

Testimony of Chancellor Félix V. Matos Rodríguez
The City University of New York

**Joint Senate and Assembly Legislative Public Hearing on
the Fiscal Year 2024 Executive Budget Proposal**

Monday, February 27, 2023

Good morning, Chairs Krueger, Weinstein, Stavisky and Fahy, and members of the Senate Finance, Assembly Ways and Means, and the Senate and Assembly Higher Education committees, staff and guests. I am Félix Matos Rodríguez, chancellor of The City University of New York. I am joined this morning by Executive Vice Chancellor and University Provost Wendy Hensel, Executive Vice Chancellor and Chief Operating Officer Héctor Batista, and Interim Vice Chancellor and Chief Financial Officer Christina Chiappa.

Thank you so much for the opportunity to testify this morning. I am especially excited to testify in person after two years of virtual Executive Budget Proposal hearings. While there have been many changes since the 2020 hearing, CUNY's longstanding mission of access and opportunity while providing a quality education remains the lodestar guiding our work. It's a history that our entire University has been celebrating and reflecting on since May 7, 2022, when CUNY started marking its 175th anniversary. And now we are recommitted to building on that great legacy.

I am extremely honored and humbled to lead the premier and largest urban public university in the United States, serving over 220,000 degree-seeking students, over 150,000 in adult and continuing education programs, 18,350 faculty and 21,800 staff at our 11 four-year colleges, seven community colleges and seven graduate, honors, and professional schools. On behalf of the entire CUNY community, I want to thank Governor Hochul, the State Senate, and the State Assembly for your sustained and unyielding support.

Recognition for CUNY

CUNY continues to distinguish itself and be recognized for our quality, affordability and unparalleled record as an engine of upward mobility for our students and their families — and, by extension, the city and state. Recent accolades include:

- Two of our CUNY community colleges, Hostos and Kingsborough, have reached the round of 10 finalists in the quest for the prestigious 2023 Aspen Prize for Community College Excellence — regarded by many as the highest recognition for community college achievement in the nation. We are rooting for them when the winners are announced in April;
- Six CUNY senior colleges were among the top-performing public colleges in the northern United States in the 2022 U.S. News rankings, and seven CUNY colleges were among the top 20 public universities;

- 10 CUNY colleges were among the nation’s best in promoting economic mobility according to Third Way, a public policy think tank that is creating an “economic mobility index” for students from low- and moderate-income families;
- Queensborough Community College ranked as the best community college in New York State for its stellar educational outcomes and affordability by finance website WalletHub; and
- The City College of New York was recognized as the top-ranked public college in the nation by the education research organization DegreeChoices.

Apart from these institutional accolades are the countless honors and awards that individual CUNY faculty members, staff and students have won in a wide range of fields over the past year — everything from Professor Dennis Parnell Sullivan winning the Abel Prize for Mathematics — often called the “Nobel Prize of Math” — to Pulitzer Prize-winning composer Tania León being named a 2022 Kennedy Center honoree to the election of two distinguished CUNY professors and poets, Kimiko Hahn and Patricia Smith, to the Board of the Academy of American Poets.

At the same time, CUNY continually demonstrates its commitment to New York and the positive impact we have on every facet of life in the city. To cite just one recent example, New York City Public Schools Chancellor Banks and I announced a groundbreaking \$14-million partnership to train thousands of current and future public-school teachers to deliver practical computer science and digital literacy skills to their students across the city. We believe it’s the largest effort of its kind in the nation.

Often overlooked, meanwhile, is CUNY’s excellence as a research powerhouse propelled by more than 10,000 researchers and staff with growing support from public and private funders. Collectively, CUNY research grants total about \$500 million each year — but through the first half of this fiscal year they already amount to \$417 million. That’s a CUNY record, and if the trend continues, we will end the fiscal year with the largest amount of external research funding in our history. All told, we have more than 2,100 research grants for projects that are being carried out by researchers from the Graduate Center and our graduate and professional schools and every one of our 18 undergraduate campuses. They are working to alleviate disparities in public health and pursuing advances in computer science, data science and biomedical engineering, to name just a few areas in which our researchers are making measurable differences for the people of our city, state and nation.

All of this is even more impressive because of CUNY’s diversity. In 2022, the CUNY Graduate Center was found to be the second-most gender diverse of the nation’s R1 higher education institutions. Additionally, 20 percent of the Graduate Center’s full-time graduate students identify as Underrepresented Minorities (URM). Combine this with CUNY’s ability to harness expertise across its 25 geographically proximate campuses and build focused and transdisciplinary research teams that are recognized globally. This makes CUNY a major research center. Research at CUNY is also an important catalyst for degree completion and building a more capable and diverse workforce.

