



Testimony

to the
Senate Finance Committee
and
Assembly Ways and Means Committee
on the
Proposed 2014-15 Executive Budget
for
Higher Education
February 6, 2014

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

***Testimony of
Andrew Pallotta
Executive Vice President
New York State United Teachers
to the
Senate Finance Committee
John DeFrancisco, Chair
and
Assembly Ways and Means Committee
Herman D. Farrell, Jr., Chair
on the
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Senator DeFrancisco, Assemblyman Farrell, honorable members of the legislature and distinguished staff, I am Andrew Pallotta, Executive Vice President of New York State United Teachers (NYSUT). NYSUT represents more than 600,000 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 testify today on the proposed 2014-15 Executive Budget for Higher Education. My testimony represents the concerns of over 75,000 faculty and professional staff who work in colleges and universities across New York State. 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.

I am joined today by Dr. Frederick Kowal, President of United University Professions (UUP), and by Dr. Barbara Bowen, President of the Professional Staff Congress (PSC). You will hear from both Dr. Kowal and Dr. Bowen in a few moments.

Let me begin by making a few comments regarding the importance of public higher education. It is abundantly clear that obtaining a college degree is no longer just a laudable goal, it's a necessity. It is a prerequisite for the vast majority of employers today. It is also clear, that the cost of higher education is becoming out of reach for far too many families. In fact, student debt has now surpassed credit card debt in this country.

SUNY and CUNY are literally the only options for hundreds of thousands of students to obtain a college education. Our public higher education systems in this state and nation are the great equalizers of the twenty-first century. Yet, we continually underfund these institutions. Over the last five years, our public higher education institutions have been cut by nearly \$2 billion. This has put our public colleges and universities under intense pressure to eliminate programs and courses, erode quality and slash opportunities for students in need. Public higher education's mission of teaching, research and health care is the key to a bright future for all New Yorkers.

NYSUT and its higher education affiliates ask that you support our "Public Higher Education Quality Initiative." This initiative calls on the state to:

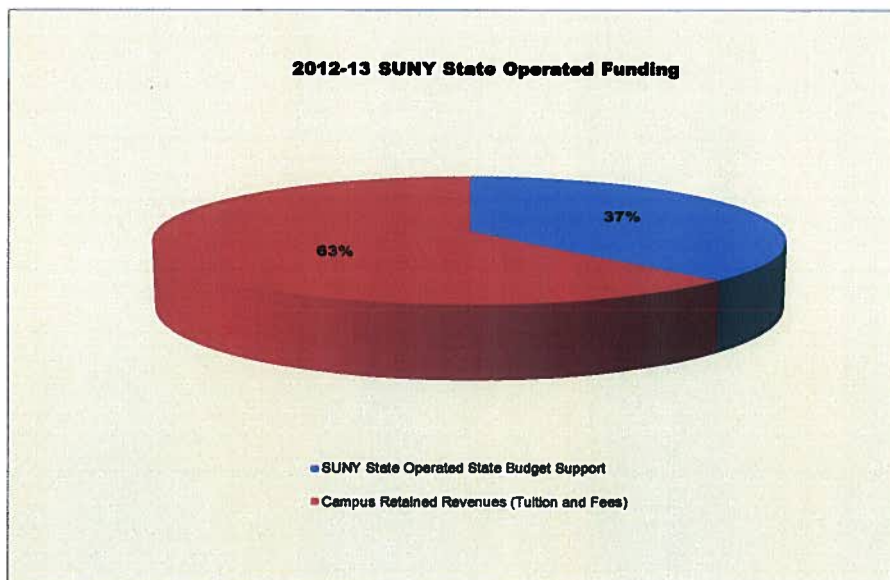
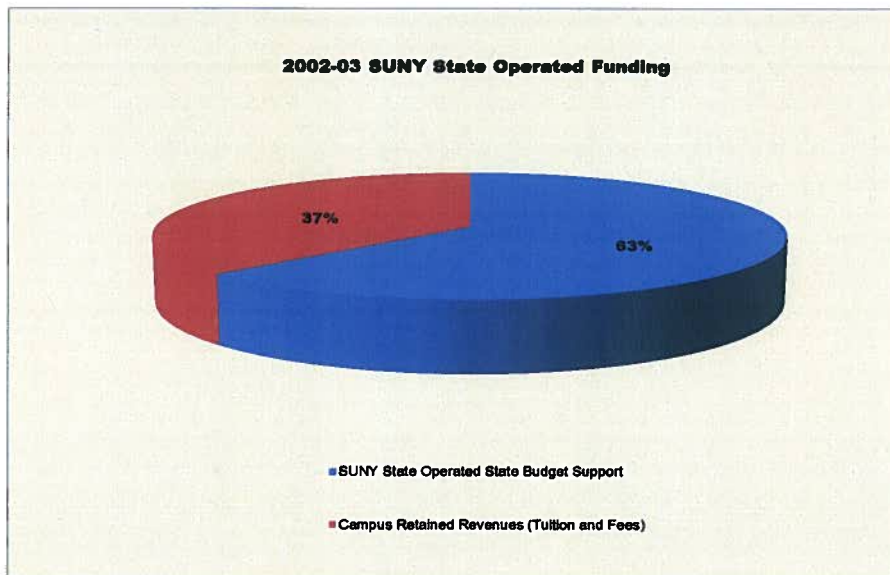
1. Increase funding for SUNY and CUNY four-year campuses and raise community college base aid to reverse the deep decline in funding over recent years. We must invest in the gateway to economic quality that public higher education provides.
2. Create an endowment to restore and rebuild SUNY and CUNY academic departments through the hiring of additional full-time faculty and professional staff. This will help to ensure quality courses, programs and mentoring that our students deserve.

- Invest strongly in student financial aid and opportunity programs, update and reform the state's Tuition Assistance Program to advance a strong system of public higher education that ensures quality, access and opportunity for all.

