



UNITED UNIVERSITY PROFESSIONS

Testimony on the 2022-2023 Executive Budget

Presented to
Senator Liz Krueger, Chair
Senate Finance Committee
and
Assemblymember Helene E. Weinstein, Chair
Assembly Ways and Means Committee

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Chairperson Kreuger, Chairperson Weinstein, distinguished members of the Senate Finance Committee and Assembly Ways and Means Committee, thank you for inviting United University Professions (UUP) to testify on the 2022-23 Executive Budget for higher education.

My name is Dr. Frederick E. Kowal, and I am the president of UUP, the largest higher education union in the country. It is my honor to represent more than 37,000 academic and professional faculty at SUNY. Our members live and work in communities across the state of New York, serving hundreds of thousands of students and patients at 29 SUNY comprehensive, technical, specialized and university centers, SUNY academic medical centers and state-operated public teaching hospitals, and System Administration.

I'd like to begin by thanking you for your commitment to fighting for fully funded public teaching hospitals, growing our opportunity programs, and addressing funding gaps in programs like the Tuition Assistance Program (TAP) and the Excelsior Scholarship. I applaud your tireless efforts and steadfast support to make SUNY as inclusive, accessible, and sustainable as possible for our students and communities.

The 2022-23 Executive Budget is a step in the right direction to bolster the SUNY system as a cornerstone of New York's communities and higher education landscape. However, after years of proposed cuts to SUNY in the previous governor's budgets and a decade of underfunding our university, we are asking the Legislature to fulfill the promise to SUNY students, faculty, staff, and the communities around our campuses that this Executive Budget makes by putting the necessary additional investments in place to protect and grow public higher education in New York.

SUNY has not seen this type of proposed investment in more than 20 years. But while the proposed increase in state aid to campuses in the governor's proposal provides a much-needed investment in public higher education in New York state, issues of economic inequality and injustice persist that must be addressed to attain a more just and equitable SUNY system.

The data is clear: students are struggling to complete college on time – or at all. On a larger scale, people have been leaving Upstate New York for other areas, as evidenced by recent U.S. Census data. We see these population changes mirrored at the SUNY-level as well; our upstate Comprehensive Colleges have seen stark drops in enrollment over the last decade. What these colleges – and these communities – need most is an *investment* in their futures. These smaller upstate cities saw their most prosperous times when our state government took charge and funded programs, including SUNY, to bolster economic growth, progress, and the ability for families to achieve a level of middle-class comfort. It is only through investment that these communities will prosper again.

This vision is attainable. The strides made by the Legislature last year in leveling the playing field through taxes on the wealthy have only shown us the beginning of what is possible. The fears of wealthy people fleeing the state with the enactment of the new millionaires' tax have been unfounded. To the contrary: most of the people who have left the state were living in areas that have seen the disappearance of jobs and a lack of both public and private investment. By investing in SUNY campuses across the state, we can begin to stem the loss of population across upstate and anchor these communities in exciting new fields of education and technology.

Fully Fund SUNY Teaching Hospitals - Save New Yorkers

As we applaud many parts of the Governor's proposed Executive Budget, UUP cannot allow another year to go by – another year of a global pandemic – and see New York state not fund their State University's teaching hospitals. While funding was added across many noteworthy programs in SUNY, the glaring and tragic omission of any critical mission funding for hospital operations and no recognition of the debt service that only the SUNY hospitals bear in state government cannot stand.

Under Governor Cuomo, support for the SUNY hospitals was reduced year after year, until it was finally eliminated completely. This assault has resulted in a net loss of over \$1 billion to these institutions. Our teaching hospitals, located in Brooklyn, Syracuse, and Stony Brook have provided more than 1.3 million New Yorkers across the state with high-quality health care, regardless of ability to pay or severity of cases presented. The state abandoned these hospitals and the patients they serve by withdrawing financial support for their critical public mission.

As a state and a nation, we currently face critical, and still growing, staffing shortages in multiple medical professions. These include primary care physicians, nursing professionals, and laboratory technologists, among others. While many of these shortages have been dramatically exacerbated by pressure that the pandemic placed on healthcare, they were caused by systemic issues that predated the pandemic and will continue after the pandemic resolves.

The SUNY teaching hospitals play a critical role in training the next generation of medical professionals. Their mission must be supported and expanded if we are going to begin to address the staffing crisis in health care. UUP urges the Legislature to protect these public teaching hospitals and their communities by providing an appropriation of at least \$87 million in operating funds to support their critical public mission. In truth, this would be a reinstatement of an appropriation that should never have been removed.

