



**TESTIMONY  
OF THE  
NEW YORK PUBLIC INTEREST RESEARCH GROUP (NYPIRG)  
BEFORE THE JOINT  
SENATE FINANCE AND ASSEMBLY WAYS AND MEANS COMMITTEES REGARDING  
HIGHER EDUCATION FUNDING  
IN THE 2012-2013 EXECUTIVE BUDGET  
FEBRUARY 1, 2012**

Good afternoon. My name is Kathleen Jordan. I am the Chairperson of NYPIRG's Board of Directors and a Brooklyn College student. With me today is NYPIRG's Legislative Counsel Russ Haven. We appreciate this opportunity to share our preliminary perspectives on the higher education budget.

The New York Public Interest Research Group (NYPIRG) is the state's largest non-partisan research and advocacy organization. Our Board of Directors consists of college and university students elected from campuses with NYPIRG chapters across the state. NYPIRG students become well-trained, powerful advocates by working on public policy issues such as environmental protection, consumer rights, voter registration, government reform and higher education.

We are here to put the executive budget for SUNY and CUNY into the larger context of the severe funding cuts of the last decade and to urge the state to make investing in higher education a top priority.

As you know, we believe the NY-SUNY 2020 legislation was misguided, and we urge you to reconsider and withdraw from this approach, which shifted too much of the costs of higher education onto the backs of students and families and makes it harder for students to afford college in New York. Increasing tuition by \$1,500 over five years will result in graduates saddled with tremendous debt for a long time after they earn their diplomas. At a minimum, the state must ensure that it meets the NY SUNY-2020 maintenance of effort requirements; fulfills its obligation under Education Law to fund 40% of the costs of community college education costs; close the gaps in the state's tuition programs, including TAP and the opportunity programs; and provide textbook relief to students who are reeling from the staggering jump in the costs of the books and materials they are required to have for their coursework.

**Higher Education as an Economic Engine**

In the State of the Union address, President Obama urged state governments to make higher education a priority in their budgets. "Higher education can't be a luxury--it is an economic imperative that every family in America should be able to afford."

The benefits of higher education are made clear by the Bureau of Labor Statistics. According to recent studies, the level of unemployment for those with a bachelor's degree or higher as of December 2011 was 4.1%<sup>1</sup>. This is dramatically lower than the unemployment rate for the general population, which stood at 8.5% in December 2011. Over the year, health care has added 315,000 jobs, and 420,000 jobs were added in professional and business services.<sup>2</sup> College education is crucial in getting New Yorkers back to work and for jump-starting the state economy.

### **Budget**

This Year's Executive Budget proposes that state support for CUNY senior colleges and SUNY senior college remain constant from SFY 2011-2012. State support for SUNY and CUNY community colleges will also remain constant from the 2011-2012 budget.

While we are pleased that the Executive Budget does not call for additional cuts to SUNY and CUNY, a bare maintenance of funding does not make up for the consistent cuts that have taken place over a decade. Over the past 10 years, combined funding for SUNY and CUNY has been cut by \$1 billion cumulatively.<sup>3</sup> NY-SUNY 2020 seeks to address the results of this divestment trend; unfortunately the funding for it comes from steep increases in tuition.

### **NY-SUNY 2020**

New York is already ranked tenth in the nation for highest student loan debt, with 61% of our students having an average of \$26,271 in student loans.<sup>4</sup> Despite the already heavy burden on students and their families, NY-SUNY 2020 raises tuition for the next five years, for a total increase in tuition of \$1,500. Advocates for this legislation claim that giving families advanced warning of the tuition increases somehow will make the increased costs easier to bear. Nevertheless, in a struggling economy when many New Yorkers are unemployed, underemployed and faced with rising costs and reduced benefits, knowing that tuition will go up does not ease the burden. With so many people unemployed or living from paycheck to paycheck, it is unlikely that forewarning is all that these families need to be able to overcome these tuition hikes.

When students and their families cannot pay the increases in tuition through careful budgeting or additional financial aid, they turn to public and private loans. Nationally, according to the College Board, student loans taken out in 2010 exceeded \$100 billion for the first time, with total loans outstanding surpassing the staggering amount of \$1 trillion in higher education debt.<sup>5</sup> Sixty-one percent (61%) of SUNY and CUNY graduates carry tens of thousands of dollars of student loan debt.<sup>6</sup> High student loan debt, and even low student loan debt paired with low earnings, can leave students with unmanageable payments that will cause long term damage to their financial health.

<sup>1</sup> Bureau of Labor Statistics, "The Employment Situation - December 2011," January 6, 2012. Available at <http://bls.gov/news.release/empsit.toc.htm>. These numbers reflect national averages.

<sup>2</sup> *Id.*

<sup>3</sup> Sum of 1995-1996 state support for SUNY & CUNY: -309 million, 2003-2004 state support for SUNY & CUNY: -\$257 million, 2009-2010 state support for SUNY & CUNY: -\$363 million, 2010-2011 state support for SUNY & CUNY: -\$355 million, and 2010-2011 state support for SUNY & CUNY: -\$170.1 million.

<sup>4</sup> Project on Student Debt, "State by State View," *Student Debt Class of 2010*, 3 November 2011. Available at: [http://projectonstudentdebt.org/state\\_by\\_state-data.php](http://projectonstudentdebt.org/state_by_state-data.php).

<sup>5</sup> *Student Loans Outstanding Will Exceed \$1 Trillion this Year*, Dennis Cauchon, *USA Today*, October 25, 2011. This article accessed at [www.usatoday.com/money/perfi/college/story/2011-10-19/student-loan-debt/50818676/1](http://www.usatoday.com/money/perfi/college/story/2011-10-19/student-loan-debt/50818676/1).