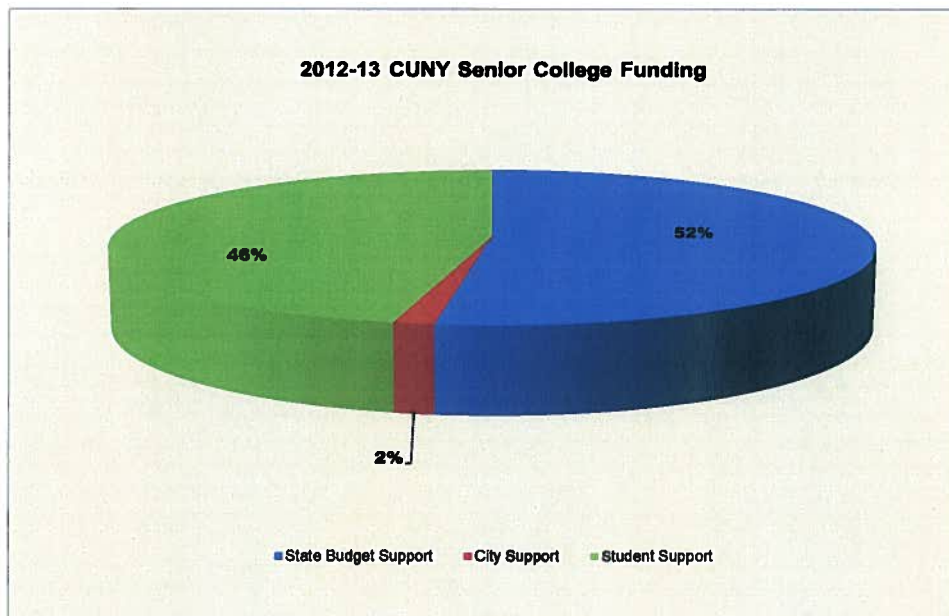
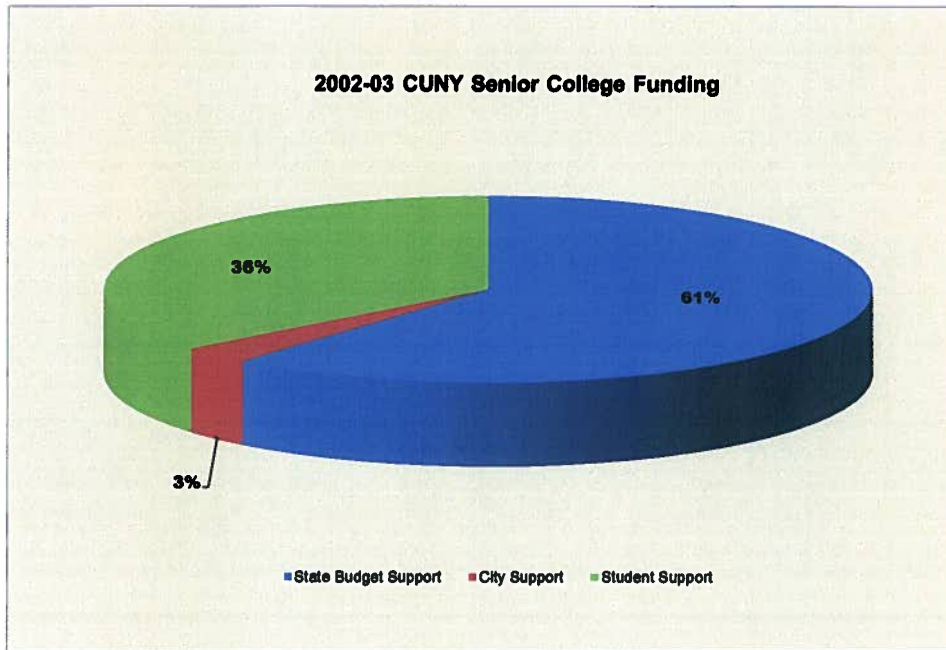
Increase Funding to Public Higher Education Institutions

The 2014-15 Executive Budget essentially holds year-over-year funding levels flat for SUNY, CUNY and the community colleges. If the Executive Budget proposed level of funding to our four-year campuses is adopted, it will be the third straight year of flat funding to these campuses. It is important to point out that flat funding equates to a cut as mandatory costs increase from year to year. Moreover, the flat funding in recent years was preceded by two years of draconian cuts during the Great Recession.

Furthermore, if you look at the percentage of state support that makes up SUNY's and CUNY's total operating budgets, you will see that it has fallen significantly over time as the charts below illustrate. For SUNY, state support in 2002-03 constituted 63 percent of SUNY's operating budget with 37 percent coming from other retained revenues specifically, student tuition and fees. By 2012-13, we experienced a complete reversal with only 37 percent of SUNY's operating budget coming from state support and 63 percent coming from revenue primarily generated from students.



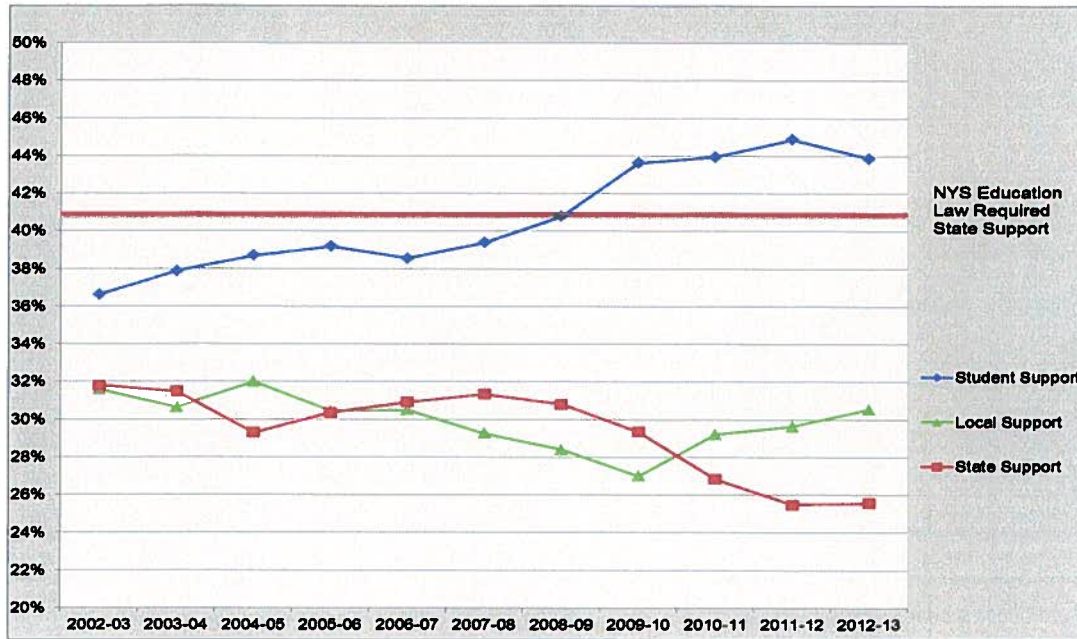
For CUNY, the story is very similar. In 2002-03, state support constituted 61 percent of its total operating budget with 36 percent coming from other revenues and three percent coming from the city of New York. By 2012-13, state support dropped to only 52 percent with 46 percent coming from other revenues and two percent from the city of New York.



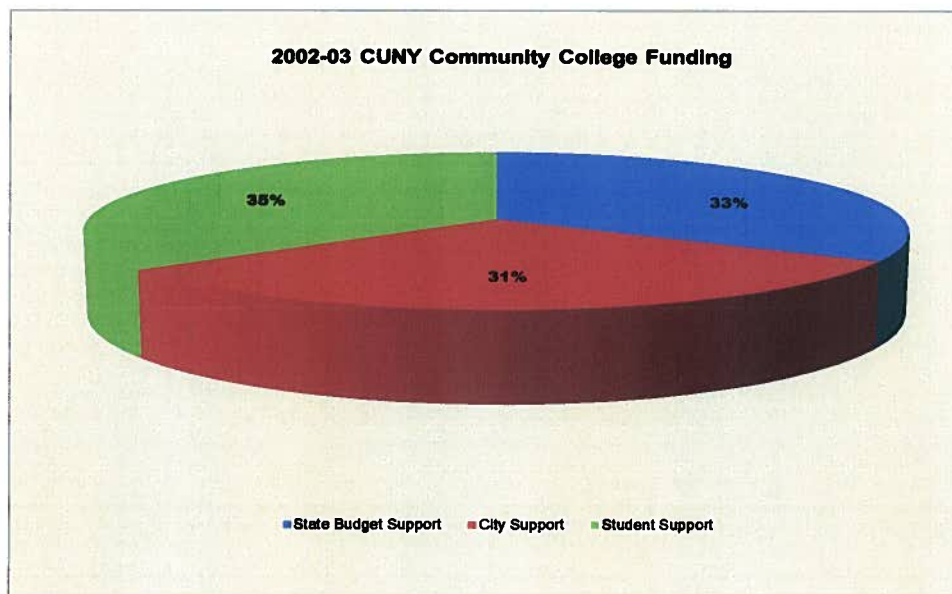
As you can see, over time we have steadily increased our reliance on student tuition revenue for operating expenses at SUNY and CUNY. In fact, our students are now funding the annual increases in operating costs at SUNY and CUNY four-year campuses through mandated yearly tuition increases. This has to change. Funding public higher education has to be a priority in this state. We know that in relative terms, a small amount of funding goes a long way in higher education. We ask that you make a commitment to begin replacing state operating aid to SUNY and CUNY four-year campuses that has been lost from 2007-08 funding levels.

