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The City University of New York



**Testimony of Chancellor Matthew Goldstein
The City University of New York
New York State Senate Finance Committee and
New York Assembly Ways and Means Committee
The 2012-13 New York State Executive Budget Proposal
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Good morning, Chairperson DeFrancisco, Chairman Farrell, members of the Finance and Ways and Means committees, staff, and guests. Thank you for the opportunity to speak today about The City University of New York and the 2012-13 State Executive Budget Proposal. I will ask the senior officers of the University accompanying me to introduce themselves.

With the historic enactment of a predictable tuition policy for CUNY and SUNY last year, coupled with a maintenance-of-effort provision and an assurance that tuition revenues will be retained by the universities, the executive budget maintains operating support for both systems at prior-year levels. This offers the University a critically needed measure of stability. All of us at CUNY deeply appreciate the support of the governor, the State Senate, and the State Assembly for a tuition policy that enables New York's families to better plan for the costs of college, encourages students to advance their education, and enhances the University's ability to plan for the future. In the last few years, CUNY has helped to organize two national summits on public higher education, working closely with the leaders of large public university systems, and I can tell you that this forward-thinking policy has made New York State the envy of the other systems. We look forward to building on our work to prepare New York's students for the very competitive global marketplace they will enter.

At CUNY, record numbers of students are seeking that preparation. As of fall 2011 we are serving more than 270,000 degree-seeking students and 223,000 adult and continuing education students. We are also delighted to be the point of connection for the 1 million CUNY graduates currently living and working and paying taxes in New York State. Our efforts to meet growing student demand continue to be very well received. For example, enrollment in our winter session—the short period between the fall and spring semesters—set another record this year, with nearly 15,000 students, an 8.5 percent increase over last year's enrollment. Winter session enrollments have more than quadrupled since the initial session in 2006.

Just as student demand has increased, so has student achievement. In fall 2011, the University accepted more than 20,000 applicants with a high school average of 85 or above. This is a 7.8 percent increase in top applicants from fall 2010. In 2011, we were also pleased to see CUNY students distinguish themselves nationally, with two winning Truman scholarships, four garnering Goldwater scholarships, three receiving National Science Foundation graduate research fellowships, and two winning \$100,000 Math for America fellowships. They are only the latest in a succession of CUNY award winners, joining several previous CUNY Truman, Goldwater, and NSF recipients over the last decade. Our students are also fulfilling their promise when they graduate. We were pleased to learn just last week that nearly every December graduate of Baruch's financial engineering master's program has already received an offer of employment.

However, this is only part of the story of CUNY's growing enrollment. The story is one I have called "The Tale of Two Tails." We are enrolling more high-achieving students—a tail at one end of the preparedness spectrum—as well as a growing number of underprepared students, a tail at the other end. Today, nearly eight out of 10 students who come to our community colleges from the New York City public schools need some remediation. CUNY, working with the New York City Department of Education, addresses their wide range of needs through a number of carefully developed academic programs, including College Now courses, pre-session skills initiatives, and intensive language immersion programs. But meeting the needs of students who are at very different levels of readiness is a challenge, both academically and financially. While some students may be seeking advanced research opportunities, for example, others may need learning communities and intensive advisement.

I'd also like to note, with great pride, that CUNY has seen a 55 percent increase in its enrollment of veterans since 2009. The University has always had a strong commitment to ensuring that its student veterans receive the services they need to succeed in transitioning to college and completing their degree—including financial advisement, counseling, and disability services. Late last year I announced the creation of a University-wide committee to review policies and programs that affect our student

veterans and make recommendations to enhance our services. It is our view that those who have given much to their country should be given every opportunity to succeed as students and civilians.

I am also proud to note that CUNY's faculty continue to be recognized for their innovative research efforts. This year grants from the National Science Foundation, the National Endowment for the Humanities, and the National Institutes of Health are advancing the work of CUNY researchers across our senior and community colleges. In addition, funding from the Centers for Disease Control and Prevention, the MacArthur Foundation, and the Department of Homeland Security is helping faculty members improve all of our lives through health and crime-prevention initiatives. And a \$20 million federal grant—the only one received in New York State—will enable CUNY to assist out-of-work adult New Yorkers who are changing careers.

The outstanding work of our faculty highlights the need to increase their numbers in order to keep pace with our record enrollment. This is a priority of the University's 2012-13 Budget Request, which emphasizes investment in our academic core: full-time faculty, academic programs, research opportunities, academic support services, and information management and technology capacity.

For our operating budget, the State Executive Budget proposal recommends an increase of \$70 million for our senior colleges, mainly to meet mandatory needs—including health insurance for some adjunct instructors, which our board unanimously recommended last year—and to restore some funds that were reduced last year. Consistent with the state's new tuition policy, the budget also recognizes revenue from CUNY's 2011 and 2012 tuition increases.

As I mentioned, for the University a key provision of the tuition policy is the maintenance-of-effort agreement that ensures that funding cannot drop below the prior-year level. Stable funding not only allows University planning but also sends a strong signal to donors that an investment in public higher education is a statewide priority. It

assures philanthropists that their gifts are not a substitute for public support but an enhancement in key areas that can make a transformative difference to the University. Our \$3 billion “Invest in CUNY” campaign remains a top priority. Just last week, we brought together our many philanthropic partners to thank them for their tremendous support of CUNY and to identify opportunities to leverage state funds to maximize their impact on students and faculty.

