



Testimony

**to the
Senate Finance Committee
and
Assembly Ways and Means Committee
on the
Proposed 2023-24 Executive Budget
for
Higher Education**

February 27, 2023

Prepared by

*New York State United Teachers
800 Troy Schenectady Road
Latham, NY 12110-2455
518-213-6000
www.nysut.org*

*Representing more than 600,000 professionals in education and health care
Affiliated with the AFT – NEA – AFL-CIO*

*Testimony of
Andrew Pallotta,
President
New York State United Teachers
to the
Senate Finance Committee
Liz Krueger, Chair
and
Assembly Ways and Means Committee
Helene E. Weinstein, Chair
on the
Proposed 2023-24 Executive Budget for
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Chairperson Krueger, Chairperson Weinstein, honorable members of the Legislature and distinguished staff, I am Andrew Pallotta, President of New York State United Teachers (NYSUT). NYSUT represents more than 675,000 teachers, school-related professionals, academic and professional faculty in higher education, professionals in education, in health care and retirees statewide.

Thank you for the opportunity to submit testimony on the proposed 2023-24 New York State Executive Budget for Higher Education. My testimony represents the concerns of over 80,000 faculty and professional staff who work in public colleges and universities across the state, as well as the three SUNY teaching hospitals. These include the members of United University Professions at the State University of New York, the Professional Staff Congress of the City University of New York and the faculty and staff at nearly all the SUNY community colleges in this state.

COVID-19 has changed many things and has forced us to reevaluate almost every aspect of our lives. This fact underscores the importance of today's hearing — which connects members of the Legislature with members of the higher education community to share priorities, relate experiences from the past year and discuss ways that we can work together for the betterment of our students, members, two- and four-year colleges and the communities they serve — is more important than ever.

Before I begin, I would like to thank you all for the work that you did in crafting last year's enacted budget and for your continuing advocacy on behalf of higher education. I truly believe that your work has saved our two- and four-year colleges and universities as well as the SUNY teaching hospitals from financial ruin. Whether it was from establishing and standing firm on a funding floor and "hold harmless" language for our community colleges, providing debt service to the SUNY Hospitals or supporting the many essential programs our four-year schools depend upon, I know that every public college and university has benefited from your attention.

The 2022-23 enacted budget was a welcome change from the austerity budgets of the past. For the first time in a decade, public higher education stakeholders were not forced to start from a deficit and negotiate just to break even. Funding for higher education was not cut and critical programs were not eliminated. While this was a great start, more needs to be done to support our public colleges, universities and teaching hospitals.

Unfortunately, one good year simply cannot erase the years of damage caused by cuts and flat budgets. We must build upon the gains made in 2022 and continue to invest in and strengthen our systems of public higher education. We must reaffirm the role that public higher education plays in society and stand up for a just, well-funded and inclusive system. Accordingly, NYSUT is calling for a New Deal for Higher Education to significantly increase state investment in New York's public colleges and universities.

The New Deal for Higher Education represents a \$4.7 billion investment in the future of New York. Our goal is to recenter our public colleges and universities as a public good. The past decade of austerity budgets has made it very clear to us that we need to take bold action to reinvigorate our institutions of public higher education. The New Deal for Higher Education seeks to do just that by calling for a \$1.44 billion investment in operating support, \$267.2 million in student supports and \$3 billion to provide access to public higher education for all New Yorkers.

Robust funding for our public colleges and universities remains a critical need this year as we continue to deal with the seemingly endless challenges presented by COVID-19. For example, as hard as this may be to believe, we still do not have enough mental health counselor's system-wide to meet the emerging and often more complex needs of our students. The numbers were insufficient before the pandemic hit and forced students to simultaneously study, work, deal with the stress of the pandemic and care for their loved ones. Since our institutions often provide the only mental health services our students have access to, we were disappointed to not see dedicated funding in this year's executive budget proposal for the hiring of more mental health counselors.

