

5A

TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY

**EXECUTIVE BUDGET:
THE CITY UNIVERSITY OF NEW YORK, FY 2013**

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

FEBRUARY 1, 2012

Delivered by Dr. Barbara Bowen, President

Good afternoon, Chairpersons De Franciso and Farrell, Chairpersons La Valle 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.

I want to thank you at the outset for advocating successfully for a mid-year increase in CUNY funding during the special session in December, when an additional \$9 million for the State's opportunity programs was allocated. That allocation included \$1 million for SEEK at the CUNY senior colleges, with additional funds for College Discovery at the CUNY community colleges and for CSTEP, which expands access to science and technology programs for students at eleven CUNY schools. These programs have been underfunded for at least a decade, and the work they do is essential if CUNY is to continue to represent access to a college education. More investment in the opportunity programs is needed, but we heartily welcome this step.

- **CUNY is the state's greatest source of opportunity.**

All of CUNY is an opportunity program. CUNY is the state's greatest source of opportunity for lifelong economic and intellectual fulfillment for low-income New Yorkers, new immigrants and people of color. More, perhaps, than any other university in this country, CUNY is the university of the 99%. CUNY is many things—a significant source of high-level research, home to some of the nation's leading scholars in geography, biology, music, and literary studies, and a hub of artistic expression. It is a major university, an intellectually exciting place that is uniquely New York. But it is still and has always been the most significant route out of urban poverty for hundreds of thousands of people in this state. More than half (54%) of CUNY students come from families whose annual income is under \$30,000. Thirty-eight percent come from families with incomes less than \$20,000. For many poor and working-class New Yorkers who dare to dream of a college education, CUNY is the only support for that dream.

- **The Executive Budget begins to stabilize CUNY funding, but restoring CUNY after decades of cuts will take *new* investment of public funds.**

The faculty and staff who work at CUNY are heartened that the Governor has begun to stabilize CUNY funding by following through on the promise of a real maintenance of effort. By providing for CUNY's mandatory needs, including increased mandatory costs,

the Executive Budget takes a critical first step toward making CUNY a university worthy of our students' dreams.

Now, however, the Legislature and the Governor must begin the work of restoring CUNY funding, eroded by years of inadequate budgets. Adjusted for inflation, the support per student at CUNY senior colleges is nearly at a twenty-two-year low. *Figures 1 and 2* in the attachment show the two-decade decline in State aid at the senior and community colleges. Only in the 2003-2004 academic year did per-FTE funding at CUNY's senior colleges drop lower, and the gains made after that year had been largely erased by 2011. Since 1990-91, per-student funding, adjusted for inflation, has fallen by 39% at the senior colleges and 43% at the community colleges. *Figures 3 and 4* demonstrate how State funding has dropped as a percentage of total CUNY revenue over the twenty-two-year period.

The State must make new investments to reverse the decline caused by the last three years of austerity budgets, which cut \$300 million from CUNY, and twenty years of disinvestment before that. Nothing short of a rethinking of higher education funding will fully restore CUNY. It comes down to this: we are a university of 270,000 students and only 7,000 full-time professors. That's a disastrously low ratio of full-time faculty to students. New York State has not invested enough in CUNY to provide for the ~~fundamental work of a university—teaching.~~

- **We ask the Legislature to start the reinvestment by preserving funds for increased mandatory costs, including health insurance for adjuncts.**

As you know, an unfair burden is placed on the thousands of part-time faculty—adjuncts—who teach the majority of CUNY courses, usually without the support or compensation they deserve. An important step was taken in the Executive Budget this year, when the Governor honored CUNY's request for an increase in mandatory costs to provide stable funding for the ongoing expense of health insurance for eligible adjuncts. We ask for the Legislature's support in ensuring that this funding remains part of the final enacted budget. Doing so will end a long-standing inequity and will protect the health—and in some cases, the lives—of colleagues who do the majority of the teaching at CUNY.

- **The Executive Budget, though it provides stability, relies too heavily on student tuition.**

While the Governor's proposed budget takes an important step toward stabilizing CUNY funding, it relies too heavily on increased tuition. The proposed budget continues the dangerous trend of replacing public investment in CUNY with private funds, in the form of tuition, paid by some of the lowest-income families in the state. How is it fair that students should have to choose between MetroCards and books, between lunch and tuition? I can name several CUNY students who have told me they go to school hungry because they don't have the money for both college and food. Research by The Campaign for a Healthy CUNY shows that in 2010, 39% of surveyed CUNY students reported experiencing food insecurity. Almost 42% in the same survey reported experiencing housing insecurity.

How is it fair that the university that educates the largest share of people of color in this state, that graduates 2,400 students of color per year in the Science, Technology, Engineering, and Math related fields, that graduates more Hispanic students with undergraduate engineering degrees annually than Rensselaer Polytechnic Institute, Columbia or Cornell, the university whose students are overwhelmingly low-income people of color, should see its tuition rise to levels that put it out of reach? Race is never irrelevant in this country, and it matters that the student body being asked to shoulder a greater and greater portion of the total cost of attending CUNY is a predominately black and brown student body. CUNY cannot be placed out of reach precisely in the period when its student population is 74% people of color.

The Executive Budget assumes the 30% increase in tuition over this year and the next four years passed by the CUNY Board in November, in the face of intense student protest. That's \$1500 for low- and middle-income students, many of whom are juggling work and school (47%), raising children (14%) or facing the challenges of being a first-generation college student (44%).

As we show in *Figure 3*, the share of total CUNY funding for senior colleges supplied by tuition has more than doubled since 1990, rising from 21% of the total in 1990 to 47% today. And in just the last three years, since academic year 2008-09, students' share of the cost has increased by 30%, while the State share has declined by 17%. *Figure 4* shows a similar trend for community colleges.

