



Testimony
to the
**Senate Finance Committee and
Assembly Ways and Means Committee on the
Proposed 2024-25 Executive Budget for
Higher Education**

February 8, 2024

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*Representing nearly 700,000 professionals in education and health care
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*Testimony of
Melinda Person,
President
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to the
Senate Finance Committee
Liz Krueger, Chair
and
Assembly Ways and Means Committee
Helene E. Weinstein, Chair
on the
Proposed 2024-25 Executive Budget for
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Chairperson Krueger, Chairperson Weinstein, honorable members of the Legislature, and distinguished staff, I am Melinda Person, President of New York State United Teachers (NYSUT). NYSUT represents nearly 700,000 teachers, school-related professionals, academic and professional faculty in higher education, professionals in education and health care and retirees state-wide.

Thank you for the opportunity to submit testimony on the proposed 2024-25 New York State Executive Budget for Higher Education. Today's hearing comes at a critical time for education in our state. This is an opportunity to connect members of the Legislature with representatives of the higher education community to share priorities, discuss experiences from the past year and examine ways that we can work together for the betterment of our students, educators, our two- and four-year colleges and the communities they serve.

My testimony represents the voices of more than 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 the state.

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 continued advocacy on behalf of higher education. 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 essential programs at our four-year schools, I know that every public college and university, and their students, have benefited from your advocacy.

Our public higher education institutions have been reeling from years of austerity budgets. This disappointing practice has severely restricted these institutions' ability to grow, anticipate emerging workforce trends and remain competitive. Students and educators alike have felt the impact of flat funding and related fiscal neglect. Without proper state investment, colleges were left with no reasonable solutions. Under austerity budgets, institutions were forced to raise tuition or eliminate programs and student services – sometimes both – and neither were good for enrollment.

The 2022-23 and 2023-24 enacted budgets were a welcome change from austerity budgets of the past. For the first time in a decade, public higher education stakeholders were not asked to accept a deficit or forced to negotiate cuts just to be able to break even. Funding for higher education and critical programs were preserved. However, two good years cannot and have not erased the damage caused by decades of cuts and budgetary inaction. We must now build upon these recent improvements and continue investing in and strengthening our public higher education systems.

Unfortunately, the 2024-25 executive budget proposal represents a significant step backwards. Regardless of how it has been characterized, we are seeing decreases in state operations funding to both SUNY and CUNY and cuts to programs long supported by the Legislature. Cutting funding to our public colleges, universities, and teaching hospitals just as they have begun to emerge from the shadow cast by COVID-19 is a mistake.

Comprehensive funding for our public colleges and universities remains a critical need this year as we continue to deal with systemic inequities exposed during the pandemic. For example, as hard as this may be to believe, our colleges and universities are still struggling to provide enough mental health counselors system-wide to meet the complex needs of our students. These numbers were insufficient even before 2019, and the need has only grown since the added stressors and complications of the pandemic. Since our institutions often provide the only source of mental health services for students, it is disappointing that there is no dedicated funding in this year's executive budget proposal for the hiring of more mental health counselors.

As you are aware, our public colleges and universities had seen declining enrollments with our community colleges bearing the brunt of these drops. The downward trend in enrollment was caused by many factors: COVID-driven fear, economic loss and outmigration being just a few. However, all along we have asked that the state continue to support our colleges and universities through the downturn so they would remain accessible educational options when the students inevitably returned.

We are now happy to report that students *are* in fact returning and that both SUNY and CUNY systems are reporting increases in enrollment for the first time since 2019. It is critical that we continue funding and support for both systems so they can meet the immediate and long-term needs of our new students and members of the workforce who may have lost jobs and are looking to be retrained. For many, our SUNY and CUNY systems are the way out of economic hardship.

