



**TESTIMONY
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP
BEFORE THE
NEW YORK STATE SENATE AND ASSEMBLY HIGHER EDUCATION COMMITTEES
REGARDING THE IMPACT THAT THE
COVID-19 PANDEMIC HAS HAD ON HIGHER EDUCATION
July 28th, 2020
Albany, New York**

Good afternoon. My name is Santana Alvarado and I am the Chairperson of the Board of Directors of the New York Public Interest Research Group (NYPIRG) and college student. I am a Senior at Hunter College. As you know, NYPIRG is a statewide, nonpartisan, nonprofit organization founded by college students in 1973 to engage their peers in civic life. NYPIRG's broad programmatic work provides students with a range of opportunities to participate in public affairs and advance responses to social problems that matter most to them. In collaboration with and guided by professional staff—researchers, organizers, advocates and attorneys—students tackle pressing issues while learning and developing professional-level skills that will boost their prospects for success in college, the job market, their role in civic life, throughout their lives. Our Board of Directors solely consists of college and university students elected from public and independent college campuses with NYPIRG chapters across the state.

NYPIRG applauds your decision to hold this joint hearing. It is important to current campus communities at the State University, the City University, and the independent college sector institutions that the pressures created by the pandemic – as well as more long-term structural changes – be monitored by the legislative branch and that reforms are advanced to remedy the situations. We applaud this first step in that process.

COVID-19 has had major impacts on students and higher education institutions. In the immediate, schools closed, and classes and student activities abruptly moved to virtual formats. Too many students were left with insecure housing, access to food, and access to the internet.¹

Many students that were paying part of their tuition out of pocket are anxious about how they will pay this coming semester. Queensborough Community College student government president, Ankush Gaba, described life for many immigrant students during the pandemic:

¹ The Hope Center, “#RealCollege During the Pandemic,” <https://hope4college.com/realcollege-during-the-pandemic/>, accessed July 25, 2020.

Because of COVID-19 I haven't been able to work for months, but I still have to pay off my bills and help support my family. I am an immigrant. The only way I can pay for college is by working and working too much. I have to deal with my travel expenses, meals, and then my tuition or textbook expenses. I work three jobs to get myself going and also help my family financially, as we are here to make our future. A fully funded CUNY would take a big load of stress off of me and my family, and would especially help immigrant families who are trying to save as much as they can to have a secure and better future.

Prior to the outbreak, it seemed as if years of student organizing and momentum would lead to a state budget that was favorable to college students, their families, and the institutions themselves. However, as the state has re-directed funds to respond to the public health crisis, coupled with the fact that the no new revenue streams have been adopted (e.g. keeping the proceeds from the Stock Transfer Tax), nor has their (as yet) been adequate federal support, most public agencies are facing major cuts. While decisions have not been made,² it's possible that the state could slash CUNY and SUNY budgets by as much as \$95.3 million dollars.² There have been reported impacts at CUNY and SUNY that have resulted in the laying off adjunct faculty,³ a decision that may well balloon class sizes in the midst of a pandemic. Moreover, there is increasing evidence that independent colleges are facing unprecedented financial pressures. Recently, the financial instability in the independent sector led to a credit downgrade by Moody's.⁴

Despite these challenges, a college-educated workforce is key for supporting a just recovery for individuals and nurturing an economy strained by COVID-19. College-educated workers earn more than their high-school educated peers – by an average of \$30,000 per year, as found by the Federal Reserve Bank of New York.⁵ As wages increase, so do tax revenues which support any number of public services. The average bachelor's degree holder contributes \$278,000 more to local economies than the average high school graduate through direct spending over the course of their lifetime; and an associate degree holder contributes \$81,000 more than a high school graduate.⁶ And investment in higher education will benefit New York's economy; for every \$1 spent⁷ on education, the economy reaps \$8 dollars in benefits, according to a study looking at the SUNY system.