- **It is a cruel and persistent myth that financial aid protects all low-income students from the effects of tuition hikes.**

Proponents of tuition increases often claim that financial aid will protect all low-income students. That is simply a myth. Thousands of CUNY students, including some of the neediest students, are not covered by TAP. Many more, when faced with a 30% tuition increase, will decide that CUNY is financially out of reach. We will never know what young intellectual—maybe the next generation's Jonas Salk—may not even apply to CUNY when she sees a \$6,000 price tag, fearing that the sacrifice it would require of her family would be too much to ask.

TAP was structured with a very different student body in mind. It urgently needs to be reformed and increased to come closer to meeting the needs of today's actual students. *Figures 5 and 6* show that State-aid-plus TAP has also declined over the last two decades, falling 33% at the senior colleges and 37% at the community colleges. The State should expand the program to treat part-time students and independent students without dependents equitably, and should make TAP available to undocumented students. Thirty-four percent of CUNY students attend college part time. Twenty-four percent of CUNY students work more than 20 hours a week. Fourteen percent are raising children. Students in such pressured and dynamic circumstances should be able to attend CUNY part time and receive TAP without having to clear the hurdle of having to enroll full-time for a year first.

Finally, an estimated 4,500 undocumented students now attend CUNY. Undocumented students are hungry for a college education and like the majority of CUNY students, they tend to come from families of very modest means. They contribute to the economy, the life and culture of our state, and they deserve the chance at a better life that CUNY offers.

The relatively modest investments required to make these changes in TAP would be repaid many times over by the increased ability of thousands of New Yorkers to complete college, find jobs, and contribute to the welfare of the entire state.

- **Use TAP to protect access instead of requiring CUNY to absorb a disproportionate share of the cost of discounting tuition.**

Requiring CUNY to absorb the difference between the maximum TAP award and tuition will help to protect access for some (again, not all) low-income students, but it does so at a price. While we share the goal of keeping college accessible, this new provision means that the University will lose out on revenue that would have been available if the maximum TAP award covered the whole cost of CUNY tuition. Because CUNY's student body relies more heavily on TAP than SUNY's, CUNY will be disproportionately affected by the State's new tuition-discounting policy. We are concerned about this hidden loss of revenue and call on you to work with us on reform of TAP.

- **The root of the problem is inadequate State revenue.**

The heart of the issue, as *Figure 1* shows, is that costs have been shifted from the State to the students. The reliance on increased tuition to fund CUNY also represents a transfer of wealth from some of the poorest people in the state to some of the richest. While our students are paying more, the highest earners in this state continue to get tax breaks. Money is, in effect, going right from the pockets of our students who cannot afford lunch into the bank accounts of hedge-fund managers. Until there is comprehensive tax reform and the restoration of a progressive personal income tax system, this unjust pattern will persist. The PSC welcomes the middle-class tax relief provided by the 2011 reform in the tax structure, but that reform does not go far enough—either in restoring fairness or in generating income. A truly progressive tax structure would do both. That's why we join working people across the state in calling on you not just to close loopholes but to seize the moment and restore real fairness to our tax system.

- **Endlessly increasing tuition is a failed strategy for restoring CUNY's budget.**

Increased tuition is not only an economic injustice; it is also a false solution to the crisis at CUNY caused by years of budget reductions. The damage inflicted by twenty years of disinvestment cannot be remedied by any tuition increase in the realm of possibility. It would take thousands of dollars in tuition increases to make up for the hollowing out of our university through decades of reduced public funds. And tuition at that level would mean the end of access and affordability, two core precepts of CUNY's mission. The only solution is to reinvest *public* dollars in CUNY, to make a start on filling the hole left by more than twenty years of budget cuts. Those of us who work at CUNY and who love what CUNY could be experience the effects of the State's long-term withdrawal of

support every day. Our classes are too large, our labs are too small, our libraries are under-stocked, our staffing is inadequate, our buildings are often in disrepair.

For far too many students, the daily experience of CUNY is an experience that reinforces poverty. That's the exact opposite of what a university should do. With the progress made in this year's Executive Budget toward stabilizing CUNY funding, the Legislature has an opportunity to take the lead in rebuilding the University.

- **This year offers an opportunity to begin the restoration of State support for community colleges.**

One of the hardest-hit portions of the State budget for public higher education, especially over the last three years, has been community colleges. Speaker Silver rightly pointed to community colleges as institutions whose importance has grown as New Yorkers in every part of the state seek new skills and college degrees. Enrollment at CUNY's community colleges has soared in the past three years, increasing by 12% percent between Fall 2008 and Fall 2010..

Yet as the pressure on these colleges has grown, State support has shrunk. Base aid for community colleges has been cut three times just since December 2009, for a 24% decline. As *Figure 7* demonstrates, this reduction comes on top of a 38% drop in State base aid for CUNY community colleges since 1990-91. The result is predictable, and devastating. Students at community colleges wait in long lines to use the handful of computer terminals in the library with Internet access, as they have no access at home. They sometimes wait a semester or more for the courses they need to graduate, as the colleges lack funds to offer them. And they can take lab courses in which 30 students cram into a lab with 20 stations—meaning a third of the class “completes” an experiment without having access to scientific equipment. As faculty and staff we do what we can to offset these results of austerity funding, but we know this is no way to run a university.

To make up for the loss of State support, CUNY has dramatically increased community college tuition and fees. CUNY's community college tuition in 2011-12 was 28% higher than the national community college average, yet our community college student body includes some of the lowest-income college students in the country. Take Bronx Community College, for example, in one of the nation's poorest Congressional districts: the high cost of tuition is in danger of placing this college out of reach for exactly those whom it was built to serve. Continuing to increase tuition at the community colleges to fill the hole left by withdrawal of State dollars means effectively blocking access for many and compromising these colleges' defining principle of open access.

