

TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY

**EXECUTIVE BUDGET:
THE CITY UNIVERSITY OF NEW YORK, FY 2016**

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

**Delivered by Dr. Barbara Bowen, President
February 10, 2015**

Good afternoon, Chairpersons DeFrancisco and Farrell, Chairpersons LaValle and Glick. Thank you for giving us the opportunity to speak on behalf of the 27,000 members of the PSC, the union representing the faculty and staff at The City University of New York.

Four years ago, Albany made a promise to the students of CUNY and SUNY. The promise, articulated in the Executive's own statements, was that every dollar of the painful 24 percent increase in tuition would be used to enhance education—to add faculty, reduce class size, expand program offerings. The students and their families would pay more, and the State would do its share by maintaining funding levels and covering increased mandatory costs. That was the promise of NYSUNY2020, which also governed the funding structure for CUNY..

The promise has not been kept. The 2016 Executive Budget repeatedly states that future funding for CUNY and SUNY will be based on the premise that the State's contribution has provided "stability" in funding. Sadly, that notion is a myth. The State failed to provide a true maintenance of effort, which would cover mandatory inflationary costs; as a result, millions of dollars of additional tuition have been needed to plug the holes in the budget. Instead of providing the resources promised for smaller classes and more full-time faculty, the students' new tuition dollars were used to keep the lights on. New York's public university students have been betrayed, and their colleges have been impoverished. Is this what you envisioned when you supported NYSUNY2020?

Unless the Legislature takes a stand this year, the pattern will continue. The 2016 Executive Budget does not fund one dime of CUNY's mandatory cost increases. It leaves CUNY's senior colleges \$63 million short for mandatory costs. In addition, it calls for a restructuring of State funding for SUNY and CUNY that fundamentally misunderstands what colleges do and how new knowledge is generated. The financial betrayal of our students and their families is in danger of being compounded by a betrayal even more profound—of their right to a meaningful college education.

For most of the half-million students enrolled in The City University of New York, CUNY is their only chance for an education that can lead to the kind of life we all want for ourselves. CUNY students are three-quarters people of color; they are more than half from families earning less than \$30,000 a year; they are 40 percent immigrants; and 42 percent of them are working while attending school. They are New York's strivers and New York's hope. They are the next generation in the great story of

generations of poor and working-class New Yorkers who built this state. They do not deserve to be betrayed by Albany and deprived of the chance for a college education with lasting value.

The Executive Budget proposes a massive restructuring of State funding for CUNY and SUNY that would cheapen the meaning of college education and degrade its quality. The 2016 Budget proposes to hold hostage ten percent of the State's already inadequate funding to "performance measures" that come with no evidence of enhancing education. As currently proposed, the performance measures would skew college curriculum to the short-term needs of employers and rob our students of the skills and knowledge that have been shown to be the best predictors of lasting success. In the absence of increased investment per student by the State, they could create dangerous pressure to cut educational corners for the sake of higher graduation rates, or worse—to compromise CUNY's historic mission. The result could be less access for students, more pressure for tuition increases, and continuing austerity for CUNY and SUNY.

The Executive Budget takes the wrong direction for public higher education. The failure is especially striking when President Obama has called on states to invest *more* in college education, and legislators on both sides of the aisle in Washington are seeking ways to make college more affordable. When he unveiled his proposal for free community college, President Obama cited CUNY's ASAP program as a model. ASAP, Accelerated Study in Associate Programs, has shown that by investing in smaller classes and more support for community college students, graduation rates can be dramatically raised. Of the most recent ASAP cohort, 56 percent graduated from community college within three years—a result that far outpaces national averages. The 2016 Executive Budget, like the 2015 Budget, eliminates all State funding for ASAP. We thank you for restoring those funds, and urge you to restore them again this year—but we also ask you to stand up for public higher education in a more fundamental way. As the final year of NYSUNY2020 nears, this is a critical year to act.