While we are thankful for many of the initiatives contained in this year's executive budget proposal, more is needed to reverse the impact caused by years of underfunding. We will once again be looking to our friends in the Legislature to continue to advocate for our public colleges and universities as we struggle to emerge from the pandemic and provide critical services to our residents who need it the most.

As you know, our public institutions of higher education have been reeling from years of austerity budgets. This disappointing practice severely restricts these institutions' ability to grow, anticipate emerging workforce trends and remain competitive. The impact of flat funding and related fiscal neglect are felt by students and our members. Campuses across the state continue to face difficult decisions directly related to inadequate resources. Without proper state investment, community colleges are left with no good solutions and are either forced to raise tuition or eliminate programs and student services, neither of which are good for enrollment.

Unfortunately, COVID-19 and its variants continue to impact every New Yorker in some way. The pandemic has required us to figure out a new work/life balance as we try to return to what has become a very elusive normal. Historically, when there has been an economic downturn, enrollment at our public colleges and universities increases. Unfortunately, COVID has reversed that trend and we have seen enrollment numbers, particularly at our community colleges, continue to slide.

Whether enrollment is down from COVID driven fear or economic loss, we must continue to support our community colleges until we emerge from this dark time. Our campuses must remain viable options for people who have lost their jobs or their careers and need to be retrained so that they may re-enter the post-pandemic workforce. For many, our SUNY and CUNY systems will be the way out of economic hardship and the key to any financial recovery.

Educational inequality, already one of the most pressing issues of our time, has been made even worse by COVID-19. Distance learning, necessitated by this awful virus, has brought into sharper focus the need to narrow the gaps between the haves and the have-nots. Access to reliable internet and laptops disproportionately impacts low-income, rural and black and brown communities. As I am sure you know, public higher education is the pathway out of poverty for countless low-income families. The education our colleges and universities provide elevates our poorest New Yorkers to the middle class. When the state fails to invest in its public institutions of higher learning, our students and communities suffer. Worse still, these effects are most strongly felt in our low-income communities and the impact is borne by those who can least afford to shoulder it.

Access to quality public higher education is a crucial component in the state's efforts to recruit and retain businesses and industries. As businesses consider where to locate, they are drawn to locations with an available pool of highly trained and educated employees. The State University of New York (SUNY), the City University of New York (CUNY) and our community colleges help to fulfill that requirement by instructing and preparing New Yorkers for current and future job opportunities. A growing number of employment opportunities require advanced degrees, which further underscores the need for greater state investment in public higher education. Properly funding CUNY and SUNY helps to ensure that all New Yorkers have access to an affordable, quality public education.

State Investment

As I am sure you know, every New York State budget for at least a decade, except for last year, has provided essentially flat funding for SUNY state-operated campuses and CUNY city-operated campuses. This year's executive budget proposal unfortunately returns to the practice of essentially flat funding. Persistent underfunding has resulted in a steady decline in critical supports for students' academic progress and success. For example, CUNY currently only has 35 full-time faculty to every 1,000 full-time equivalent (FTE) students and the ratios for mental health counselors and academic advisors are also troubling. SUNY has nineteen state-operated campuses with structural/projected deficits. CUNY is facing similar problems.

Furthermore, while funding for instructional core budgets has remained flat, operational costs continue to rise. State funds must be regularly allocated to cover mandatory costs passed on to CUNY and SUNY, including monies for fringe benefits, utility costs, building rentals and contractual, incremental salary increases. Without state funding to cover rising costs, CUNY and SUNY are forced to absorb them, to the detriment of student programs and services.

While this year's executive budget proposal is a dramatic improvement over prior years' budgets, and I was happy to not see any cuts to CUNY and SUNY, more needs to be done. One good budget cannot undo the years of chronic underfunding these campuses have endured, and the fact remains that many of our colleges are still millions of dollars in debt.