- **The PSC calls on the Legislature to restore community college base aid to the 2008-09 level, adjusted for inflation.**

Policymakers from the White House to the New York State Assembly are calling for a renewed focus on community colleges. This is the moment to make a strategic investment. Together with our colleagues in NYSUT and community colleges across the state, we propose a restoration of community college base aid to the 2008-09 level. Per-FTE base aid in the 2008-09 year was \$2,675. When adjusted for inflation to align with

current costs, the figure is \$2,807. We call on the Legislature to increase community college base aid to \$2,807, an increase of \$685 per FTE. The total cost for the increase for CUNY is \$49.4 million. (We advocate for the same increase at the SUNY community colleges, which would bring to total to \$183.8 million.)

While \$139 million may seem a large figure in these times, we should bear in mind that it can be achieved with additional State revenue, and that it represents only a replacement for the real dollars cut in the last three years.

Even this restoration, however, would fall short of the amount needed to bring New York State to the 40% level of total community college costs specified in law. As *Figure 4* shows, State aid now accounts for only 24% of the total CUNY community college funding. In 1990, that number was 42%. The restoration we propose, to the 2008-09 level, would raise the State's contribution of total net operating costs to 29% at CUNY and just over 30% at SUNY. While that figure is far below 40%, the increase would make a substantial difference in the learning conditions for students in every community in the state. Equally important, the increase is attainable this year. Base aid funding would have to rise to \$5,000 to reach the 40% share, and while that is still an important goal, we urge you to pass the \$685 increase this year.

- **The experience of the ASAP shows what it actually costs to provide a community college education that leads to success.**

Perhaps a better way to measure where New York should be in community college base aid is provided by the experience of the ASAP program, in place at CUNY since 2007. The key fact about ASAP (Accelerated Study in Associate Programs) is that it takes regular community college students, not a selected cohort, and invests in the conditions they need to succeed in college and graduate. ASAP students have small classes, comprehensive advising and support, plus tuition waivers, free textbooks and MetroCards. ASAP students have exactly what every community college students should have. And the result? The three-year graduation rate of the first cohorts is 55%, compared to 24% in the control group. The secret is money.

In this small program, CUNY invests approximately \$16,000 per FTE. Compare that to the \$10,264 per FTE CUNY currently invests in the general community college student body. With economies of scale as ASAP expands, CUNY anticipates that the per-FTE investment will be closer to \$13,800. With the increase we propose for this year, the per-FTE investment throughout CUNY's community colleges would rise to just short of \$11,000. We would still be a long way from \$13,800, but progress can be made this year. When it's clear how much it takes to do education right, there can be no excuse, in our view, for doing it wrong.

- **Finally, we propose continued progress on restoration of Opportunity Program funding.**

The additional funds provided mid-year to the Opportunity Programs signaled new political will to invest in low-income students from poor high school backgrounds. We thank you for the advocacy that led to that support. We would propose, however, as you

continue to study the needs of these programs, that you increase your support. There are currently 9,000 students in SEEK, CUNY-wide, but funding is provided for only 8,100. Moreover, summer bridge programs—essential to students' ability to stay in college—have to be funded out of the budget allocation for the fall semester. Without additional funds, fall enrollment of first-time college students in SEEK would have to be reduced. Similarly, fall enrollment of first-time freshmen in College Discovery would have to be reduced from 2,830 to 2,615 unless the Legislature provides additional funds.

- **CUNY is the university of the 99%; new investment would benefit 100% of the people of New York State.**

Twenty years of active, aggressive disinvestment is too long. There is a lot of ground to recover, as the damage to state's public universities is palpable and deep. The last three years made the damage even greater, and undid some of the progress New York had begun to make. Education costs money, and it's worth every penny. No investment offers New York more benefit—economically, culturally, intellectually—than investment in public higher education. Let this be the year that the Legislature takes a stand and insists on reinvestment in CUNY and SUNY. We call on you to reorder the State's priorities and take a stand for educational and economic justice. Take a stand for CUNY.