The CUNY faculty and staff, who are proud to be part of one of this country's most important educational institutions, call on you to restore CUNY funding and reclaim the higher education agenda for New York. Doing so will mean prioritizing the higher education budget in high-level State budget negotiations. Redeeming Albany's promise will require more than the marginal funds usually allocated to higher education as an afterthought in negotiations. It will mean providing funds to cover all of CUNY's mandatory cost increases this year, and then taking a hard look at the Executive Budget proposals for CUNY and SUNY for the years to come. The timing is right to stand up for higher education. College education has not been as prominent in the national conversation since the G. I. Bill, and New York State is in a sound fiscal position to provide additional funds—both from the \$5 billion surplus and from the annual budget.

The Immediate Need for a Collective Bargaining Agreement

An urgent first step in restoring support for CUNY is funding a new collective bargaining agreement. CUNY faculty and professional staff have not had a contractual raise since 2009. Our salaries, already low in comparison to other comparable institutions, have now become completely non-competitive. At

the end of our last contract, the average full professor at Rutgers earned \$141,000 a year; the average full professor at a four-year CUNY college earned \$114,000. The same professor would earn \$170,000 at Columbia and \$176,000 at NYU—both of which frequently vie with CUNY for the same candidates. In a profession in which universities compete nationally for faculty, CUNY is finding it increasingly difficult to recruit and retain the faculty we need.

Meanwhile, decades of underinvestment by the State have led to a massive reliance on adjuncts, whose underpaid labor allows CUNY to stay afloat as enrollment rises. An adjunct who carries a full load of courses earns less than \$30,000 a year and doesn't know from one semester to the next whether she will have a job. Theirs are not the smiling faces you see in CUNY's subway ads, but they are doing the bulk of the teaching, especially of the highest-needs students. That is no way to run a university.

Ongoing collective bargaining increases are part of CUNY's mandatory costs, and must be funded. The University cannot be expected to continue to absorb the cost of annual salary step increments—which were negotiated decades ago and should be an unquestioned part of CUNY's budget allocation. It is unethical to ask faculty and staff to do more with less and less every year while failing to provide funding for the mandatory costs of collective bargaining. In the end, students will suffer and the quality of education will be damaged.

The PSC and CUNY have worked productively together in preliminary negotiations, and share the goal of reaching a contract that allows the University to offer the best possible education. A fully funded Maintenance of Effort provision would support the State's share of a fair contract settlement. It is time for this contract to be settled; we ask for your support for the State funds necessary both for long-overdue retroactive increases and for future increases that will allow CUNY to recruit and retain the academic workforce it needs.

The Fiscal Year 2014/15 Budget Reflects the Legislature's Efforts to Support CUNY

Before outlining the PSC's budget proposals, we wish to thank the Legislature for the critical investments you made for CUNY in the current fiscal year. CUNY has experienced decades of underfunding. Recent Executive Budgets, despite their professed commitment to public higher education, have sought to continue the trend; the students, faculty and staff of CUNY would face even more challenging conditions if not for your support. Last year you delivered these key improvements to the Executive Budget:

- \$75 per-full-time-equivalent increase in Base Aid to community colleges (\$4.6 million for CUNY);
- increases for CUNY's opportunity programs, SEEK (\$600,000) and College Discovery (\$55,000)
- restoration of ASAP's State funding (\$1.7 million);
- State funding for the Joseph Murphy Institute (\$1 million);
- restoration of State funding for campus childcare (\$544,000); and

- small but important adjustments to the Tuition Assistance Program (\$19.8 million statewide for a \$165 increase in the maximum TAP award and better grants for foster children).

While these restorations and additions are welcome, the State's record of lackluster funding for CUNY persists. During the four years of SUNY 2020, State contributions to the senior colleges, when adjusted for inflation and FTE enrollment, have fallen by 1%. This small decline, however, does not fully reflect the increase in mandatory costs. CUNY fringe costs alone have increased about 9% per year over the four years, and State contributions have not covered collective bargaining increases. While community college Base Aid has increased in 5% real-dollar terms since 2011, it still has not recovered from the steep cuts made following the 2008 recession. State contributions to community colleges have not returned to pre-recession levels.