The myriad issues assailing our institutions of higher learning are a direct result of austerity budgets to our public university systems, which started in 2011, following the Great Recession. The health and fiscal crises that have followed in the wake of the COVID-19 pandemic have exacerbated familiar problems and led to a host of new financial burdens that are now borne by our institutions of public higher education. Since a significant state investment is needed to reverse this trend and to preserve and enhance the quality of education, we would ask that you continue to make operating aid for public higher education a priority as we head into 2023.

We commend Governor Hochul for recognizing that the status quo budget funding approach our colleges and universities have had to endure for the past decade was woefully inadequate. We are hopeful that our members and the students they serve will not have to constantly worry about the specter of budget cuts hurt all our systems of public higher education. While we applaud this progress, significant additional funding is needed.

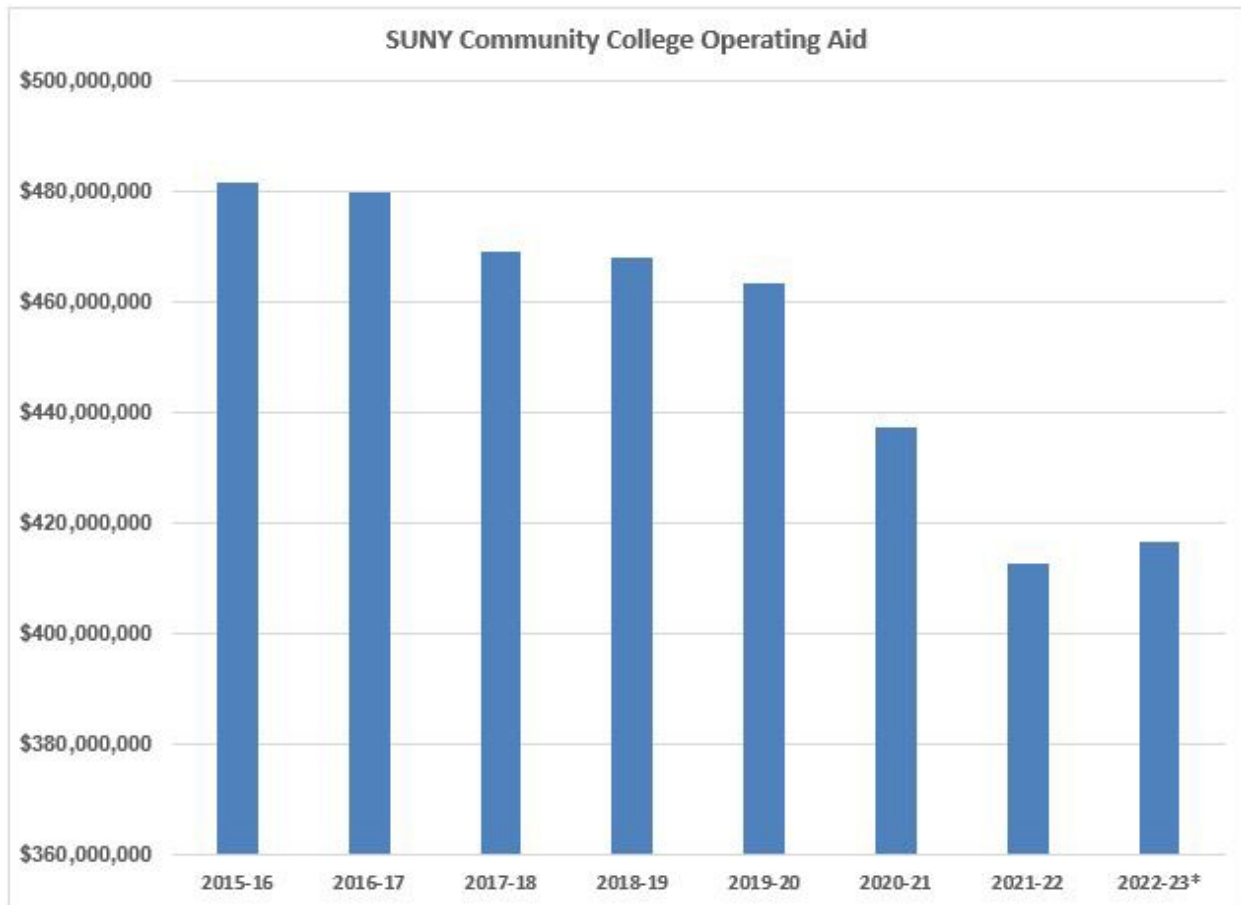
Community Colleges

At this time, I would like to discuss community colleges. As you know, our community colleges, like our four-year institutions of higher education, have struggled over the last decade.

Community colleges educate and prepare students for the workforce and provide the necessary foundation for those seeking to move on to four-year campuses or universities. In addition to educating all types of students where they live and work, community colleges significantly advance social mobility. We often collaborate with regional businesses and employers to develop and provide training to address specific local workforce needs.

Notwithstanding the Legislature's commitment to community colleges, state funding to these campuses is not commensurate with the provisions of the state education law, which require the state to pay 40% of the operating costs of these campuses. As I am sure you are aware, the state is not remotely meeting this obligation and, in fact, has not done so for fifty years.

To make matters worse, despite declining enrollments, our funding continues to be based on the totally inadequate full-time equivalent (FTE) funding model, which gives us state dollars based on a set amount multiplied by the number of FTE students enrolled. Also troubling is the fact that we are seeing preemptive fiscal belt tightening by college administrators overreacting to a still unrealized recession and the cessation of federal funds.



As the chart above illustrates, SUNY community colleges, with last year being the sole exception, have seen decreases in operating aid since 2015.