With respect to community college funding, we thank you for increasing community college base aid the last two years by \$150 per full-time equivalent student. This has helped our campuses maintain current levels of academic programs and services offered to students. While we appreciate these efforts, we are still far below 2008-09 state funding levels for these campuses. As the charts below illustrate, both SUNY and CUNY community college students are paying the lion share of operating costs of these campuses.

In fact, over the ten year period from 2002-03 to 2012-13, SUNY community college students went from paying 37 percent of the operating costs to 44 percent. At the same time, the state's contribution for these costs went from 32 percent to 26 percent with the local sponsor's share remaining fairly constant at 32 percent and 31 percent, respectively.



When you look at CUNY's community colleges during the same time period, we see the same story. The student share went up from 35 percent to 43 percent while the state share went down from 33 percent to 25 percent. The local share increased by one percent from 31 percent to 32 percent.



The main point here is that the state is not living up to its statutory obligation of providing 40 percent of the operating costs to these institutions. In fact, it has never lived up to this obligation and the burden of funding these institutions has been primarily placed on our students. Therefore, NYSUT requests that an increase of \$250 per FTE student be provided in this year's budget to get us essentially back to 2008-09 funding levels for these campuses. This increased funding should obviate the need for an increase in tuition, which our students cannot afford.

Public Higher Education Endowment

The loss of state funding and the overreliance on tuition to fund our public higher education institutions has had a dramatic impact on our full-time faculty to part-time faculty ratios. The declining cadre of full-time faculty has long been a concern for NYSUT, our higher education affiliates and students.

The percentage of full-time faculty at SUNY's state-operated campuses (2012-13) is only 44 percent while 56 percent are part-time. For CUNY system-wide (2012-13), the percentage of full-time faculty is 40 percent while the percentage of part-time faculty is 60 percent. At our SUNY community colleges it's even worse. The percentage of full-time faculty at SUNY community colleges is 21 percent while the part-time percentage is 79 percent.

NYSUT, and its higher education affiliates, are calling on the state to establish an endowment for the sole purpose of hiring additional full-time faculty and professional staff at SUNY, CUNY and their community colleges. The ultimate goal of this endowment is for SUNY and CUNY to achieve a 70 percent to 30 percent full-time to part-time faculty ratio which will enhance the quality of academic programs and services offered to students. As part of this endowment proposal, we want to ensure that current part-time faculty members are given preferable consideration to filling new full-time faculty lines. The process for hiring additional full-time faculty and professional staff should be done through labor/management collaboration.

We have great faculty at our public higher education institutions. The fact of the matter is we have also lost a lot of great faculty to other universities across this country. If our state is going to be competitive in the global information economy it is imperative that we re-build our academic departments at both SUNY and CUNY. If we are serious about revitalizing the upstate economy through the START-UP NY program, we need to invest in intellectual capital. In the new economy, innovative and high-tech businesses are locating around colleges and universities that employ the best and brightest faculty.

The fact is annual tuition increases are not an adequate source of revenue to enhance full-time faculty and professional staff lines. As tuition rises, so too does the student tuition tax credit that SUNY and CUNY must self-fund out of their existing budgets. In other words, the net revenue derived from annual tuition increases is shrinking every year and is therefore not sustainable. Moreover, NY SUNY 2020 is due to sunset after next year. An endowment provides long-term financial stability in providing the annual resources needed to enhance our academic departments.

Other state university systems have significant endowments which puts them at a distinct advantage over our state. Below is a just a sampling of some of those endowments.

U. Of Texas system:	\$17.1 billion
U. Of Michigan - Ann Arbor:	\$7.6 billion
Texas A&M:	\$7.0 billion
U. Of Minnesota:	\$2.5 billion
Ohio State University:	\$2.2 billion
U. Of Washington:	\$2.1 billion
U. Of Wisconsin- Madison:	\$1.9 billion
Penn. State:	\$1.7 billion
U. Of Indiana system:	\$1.6 billion
Michigan State U.:	\$1.4 billion
U. Of Florida:	\$1.3 billion
U. Of Kansas:	\$1.3 billion
U. Of Nebraska:	\$1.3 billion
U. Of Oklahoma:	\$1.3 billion
State University of New York (as a system)	\$ 0

As you can see, we have a lot of catching up to do. We ask that we start the funding for this critical initiative in this year's budget. We envision the funding for this endowment to be phased in over three years (at least \$250 million per year). Assuming an 8 percent annual return on investment, the endowment would generate the following interest:

- \$250 million would generate \$20 million
- \$500 million would generate \$40 million
- \$750 million would generate \$60 million

The source of funding for this endowment can be secured in a variety of ways, or a combination of ways, including but not limited to:

- Issuing Bonds through the Dormitory Authority
- Casino Licensing Fees – Currently, the only revenue NYS will garner from the establishment of Las Vegas style casinos is a percentage of the revenue generated by such casinos. We propose that the state charge a one-time licensing fee to the corporations that will operate casinos in this state.

The University of Maryland conducted a recent study that found that the licensing fees for the establishment of casinos in Maryland were worth, at a minimum, \$500 million each. We believe they are worth even more in this state given our size compared to Maryland.

- Securitizing the Future Growth of Gaming Revenue
- Campus Impact Fees for the START-UP NY Program. We propose that a one-time impact fee for each campus be charged to corporations and businesses that participate in the START-UP NY program. This fee should be a reasonable amount so as to not deter program participation. The revenue generated from these fees would be allocated to the endowment.

We believe that a campus impact fee is warranted given that participants of this program will benefit generously from state tax exemptions. Moreover, the state's concerted effort to rebuild academic departments at SUNY and CUNY through this endowment, will enhance academic quality and therefore enhance the reputation of these institutions. This will help to attract and retain participation in this program.

- Private Donations

Attracting and retaining the best and brightest scholars entails competing not only against other colleges and universities across the country, but against higher education institutions across the world. Again, if we are serious about competing for intellectual capital to attract innovative and high-tech businesses to our state, we need to create this endowment this year.

SUNY Hospitals

I would now like to talk about a critical issue for us which is the funding for our SUNY hospitals. State support for SUNY's hospitals was created more than 20 years ago to recognize that New York has a responsibility to at least partially compensate the hospitals for their service to indigent populations. While the Executive Budget provides an increase of \$9 million in General Fund appropriations, this amount of funding is still \$19 million below the overall spending authority enacted in last year's budget.

SUNY hospitals provide unique life-saving services not typically provided in private hospitals. These include burn units, trauma care units and poison control. They also serve as a safety net for low-income communities, the uninsured and the underinsured. These patients rely on these hospitals for health care.

The simple truth is that our SUNY hospitals cannot carry out their critical public health care and academic missions on this level of state funding. The state needs to make a financial commitment to these hospitals to ensure their survival. We ask that you restore the funding level to these hospitals back to the 2010-11 SFY level of \$128 million. These hospitals are in serious financial jeopardy especially, SUNY Downstate.