Tuition contributions have been the major source of new revenue under SUNY 2020, and as we have seen, CUNY has used a significant portion of the new revenue just to meet mandatory costs. Finally, TAP has not kept pace with increased tuition costs. The student portion of tuition revenue (tuition minus TAP) has increased steeply for both senior (9.3%) and community colleges (22.5%) during SUNY 2020.

The Fiscal Year 2015/16 Executive Budget Proposal Deepens State Disinvestment

Over a 25-year period, State expenditures, when adjusted for inflation and FTE students, are down a third for both senior and community colleges. This means that in real dollars, the State is investing one-third less per FTE student than it did 25 years ago. During the same 25-year period, tuition rose by 100%. But even with this huge influx of resources from students, total resources per FTE student for senior colleges are still 10% below their level 25 years ago and just about flat for community colleges. Further, the student portion of tuition revenue has increased steeply as TAP has not kept up with rising tuition costs: 94% increase for CUNY senior colleges and 153% increase for CUNY community colleges.

Since the Great Recession, the general pattern of State disinvestment has intensified. The only moderation of this trend is that TAP has fallen just short of keeping up with tuition increases. The increased TAP investment, however, has not meant a significant overall increase in resources per FTE student (for the six-year period since the recession, there has been only a 0.8% increase in total resources for the senior colleges and a 6.1% for the community colleges). This slight increase in resources per FTE, however, is embedded in a long-term trend of State disinvestment.

It is within this context that the 2015/16 Executive Budget must be viewed. The budget for CUNY is essentially flat year to year and does not cover mandatory cost increases. This means that students' increased tuition charges will be paying for the inflated costs of existing programs and not new investments. This is a bad deal for students and a bad deal for all New Yorkers.

Performance-Based Funding Will Lead to Less Opportunity and Is the Wrong Direction

The only significant increase in the Executive Budget is associated with the Governor's plan to replace enrollment-driven funding with a performance-based model of funding. The Executive Budget adds insult to injury by proposing this as the new direction for state funding. Consider this: SUNY 2020 recognized the state had not properly funded CUNY and SUNY for decades and, consequently, had shifted much of the cost of public higher education onto the students—a move that contributes to the student debt crisis. The State then failed to properly implement SUNY 2020 and left students to continue to fill in the funding gaps left by State disinvestment. Now, the Executive Budget proposes that 10 percent of the already acknowledged inadequate State funding levels be held hostage to so-called performance measures, which have demonstrated little success and have the potential to do real harm to the missions of CUNY and SUNY. The performance measures are the flavor-of-the-day among conservative policymakers. But they cover over a policy that will heap more financial burden on students and continue the state's disinvestment in CUNY and SUNY. This is the wrong direction to take.

Performance-based funding models are nothing new. A recent comprehensive 20-year study (1990 – 2010) of performance funding reports that performance funding “had little to no impact on associate or baccalaureate degree completions....” (Tandberg and Hillman, Wisconsin Center for the Advancement of Postsecondary Education).

Performance-based funding creates an incentive to enroll a student body that will generate the statistics needed to guarantee funding, especially when the statistics privilege graduation above all. In a society in which we are far from equal opportunity, such measures generate pressure to enroll students who are less likely to come from under-resourced NYC schools, who are less likely to be low-income and people of color. They are dangerous for CUNY, an institution founded on the mission of educating “the children of the whole people”—a mission no less pathbreaking now than in 1847. Bad incentives lead to bad results.

The Executive Budget requires CUNY and SUNY to submit Campus Performance Improvement Plans, which would include student outcome measures, and would also include “experiential learning” as a graduation requirement, a master researcher program to pay bonuses to professors who generate commercialization opportunities, and bonuses for college presidents who recruit businesses to locate in their tax-free START-UP NY zones.