Increasing Access to Higher Education

CUNY, like so many institutions of higher learning, has faced enrollment challenges consistent with nationwide pandemic trends. We are being creative in how to improve in this area, doubling down on CUNY's long history of expanding access to higher ed.

We opened the semester with a wonderful announcement about CUNY Reconnect, our initiative to re-engage thousands of New Yorkers who began college but stopped out before they completed a degree. The initiative was proposed and advocated by New York City Council Speaker Adrienne E. Adams and funded by the City, and I am happy to report that more than 16,000 students have signed up for classes through the program this academic year, surpassing our goal of enrolling 10,000 returning students.

CUNY Reconnect and various enrollment analytics have taught us a lot about what works and how our systems can be improved to increase enrollment and retention. Those lessons led us to create a large advertising campaign with the tagline "Degrees Without the Debt," that is running on subways, buses, billboards, taxis and the Staten Island Ferry terminals. The campaign highlights both CUNY's affordability and the range and scale of its programs and campuses — the key points of our value proposition that we know are important to our students and our applicants. We're running the campaign with one-time state funding and monitoring the results closely. As of last week, 40,000 people had visited the apply page of the CUNY website through the campaign. We have seen great additional engagement through our ongoing digital and social media campaigns, which have generated nearly 71,000 visits to our application page since July.

Another initiative that will help address enrollment and retention is the enhancement and expansion of CUNY Online — the University's in-house solution to increase online education opportunities. CUNY Online will provide a robust, high-quality online program portfolio in high-demand areas, with online wraparound student services. CUNY Online will give all CUNY students more flexibility in taking courses. Additionally, it will help CUNY serve the substantial and growing online and adult learner population at a scale commensurate with CUNY's size.

Careers Start at CUNY

These strategies emphasize student success and, ultimately, the pathways to careers that they create. Over the past year, we have increased our focus on equipping our students to enter the workforce in the transformative years ahead. We are forging new public and private partnerships like the CUNY Inclusive Economy initiative, which aims to connect 80 percent of CUNY graduates to careers by the end of the decade. Another partnership with the City, CUNY Upskilling, will help thousands of New Yorkers acquire the skills and knowledge they need to secure jobs in fields that are most in demand. And, of course, we know the impact that paid internships have on student success — higher starting wages, a higher number of students who graduate with job offers, and invaluable experience that helps them get a foot in the door. We are expanding all these opportunities with the help of the State and City — but more needs to be done. We're eager to expand the percentage of students taking advantage of these programs, but we need help to do so.

Updating our Systems

We are modernizing the University and transforming our operations through enhanced technology. We are replacing CUNYfirst and migrating our core Enterprise Resource Planning (ERP) functions to modern cloud solutions, providing the University with the opportunity to improve its agility, simplify system administration and empower users. We are also replacing Blackboard and migrating to a new Learning Management System (LMS), which will impact all faculty and students, and implementing a new Customer Relationship Management (CRM) system, which will manage all aspects of our communication with students, beginning at the recruitment phase and throughout their journey at CUNY. Clearer communication with students will improve enrollment and retention. Even as we transform, we'll engage in a multi-faceted cybersecurity initiative to identify and protect against potential risks that threaten the University's IT assets.

The actions and initiatives that I have described above are all being undertaken to realize CUNY's fullest potential to uplift New York. As so many of you recognize, CUNY is exceptional and even more important as we recover and rebuild communities — especially those that were disproportionately impacted by the pandemic. Nearly 80 percent of our undergraduate students are students of color (23 percent are Asian or Pacific Islander; 26 percent are Black, and 30 percent are Latino). More than 80 percent of CUNY graduates stay in New York and contribute to the city's economy, civic and cultural life. Half of our undergraduate students come from households with less than \$30,000 in annual income; 45 percent of our students are the first generation in their family to attend college, and 50 percent work while going to school.

CUNY students and graduates staff some of our city's most critical workforce sectors including nurses and teachers. Each year, CUNY graduates about 1,800 nurses — about half of all new nurses in the city in a typical year. The University also awards more than 5,000 degrees and certificates in education, and supplies a third of new teachers for the New York City Public Schools. According to a recent report from the Center for an Urban Future, in one year, 2019, CUNY graduated more Black and Latino students with tech degrees than all undergraduate degrees awarded by Columbia University two years later. CUNY's scale cannot be ignored.