I urge all of you to do whatever it takes to keep the University Hospital of Brooklyn (Downstate) from closing or being privatized. The Executive Budget again proposes Article VII legislation this year that would establish a pilot program to restructure health care delivery systems. This proposal authorizes the establishment of five business corporations through the public health and planning council – one of which shall be affiliated with an academic medical center or teaching hospital (presumably SUNY Downstate or SUNY Upstate). The business corporations are also authorized to operate hospitals. If this legislation is adopted, it would set the stage for the closure, or at the very least, the privatization of SUNY Downstate. This cannot be allowed to happen. We strongly urge you to reject this proposal.

Moreover, we strongly urge you to enact our *Brooklyn Safety Net Hospital Plan* that we have developed with UUP and other unions to address the hospital crisis in Brooklyn. We believe that this plan is the only one that is a win-win for all the hospitals in Brooklyn. We thank the legislature, especially, the Brooklyn delegation for all the support they have provided for SUNY Downstate over the last year and a half. Without this support, we firmly believe SUNY Downstate would have already been privatized or closed. We ask you to continue to fight with us to ensure that this great institution is not allowed to become significantly downsized to become a shell of its former self, as some forces are trying to do. We must keep SUNY Downstate a state-operated, full-service public hospital.

Student Financial Aid and Opportunity Programs

NYSUT urges the legislature to continue to invest in student opportunity programs that provide greater student access and remediation for students in need. We urge you to restore the funding cuts to student opportunity programs such as EOP, SEEK, ASAP and the GAP program.

CUNY's ASAP program is a perfect example of a program that provides results for students. This program has been extremely successful because it provides students with the tools that they need to be successful (e.g. access to comprehensive advisement/mentoring, affordable tuition and financial help).

Finally, NYSUT supports updating the Tuition Assistance Program which is now 40 years old. This wonderful program has afforded so many students the ability to obtain a higher education in this state. It needs to be updated, however, as too many students are now excluded from or underserved by the current program.

Conclusion

In conclusion, we all know that higher education has the power to enable people to reach their full potential and to lift individuals out of poverty. We know how important SUNY and CUNY and their community colleges are to revitalizing our state's economy yet, the state keeps under funding these institutions. It's time to reverse that trend. It's time that we invest in public higher education – our state's path to future prosperity.

Again, thank you for the opportunity to testify today. I will now turn it over to Dr. Kowal who will be followed by Dr. Bowen.

UNITED UNIVERSITY PROFESSIONS



TESTIMONY

**Testimony
on the
2014-15 Executive Budget**

Presented to

**Senator John A. DeFrancisco, Chair
Senate Finance Committee
and
Assemblyman Herman D. Farrell, Jr., Chair
Assembly Ways and Means Committee**

By

**Frederick E. Kowal, Ph.D.
President**

February 6, 2014

Chairman DeFrancisco, Chairman Farrell, distinguished members of the Senate Finance and Assembly Ways and Means Committees, thank you for providing United University Professions (UUP) the opportunity to testify today on the SFY 2014-2015 Executive Budget for higher education.

I am Frederick E. Kowal, President of UUP. We are the nation's largest higher education union, representing more than 35,000 academic and professional faculty and staff. Our members serve hundreds of thousands of students and patients at State University of New York (SUNY) academic institutions, health sciences centers, and public teaching hospitals administered directly by SUNY.

I'd like to begin by thanking you for restoring \$28 million to the public hospital subsidy for SUNY's three teaching hospitals in the state's 2013-14 Enacted Budget. This funding, cut from the 2013-14 Executive Budget, is vital for New York's teaching hospitals to provide their communities with quality, accessible health care.

You have our deep appreciation and respect for turning aside the relentless attempts to privatize SUNY's state-operated public hospitals. Your courageous action to reject a pilot proposal in the 2013-14 Executive Budget to allow for-profit capital investment in our public hospitals protected the mission of and the life-saving public services these hospitals provide daily for hundreds of thousands of state residents.

Unfortunately, we find ourselves fighting the same battle again in the 2014-15 Executive Budget, which continues a trend begun two years ago to shift more and more of the University's costs from the state to SUNY's operating budget—or more precisely, moving the responsibility of funding SUNY from the state to SUNY students through tuition.

2014-15 Executive Budget Proposal: Falls Flat

Funding for state-operated campuses is flat in the proposed Executive Budget, marking the third straight year that SUNY has been left without a state funding increase. What's more, the spending plan removes \$2 million for a number of University-wide programs. These dollars were provided by the Legislature in the 2013-14 Enacted budget. Some of those programs, such as SUNY's Educational Opportunity Program and Educational Opportunity Centers, provide access, academic support and financial aid to a high percentage of New York's most at-risk students.

Underfunding SUNY tramples upon the very reason why SUNY was created—to ensure that each and every New York resident capable of earning a baccalaureate degree has access to that avenue of learning, regardless of affordability. SUNY campuses have felt the pain of continued state funding cuts; many campuses have reduced course offerings, resulting in fewer classes and larger class sizes.

In light of this, we are calling for the creation of the New York State Public Higher Education Full-Time Faculty and Professional Staff Endowment. This endowment would rebuild SUNY and CUNY academic departments depleted by chronic underfunding. Endowment funds would also be designated to increase full-time faculty, professional, and support staff lines, and to move contingent and adjunct faculty into permanent positions. Considering that State funding to SUNY is down by nearly 40 percent since 2008, while enrollments have increased, the times demand that we be proactive and not reactive. This endowment accomplishes that, and much more.

Educational Opportunity Program: Additional Funding Eliminated

In the late 1990s, 75 percent of SUNY's operating budget was funded by the state. Now, that has dramatically shifted to tuition and fees. Too many SUNY students have become mired in debt as they strive to earn a SUNY degree. So many others simply can't afford to pay for college, while still others are in need of extra preparation to excel in higher education. The Educational Opportunity Program and Educational Opportunity Centers offer access, academic support and financial aid to students these students. And make no mistake: the programs work. In 2011, more than 9,000 eligible students statewide vied for just 2,700 program openings.

Yet, the Executive Budget proposes a decrease of more than \$632,000—the additional funding the Legislature deemed necessary, and added to the 2013-14 Enacted Budget, to fully fund the EOP. It is simply unconscionable to cut these programs. In this economic climate, it is critical that these programs are properly funded.

SUNY's Public Hospitals & Health Sciences Centers: Cut Again

Once again, the Executive Budget proposes cuts that would be devastating to SUNY's public hospitals and health sciences centers. His Executive Budget proposes a \$69 million state subsidy for SUNY's three teaching hospitals. After removing the \$28 million in additional funds that was added by the Legislature in the SFY 2013-14 enacted budget, the Executive Budget added a mere \$9 million to the General Fund SUNY Hospital Subsidy. That's a \$19 million net decrease in overall authorized funding for the hospitals from the prior fiscal year. It is little more than half of the \$128 million subsidy budgeted for in 2010-11. If the state subsidy for public hospitals is reduced, it will significantly threaten health care, medical education, and important medical research.

I find it alarming—and frankly, amazing—that the state, within the last month alone, has managed to find more than \$43 million in state funds to support private hospitals. Yet, the state has not mentioned, nor provided for, the needs of SUNY's teaching hospitals or the communities they serve. It is a shame that state dollars are being sent to private hospitals, when SUNY's public hospitals are in such dire need of that funding.