Over that same period, again, excluding last year, which was the exception, due to an influx of “one-shot” federal dollars at the local level, students paid the lion’s share of operating costs of these campuses. Over the ten-year period from 2008-09 to 2018-19, SUNY community college students went from paying 40.8% of the operating costs to approximately 41.4%. While the state’s contribution for the same period decreased from 30.8% to 25%. Year after year, in budget after budget, we have seen the state “not withstand” the law, at the expense of our students and community colleges. This practice must stop. Accordingly, we are calling on the state to fulfill its obligation and provide 40% of the funding for these critical institutions.

Before COVID-19, New York's community colleges were grappling with slowly declining enrollments. According to SUNY, New York's community colleges have seen a 23% drop in student enrollment in the last decade. This drop can be attributed to several factors but the most likely are a relatively strong (pre-COVID-19) economy, a general decline in population and steadily rising student-borne costs. Sadly, shifting demographics, declining K-12 enrollments state-wide and migration from New York have been eroding the ranks of potential community college students for more than a decade. To help illustrate this point, more than 1.4 million people have left New York since 2010. Unfortunately, the pandemic dramatically accelerated the downward trend in enrollment, and we are seeing colleges with double digit percentage drops. (e.g., over 20% at Nassau Community College).

Simply put, the current per FTE funding methodology for community colleges does not work in the COVID-19 world as it makes community college funding unpredictable and unstable. The financial futures of our community colleges will remain bleak until the inadequate funding model, which gives these institutions state funds based on a set amount multiplied by the number of FTE students enrolled, is changed. This model does nothing to insulate campuses from enrollment fluctuations. As enrollment continues to decline, we must develop a better funding model for our community colleges and protect them from funding shortfalls.

In this year's executive budget proposal, community colleges are slated to receive 100% of what they received in 2022-23. While this measure will help to temper the financial impact, it does not provide enough support. It is noteworthy that the executive budget proposal authorizes up to a 20% withholding if community colleges do not adopt a plan to operate without reliance on the base aid funding floor.