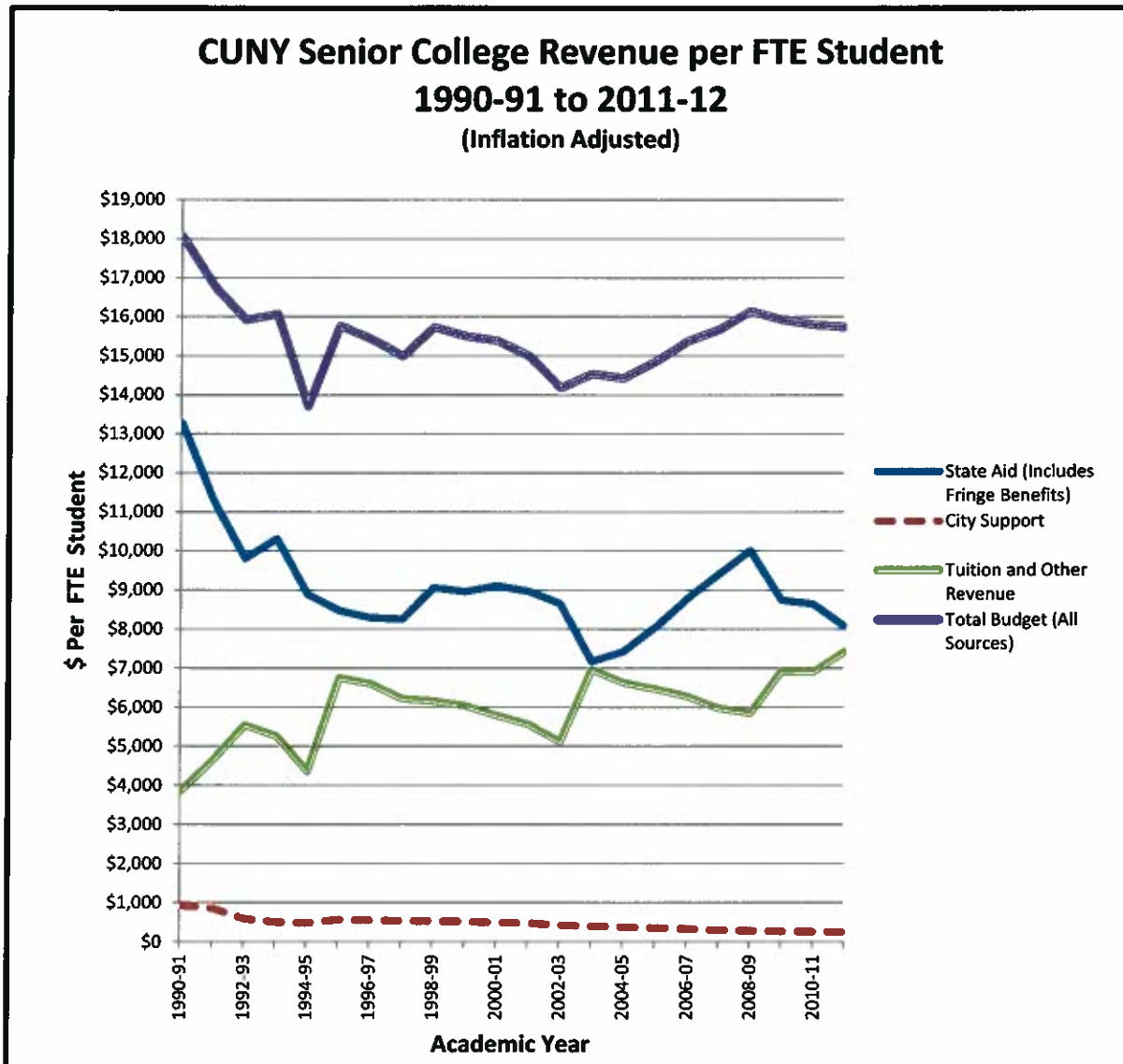
ATTACHMENTS

**TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY
EXECUTIVE BUDGET:
THE CITY UNIVERSITY OF NEW YORK, FY 2013
JOINT HEARING OF THE NY STATE SENATE FINANCE COMMITTEE
AND THE ASSEMBLY WAYS AND MEANS COMMITTEE**

FEBRUARY 1, 2012

Figure 1: Revenue Sources for CUNY Senior Colleges

CUNY’s senior colleges have become more dependent on tuition and fees* as state aid has declined. This trend has intensified since the 2008-09 academic year.