Additional funds must be allocated to ensure that SUNY's hospitals remain fully operational state-run facilities. These hospitals generate revenues—more than \$250 million annually—used for the operating budgets of the state's medical schools. They are revenue generators for their communities as well.

Then there's the Article VII language in the Executive Budget, which creates the potential for up to five private corporations to take control of public hospitals and other health care facilities. One of these businesses must affiliate with an academic medical institution or teaching hospital. The door to the potential privatization of SUNY's hospitals would swing wide open if this provision is enacted.

I am asking you to do what you did with similar Article VII language introduced in last year's Executive Budget: reject it. It is the right thing to do. Our public teaching hospitals, medical schools and health sciences centers must remain public. Millions of state residents depend on these facilities for health care, and our public hospitals turn no one away, regardless of their ability to pay. SUNY's three medical schools produce thousands of highly qualified doctors, nurses and medical staff each year. SUNY Downstate's medical school is a pipeline for doctors and medical staff to New York City

and Brooklyn. More New York City doctors graduated from SUNY Downstate than from any other medical school, and more than 80 percent of Brooklyn's doctors were trained there.

For years, SUNY hospitals have been treated unfairly by the state when compared to other state agencies. SUNY hospitals are the only state agency that pays salaries and fringe benefits costs of their public employees, as well as their own debt service on capital projects. All other state agencies or entities have these mandatory costs paid by the state through General State Charges. SUNY Chancellor Nancy L. Zimpher often uses the term "systemness" when it comes to SUNY. She describes systemness as "the coordination of multiple components that, when working together, create a network of activity that is more powerful than any action of individual parts on their own." Yet, SUNY's public hospitals are treated differently than any other state agency.

SUNY Downstate and its employees have worn a large target since the state approved the merger of the debt-ridden Long Island College Hospital in 2011—a move that will eventually drag SUNY Downstate into bankruptcy unless something is done, according to a January 2013 state Comptroller's report on the hospital. SUNY Downstate announced a restructuring plan in May 2012 and has spent millions trying to fix a situation that wouldn't exist if the state passed on the LICH deal.

Now, LICH is hemorrhaging millions per month, and SUNY Downstate—a financially stable facility before the LICH merger—is feeling the financial pain. Hundreds of SUNY Downstate employees have been laid off and the jobs of hundreds more workers—who are also UUP members—are in jeopardy. The MRT Waiver Amendment, also known as the Medicaid Section 1115 waiver, is a key part of the "Brooklyn Hospitals Safety Net Plan"—our strategic plan to redesign and preserve the Brooklyn health care system.

The most recent MRT Waiver application stresses that avoidable hospital use can be reversed if "strategic investments are made with a special focus on rebalancing the delivery system." This is exactly the type of investment that UUP, along with AFT, NYSUT, CSEA and PEF, is seeking in this plan, which will reduce avoidable hospital use, provide cost savings and transform the business model for Brooklyn hospitals. It will also ensure that the right care is provided in the right setting and at the right time for the large number of Medicaid patients served by these hospitals.

The goal of the Brooklyn plan is to enhance and stabilize SUNY Downstate and the other Brooklyn health care safety-net providers so that patients who are dependent on the hospitals will continue to have access to vital health care services and be able to access the care at outpatient centers that are associated with the hospital in their community.

Further, our plan is aligned with the MRT action plan and the Affordable Care Act. This plan will allow the hospitals to achieve better care, better health, and lower costs. This plan is the only long-term solution to the Brooklyn health crisis. The Executive Budget is not providing the fundamental funding necessary for SUNY Downstate to provide the people of Brooklyn quality, affordable health care and graduate medical education.

College of Emergency Preparedness, Homeland Security and Cybersecurity: May Divert Funds

The Executive Budget fails to provide additional funds for ongoing initiatives, but instead provides a \$15 million appropriation for the College of Emergency Preparedness, Homeland Security and Cybersecurity. This appropriation fails to identify a site for the college's location or provide any detail regarding future or long-term funding for this college. UUP has serious concerns about spending scarce resources to establish a new SUNY program, perhaps at a non-SUNY location, when SUNY already has a strong foundation for such a program at various state-operated and community colleges. The Executive Budget call for the development of a comprehensive program in this area provides opportunities to build on existing programs and enrich campuses that already provide critical educational and practical services in this growing field.

The New York State Division of Homeland Security and Emergency Services identifies the following first-responder disciplines as critical for homeland security and emergency services: Fire Prevention and Control, Emergency Medical Services, Emergency Management, and Law Enforcement. Emergency Communications capability is also a critical component. Let me offer some examples of SUNY's relevant program base.

There is an extensive Emergency Management program at SUNY Canton, as well as at five community colleges across the state. Six community colleges offer programs in Emergency Medical Services or Emergency Medical Technology. Eleven community colleges house programs in fire protection technology. Programs in computer science and cybersecurity, criminal justice and law enforcement, and communications technology and broadcast media programs exist at many SUNY campuses across the state.

Consider two illustrations of the possibility of building a new program around existing hubs of relevant academic and practical work in emergency preparedness, homeland security, and law enforcement. SUNY Canton has a solid base of component programs, including criminal justice, homeland security, emergency management, and computer information systems. In addition, the campus houses one of six New York State Police Academies, bringing relevant academic programs and practitioner training together in one location. Similarly, SUNY Oneonta is the site of the Otsego County Law Enforcement Academy. There too, New York State-approved police training, as well as criminal justice and other academic programs relevant to the proposed new college, are housed at one location.

A full analysis of SUNY's existing programmatic base for Emergency Preparedness, Homeland Security and Cybersecurity is needed before scarce public resources are diverted from our public institutions.

Higher Education Profiteers: For-Profit Not Public

Rather than investing in SUNY state-operated institutions, the state has seen fit to lavish millions on a long list of higher-education for-profit consultants including McKinsey & Company, Pearson, and Pitts Management Association, for services that in some cases may require or lead to modifications to college curricula.

In the case of SUNY Downstate Medical Center, since December 2012, SUNY spent over \$10 million on a consultant to examine and supposedly to “fix” problems they find. Needless to say, SUNY would have saved millions and been much better served by entrusting those duties to its own people.

Just as we are concerned about the direction that the State is taking with our SUNY hospitals, we are also very aware of the similar change in direction the state is taking for New York State’s public higher education system. Initiatives, such as Open SUNY, Seamless Transfer, Start-UP NY and the edTPA, are shifting public higher education to a standardized, downsized, and outsourced system. We are very concerned about the direction that these initiatives are taking.

Teacher Performance Assessment (edTPA)

Over the last year New York State’s teacher preparation programs have faced a number of changes. Initiatives such as the edTPA, the State Education Department’s (SED) newly imposed, high-stakes teacher certification requirement on students in teacher preparation programs, at public and private colleges and universities, will have a profound long-term impact on the campuses and the students.

SED has implemented this new student teacher performance assessment far too quickly. Faculty have not had enough time to adjust curriculum and prepare students for edTPA’s complex set of required tasks.

SED failed to make edTPA criteria available to faculty soon enough to allow for necessary curricular changes. There is continued controversy related to parental consent and privacy issues regarding a requirement to videotape students in K-12 classrooms, and SED has not addressed educators’ concerns about the validity of edTPA as a measure of student readiness and teaching excellence.