SUNY's academic medical centers are the only state entities that are required to cover employee fringe benefits and debt service costs. In addition to providing proper hospital state operations support, UUP asks the Legislature to add \$68.8 million in funding to their final budget proposal for the debt service for our three SUNY hospitals. UUP also fully supports Senator Rachel May's bill, that will keep hospital funds in patient care and prevent the Division

of Budget from sweeping precious resources for the debt service, that should be the state's responsibility. It is imperative that an appropriation match this critical legislation.

Our three SUNY hospitals have been at the epicenter of the coronavirus pandemic in New York, but they are still obligated to pay debt service to the state for any capital projects that allow them to better serve their communities and save lives. The governor's proposed \$150 million for capital projects can only help to modernize these public teaching hospitals, but only if the state addresses debt service relief. Those capital funds will be out of reach for our hospitals because they cannot afford to pay the debt associated with new projects. If the governor and the Legislature does not address this vicious cycle of disinvestment, our hospitals – SUNY Downstate Health Sciences University, Stony Brook University Hospital and Upstate Medical University – will continue to struggle, and at some point, be unable to provide the level of care that all New Yorkers deserve.

Some argue that our hospitals are health care settings that can generate revenue, therefore nullifying the need for this debt service coverage like other SUNY institutions. That position ignores the plain fact that these institutions are teaching hospitals. The emergency rooms, operating rooms and labs are the classrooms for future doctors and health care professionals.

Over the last two years of a deadly and unrelenting pandemic, UUP members have stepped up and done exhausting, unrelenting work to save lives. During this unprecedented time our state hospitals have been pushed to the brink. They are struggling financially and to retain overworked staff. Downstate was declared a COVID-only hospital, Stony Brook treated thousands of COVID patients, and Upstate, as the largest hospital in Central New York, took on the COVID surge there. All three have been forced to cancel elective surgeries multiple times.

Thanks to loans and grants from the federal government, the administrations of these hospitals have been able to get by until now. The loans from Washington, D.C. are due. On December 31st of last year, our SUNY hospitals had to repay \$184 million to the federal government. On December 31st of this year, in just ten and a half months, our SUNY hospitals will be required to repay an additional \$204.3 million. A state budget without financial assistance to these safety net hospitals is unconscionable. We urge you to include debt service relief and critical mission funding for these essential teaching hospitals.

We must acknowledge what our members at SUNY's public teaching hospitals have sacrificed and have been through for two years and recognize that their life-saving work continues—today and every day. Together, like no time in our history, we must fight for our State University's hospitals. From COVID to debt service, to Medicaid cuts, to federal changes to the DSH program, and the last decade of pushing privatization, our SUNY hospitals have been under assault—while the need for their services and care only grows. We have a responsibility to support the state's public teaching hospitals, and we must keep them prepared to respond to future pandemics and state health crises.

The governor's proposed \$3,000 bonus for certain essential, front line health care workers is a step in the right direction, but unfortunately, it excludes many workers who have fought arm-in-arm with their coworkers over the last two years to stem the pandemic. If the current requirements were adopted, UUP alone represents 2,745 health care professionals that will be excluded from a benefit they have literally risked their lives earning. This does not account for many of our PEF brothers and sisters who are also excluded.

Employees outlined in this Article VII proposal as eligible for this bonus include "practitioners, technicians, assistants, and aides that provide hands on health or care services to individuals," but do not include many of UUP's members who are engaged in direct patient care or who oversee care work in our public teaching hospitals – but who nevertheless also have daily contact with patients. And the current bill language does not value the work of employees working in the pathology lab testing for a highly contagious virus, or employees who worked under enormous pressure performing health care functions which were – and are – crucial to caring for patients during the pandemic. Those employees are excluded from this benefit simply because they do not interact personally with a patient.

UUP requests that a broader definition of eligibility is developed, and that the income cap be eliminated. Heroism should not be means-tested. These bonuses were hard-earned and should be applied fairly for all our public health care workers.

As noted above, the COVID-19 pandemic has put enormous pressure on the state's health care system and exacerbated inequalities in health care access and education. Anyone who has followed the health care industry knows we are battling a staffing shortage, and the shortages in health care professionals will only grow more severe in the coming decade. Stress, burnout, and long-term illness from COVID are all the result of this pandemic, but we also have an aging population and a growing need for industry professionals.