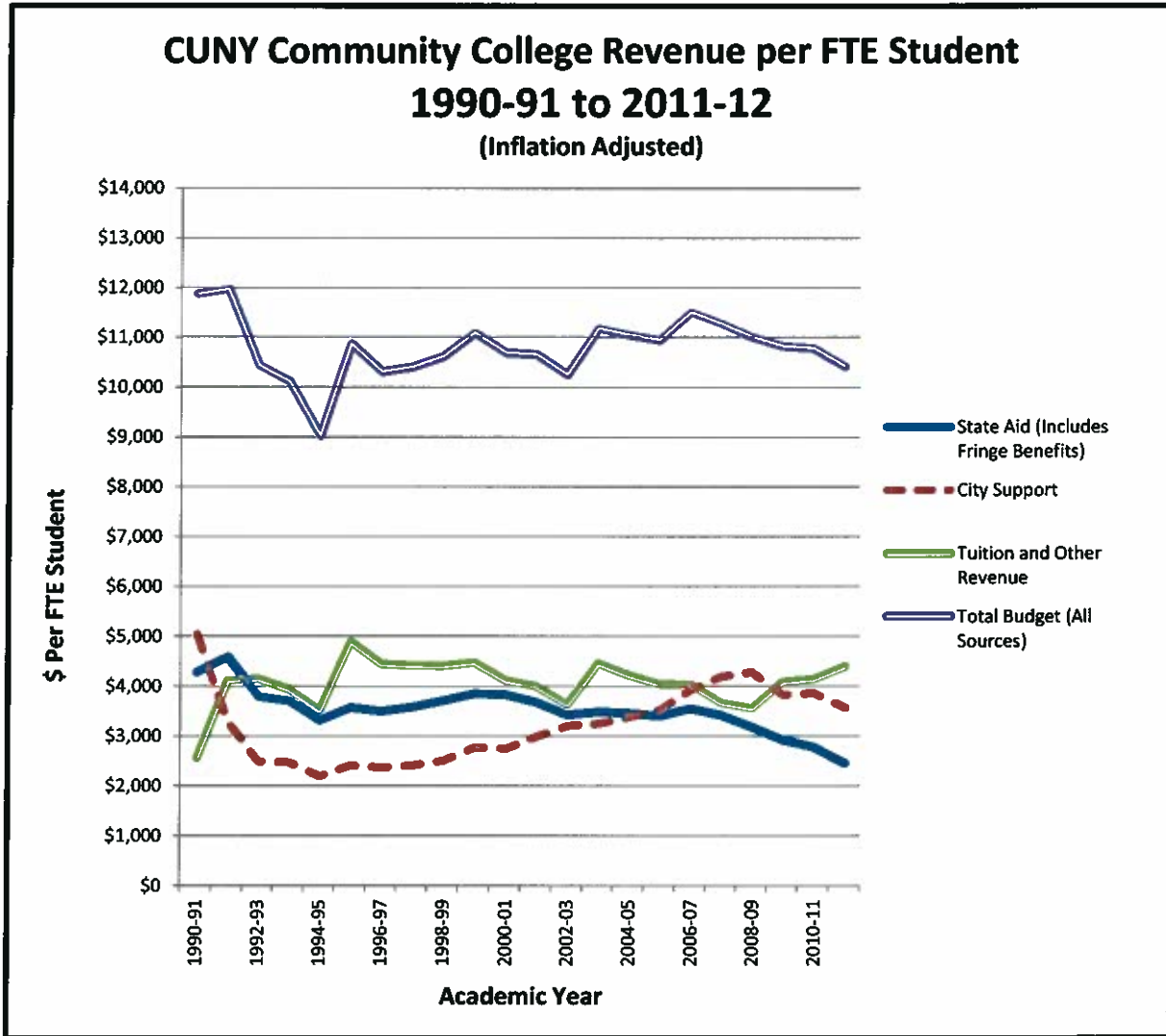


	<u>1990-91 to 2011-12</u>	<u>2008-09 to 2011-12</u>
State aid per FTE student	↓39.2%	↓19.4%
Tuition and other revenue per FTE student	↑ 91.8%	↑26.8%

* "Tuition and Other Revenue" includes tuition, student fees, IFR funds used to support tax-levy operations, and philanthropy. CUNY-wide, tuition and fees account for 97.4% of the total this year; IFR and philanthropy equal 2.6%.

Figure 2: Revenue Sources for CUNY Community Colleges

CUNY's community colleges have become more dependent on tuition and fees* as state Base Aid has declined. This trend has intensified since the 2008-09 academic year.

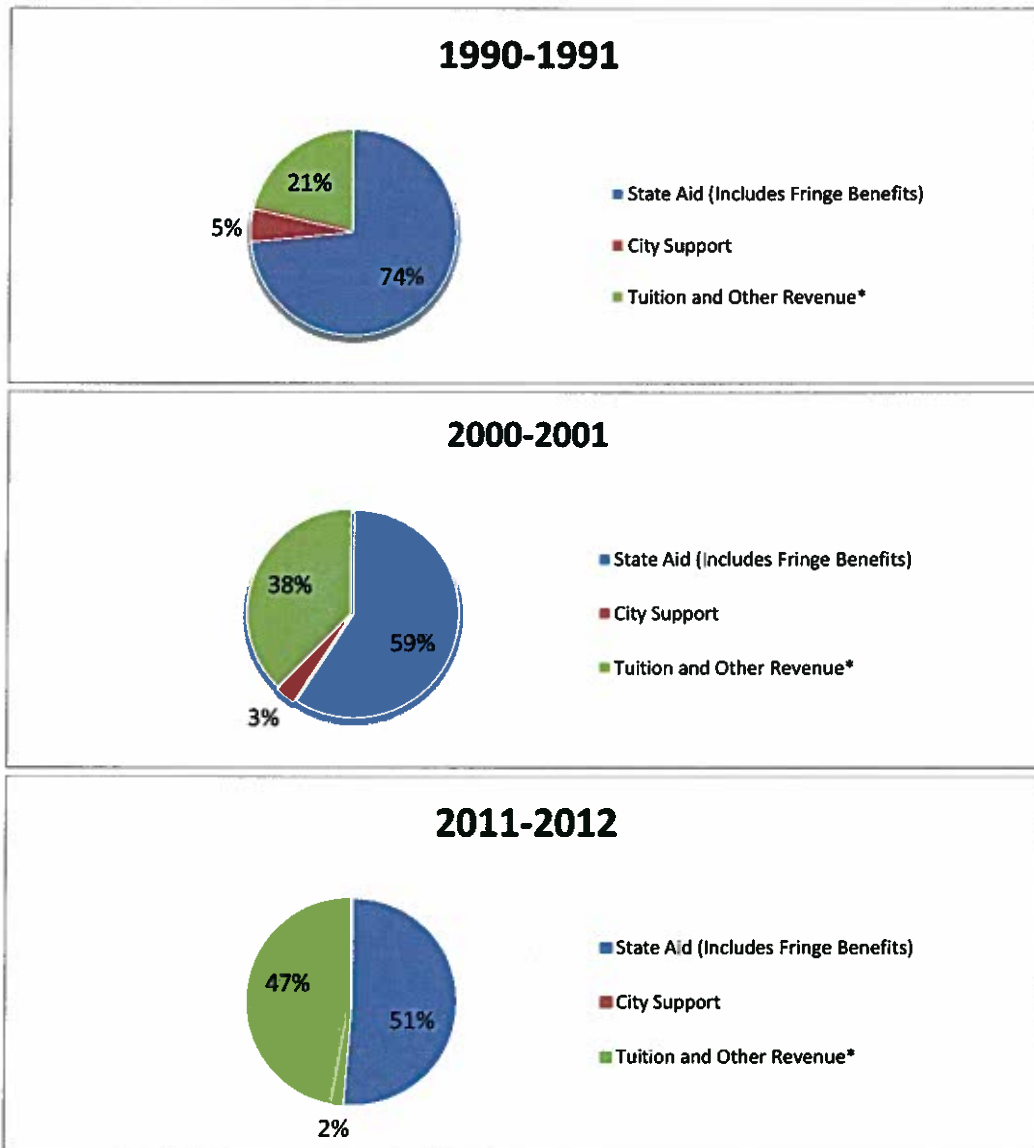


	<u>1990-91 to 2011-12</u>	<u>2008-09 to 2011-12</u>
State Base Aid per FTE student	↓42.6%	↓22.8%
Tuition and other revenue per FTE student	↑72.1%	↑23.5%

* "Tuition and Other Revenue" includes tuition, student fees, IFR funds used to support tax-levy operations, and philanthropy. CUNY-wide, tuition and fees account for 97.4% of the total this year; IFR and philanthropy equal 2.6%.

Figure 3: Distribution of Revenue Sources at CUNY Senior Colleges

As state aid to CUNY fell, tuition and fees paid by students have grown dramatically as a proportion of CUNY’s total senior college operating revenues.