<sup>6</sup> Project on Student Debt, "State by State View," *Student Debt Class of 2010*, 3 November 2011. Available at: [http://projectonstudentdebt.org/state\\_by\\_state-data.php](http://projectonstudentdebt.org/state_by_state-data.php).

### **Tuition Assistance Programs**

The Tuition Assistance Program (TAP) was created in 1974 “to maximize access to higher education for all qualified students.”<sup>7</sup> We applaud the state for ensuring that students who had their full tuition covered by TAP will continue to have their full tuition paid when tuition exceeds the TAP ceiling. Nevertheless, there is an ever-growing population of students that need financial assistance but are being squeezed out by cuts to TAP, rule changes that have been implemented over time, long-standing problems like the bias against independent students, and the program’s inability to allow adjustments for substantial change in financial circumstances.

Over the last three years alone, TAP was cut by more than \$74 million. These cuts led to unfair rule changes and have reduced or eliminated TAP aid for graduate students, independent students without dependents, dependents of retired workers, and students who are struggling with their federal student loans or grades. NYPIRG urges the state to go back to the 2008 TAP guidelines so that these students are not pushed out of our public universities. Moreover, TAP should be revised to allow students who have experienced a substantial change in financial circumstances—such as death or incapacity of a parent—to have their awards adjusted.

We are concerned about the proposal to not increase funding for several programs, including Aid For Part-Time Study, Higher Education Opportunity Programs (HEOP), College Discovery, STEP and C-STEP programs, for example. And our concerns are heightened over the proposal to fund Bundy Aid at last year’s levels since the 2011-2012 budget was cut over the previous year.

NYPIRG also supports the DREAM Act [A.6829-B (Linares)/S.4179-B (Perkins), which would allow eligible undocumented students to apply for TAP. Students who have called New York State their home for the majority of their lives deserve the opportunities that financial aid provides and the ability to legalize their immigration status. We also support legislation that would allow undocumented students and their families to open a 529 college savings account as another crucial step in providing accessible higher education for all [A.8690 (Moya)].

### **Community Colleges**

Community colleges are crucial for New York’s students. They are the only available entryway into higher education for tens of thousands of low-income students—students who have ongoing job and family responsibilities, such as taking care of younger siblings or elderly grandparents. Community colleges are finally getting the widespread recognition they deserve for excellent education they offer. They are an essential access point for many college students, providing crucial job training and re-training for under-employed and unemployed workers in a rapidly shifting economic environment. Now that it’s widely recognized how important community colleges are to New Yorkers and the state’s economic future, our resource commitment must match the need. We believe the state needs to step up and fully fund community colleges as required under Education Law.

Research shows that low and moderate income students attending community colleges are the least likely to file for the Free Application for Federal Student Aid (FAFSA) compared to their peers at other types of institutions. In order to remain debt free, students attend part time to save money, or work more than 20 hours a week while attending full time—minimizing the chances of successfully

---

<sup>7</sup> *New York’s Tuition Assistance Program-A History*, New York State Higher Education Services Corporation. Accessed at [www.hesc.com/content.nsf/CA/Appendix\\_E\\_New\\_Yorks\\_Tuition\\_Assistance\\_Program\\_A\\_History](http://www.hesc.com/content.nsf/CA/Appendix_E_New_Yorks_Tuition_Assistance_Program_A_History)

completing a degree.<sup>8</sup> The increases in tuition create an unmanageable situation for students who choose not to take on debt, and their ability to graduate suffers.

### **In Closing**

Many tough choices have to be made to get the economy back on track. Investing in our state's public universities can provide jobs and produce the educated labor pool that attracts businesses to our state. A striking statistic: in this wrenching economy, college graduates are more than twice as likely to be employed than their peers who have only a high school degree, according to the federal Bureau of Labor Statistics.<sup>9</sup> Helping New Yorkers to become qualified through higher education to get the jobs they need should be a top priority for the state.

NYPIRG is already seeing how the "perfect storm" of a persistent recession, the rising cost of living, and a spike in tuition already has negatively impacted struggling students and those who would like to attend college but cannot. We urge you to reconsider, and withdraw from the NY-SUNY 2020 approach. At a minimum, the state must meet its statutory obligation of funding community colleges at 40% of the FTE costs, fixing and funding TAP and the opportunity programs so that college access does not become a casualty of our budget policies and provide relief with the steep costs of college textbooks and materials.

We would like to thank you for providing this opportunity for us to share our thoughts on higher education in New York. We will continue to engage you in this discussion over higher education funding and policy in the coming weeks. We look forward to working with you to ensure that a college education is accessible and affordable in New York.

---

<sup>8</sup> College Board Advocacy & Policy Center, "The Financial Aid Challenge: Successful Practices that Address the Underutilization of Financial Aid in Community Colleges," May 2010. Available at [http://advocacy.collegeboard.org/sites/default/files/10b\\_1790\\_FAFSA\\_Exec\\_Report\\_WEB\\_100517.pdf](http://advocacy.collegeboard.org/sites/default/files/10b_1790_FAFSA_Exec_Report_WEB_100517.pdf).

<sup>9</sup> *Economic News Release*, Table A-4, Bureau of Labor Statistics, January 6, 2012, *Employment Status of Civilian Population 25 Years or Over by Educational Attainment*. Accessed at [www.bls.gov/news.release/empsit.t04.htm](http://www.bls.gov/news.release/empsit.t04.htm),