On the community college side, the executive budget recommends a \$7 million increase in operating funds, resulting mainly from our increased enrollment, and keeps base aid at \$2,122 per student. As you know, over the last four fiscal years, base-aid funding has been reduced by \$553 per FTE, for a total reduction of over 20 percent. Given the key role that community colleges play in our city and state, and given CUNY’s national leadership in creating innovative and effective models of learning at our community colleges—including the New Community College set to open this year—we are concerned about the flat funding proposed for these colleges.

Our community colleges are the locus of nationally recognized workforce development efforts, as well as the most promising work to advance student success. The University has several initiatives to address the range of student needs I alluded to earlier. For students with minimal remedial needs, we are expanding the Accelerated Study in Associate Programs, or ASAP initiative; for students with some or no remedial needs, we emphasize learning communities and cohort education; and for students with needs in reading, writing, and mathematics, we encourage deferred admission and enrollment in CUNY Start, an immersion program that preserves their financial aid and accelerates preparedness for college-level courses.

We are proud of the progress of these programs. For example, ASAP students have experienced a graduation rate that is double that of a comparison group. Participants in learning communities have shown higher course pass rates and have earned more credits than non-participating students. And the majority of CUNY Start students test out of at least one area of remediation, and all make significant progress in meeting remedial

needs. In order to continue this progress and our essential work at the community colleges, we ask for your support for at least a \$100-per-FTE increase.

We also request your support to expand the successful ASAP initiative across our community colleges and, going forward, to all of our associate degree programs, including those at the College of Staten Island, New York City College of Technology, and Medgar Evers College. ASAP is designed to create clear pathways to degree completion, through financial support, full-time study, small cohorts, and comprehensive academic, advisement, and career development services. The results speak for themselves. After three years, 55 percent of the 2007 ASAP cohort had graduated, compared to 24.7 percent of a similar, non-ASAP group. Our 2009 cohort, which comprises students who require some remediation, has seen 27.5 percent of its students graduate in just two years; a comparison group had a two-year graduation rate of 7.2 percent. Given these results, we simply must find ways to expand this important program. We are asking the state for \$5 million to support our expansion plans.

I'd also like to draw your attention to two items of particular concern to CUNY. The first is the CUNY LEADS program (Linking Employment, Academics, and Disability Services). The program was not funded last year, and CUNY absorbed the cost in order to maintain the important services it provides. LEADS is a partnership between CUNY and the State Education Department's Office of Vocational and Educational Services for Individuals with Disabilities (VESID) that focuses on improving academic success and employment opportunities for students with disabilities. To date, 2,121 students with disabilities have been referred to VESID and have been retained at an exceptional 86 percent rate. Those students who are job-ready have a 72 percent employment rate, compared to the 56 percent national employment rate for people with disabilities.

The program is not only effective but also quite efficient. An investment of just over \$10,000 to develop and place a CUNY LEADS student in competitive employment saves New York State more than \$14,000 per year in disability benefits. Much of this is in the

form of Medicaid savings. Clearly, an investment by the state in this model program will yield a tremendous return, and I ask that you consider funding of \$2 million.

The second item is funding for CUNY's child-care centers. CUNY has 19 campus-based child-care centers enrolling approximately 1,350 children of CUNY student parents. All of the programs offer quality early care and education programs. The availability of high-quality child care is critical to enabling student parents to access a college education as they balance the demands of family, work, and school. Over the past two years, our child-care funding has been drastically reduced, which is why we were very grateful for the legislature's addition of \$544,000 for child care at the community colleges last year. However, that amount was not included in the executive budget. Once again, we ask for your help in funding this central component of our student services.

An additional concern going forward is the availability of financial aid. More than 38 percent of CUNY undergraduates report household incomes of less than \$20,000. It is often financial aid that determines their ability to seek and complete a degree.

Under the state's tuition policy, universities are responsible for covering tuition costs above the level of the current maximum Tuition Assistance Program award of \$5,000. With the University's recent tuition increase, tuition at CUNY's senior colleges, now \$5,130, pierces that ceiling. That increase created a \$4.3 million financial aid obligation for CUNY. To ensure that no student is put in harm's way because of the TAP limitation, the University has established a \$5 million financial assistance program to provide tuition waivers for students at risk of continuing their matriculation.

As tuition continues to be raised by \$300 annually for the next four years—from fall 2012 through fall 2015—the tuition waiver obligation will also continue to grow. We anticipate a total obligation of more than \$44 million by fiscal year 2016. Pursuant to the state statute, we are working with SUNY on an analysis of the Tuition Assistance Program, which is due in 2013, and we look forward to working with the executive office and the Finance and Ways and Means committees, as well as the entire legislature, to review this critically needed financial assistance program.