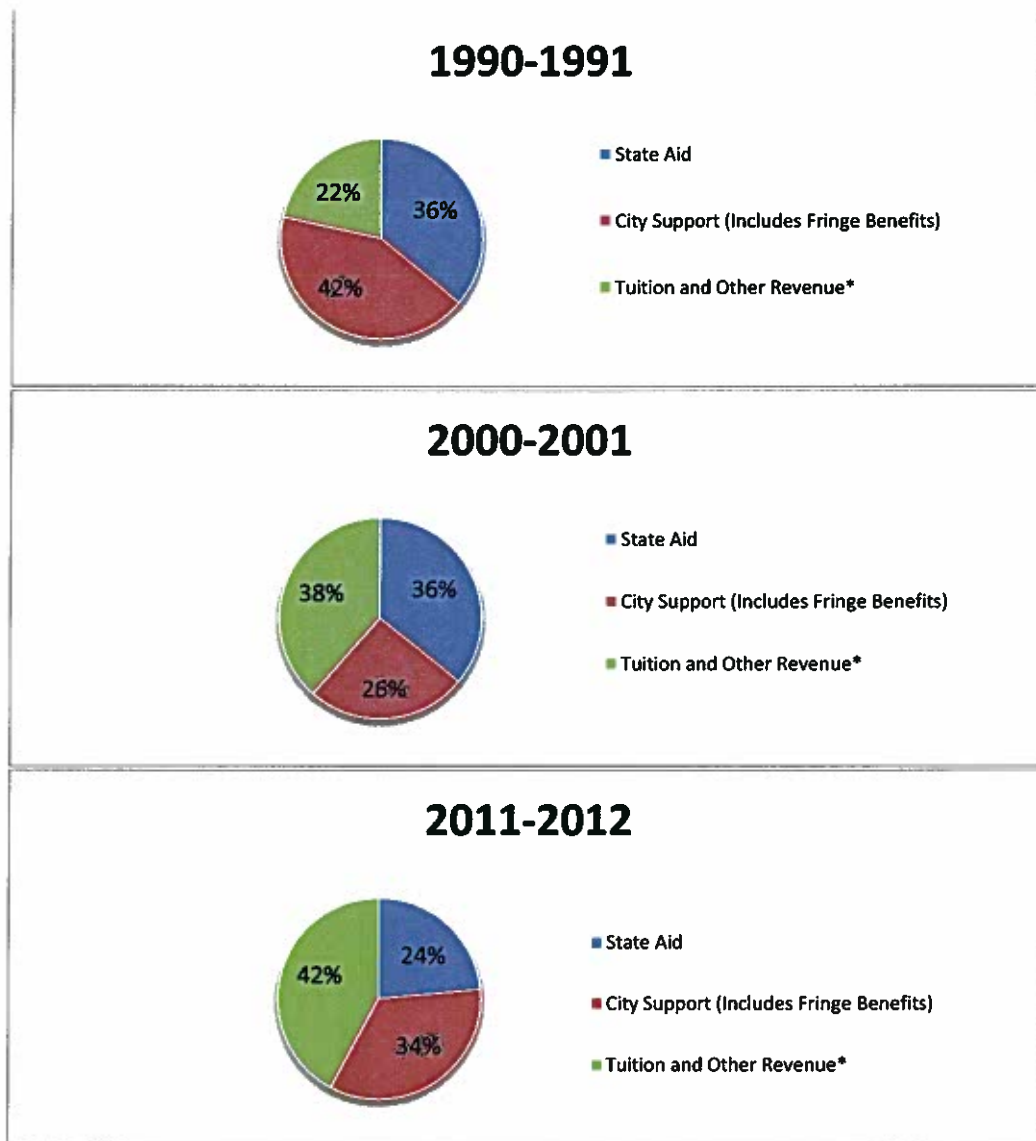
Between 1990-91 and 2011-12, state aid to CUNY senior colleges declined as a proportion of total revenues from 74% to 51%.

Over the same period, tuition and fees* more than doubled as a proportion of total revenues from 21% to 47%.

* "Tuition and Other Revenue" includes tuition, student fees, IFR funds used to support tax-levy operations, and philanthropy. CUNY-wide, tuition and fees account for 97.4% of the total this year; IFR and philanthropy equal 2.6%.

Figure 4: Distribution of Revenue Sources at CUNY Community Colleges

As state Base Aid to CUNY community colleges fell, tuition and fees paid by students have grown dramatically as a proportion of CUNY's total community college operating budget.