Because we educate the workforce of today and that of the future, we recognize the need for additional financial support to educate Science, Technology, Engineering and Mathematics (STEM) students. Educating students in these vital and fast-growing STEM and health care areas is more expensive than educating students in other areas. In 2021-22, about 42 percent of CUNY's enrollment was in STEM or health disciplines. Faculty costs are estimated at 33 percent higher in those fields. Other costs include lab equipment, lab sections and higher faculty-student ratios.

I would be remiss if I did not deal with the structural deficits CUNY is facing. These are primarily due to decreases in enrollment and related tuition revenue as well as unfunded mandatory cost increases. We are doing our part to help mitigate these deficits. One effort is our Efficiencies for Re-investment and Innovation (ERI) initiative, an agenda of projects designed to produce greater efficiencies and cost savings for CUNY. The first phase of this initiative involved automating previously manual processes. Eight systems have been implemented, resulting in savings of over \$14 million; five other ERI projects, which are still being implemented, are expected to bring in as much as \$39 million in additional savings; and the new ERP for HR and Finance will align business operations to industry best practice

and result in significant additional productivity savings. Another effort is through lease savings. We implemented nine lease transactions resulting in an aggregate savings of \$103 million between FY22 and FY35 and \$9.2 million of capital contributions from landlords.

Now let me turn to the Governor's Executive Budget.

We are grateful that the Governor baselined the \$40 million in one-time strategic funds received in FY23 as general operating support and strategic investments in FY24.

We also appreciate the almost \$36 million in increased funding for CUNY's fringe benefits budget. Unlike state agencies, CUNY's fringe benefits are a line-item appropriation in our State budget. Annual funding increases are vital, as our fringe benefits costs — covering expenses like the health insurance and welfare fund payments for our employees and pension costs for our retirees — account for almost a quarter of the University's total operating budget.

For the community colleges, the Executive Budget includes a 100 percent funding floor, and maintains flat per student funding. This will assist our community colleges with budget stability. Given the recent additional reductions announced in City government, this support is critical for community colleges.

Other highlights of the Education Budget include:

- \$1.5 million in matching State funds for federal funding of the Rangel Infrastructure Workforce Training Initiative at The City College of New York, which will assist the Initiative's vital work of addressing the workforce skills gap and developing new pathways of opportunity for traditionally underrepresented communities to enter specialized infrastructure industries; and
- \$0.2 million in support for CUNY LEADS to provide services to students with disabilities.

We appreciate the inclusion of these vital items in the Executive Budget.

With respect to the capital budget, the Executive proposal recommends \$642.7 million in new funding: Much-needed critical maintenance funding of \$384.2 million, and \$100 million in expansion and improvements funding at the senior colleges. The Governor's matched \$119.7 million for critical maintenance projects at the community colleges already received funding from the City; this represents an increase of \$75 million compared to last year.

We thank Governor Hochul for these funds, which are needed to maintain our 300 buildings totaling over 26 million square feet across our 25 campuses. More than 52 percent of these buildings are 50 years or older; some exceed 100. We have taken concrete steps to improve facility maintenance which include performing a Facility Condition Assessment Study to have a better understanding of the existing conditions of each building component and its immediate maintenance needs; upgrading the Building Maintenance work order tracking system to improve routine and preventative maintenance tracking; and realigning our maintenance teams to provide more centralized support to campuses to improve building maintenance. These proactive steps, along with the new funds, will greatly improve the condition of our buildings.

Additionally, these investments help CUNY and the economy by spurring construction — a known economic engine to restart economies. CUNY has been an integral part of that process for New York State and City. Every \$100 million in construction spending creates nearly 1,000 direct and indirect jobs for the local economy, and with our continued commitment to supplier diversity, added investment in CUNY’s capital program will certainly benefit state-certified MWBE vendors. Indeed, CUNY’s state MWBE utilization rate — representing the engagement with MWBEs on state-funded contracts — was 41.14 percent in FY22, exceeding the State’s target, which is the highest MWBE goal of any state in the nation.

I am extremely optimistic about the future of this great University, especially considering the challenges we have overcome and the lessons we have learned since Spring 2020. Thanks to you and Governor Hochul for your continued support of CUNY. Your investment directly results in a stronger, more vibrant New York — one that is inclusive and benefits all New Yorkers regardless of race, socioeconomic status or immigrant status.

That concludes my testimony. I would be happy to answer any questions.