SUNY must play a role in reshaping our future. In addition to being public hospitals that turn no one away, treating rare or hard-to-treat medical conditions, these public hospitals are also teaching hospitals. SUNY's public teaching hospitals provide a vital pipeline of health care professionals to the state. The governor has acknowledged this with a pledge of \$1 million for Pre-Medical Education, but we can do more. This initiative, introduced by UUP as the Medical Educational Opportunity Program (MEOP), to have a pipeline program for undergraduate students looking to pursue medical education was rolled out this past summer at Upstate Medical University. UUP believes it should be fully implemented and expanded to cover programs in the fields of clinical lab technicians, nursing, physician assistants and physical therapy.

Modeled after the highly successful Educational Opportunity Program (EOP), if fully implemented, MEOP will guide and assist SUNY students from their undergraduate studies through medical school at one of SUNY's four academic medical centers. A fully funded MEOP could be a resource for medical school preparation assistance, financial support, and professional mentoring. MEOP will draw students from underrepresented and under-resourced

communities which will eventually lead to better community care and better health outcomes. With proper support, at an initial cost of \$5 million, more diverse cohorts of students studying to be doctors and other health care professionals will complete their degrees and care for patients in their communities.

Fully Fund SUNY Campuses - Restore Economic Opportunity & Equity

Governor Hochul has put forward a budget proposal that addresses historic inequities in the financial aid programs such as TAP and the Excelsior Scholarship. These are foundational building blocks to restore our public higher education system. But again, the direct allocations to our campuses are flat. The vast majority of our state-operated campuses have year-over-year deficits because New York state has not properly funded them since before the Great Recession. And in the wake of that financial disaster, they were cut to the bone. This was followed by a decade of austerity budgeting by Governor Cuomo, who never saw a public entity he did not seek to dilute or push to privatize. Last year, under Governor Cuomo, SUNY was the only state agency that did not see its 5% cut restored. We are hopeful Governor Hochul and this Legislature can approach our systems of higher education with respect and support.

UUP is requesting an additional \$100 million for operating funds over the proposed Executive Budget. These funds should be allocated directly to campuses. We ask for this funding as a necessity for the survival of our institutions. These are not hollow words. SUNY, our students, and their families need your help. Our request would amount to an increase of \$477 per student. The future of our state deserves this investment.

The work of the state Legislature and UUP members to advocate for closing the TAP Gap has been successful. The governor's proposal eliminates the funding gap this year, rather than through the multi-year, phased-in approach passed in the 2021-22 budget. The addition of \$48.8 million to our state-operated campuses can begin to right a structural wrong in our financial aid system that punished campuses for fulfilling their education mission. The Executive Budget's proposal also eliminates the funding gap created by the Excelsior Scholarship program. Since 2017, the Excelsior Scholarship rates have been frozen while tuition has risen, creating gaps that campuses must cover, or students and families must pay, in order to attend SUNY. This investment of \$13.7 million is welcome news for our campuses and the recipients of this program.

However, fixing TAP and Excelsior is not the silver bullet of fixing the long-term financial distress we see across the SUNY system. And we cannot chalk it up to poor management or simply demographics. The severe and chronic underfunding of SUNY has led to the inability to attract students, retain students, and graduate students on time at the rates we should. The impending crisis is not limited to one sector of our institutions. We see a university center such as UAlbany with a \$9 million deficit, and a comprehensive campus like Buffalo State with an \$8 million deficit. And despite their crucial role in supporting one of the key sectors of our economy, our Ag & Tech campuses have been left behind.

SUNY campuses are economic anchors for their communities, and more broadly are regional assets. SUNY campuses employ more than 67,000 hard-working New Yorkers who contribute back more than \$8 for every \$1 invested in SUNY.

In her budget presentation, the governor proposed \$53 million to state-operated campuses and community colleges to increase faculty hiring. If implemented properly, this is a step in the right direction, but unfortunately, this money will be limited in its impact given the current bill language. As proposed, these funds must also be used for fringe benefits costs associated with hiring, something that should be a separate item in the budget. Splitting new funding between different campus types – and between salary and fringe – will not accomplish the ambitious goals outlined in the governor’s budget proposal.