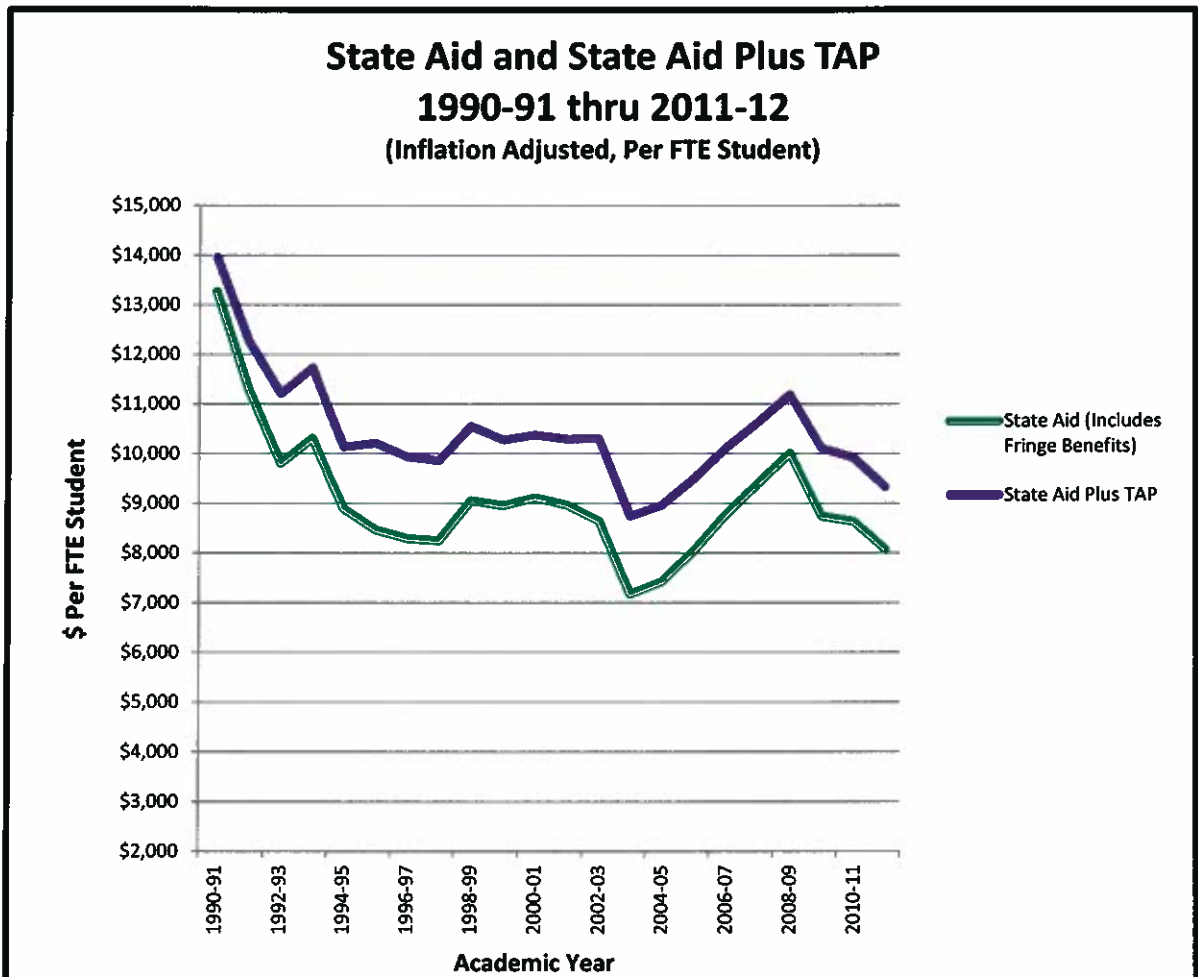
Between 1990-91 and 2011-12, state Base Aid to CUNY community colleges declined as a proportion of total revenues from 36% to 24%.

Over the same period, tuition and fees* has almost doubled as a proportion of total revenues available to CUNY community colleges, rising from 22% to 42%.

*"Tuition and Other Revenue" includes tuition, student fees, IFR funds used to support tax-levy operations, and philanthropy. CUNY-wide, tuition and fees account for 97.4% of the total this year; IFR and philanthropy equal 2.6%.

Figure 5: CUNY Senior College State Aid Plus TAP

The Tuition Assistance Program (TAP) provides need-based financial aid to students who attend public or private colleges in New York. TAP covers all or part of tuition for 92,000 CUNY senior and community college students at CUNY. However, TAP funding does *not* increase the total operating revenues available to CUNY.