²Pereira, Sydney, The Gothamist “CUNY Braces For Anticipated Budget Cuts Due To Coronavirus Pandemic,” <https://gothamist.com/news/cuny-braces-anticipated-budget-cuts-due-coronavirus-pandemic>, accessed July 25 2020.

³Valbrun, Marjorie, Inside Higher Ed, “CUNY Layoffs Prompt Union Lawsuit,” <https://www.insidehighered.com/news/2020/07/06/economic-fallout-pandemic-leads-layoffs-cuny-and-union-lawsuit>, accessed July 25, 2020.

⁴Platsky, J., “Can NY's small private colleges survive the financial strain of coronavirus?” [pressconnects.com](https://www.pressconnects.com/story/news/local/2020/04/09/can-small-private-colleges-in-new-york-survive-fiscal-strain-coronavirus/2960110001/), April 4, 2020, <https://www.pressconnects.com/story/news/local/2020/04/09/can-small-private-colleges-in-new-york-survive-fiscal-strain-coronavirus/2960110001/>.

⁵Abel, Jaison R. and Richard Deitz, Liberty Street Economics, “Despite Rising Costs, College Is Still a Good Investment,” June 5, 2019, <https://libertystreeteconomics.newyorkfed.org/2019/06/despite-rising-costs-college-is-still-a-good-investment.html>.

⁶Rothwell, Jonathan. “What colleges do for local economies: A direct measure based on consumption.” Brookings, July 28, 2016, www.brookings.edu/research/what-colleges-do-for-local-economies-a-direct-measure-based-on-consumption/.

⁷Rockefeller Institute of Government, “The Economic Impact of the State University of New York” <https://rockinst.org/issue-area/the-economic-impact-of-the-state-university-of-new-york/>, accessed August 16, 2019.

What's more, there is an increasing need for a college degree in today's economy. The availability of blue collar jobs that do not require a Bachelor's degree has decreased by 30 percent since 1991. Nationally, New York ranks in the top four states with the highest decrease in blue collar jobs.⁸ It has become more of an economic necessity to hold a bachelor's degree, particularly in New York. Higher education access and degree completion must remain a priority in this year's budget. Beginning in 2011, nearly constant tuition hikes have raised tuition rates by more than 38%.

Since the COVID crisis hit the state, unemployment has steadily been on the rise, reaching levels that New York has not seen in years. These rates dwarf anything seen, even in comparison to the 2008 financial crisis, one of the often cited rationales for the SUNY 2020 tuition hikes. In June, New York's metropolitan areas reported an unemployment rate of 15.9%.¹⁰ Such sweeping levels of unemployment touches the lives of many students' families. New York's students are looking at an uncertain future. While the state praises the higher education system for being affordable, for many of the state's unemployed young people, that may no longer be the case. For example, at least a quarter of all CUNY students – and about a fifth of all CUNY students who enroll on a full-time basis – are also employed full-time while enrolled.¹¹

The consequences of the state's past budget decisions have shone a spotlight on already glaring holes. State maneuvers sold as efficiency measures have shortchanged colleges in the State University, City University, and the independent sector, for years, starving campus budgets and putting student support services and educational quality at risk. For one example, the tuition price per student at senior colleges this past year (\$6,930 at CUNY 4-year schools and \$7,070 at SUNY 4-year schools)¹² continues to outpace the maximum Tuition Assistance Program (TAP) award (\$5,165)¹³ resulting in an increasing "TAP Gap." While students who receive the full TAP award haven't had to pay the difference, the

⁸ Buffie, Nick, and Tillie McInnis. "Highest to Lowest Share of Blue Collar Jobs By State," April 10, 2017, <https://bluecollarjobs.us/2017/04/10/highest-to-lowest-share-of-blue-collar-jobs-by-state/>.