The recruitment, hiring and retention of faculty and staff from under-represented communities of color is expensive but absolutely necessary. UUP remains committed to the goal of having 25% of the faculty and staff in SUNY coming from African American, Latinx and Native American communities by 2025. It is ambitious, but it must be done if SUNY, as a collection of institutions, is to be at the forefront of turning America away from its racist past and present.

Likewise, there is a desperate need for SUNY institutions to have the professional staff which will take our institutions into a sustainable future that must occur if our state, nation, and world are to avoid the worst impacts of the climate crisis. Positions in the areas of energy management, materials (waste) management and sustainability education and engagement must be filled at every campus so that SUNY can take the lead in turning our planet away from the precipice it is facing. The choices are being made for us by the planet in terms of the effects we are experiencing. The choices we can make will determine what our children and grandchildren experience.

Since 2008, SUNY’s four-year campuses have lost \$7 billion in state funding. UUP understands SUNY will not recoup all these funds in one year, but we must aggressively begin to reverse the state’s disinvestment and move towards solidifying the educational programs of SUNY as anchors of community and learning.

SUNY’s Educational Opportunity Program and Educational Opportunity Centers have delivered fantastic results for students from under-resourced communities. Investments in these programs continue to pay dividends to students, their families, and communities, and to the SUNY system as a whole. We applaud Governor Hochul’s proposed investment of an additional \$3.86 million for the EOP program and \$7.6 million in funding for the EOCs and encourage the Legislature to consider SUNY’s request of a 25% increase to opportunity programs. These increases show a commitment to racial justice – so urgently needed in these troubled times.

Barriers to entry for both work and education start with childcare. UUP supports the inclusion of \$5.4 million in new funding in the Executive Budget for the creation of childcare centers on every SUNY campus. This investment will provide not only stability and support for our students and campus workers but will also train the educators of tomorrow. Creating these centers

system-wide also deepens SUNY's relationship to their local communities. By being a place of education from the cradle to baccalaureate and beyond, each SUNY campus can act as anchor institutions for local communities, developing a sense of community and "place" that keeps families living, working, and growing in the area.

The proposed executive budget includes \$550 million in critical maintenance funding for this budget year, the same level as provided in the previous year. The 2022-23 Executive Five-Year Capital Program & Financing Plan indicates that this level of funding will continue through fiscal year 2026-27, for a total of \$2.75 billion over five years. Developing a long-term capital plan will allow SUNY to prepare for the future of education and work, better supporting our students in the classroom and beyond.

The proposed executive budget also includes \$425 million in new flexible capital funding that can be used for new construction, programmatic or critical maintenance projects. The appropriation is provided in a lump sum, subject to a plan to be developed by SUNY and approved by the director of the Division of Budget. We look forward to working collaboratively with SUNY and the new SUNY chancellor on how these funds will be utilized. UUP also welcomes the proposed elimination of the \$200 million Capital Matching Program, which has created barriers for campuses with tighter budgets to invest in new campus projects. Every campus must have the resources to update facilities to attract students, grow enrollment and better support students across the state.

Finally, and perhaps most importantly, I ask that the governor and the Legislature look for truly stable and long-term streams of funding for SUNY. UUP is advocating for the creation of an Endowment for Public Higher Education. The SUNY system currently houses endowments through their foundation system, with each campus raising funds on their own for their respective campuses, though most campuses have negligible resources in these foundations. This disconnected system has created large inequalities in donations per school.

By creating a SUNY-wide endowment, monies could be spent more holistically on teaching and research and professions that support the governor's goal of making SUNY the best state public higher education system in the nation. An endowment would allow the state to make a consistent investment in the recruitment, hiring and retention of faculty and staff from under-represented communities of color. Such an endowment would enable future generations of students to benefit from a quality higher education, while the economic engines of the state have a means to grow and provide even greater contributions to the public good.

CLOSING

Thank you for this opportunity to provide UUP's perspective on the FY 2022-23 proposed Executive Budget. We believe that our NY HEALS agenda provides a plan of action and a vision for a stronger SUNY and a stronger New York. As we – hopefully – emerge from the worst of the pandemic, our state desperately needs healing work. We will do all we can to push for this positive change. We urge you to strongly consider establishing and funding these initiatives. On

behalf of our 37,000 members and 6,000 retirees, I would like to thank you all for the opportunity to address you today.

Throughout this pandemic, you have proven yourselves as the strongest advocates for our SUNY, our students and our patients. We greatly appreciate any help that you can provide to our hospitals and academic institutions.

Thank you.