We would welcome an opportunity to participate in any process aimed at creating a funding model that works for our institutions. While we are grateful for this support, a community college receiving, year after year, 100% of the amount it received in its worst year ever, is not a sustainable model. If we see another COVID variant, and enrollment numbers continue to drop, our colleges could conceivably receive less and less, to the point that they are no longer viable.

Accordingly, we are asking the Legislature to give our community colleges 100% of what they were allocated in 2019-20 or \$3,250 per FTE. This would give the SUNY community colleges an additional \$23 million over what is proposed in the 2023-24 executive budget proposal and would do much to guarantee that these institutions will still be recognizable and open for business when the students return.

While we know that COVID-19 and the bad economic climate that came with it had a particularly negative impact on enrollment and retention at our community colleges, it disproportionately impacted our students who bear stresses that make it extraordinarily difficult to stay in college under the best of circumstances. In fact, many of our students struggle — a reality that has only worsened since COVID-19. Community colleges serve a diverse population of, oftentimes, first-generation students, and more than 50% of our students are students of color with median family incomes well under the New York state average. Accordingly, food insecurity is a very real issue for many of our students and their families and, for most, their colleges provide their only access to mental health services.

For many would-be and actual community college students, COVID-19 became the proverbial straw that broke the camel's back. For students already struggling to manage daily life, juggling work, caring for loved ones and paying bills, the added pressures that accompanied COVID-19 simply became too much. Potential students elected to not enroll and enrolled students dropped out. To encourage students to enroll and successfully complete their degree programs, we are asking for \$100 million to bring a model of CUNY's successful ASAP program to our SUNY community colleges.

The CUNY ASAP program was created to help students achieve their associates degrees as quickly as possible with a goal of graduating at least 50% of the enrollees within three years. The program was designed to help students overcome the systemic barriers and personal responsibilities that kept them from graduating by providing them with academic, social and financial support. The ASAP model has been successfully implemented at Westchester Community College through their "Viking Roads" program. Student retention and graduation rates have gone up dramatically in both programs. We would like to expand this excellent program to all our SUNY community colleges.

Public Higher Education Access for All

NYSUT, as part of our New Deal for Higher Education, will be advocating for a public higher education that delivers results and sets up our students for success without leaving them hopelessly in debt. Students attend New York's public colleges and universities because they know they will receive a high-quality, accessible education that opens doors to new opportunities. However, a continued shift of costs from the state to students has placed an additional financial burden on our students and their families and reduced access to the high-quality education every New Yorker deserves. Every dollar invested in SUNY and CUNY yields even greater returns for New York's tax base. If we continue to reach into the pockets of our students instead of investing public dollars into higher education, we will not be setting up our students for success, instead, we will be setting them up for years of student loan payments. Accordingly, we oppose tuition increases and, instead, support an investment in SUNY and CUNY two and four-year colleges and universities to improve access to public higher education at-no additional cost to students.

SUNY Hospitals

I would now like to talk about the SUNY hospitals. I want to thank the Legislature for its support and advocacy for the SUNY hospitals over the years. Unfortunately, the 2023-24 executive budget proposal continues the alarming trend of dramatically underfunding the three State University of New York Hospitals in Syracuse, Brooklyn and Stony Brook. As I am sure you recall, these teaching hospitals, which serve all New Yorkers, used to receive financial support that was improperly referred to as a "subsidy." As part of the 2018-19 New York State Executive Budget, the "subsidy" was eliminated. With your help we were able to get the money restored for what turned out to be the last time, as every budget proposal since has failed to include these vital funds. This money, which is more properly characterized as "mission funding," helped to ensure the financial well-being of these hospitals and guaranteed access to health care for the communities that depend on them.