⁹ SUNY tuition for Academic Year (AY) 2010-2011 was \$4,970, and CUNY was \$4,830. The so-called "rational tuition" policy allowed for \$300 annual increases for 5 years, or a total of \$1,500 by July, 2016. NY's Final State Budget for AY 2017-2018 and 2018-2019 allowed for two \$200 dollar increases, bringing tuition to \$6,870 at SUNY and \$6,730 at CUNY, hence tuition has increased over 38%. See:

<https://www.suny.edu/smartrack/tuition-and-fees/> and www2.cuny.edu/financial-aid/tuition-and-college-costs/tuition-fees/#1452179204200-d27abe14-99f4.

Calculations performed by NYPIRG.

¹⁰ State Labor Department Releases Preliminary June 2020 Area Unemployment Rates.

<https://www.labor.ny.gov/stats/pressreleases/prlaus.shtm>.

¹¹ 2016 Student Experience Survey, CUNY,

http://www2.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/oira/institutional/surveys/2016_SES_Highlights_Updated_10112016.pdf.

¹² SUNY tuition for Academic Year (AY) 2010-2011 was \$4,970, and CUNY was \$4,830. The so-called "rational tuition" policy allowed for \$300 annual increases for 5 years, or a total of \$1,500 by July, 2016. NY's Final State Budget for AYs 2017-2018, 2018-2019, and 2019-2020 allowed for three \$200 dollar increases, bringing tuition to \$7,070 at SUNY and \$6,930 at CUNY, hence tuition has increased over 42%. See: <http://www.suny.edu/smartrack/tuition-and-fees/> and

<http://www2.cuny.edu/financial-aid/tuition-and-college-costs/tuition-fees>. Calculations performed by NYPIRG.

¹³ New York State Higher Education Services Corporation, The New York State Tuition Assistance Program (TAP), <https://www.hesc.ny.gov/pay-for-college/apply-for-financial-aid/nys-tap.html>.

individual colleges have had to absorb the loss in revenue. This past year, CUNY has reported a \$74 million TAP Gap.¹⁴ Continuing to allow this gap to grow could destabilize the universities for years to come.

The erosion of state support and the creation of growing funding gaps was already translating into an erosion of student services and quality of education. Students have experienced firsthand the difficulty in getting into the classes they need to graduate, limited services such as library hours, and advisement gaps across the CUNY and SUNY systems. Post-pandemic, the situation looks dire. As the CUNY and SUNY lay-off more staff, these numbers are going to soar. Prior to the pandemic, according to a CUNY survey, over a third of CUNY students reported not being able to register for a course they needed for their major. Of those students, half couldn't register because there were not enough seats available.¹⁵

Last Fall, NYPIRG released an analysis of the overall financial impact of the SUNY2020 legislation. It found that the tuition increases have totaled some \$4 billion. And while some of that impact on college students and their families has been offset by the state's and federal financial aid programs, it is clear to us that the additional revenues are not being used to enhance student services, but to fill in budget shortfalls – shortfalls that too often result in *reduced* student services. New York has spent the past decade shifting the cost of education onto the backs of students. With the hardship that New York's student population has just gone through, it is time that New York begins to eliminate that burden.

Recently, the state announced that it may have to reduce access to the Excelsior Scholarship program.¹⁶ The Excelsior Scholarship program has been far from perfect. In fact, NYPIRG has testified in front of this committee on numerous occasions on the inaccuracy of the Governor's claim that this is a "free tuition" program. The program has had successes in providing *some* middle class students with a means of graduating on time. However, abandoning the program could have a drastic effect on the financial planning on those receiving the awards or those hoping to.

With a looming tuition hike of up to \$200 for CUNY and SUNY colleges on the horizon, the state's plan is continuing to rely on shifting the costs to students and families, many who had already struggled to keep up with rising costs, rather than addressing years of state underfunding. While CUNY and SUNY were already in dire financial straits, the COVID crisis has exacerbated an already precarious situation.