Inequality is one of the most pressing issues of our time. Public higher education offers a vital solution to deep-seated inequalities by providing high-quality, accessible educational opportunities to all students, regardless of their zip code. It serves as a bridge to the middle class for many low-income families. However, when there is a lack of investment in public higher education, the repercussions are felt most acutely by students and communities that are already disadvantaged. The neglect hits hardest in low-income areas, placing an unfair burden on those least equipped to bear it.

Our public colleges and universities provide a pathway to opportunity for countless New Yorkers.

NYSUT is calling for a New Deal for Higher Education: A transformational, \$4.5 billion investment to recenter our public colleges and universities as a public good and reaffirm public higher education's role in our society. Our proposal includes a \$1.65 billion investment in operating support, \$216.5 million in student supports and \$3 billion to provide all New Yorkers access to quality public higher education.

We are asking for this investment to strengthen SUNY, CUNY and our community colleges, and to lead the way in growing New York into a thriving and just society. Higher education contributes to the vibrancy of our communities by preparing students to be our future workforce and citizens. From teachers, nurses and technicians to programmers, paralegals and IT specialists, our world-class public higher education system must deliver the skills necessary to tackle the future.

The benefits of a robust system of public higher education are not theoretical. In fact, our public higher education system is crucial in the state's efforts to recruit and retain businesses and industries. Just this past year, we have seen major companies in the tech and innovation spaces move into New York state. Micron's decision to build a new factory near Syracuse was largely based on their understanding that they would have access to a skilled workforce.

As companies consider where to locate, they are drawn to places with a pool of highly trained and educated employees. SUNY, CUNY and our community colleges help to provide that pool by preparing New Yorkers for current and future job opportunities. A growing number of employment opportunities require advanced degrees and special skills, further underscoring the need for more significant state investment in public higher education. Properly funding CUNY and SUNY helps to ensure that all New Yorkers have access to affordable, quality public education that will help them meet the needs of today's employers.

The education and training available to students in public higher education also creates social mobility and reverses economic disparities. If our public higher education system is affordable and accessible to all, it can be a pillar of a more just world and an economic driver that keeps New York state at the forefront of innovation.

State Investment

With the exception of the last two years, every New York state budget for at least a decade has provided, at best, flat funding for SUNY state-operated campuses and CUNY city-operated campuses. A decade of underfunding has resulted in a steady decline in critical supports for students' academic progress and success. For example, CUNY currently has only 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 18 state-operated campuses with structural/projected deficits of nearly \$140 million. CUNY has identified nine "colleges of concern" and is looking at cuts of \$128 million.

Although 2022-23 and 2023-24 brought funding and relief, unfortunately, with its cuts in operating support and essential programs, this year's executive budget proposal is a sharp departure. As inflation and high-interest rates guarantee that operational costs will continue to rise, state dollars must be regularly allocated to fund mandatory costs passed on to CUNY and SUNY, including fringe benefits, utility costs, building rentals and contractual, incremental salary increases. Without state funding to cover rising costs, CUNY and SUNY will be forced to absorb them to the detriment of student programs and services.

