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UNITED UNIVERSITY PROFESSIONS



TESTIMONY

**Testimony
on the
2012-2013 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

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President**

February 1, 2012

Chairman DeFrancisco, Chairman Farrell, distinguished members of the Senate Finance and Assembly Ways and Means Committees, thank you for providing the United University Professions (UUP) the opportunity to comment on the Governor's 2012-2013 Executive Budget.

I am Phillip H. Smith, President of UUP, the largest higher education union in the nation. We represent the over 35,000 academic and professional faculty and staff serving hundreds of thousands of students and patients – at academic institutions, the health science centers, and public teaching hospitals directly administered by the State University of New York.

Let me say, at the outset, that you have our appreciation for restoring \$60 million to SUNY's three teaching hospitals in the 2011-2012 enacted budget. The loss of the entire \$128 million State subsidy, as proposed in the 2011-2012 Executive Budget, would have presented insurmountable problems with respect to maintaining an adequate level of health care for citizens in the communities served by our public hospitals. .

We also wish to commend the Governor for breaking, in his 2012-2013 Executive Budget, the pervasive cycle of deep annual cuts to SUNY's operating budget.

Times have been tough for public higher education and public hospitals across the nation – and especially here in New York.

We can all agree that budgets are all about the setting of priorities. There is never enough money to meet all of our society's needs. But, as a society, we in New York depend on the institutions of SUNY and CUNY to help our citizens prosper and to drive the State's 21st Century economy.

Unfortunately, over the past several decades, we have experienced a dramatic shift in our State's funding priorities for SUNY's institutions:

- From slightly growing support for public higher education to significant reductions in annual State funding.
- From ensuring access to all students who can benefit from public higher education to more and more qualified applicants turned away for a lack of instructors to teach them.
- From an emphasis on educating our students to the highest levels possible to a concern that they are not being prepared today to participate in New York's workforce tomorrow.

Consider the following.

In 1990-1991, State funding for SUNY's state-operated campuses was \$915 million. By 2005-2006, that State support had grown to about \$1 billion – and then leveled off for the next few years.

That translated into an increase in annual State support of only \$85 million after 17 years – or less than 1% by year.

Since 2007-2008, State support for the state-operated campuses has been reduced seven times – through annual budget reductions and mid-year cuts.

If the 2012-2013 Executive Budget funding recommendation for the state-operated campuses is enacted without change, State support next year will be less than \$780 million – less than it was 1990-1991, despite inflation and an increase of more than 20% in enrollment.

As State support for public higher education declined over the last 20 years, the percentage of total State General Fund spending dedicated to public higher education declined as well.

In 1990-1991, direct State operating support for public higher education represented 3.2% of the State's General Fund. By 2005-2006, it had fallen too 2.2% and, today, that percentage is well under 2%.

In short, during the past four years when annual State spending increased by billions of dollars, its financial support for SUNY's state-operated campuses fell by \$685 million.

We hope that the Governor's 2012-2013 Executive Budget signals the beginning of a reversal to what has become an untenable situation for SUNY students and the patients served by our members.

Higher education is a labor intensive service. It requires faculty/student ratios that permit personal interaction between student and instructor.

The fact that average class size has increased dramatically in recent years; the fact that many students cannot get the courses they need to graduate on time emphasizes the problems associated with rapidly declining full-time faculty within the SUNY system.

Part of my job, an important responsibility for UUP, is to advocate to keep SUNY affordable and accessible. Our main job, however, is to provide the quality education that every SUNY student deserves.

If we are to do our jobs properly, there must be more full-time faculty throughout the University System, and that faculty is needed now.

Accordingly, we request that \$25 million be added in the enacted SUNY budget for 2012-2013 and set aside to begin the rebuilding of the academic departments of every SUNY campus.

Every public university speaks of expanding its role in economic development, and we certainly agree that SUNY has a role to play in that regard. We question, however, whether the role contemplated for the University under NYSUNY 2020 is the best expenditure of SUNY resources.

The Executive Budget contains provisions to extend, to three additional campuses, the NYSUNY 2020 challenge grants enacted for the four university centers this past year. Under NYSUNY 2020, the university campuses will need to rely on operating funds to finance, in either hard

dollars or debt service, 90% of the over \$800 million construction cost of new buildings to house various centers – or to accommodate the relocation of existing SUNY operations.

We do not believe that buildings alone produce economic development. We believe that those economic benefits depend on the competence and education of the workers who occupy those buildings.

The SUNY funds that will be used to finance building construction belong to the students. Putting those resources into teaching is the soundest infrastructure investment that SUNY could make.

Think of what \$800 million could do to enhance the University's academic mission and to better prepare our students for the State's future workforce.

For many years, we have expressed our concern for the continued and significant State underfunding of the University's three public teaching hospitals and four health science centers. No Executive Budget in the last 20 years has financially recognized that there were valid reasons then and even a greater purpose now for these hospitals to operate as public institutions.

If they were not public institutions, many tens of thousands of uninsured or underinsured New Yorkers would have no access to healthcare in the counties served by Upstate University Hospital, within the Flatbush community in Brooklyn, or on Eastern Long Island.

Even those with health insurance in the communities our hospitals serve would have great difficulty finding acceptable healthcare alternatives. It is well known that SUNY's teaching hospitals accept and care for patients with hard to treat medical conditions – referred by other hospitals or health care providers.

When it comes to our teaching hospitals, no one in need of health care gets turned away. That is why these are public institutions. That is why the State needs to properly support them.

We all know that SUNY's medical schools produce most of New York's primary care physicians and many of its health care specialists. What is less known is that the hospitals subsidize these medical schools by over \$250 million annually from hospital revenues– which is another reason why the State's subsidy of the teaching hospitals has been so very important.

Aside from the \$60 million that you restored this year, the hospitals receive no other State support. We request that you consider a second installment toward restoring the subsidy back to its former level of \$128 million.

Finally, we are greatly troubled by the latest attempt by the Medicaid Redesign Team led by Stephen Berger to damage our public teaching hospitals and to remove needed healthcare from the communities they serve.

Several years ago, the Berger Commission targeted Upstate University Hospital in Syracuse. With your help, the Commission's attempt to force Upstate into a financially disastrous situation failed.

Now the issue is Downstate Medical Center. The Berger Commission is calling upon Downstate to shift virtually all of its inpatient and clinical operations from its main facility in Flatbush to facilities of the Long Island College Hospital it recently acquired.

The severe impact this would have on the availability and quality of health care for those who live in Flatbush is totally unjustified.

In our opinion, this is simply just another Berger attempt to begin the ill-advised and thoughtless privatization of our public teaching hospitals. We ask for whatever help you can provide in protecting the Flatbush Community, and our two other SUNY hospitals.

In conclusion, on behalf of the entire UUP membership, I appreciate the opportunity to address you today. Hopefully, as the State begins to recover from the effects of the recession, you will help us move public higher education and SUNY's public hospitals more to the forefront of New York's subsequent priorities for funding.