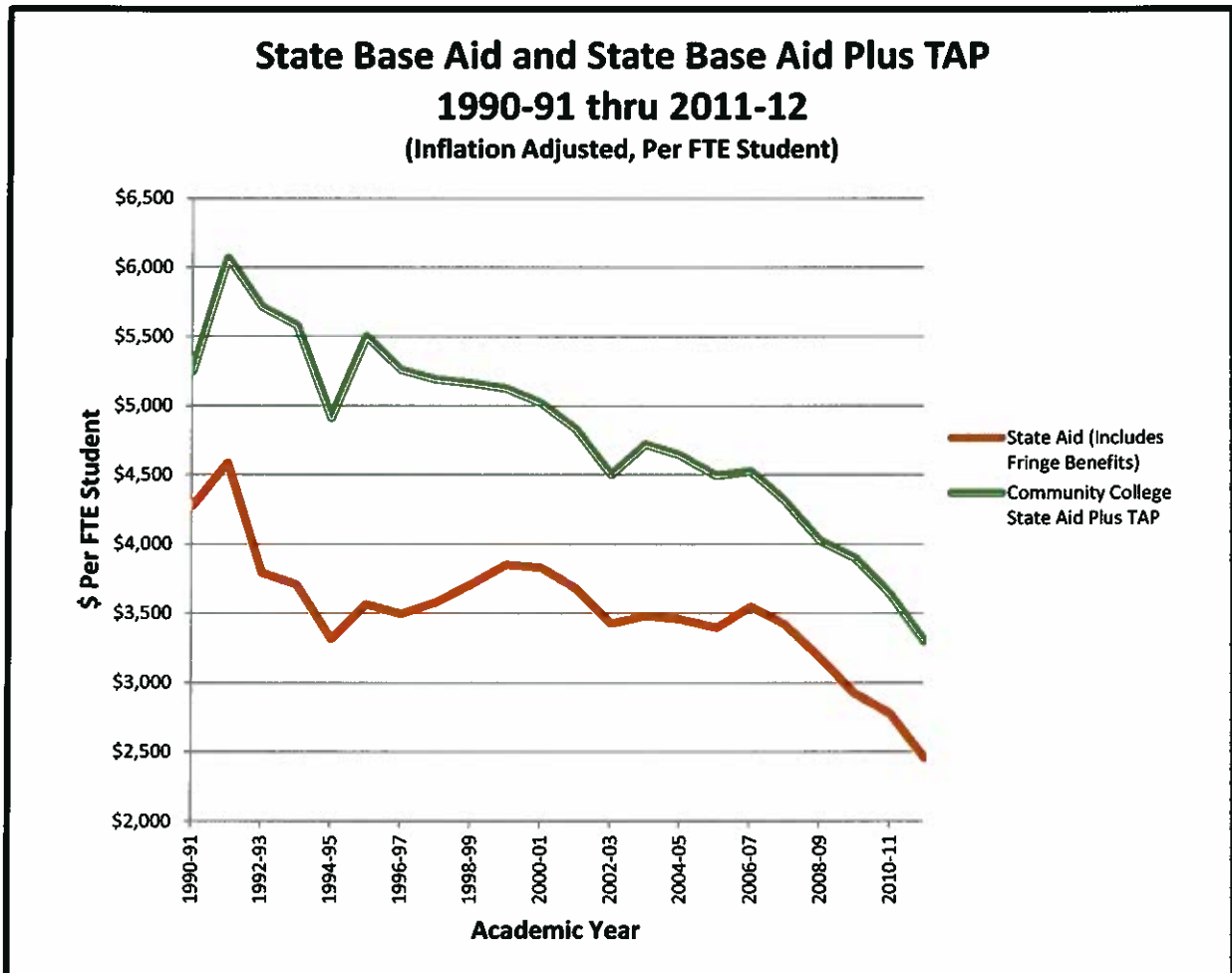


Overall, state aid plus TAP to CUNY per FTE student at the senior colleges fell 33.2% since 1990-91.

State aid without TAP per FTE student fell 39.2% since 1990-91.

Figure 6: CUNY Community College Base Aid Plus TAP

The Tuition Assistance Program (TAP) provides need-based financial aid to students who attend public or private colleges in New York. TAP covers all or part of tuition for 92,000 senior and community college students at CUNY. However, TAP funding does *not* increase the total operating revenues available to CUNY.

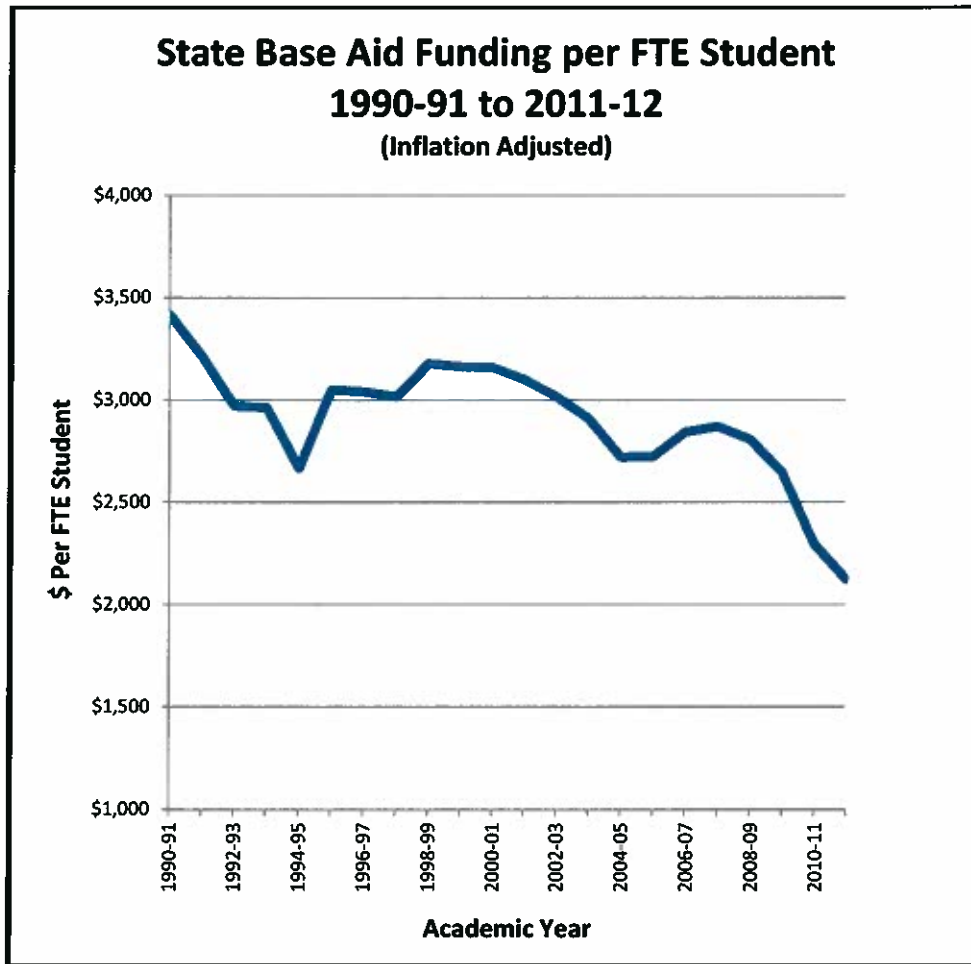


Overall, Base Aid plus TAP per FTE student at CUNY community colleges fell 37.1% at since 1990-91.

State aid without TAP per FTE student has fallen 42.6% since 1990-91.

Figure 7: Decline in State Base Aid to Community Colleges

CUNY community colleges are chronically underfunded. New York should make a commitment this year to begin restoring Base Aid funding to 2008-09 levels.



State Base Aid for community colleges has declined by 37.8% since the 1999-91 academic year and by 24.4% since 2008-09 when adjusted for inflation.

State Base Aid in 2008-2009 was \$2,675 per FTE student. Adjusted for inflation, this is \$2,807, which is \$685 *more* than the \$2,121 proposed in Executive Budget.

In the current academic year, CUNY community colleges would have had an *additional* \$49.4 million for full-time faculty, counselors, and other critical student supports if State Base Aid had not been cut over the last three years.