategy to leverage the considerable economic assets that private, not-for-profit colleges and universities have to offer.