This mission funding was vital for these hospitals and was first provided in 2001, in lieu of debt service and fringe benefits, which the state had covered many years ago. The three hospitals have been front and center in the battle against COVID-19. SUNY Downstate was so

critically important, it was designated as a COVID-only hospital. These hospitals operated by SUNY are the state's hospitals and, as such, the state should provide support to ensure their financial stability and viability. This includes funding to grow and expand the services needed to keep up with the various advances in health care and the challenges posed by COVID-19 and its variants. Properly funding these vital teaching institutions will provide security and help ensure that New York is ready for the next health crisis. We would ask that \$175 million in critical mission funding be provided to these institutions.

Additionally, the SUNY Hospitals are the only state entity to not receive debt service relief from New York State. As you may recall, the state used to provide \$157 million to the three hospitals for that purpose. We would ask that the state provide \$69 million to cover the SUNY Hospitals' debt service, as is done for every other state agency.

Expecting these hospitals to continue to perform at the high levels they have been, despite chronic underfunding, is unrealistic. Denying adequate funding, continuing to find new ways to cut funding and failing to recognize the sacrifices of our members who work at these institutions, is unfair.

While we are thankful for the executive budget proposal to include \$150 million in capital funding for alterations and improvements to SUNY Upstate, SUNY Downstate and SUNY Stony Brook, these hospitals, their patients and the front-line heroes who work in them deserve more.

Teacher Shortage/Teacher Diversity

All students benefit from a diverse educator workforce. As New York's student population has grown increasingly diverse — students of color make up 56% of the total enrollment — the teacher workforce remains 80% white. Additionally, New York is facing a teacher shortage, as evidenced in part by a 50.4% decline in enrollment in New York state teacher education programs since 2009.

NYSUT, through its Take a Look at Teaching initiative, is working to develop a robust educator pipeline in New York state to encourage young people and career changers to pursue careers in teaching and to increase diversity in the educator workforce. At the core of the initiative is the development and expansion of grow-your-own (GYO) initiatives that cultivate relationships between P-12 school districts, higher education and community partners. These GYO programs provide valuable early experiences for students considering a career in education and help strengthen ties to community groups supporting students and families outside of school.

As we look to address the current educator shortage, New York must support and strengthen pathways for aspiring educators — including new students, career changers and teaching assistants — and remove impediments to teacher preparation and certification.

NYSUT looks forward to working with the Legislature and the governor over the next couple of months as you craft and pass the state budget before the April 1 deadline. There are many excellent initiatives such as teacher residency programs and paraprofessional career ladders that can be coupled with recommendations found in our Future Forward Report, such as

NYSUT's long-standing Take a Look at Teaching initiative and Implicit Bias Training program, which you helped us realize. That program is up and running, with 64 trainers across the state. This year, we are asking for your assistance in expanding this worthwhile endeavor.

NYSUT is supportive of the teacher opportunity corps program which provides prospective teachers who need additional support in addressing learning needs and other issues that interfere with their academic performance. The teacher opportunity corps program increases the participation rate of historically underrepresented and economically disadvantaged individuals in the teaching profession. NYSUT strongly believes this program is key to diversifying the profession.

We would like to thank the Legislature for continuing to pass measures which remove unnecessary barriers for would-be educators. We look forward to working with the governor and the Legislature as we seek to expand and diversify New York's teaching workforce.

Conclusion

New York State has taken steps to increase student access to public higher education. Now is the time to focus on preserving and enhancing the quality of the education offered by CUNY and SUNY.

We again call upon the Legislature to make higher education funding a priority this year and provide funding for a strong investment in the core instructional budgets of CUNY and SUNY. A significant investment is needed to reverse the impact from years of flat-funding and to ensure that we are providing our students the first-rate education they deserve.

Today we are asking that you stand with us to ensure that the choice to pursue a higher education will not be taken away from those who can least afford to lose it. We also ask that you support the New Deal for Higher Education and build upon the executive budget proposal and help us secure additional aid for our colleges, universities and teaching hospitals so they may continue to provide the high-quality services New Yorkers deserve and have come to expect.

Again, thank you for the opportunity to address you today and for all that you have done to improve public higher education. I look forward to continuing our work.

GA/AB
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