Turning to our capital program, the executive budget recommends another \$284 million allocation to our senior colleges for critical maintenance projects and almost \$27 million to our community colleges for projects that have received funding from the City of New York. We are particularly grateful for this attention to our maintenance needs, which have become more urgent as enrollment grows. In just the last decade, our enrollment has increased by nearly 30 percent—an additional 62,000 students. Our campuses are open seven days a week and classes are scheduled throughout the day, increasing the wear and tear on classrooms and common areas.

As you know, CUNY does not have land to build additional facilities; we must maintain and upgrade our existing buildings. The majority of our 27 million square feet of campus space is more than 30 years old, and the average building is more than 50 years old. In fact, some of the University's buildings are more than 100 years old. Our aging building stock and the history of deferred maintenance are the most significant issues impacting our capital program.

We are grateful for the appropriations allocated in previous budgets, starting with the first year of the current five-year plan. I'd like to mention just a few of the things that have been accomplished with that support. Thanks to your help, last year we opened a new, 600,000-square-foot facility at John Jay College, and we took ownership of a new location for the CUNY School of Law in Long Island City. In addition, by maximizing state funds through public-private partnerships, last fall we opened the Lois V. and Samuel J. Silberman School of Social Work at Hunter College, as well as student-faculty housing for the Graduate Center. And in late 2010, Medgar Evers College opened the five-story building that houses its School of Science, Health and Technology.

Thanks to you, we will continue making progress at CUNY. For example:

- At BMCC, the new Fiterman Hall, which replaces the building destroyed on 9/11, will be open for the fall term.

- At Bronx Community College, the North Instructional Building will also open for the fall term, the first major building constructed on the campus since it was acquired from NYU in the early 1970s.
- At Lehman College, a new science facility with laboratories for teaching and research will be completed by the end of this year.
- At City College, both the Marshak building façade replacement and the Shepard Hall exterior rehabilitation will be completed in late spring.
- The CUNY School of Law's new facility in Long Island City will be open for the fall term.
- And at Queens College, we anticipate completing the Kupferberg Center Arts Complex renovation in the spring.

We deeply appreciate your support of these important efforts, all of which are alleviating space pressures and a backlog of deferred maintenance caused by increasing student demand.

All of these projects were years, even decades, in the making, and we are completing them at a critical time: when New York City needs jobs. Today, 20 percent of all the construction projects in the city are CUNY projects. We estimate that CUNY is generating thousands of jobs from its construction program. For every \$10 million spent in construction, it is estimated that 60 jobs are created at the job site and 30 jobs are created offsite in materials fabrication on an annual basis. We also can't forget our important partnership with the successful New York State Small Business Development Centers at six CUNY colleges to spur job creation and economic development. The centers have together created or saved more than 21,000 jobs in key industries, including construction, with an economic impact of well over \$500 million. We are eager to work with the executive office and the legislature to expand the work of the centers.

However, after this year, CUNY's construction program will slow down. After that it will be several years before our next significant project completion. In fact, if we do not start more projects soon, it could be five to 10 years before another large project is

completed. This is not for lack of projects; CUNY has several that are shovel ready and will alleviate serious space deficits at our colleges. We would like to see the executive budget provide additional funding for programmatic projects.

This includes two key projects at our senior colleges. One is the new academic building proposed for New York City College of Technology. You might remember that last year the governor, with the support of many state legislators, announced the launch of his innovative statewide economic development initiative at this campus—and fittingly so, as there is no better illustration of the need for economic development than City Tech’s antiquated building in downtown Brooklyn, a community desperate for job creation and economic growth. Our building project would provide that; it is designed and ready for construction. The new facility will not only address serious overcrowding at the campus but will also modernize a college that, as its name implies, focuses on the latest occupational technologies. The facility will provide essential instructional, computer, and laboratory space, upgraded classrooms, and an emphasis on health sciences technology, including a nursing simulation center.

I should note that the City Tech project already has \$252 million appropriated to it. Our cash-flow plan includes spending those appropriations over the next three years, so we do not need an increase to our spending cap in the next three years. However, we do not have approval to move this project forward. We have been advised that we need to have full construction appropriations in place in order to start. As a result, we still need an additional \$128 million in appropriations, despite the fact that we will not need to spend the funds for another three to four years.

The other project is the renovation of the Field Building, Baruch College’s facility at 17 Lexington Avenue. This is a facility that sits on the site of City College’s original home, the Free Academy, dating it to the very origin of CUNY and public higher education in New York City. As the birthplace of the University, this site has very special meaning for CUNY and for the city. The current building has been in use almost continuously since 1928, with minimal upgrades. It is in dire need of a complete infrastructure

upgrade and renovation, including new science labs, classrooms, and enhanced ADA accessibility.

These projects demonstrate why CUNY's capital program remains such a high priority for the University. It has been critical to our academic growth, helping to improve classroom instruction, research capacity, and laboratory and library work. It has been equally critical to New York City, creating much-needed jobs in a struggling economy. With your support, we hope to continue this important work.

Chairperson DeFrancisco, Chairman Farrell, and members of the committees, let me thank you again for your continued efforts to strengthen public higher education in New York. A highly skilled workforce is the foundation of the state's future, and we look forward to working with you to help ensure the state's vitality in the coming years.