This year’s graduating class of students will be the victims of a poorly implemented experiment. SED predicts that close to 40 percent of graduating seniors who take the edTPA will not pass it and will be denied teacher certification. Students who have invested in their college education, successfully completed their teacher preparation program, and have been sanctioned by experienced educators as prepared to enter the teaching profession may be unfairly denied teaching certification. The competence and preparation of our students will be judged by employees of a private corporation that develops and scores the edTPA. The students will have to pay \$300 for the edTPA – and if they fail, they will have to wait an undefined period of time to retake the edTPA at additional cost. I want to remind you, that this is all happening at a time when students are paying MORE for their education.

While the edTPA is being used in other states, New York is one of only two states that have made it a high-stakes certification requirement. Other states are introducing it with caution to assess its effectiveness and validity. The state of Washington is also using edTPA as a certification requirement, but has set a lower passing score than New York has. New York has distinguished itself as the state that is applying the edTPA in the most unreasonable and educationally unsound manner.

I urge you to press SED to immediately remove edTPA as a requirement for teacher certification and develop a new plan for its possible adoption. Before reasonable decisions about how the edTPA should be used in New York State can be made, the following must be accomplished:

- Collaboration with P-12 educators to ensure adequate student teacher placements for edTPA administration. Many college programs are having substantial difficulty finding adequate placements for their students.

- Adjustment of curriculum as needed.
- Clarification of any edTPA criteria that remain unclear.
- Additional faculty training to enable adequate preparation of students.
- Investigation of the possible inappropriate overlap between college program and edTPA certification requirements.
- Updating of student teaching regulations to align with edTPA.

On this last point, please note that the edTPA does not align with current state regulations, which require two seven-week student teacher placements. Students must complete the edTPA during the early weeks of their placements to submit all components and receive results from Pearson, Inc. before graduation. This means that students will be assessed on their teacher training before they have completed that training. This is an educationally unsound process.

Teacher preparation programs are large and critical foundations of many SUNY campuses. Declining enrollment in these programs, furthered by unreasonable and unsound changes such as the premature imposition of a high-stakes edTPA, will threaten the strength of those campuses as economic engines in communities across the state. UUP agrees that there should be a rigorous evaluation of student teachers before they are certified to teach in New York. However, we do not believe that the edTPA provides an accurate evaluation of our student teachers.

START-UP NY

Regarding the START-UP NY initiative, the state has opened our campuses up for business – to promote entrepreneurialism and job creation - as if these higher education institutions are not already economic engines for their communities and the state. Now, they will serve as hosts for businesses – including private, for-profit entities – with no guarantees that these relationships will improve or benefit campuses in the long run. Further, it is uncertain whether the businesses will stay or abandon campuses and communities once the initiative’s tax-free incentive ends. Instead, START-UP NY may rob valuable space and resources from future academic needs, at a time when support for SUNY’s state-operated campuses continues to decline and enrollments increase. UUP is also concerned about the apparent lack of compliance with the notification requirement that is provided for under the START-UP NY law. We have heard that there are a number of projects underway, but we have received very few copies of such plans. I am asking the Legislature to help us enforce this very important provision of the law to protect the communities, as well as ensure that the selected businesses are aligned with or further the academic mission of the campuses.

For these reasons I believe that there are several critical missing pieces to START-UP NY. To ensure that demands on campus facilities do not adversely affect other campus programs, businesses that partner with campuses should be required to submit an impact statement specifying campus resources (other than building space or land) to be utilized (from maintenance to support services). Additionally, I urge the Legislature to amend the START-UP NY law to require participating businesses to pay an “impact fee” to offset costs incurred by campuses due to the operation and maintenance of hosting these businesses. Lastly, in the interest of a long-term vision for these campuses, I believe that the endowment that I spoke of earlier would complement START-UP NY. A public higher education endowment for full-time faculty and professional staff is a means to bring in intellectual capital, providing a link or a valuable incentive for these companies to stick around.

Recommendations to the Legislature

SUNY cannot continue to provide quality, affordable, accessible education to New York's higher education students with flat state funding. This Executive Budget fails to provide funding necessary to support SUNY's public hospitals and the basic expenses of the University's state-operated campuses. This can be tolerated no longer. SUNY must be properly funded to fulfill its mission to provide "educational services of the highest quality, with the broadest possible access."

SUNY's hospitals must be allowed to do what they were created to do: provide necessary health care services to millions across the state, many of who have little or no health insurance coverage. These hospitals were never meant to be turned over to privateers, corporations where profit, and not health care, is of prime concern.

In conclusion, UUP asks the Legislature to:

- **Invest in public higher education by:** (1) creating a New York State Public Higher Education Full-Time Faculty and Professional Staff Endowment; (2) increasing state funding for SUNY's operating costs; and (3) restoring and increasing the funding for EOPs and EOCs to safeguard and improve the access and affordability these programs provide.
- **Protect and enhance SUNY's Health Sciences Centers and hospitals by:** (1) restoring the state hospital subsidy to its former \$128 million SFY 2010-11 funding level; (2) adding an additional \$99 million for Downstate Medical Center and \$35 million for Upstate Medical University to maintain them as full-service public institutions; (3) preventing profit-driven corporations from eroding the mission and vital services provided by SUNY public hospitals by removing the Executive Budget Article VII language that would permit private corporations to affiliate and operate hospitals; and (4) supporting the UUP-backed Brooklyn Hospitals Safety-Net Plan ensuring SUNY Downstate Medical Center will continue as a state-operated public hospital providing vital health care services to the underinsured and uninsured.
- **Demand that SED remove the edTPA as a requirement for teacher certification.**

Thank you for this opportunity to provide UUP's first perspective regarding the SFY 2014-15 Executive Budget submission.

TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY

**EXECUTIVE BUDGET:
THE CITY UNIVERSITY OF NEW YORK, FY 2015**

**JOINT HEARING OF THE NY STATE SENATE FINANCE COMMITTEE AND THE
ASSEMBLY WAYS AND MEANS COMMITTEE**

*Delivered by Dr. Barbara Bowen, President
February 6, 2014*

Good afternoon, Chairpersons DeFrancisco and Farrell, Chairpersons LaValle and Glick. Thank you for giving me the opportunity to speak today, on behalf of the 25,000 members of the PSC, the union representing the faculty and staff at The City University of New York.

The Legislature Made a Difference for CUNY in the Enacted Budget for 2013-14

I want to thank you at the outset for delivering critical investments in CUNY in the current year's State budget for CUNY. The Legislature's continuing advocacy for CUNY has been essential in mitigating the effect of years of punitive executive budgets. Last year you advocated successfully for these key improvements to the Executive Budget:

- For the community colleges, you added \$150 per FTE student to the Base Aid rate. That amounted to a \$9.3 million increase in community college funding for CUNY. You also restored half a million dollars for community college rental aid; added \$26,000 to College Discovery, the opportunity program at CUNY community colleges; and invested \$1.7 million to scale up the Accelerated Study in Associate Programs (ASAP).
- To the University's Operating Budget, you added \$550,000 to support SEEK, an opportunity program for senior college students, and \$1 million for the Joseph Murphy Institute for Worker Education and Labor Studies.
- The governor has cut from his Executive Budget proposal for next year several of the investments in CUNY that the Legislature fought to make this year. We are calling on you to restore the funds cut from SEEK and College Discovery, child care at community colleges, and ASAP.
- The Legislature has made a real difference for CUNY students. But CUNY has experienced years of State disinvestment and enrollment growth; incremental solutions are no longer enough. Our students need you to not only to continue—but to accelerate—the progress you have made for the University.