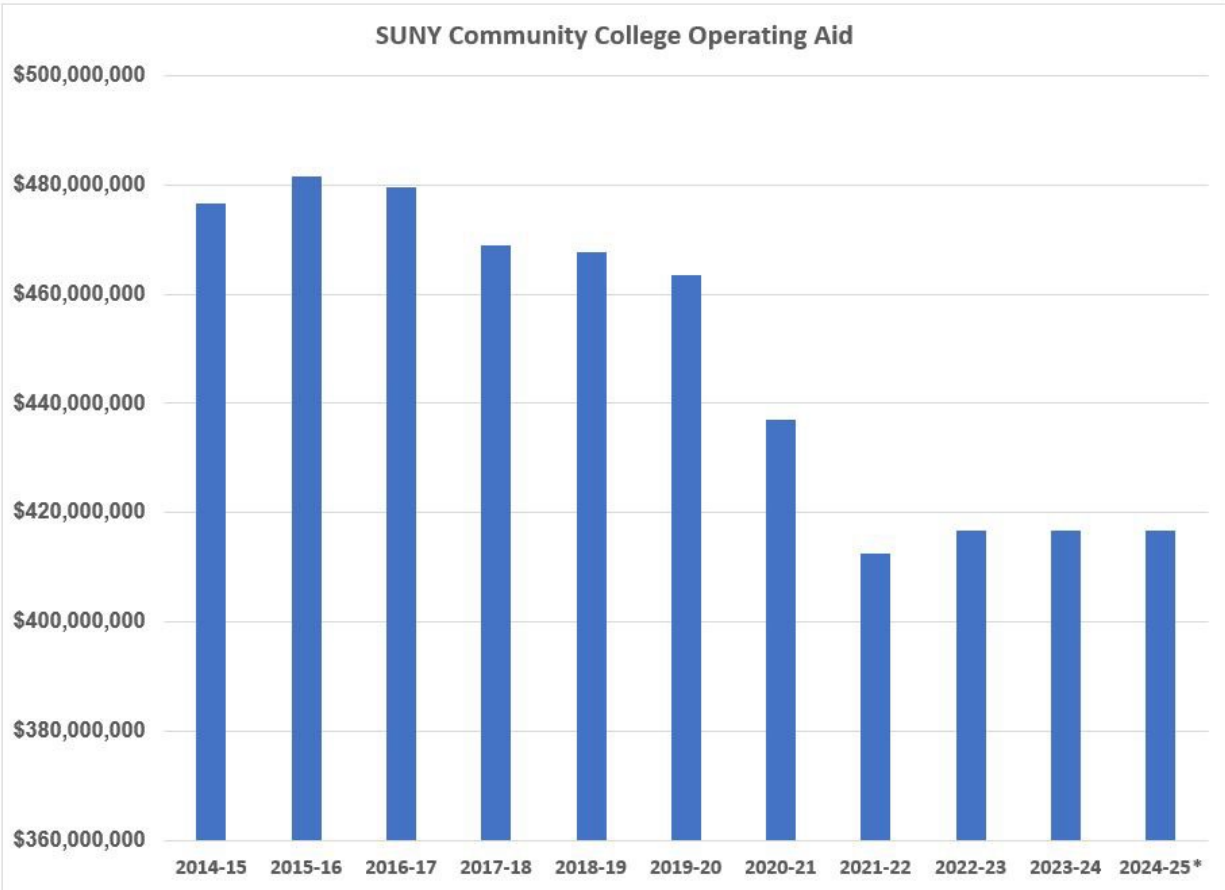
A significant state investment is needed to preserve and enhance the quality of higher education in New York, and so we ask that you continue to prioritize operating aid for public higher education as we head into 2024. We cannot go back to austerity budgeting.

Community Colleges

Community colleges educate and prepare students for the workforce and provide an essential 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 advance social mobility. Community colleges also collaborate with regional employers to develop and provide training to address specific local workforce needs.

Community colleges are slated to receive flat funding as compared to the 2023-24 budget, however, the fact is, more support is needed.

We know the Legislature is committed to supporting our community colleges, but state funding is not commensurate with state education law, which requires the state to pay 40 percent of the operating costs of these campuses. The state is far from meeting this legal obligation.



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

Over that same period, students paid the lion's share of the operating costs of these campuses. Over the 10 years from 2008-09 to 2018-19, SUNY community college students went from paying 40.8 percent of the operating costs to approximately 41.4 percent. Meanwhile, the state's contribution decreased from 30.8 percent to 25 percent for the same period. Year after year, budget after budget, we have seen the state "notwithstanding" the law at the expense of our students and community colleges. This practice must stop. Accordingly, as a first step to fulfilling its 40 percent obligation, we call on the state to provide an additional \$101.7 million to CUNY and \$99 million to SUNY, representing 33 percent, bringing the funding level closer to the 40 percent owed to these critical institutions.