Of course, the state is starved for revenue following a public health disaster. We urge that the state keep the proceeds that it currently collects from the New York State Stock Transfer Tax. New York State's stock transfer tax is an excise tax levied on stock trades. For most investors, this is an unseen tax – even if it was collected and kept by the state. Most people who have investments generally are not buying and

¹⁴ City University of New York, 2019-2020 Operating Budget Request and Four-Year Financial Plan; January 14, 2019, http://www2.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/budget-and-finance/FY2020-Budget-Request_for-OBF-Site-1.pdf.

¹⁵ City University of New York, "2016 Student Experience Survey A survey of CUNY undergraduate students," http://www2.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/oira/institutional/surveys/2016_SES_Highlights_Updated_10112016.pdf.

¹⁶ Higher Education Services Corporation, <https://www.hesc.ny.gov/pay-for-college/financial-aid/types-of-financial-aid/nys-grants-scholarships-awards/the-excelsior-scholarship.html#horizontalTab1>.

selling stocks with great frequency. Wall Street speculators, on the other hand, seek to jump in and out of investments at a rapid pace and those would be the people who would pay the vast bulk of the tax. Protecting New York's essential workers will be vital to the state's recovery, yet they are disproportionately burdened by the impact of the pandemic. At a time when the risk is not being shared equally, why should those currently bearing the biggest load of keeping society together take the biggest budgetary hit? Instead it is only reasonable to ask Wall Street to pay its fair share.

Due to the current crisis, it is essential that the state steps in to alleviate the burden that has been placed on New York's students. NYPIRG *recommends* the following steps to assure that students receive a quality, affordable education.

1. The state must ensure that adequate revenues are made available to SUNY and CUNY to not only maintain services, but to offset budget shortfalls from a tuition freeze and to eliminate the TAP gap. For many New Yorkers who have been unemployed for months, a tuition increase could decide whether a student will be able to attend college in the Fall. Further, colleges were already facing a large financial burden due to the TAP Gap. The state should both cover the current TAP Gap shortfall as well as increase the TAP maximum award to cover the cost of public college tuition and reduce the financial strain on individual colleges.

2. Similarly, many of the state's independent institutions need relief as well. For this reason, we propose an expansion to the state's Bundy Aid program.¹⁷ This program provides funding directly to independent colleges to supplement student financial assistance and general operating support. The state has funded Bundy Aid at \$35.13 million for the past three years. Students at independent colleges and universities who qualify can benefit from state aid that flows through Bundy Aid.

3. Expand the TAP program. Current credit barriers make the program difficult for part-time students and educationally disadvantaged students to access. Graduate students are currently ineligible for TAP, creating a large financial burden to attain a degree that becomes increasingly important in the modern workforce. TAP is also not available in summer and winter sessions. Extending TAP to winter and summer will help students stay on track to graduate. While many students pursuing their bachelor's degree do not complete it in 8 semesters, lack of access to financial aid may be a burden that forces a student to leave school. This is a bad return on the state's investment in financial aid. As I mentioned earlier, raise the maximum TAP award to cover the full cost of public college tuition.

4. Maintain student services. As the pandemic continues to rage, the toll on the mental health of college students – and all Americans – is deeply concerning. It is important that health services be made available to all students. Moreover, as the financial situation becomes more difficult, there will be pressures for colleges to divert funds for student services to other areas. Some of these programs are funded by student activity fees – money that students have raised for their own programs – colleges must avoid seizing those funds. It is simply false that student services are not in demand even with more classes being held remotely. Student activities are an important component to the college experience and should be supported.

¹⁷ The Commission of Independent Colleges and Universities in New York, Direct Institutional (“Bundy”) Aid, <https://cicu.org/legislation-policy/state-aid/direct-institutional-“bundy”-aid>, accessed July 11, 2017.

NYPIRG urges that state policymakers ensure that adequate financial resources are available to all sectors of higher education and that students and their families are protected from increasing costs to attend college.

Thank you for the opportunity to testify.