CUNY is New York City's Best Opportunity Program

- CUNY has always been New York City's most significant route out of urban poverty. For more than a century and a half, The City University has been a dynamic source of intellectual opportunity for New Yorkers who struggle to afford college.
- Now, as the state and national conversation turns increasingly to inequality—which many recognize as the greatest problem facing us as a nation—the importance of CUNY grows.

If the problem is inequality, the solution is CUNY. From its founding through a city referendum in 1847 till today, CUNY remains one of the spectacular success stories in the history of American higher education. It should be unthinkable that that story would weaken now, through failure of investment and failure of vision.

- CUNY creates opportunity for poor and middle-income New Yorkers and people of color. Seventy-five percent of CUNY undergraduates are people of color. Forty percent are immigrants, fifty-six percent have family incomes below \$30,000 per year, and 46% are from families with household incomes below \$20,000 per year.
- The state's economy isn't working for most New Yorkers, not the way it's working for the top 1%. In New York City, for example, the top 1% earn more than the bottom 80% of earners combined.¹
- New Yorkers want a solution to this crisis, and CUNY is part of it. By creating opportunity for the people in our state who are poorly served by the current economy, CUNY can be a catalyst for shared prosperity in an economy with well-educated workers.
- People go to CUNY because they want to change their lives. We help them to do that by providing skills—not just job skills or STEM skills, but critical thinking skills, writing skills and skills of reimagination. We help them to become the kind of people who are instantly in demand in a new, sustainable economy.

Fund CUNY's Unmet Mandatory Costs (\$49.5 million)

- CUNY cannot be the engine of equality we know it can be if the University's funding continues to be hollowed out. The Executive Budget leaves unfunded nearly \$50 million of the cost increase for mandatory needs requested by CUNY to fund inflationary costs for energy, building rentals, technology and central administration, collective bargaining, and other non-personnel costs.
- The Legislature approved five years of \$300 annual tuition hikes for CUNY under the SUNY 2020 law with the understanding that revenue from the increases would be used to improve educational services. The state promised to maintain the base budget for CUNY, but the base budget is maintained only if all mandatory needs are covered from public funds. Full funding was provided in only 2012-13, the first year of the SUNY 2020 tuition increases.
- The PSC opposed the tuition increases at that time because many of our students could not afford them, and because we believed raising tuition would make it easier for the State to continue to disinvest in CUNY.
- Unfortunately, our fear has come true. If CUNY's mandatory needs are left unmet, virtually all of the additional \$60.8 million in new tuition revenue will go to cover this gap instead of being used, as promised, to enhance academic offerings, advising, career counseling and access to additional full-time faculty.

¹ Source: Fiscal Policy Institute analysis of income groups' shares of total adjusted gross income, New York City 2010

- If CUNY's mandatory needs are left unmet and tuition is used to fill the gap, the tuition hikes are no more than a tax—a regressive tax that will force poor and middle-income students and families to pay an ever-increasing share of the cost of operating CUNY, while corporations and the wealthy receive tax breaks.
- In addition, SUNY 2020 provided that CUNY could not charge the poorest students more than \$5,000 per year, the maximum TAP financial aid award provided. This ceiling helped to limit the impact of the tuition hike for poor students, and we support this objective. But it left a gap in the revenues available to the university. The cumulative gap will be \$42 million next year and \$53 million by the end of 2015-16.
- The PSC asks the Legislature to add \$49.5 million to the Executive Budget proposal to fully fund CUNY's mandatory needs.

CUNY Needs State Investment to Fix Its Full-Time Faculty Shortage (\$40 million)

- Decades of underinvestment in full-time faculty had already undermined academic departments, research and teaching capacity at CUNY before the University experienced ten years of rapid enrollment growth. Today enrollments have risen to 270,000 students. In 1975, the last time enrollment approached the current number, CUNY employed fully one-third more full-time faculty than it does today.
- CUNY has hired 1,363 new full-time faculty over the last decade, but enrollment growth has swamped these gains. The ratio of FTE students to full-time faculty actually rose from 27.6 in 2003 to 30 this year—despite 10 years of hiring. As a point of comparison, the ratio is 14: 1 at Rutgers, 18:1 at the University of Maryland and 17:1 at the University of Connecticut.
- The University relies on close to 10,250 part-time adjunct faculty to make up the shortfall; adjuncts teach more than half undergraduate courses at CUNY. They are treated as disposable workers by the University, hired when course enrollments increase and let go when enrollments decline.
- Adjuncts have almost no job security and receive inadequate benefits. They are excellent and dedicated teachers, but they are not supported to have the kind of research careers that enrich college life. They are not provided with working conditions that allow them to provide the time, attention and mentorship CUNY students need in order to succeed.
- The PSC asks the Legislature to add \$40 million to the Executive Budget proposal to hire additional full-time faculty.

New York Needs a Long-Term Strategy for Restoring Faculty Ranks at CUNY

- The State must develop a long-term strategy for restoring CUNY's faculty ranks. The damage done by nearly four decades of disinvestment cannot be easily undone. CUNY has made a commitment to hire more full-time faculty and has begun to follow through on that commitment. But there is too much ground to cover through an incremental approach. And rising enrollment has pushed back the finish line.

- As part of NYSUT, we bring you an innovative proposal. We support NYSUT's innovative demand for the creation of an endowment to fund new full-time faculty and professional staff lines at CUNY and SUNY. The plan is part of the "Public Higher Education Quality Initiative" legislative platform.
- An endowment funded initially with one-time licensing fees from the gaming industry, a standard practice in many states, would generate the funds New York needs to lift the higher education budget out of the cycle of cuts and restorations. The endowment would be dedicated to increasing CUNY and SUNY faculty lines, and could, when coupled with direct investment, restore the full strength of New York's public university systems without shocking the state budget or burdening students and families.

Increase Community College Base Aid to its 2008-2009 Level (\$19.5 million)

- CUNY's community colleges are among the most critical educational institutions in New York, but they are dramatically under-resourced, even after the Legislature's restoration of \$300 per FTE student to State Base Aid over the last two years.
- The governor's budget proposal does not build on the progress you made last year. The Executive Budget proposal provides no further increase to the Base Aid rate, leaving it at \$2,422 per FTE student, \$250 per FTE student less than it was in the 2008-09 academic year (\$2,672).
- CUNY's community colleges serve multiple missions: they offer over 250 associate degree programs for students seeking education and skills needed for specific jobs; they provide developmental and remedial courses to students with poor high school preparation, learning disabilities or English-language deficits; and they provide general education courses at a lower cost to students who intend to transfer to a four-year baccalaureate program.
- Students at the CUNY community colleges tend to have lower incomes and are more likely to be people of color than students at CUNY senior colleges. They are generally older, and are more likely to work and to be raising children while enrolled at CUNY. They also tend to be less academically prepared. For these and other reasons, they often take longer to complete their studies.
- Because of the challenges they face, community college students are in particular need of smaller classes, more one-on-one time with faculty mentors, more advisement, academic tutoring and holistic student services.
- ASAP—Accelerated Study in Associates Programs—shows what CUNY can achieve with significant investment in community colleges. The program has been hugely successful in increasing retention and graduation rates among entering freshman—including those who enter with modest remedial course needs. ASAP's three-year graduation rate is 56%, well over twice the rate for a comparison group in a recent study.²

² <http://www.cuny.edu/academics/programs/notable/asap/about/evaluation/ASAP-Key-Eval-Prog-Overview-051413.pdf>

The Legislature invested \$1.7 million in the program this year. We ask you to restore that funding for next year (as it was cut in the Executive Budget proposal) and consider expanding support so that more students can be enrolled.