We would also welcome an opportunity to participate in any process designed to create a funding model that works for these institutions. The FTE funding model, which allocates state dollars based on a set amount multiplied by the number of FTE students enrolled, is inadequate. The reliance on enrollment trends over the past decade has resulted in unpredictable funding and general instability. We should be working to insulate our campuses from short-term enrollment fluctuations and prepare them for long-term growth and sustainability.

The CUNY ASAP program was created to help students earn their associate degrees as quickly as possible – with a goal of graduating at least 50 percent of the enrollees within three years. The program is designed to help students overcome systemic barriers and other hardships that prevent 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 both the CUNY and Westchester Community College ASAP programs. We are seeking to expand ASAP to all our SUNY community colleges.

While we were encouraged to hear the announcement this past September that SUNY planned to adopt an ASAP model, we are disappointed that this plan only covers 13 of our 30 community colleges and concerned that the funds allocated (approximately \$2,000 per student as opposed to \$3,400 per student spent at CUNY and the Viking Roads program) would be insufficient to guarantee program success. To encourage student enrollment and better guarantee degree completion, we are asking for \$100 million to expand a model of CUNY's successful ASAP program to our SUNY community colleges.

Public Higher Education Access for All

Every dollar invested in SUNY and CUNY yields even greater returns for New York's tax base. However, a continued shift of costs from the state to students has placed an additional financial burden on our students and their families and has reduced access to the high-quality education every New Yorker deserves. If we continue to reach into students' pockets rather than investing public dollars into higher education, instead of setting them up for success, we will be setting them up for years of student loan payments. That is why we continue to oppose tuition increases and support investment in SUNY and CUNY two- and four-year colleges and universities. To improve access to public higher education, we must not pass on additional costs to students. As part of our New Deal for Higher Education, NYSUT advocates for a public higher education system that delivers results and sets our students up for success without leaving them hopelessly in debt.

SUNY Hospitals

The three SUNY teaching hospitals in Syracuse, Brooklyn and Stony Brook are state hospitals that serve all New Yorkers. Instead of dramatically underfunding these facilities, as has been proposed in the executive budget, 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 help ensure that New York is ready for the next health crisis. We ask that \$175 million in critical mission funding be provided to these institutions.

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

Unlike in years past, the executive budget proposal does not include \$150 million in capital funding for alterations and improvements to SUNY Upstate, SUNY Downstate and SUNY Stony Brook. Expecting these hospitals to continue to perform at high levels while chronically underfunding them is unrealistic. Denying adequate funding, finding new ways to cut funding, and failing to recognize the sacrifices of our members working at these institutions is an embarrassment.

While not a part of the executive budget proposal, we are also troubled by reports of a SUNY-backed, so-called transformation plan that would effectively close SUNY Downstate. While details are scarce, it appears that once the transformation is complete, the current hospital would be closed, and the services it provides would be offered at other area hospitals. No legislative hearings or public forums have been held about this plan, which would exacerbate an already dire healthcare crisis in central Brooklyn.

Closing SUNY Downstate is a bad, short-term way to avoid fixing problems caused by decades of fiscal neglect. Now is the time to invest in what central Brooklyn deserves, a reimaged, viable, vital health care center.

Conclusion

New York's SUNY, CUNY and community colleges form a world-class public higher education system that is vital for the state's economic leadership and innovation. We are at a pivotal moment — we must do the right thing and embrace a New Deal for Higher Education that reinvests in this system as a public good, fuels an engine of social mobility for millions and serves as a driver of economic growth for our state.

We are asking the Legislature to fund public higher education to the level our students deserve, and our state requires. We are asking you to reject the cuts in the executive budget proposal and to continue to prioritize higher education this year and into the future.

We ask that you stand with educators and students to ensure that the choice to pursue higher education will not be taken away from those who can least afford to lose it. We also ask that you 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 you have done to improve public higher education. I look forward to continuing our work.