- ASAP is successful because students get the support they need: classes are capped at 25 students. Counselors have an average caseload of just 85 students. Students' tuition is covered (after financial aid), and they receive Metrocards and books free of charge, so they are less likely to have to work (or can work less) while they are in school. ASAP students also get meaningful academic and career counseling.
- ASAP spends 50% more per student than is available for the majority of CUNY community college students. That money makes a big difference. But it is making a difference for only 3,200 students. There are 71,000 FTE students in the community colleges. Many more could benefit from the enhanced educational supports that have aided ASAP students to graduate in three years or less.
- PSC asks the Legislature to add \$19.5 million to the Executive Budget proposal to fund CUNY community colleges at a Base Aid rate of \$2,672 per FTE student and to restore funding for ASAP.

Scholarships for STEM Majors

- We support the governor's objective to encourage more young people to enter a degree program that will prepare them for a job or career in the STEM fields, but disagree with the proposed program design. Selecting the top 10% of high school graduates for free tuition may appear to be a way of selecting a group without replicating inequalities of race, ethnicity and class, but the experience with a similar program in Texas, The Texas Top 10%,³ challenges this notion.
- A recent National Bureau of Economic Research study of the Texas program⁴ found that automatic admission did not promote greater racial and economic diversity because the majority of immigrant and minority students accepted under the program came from poorly-resourced, under-performing high schools. They gained admission to college but had poorer educational training, and the skills gap did not disappear. Rather, it was predictive of lower college GPAs.
- Without additional resources to make up the skills deficits of incoming students and support structures that aid retention for all at-risk students, the proposed "top 10% STEM scholarship program" is unlikely to draw more underrepresented students into STEM careers or expand the STEM workforce in New York. The Texas experience would suggest that the benefit of such a program, with free SUNY and CUNY tuition, will go mostly to students from high-performing high schools, who already have other options for college. We fear that structuring State STEM scholarships as proposed in the

³ The goal of the Texas Top 10% program was to improve racial diversity by guaranteeing acceptance to a state college to any student graduating high school in the top 10% of their class.

⁴ "Can you leave high school behind?" <http://www.nber.org/papers/w19842>

Executive Budget will reinforce the achievement gaps between graduates of rich and poor high schools.

- Instead, the Legislature should enhance existing undergraduate STEM programs at the community colleges and four-year senior colleges, including additional funding for faculty mentoring, intensive academic advising, research opportunities and STEM job-related internships.

Pass the NYS Dream Act and Reform the Tuition Assistance Program (TAP)

- PSC is a strong supporter of the NYS DREAM Act (A2597a/S2378b) and of the other TAP reforms put forward by the Coalition to Reform the New York State Tuition Assistance Program. This is the year to make the NYS DREAM Act a reality. A state that prides itself in leading the way on progressive social legislation should not miss the chance to join the leaders on the DREAM Act.
- Undocumented immigrant students who graduate from New York State high schools and GED programs should have access to TAP. Access to college is almost meaningless without access to financial aid. Many of the State's undocumented college students attend CUNY. We know them to be highly motivated, talented students with tremendous potential. Many more low-income undocumented New Yorkers would attend CUNY if they had access to State financial aid.
- These students and potential students are part of our State. State law recognizes that by allowing them to pay in-state tuition. They contribute to the economic and cultural vitality of New York, but are denied access financial aid and a chance at a better life. It's not right.
- PSC supports the DREAM Act and the entire Coalition platform because many students who attend CUNY or aspire to attend CUNY are excluded from receiving TAP or underserved by TAP. Their awards were eliminated or reduced when Albany passed austerity budgets; the award schedules that apply to them haven't been updated in decades, or they are not the "traditional," full-time students that TAP was designed to serve.
- For example, TAP award schedule for independent single students without children—a category which includes foster children, orphans and wards of the state—prevents virtually all poor, single working adults from qualifying for TAP aid by making them ineligible if they earn more than \$10,000 in net taxable income, and limits the maximum grant they can receive to just \$3,025. Many, many of our students—some of the most determined to claim an education—fall into this category and cannot receive support.
- The PSC also supports the Coalition's call for an increase in the maximum TAP award and an end to the tuition discounting policy enacted under SUNY 2020.

Support CUNY's Capital Budget Request

- The PSC supports CUNY's capital budget requests. We join the University in urging you to fight for funding CUNY's construction needs, including \$211 million for new buildings at the senior colleges and \$34.5 million for new buildings and upgrades at the community colleges.
- Capital funding is vital to the educational mission. Despite gains in capital funding and construction in recent years, too many students are still crammed into classrooms without enough seats, into labs without enough workstations. Too often, the physical conditions at CUNY are an obstacle, not an aid, to learning.

A Threat to Faculty's Academic Freedom and Constitutional Rights

- Finally, I turn to proposed legislation that would, if enacted, have a profound, devastating and unconstitutional effect on the higher education budget. Legislation proposing to deny all public funding to New York colleges and universities that support any employee participation in groups conducting a boycott "in certain countries" (S.6438) passed the Senate on January 28. The Assembly version of the bill, A.8392, was held up this week for further consideration.
- We thank the Assembly, and Chairperson Glick in particular, for removing the bill from the Committee agenda on Monday. The Senate bill should never have come to the floor without even a single public hearing.
- PSC members hold a variety of positions on the Israel/Palestine conflict, and hold such positions deeply. PSC members also hold a range of positions on the efficacy and legitimacy of academic boycotts as a strategy. We stand together, however, in opposing legislation that would subject New York State funding for colleges and universities to this suppression of free speech.
- The PSC, together with the CUNY Administration, NYSUT and UUP, the Center for Constitutional Rights, the American Association of University Professors, the American Civil Liberties Union, the National Lawyers Guild, Jews for Peace, and a growing list of other organizations, strongly oppose the bill.
- We also oppose any reworked version of the bill in which universities would be prohibited from using State funding for participation in scholarly organizations conducting a boycott, but would not lose all their State funding. Even in this form, the legislation is an unacceptable political intrusion into the university and is designed to punish political speech and association of academics, a violation of well-settled First Amendment rights.
- As Columbia University professors write in their memo of opposition, "Statements such as A.8392 and S.6438 that seek to suppress the rights of educators to participate in public affairs have long been condemned by the U.S. Supreme Court as an affront to the free speech rights of academics, and even more, as an affront to the very essence of democratic self-rule in a free society. In fact, an overwhelming number of the Supreme Court's free speech cases have involved threats to free speech rights of educators. The

Court has frequently reaffirmed that speech on public issues occupies “the highest rung on the hierarchy of First Amendment values,” and is entitled to special protection (NAACP v. Claiborne Hardware Co., 458 U.S. 886, 913 (1982)).

- CUNY students, and students throughout New York State, are entitled to an education in which their professors are not unconstitutionally muzzled. The proposed legislation was ill-considered and is a dangerous mistake. We understand that many legislators—like many of the people we represent—strongly oppose the boycott of formal ties with institutions funded by the Israeli government passed by two scholarly societies. But the proposed legislation violates the law and would do incalculable damage to everything democratic education is about. It must be withdrawn.