Internships, service learning, and other out-of-class experiences can stimulate students' academic interests and civic engagement, expand their cultural awareness, hone their leadership skills and teach professionalism. CUNY's commitment to providing such opportunities to students is apparent, and CUNY faculty and staff with the professional experience and expertise to set curriculum and manage programming are ensuring that experiential learning connected to curriculum is well-planned, supervised and assessed, and thoughtfully integrated into the larger curriculum. But, the Governor's proposal to set a SUNY- and CUNY-wide “experiential learning” requirement is an unwarranted intrusion into the faculty's professional purview.

Internships exist for the benefit of the intern; if they are managed poorly they can end up being just a source of free or cheap labor for employers. (Federal courts are currently deciding challenges to the legality of such arrangements.) A statewide mandate for every student to take part in experiential learning when it is not pedagogically appropriate or when the resources are not available to manage them properly is not wise. It can lead to a wasted experience or, worse, an exploitative situation.

The master researcher bonus proposal fundamentally misunderstands how new knowledge is created and commercialized and the structure and purpose of many colleges. Research discoveries, commercial applications, and new knowledge are basically the outgrowth of long-term infrastructural investments in physical plant and human capacity. The impediments to individual CUNY faculty engaging in research stem largely from a lack of institutional resources and high teaching loads. For example, most community college faculty do not have their own laboratories and must go to other institutions to use colleagues labs. Also, CUNY senior college and community college faculty have crushing teaching loads with overflowing classes and little time left over for engaging in research. What faculty need is more time and resources to do research, not a \$20,000 bonus. START-UP NY includes one CUNY school in each borough: Bronx Community College, City College, Medgar Evers College, York College and the College of Staten Island. It creates tax breaks that diminish much-needed State revenues that could be going to public education, and does so without much conclusive evidence showing that business tax incentives have an impact on net economic gains to the states. The Campus Performance Improvement Plans required by the Executive Budget include bonuses for college presidents who demonstrate commercial success through STARTUP NY. CUNY's college presidents should be focused on the mission of CUNY: to provide the best quality college education to "the whole people of New York." Such bonuses unacceptably incentivize presidents to short their core job responsibilities to become boosters for the Governor's tax giveaway.

- The Legislature should reject the Governor's plan to shift State funding for CUNY senior and community colleges toward an ill-conceived performance-based model and oppose the other requirements of his Campus Performance Improvement Plans.

The PSC Supports CUNY's Operating and Capital Budget Request

This year, a year in which there are State surpluses, we are asking the Legislature and the Governor to keep the promise of SUNY 2020.

Total Restorations and Investments Needed for CUNY

\$118.4 million

Keep Albany's Promise: Fund CUNY's Mandatory Costs

\$62.9 million

Legislators voted for five annual \$300 tuition hikes for CUNY under the SUNY2020 law believing that revenue from the increases would go to enhance education, not to offset shortfalls in State funding. Understanding that some students would not be able to afford the higher tuition, that other students' debt

loads would increase because of the hikes, and that financial aid does not work for a large portion of today's statewide student body, many legislators struggled with the decision to vote for SUNY 2020.

The implementation of SUNY2020 has underfunded inflationary pressures that drive up CUNY's annual operating expenses. CUNY calls these annually increasing costs "mandatory needs" or "mandatory costs" because they must be funded to maintain the University's current level of services and programming. We're talking about rent hikes, rising energy costs, price increases for office supplies and equipment, fringe benefit cost hikes and contractual salary steps. These things are not funded in the Executive Budget. By not providing General Fund support for all of CUNY's mandatory costs, the Governor forces CUNY to use tuition revenue to fill the gap rather than to make desperately needed improvements for students. That means CUNY is using new tuition revenue to keep the lights on rather than to make investments for students that it wants to make in additional full-time faculty, counseling and advisement, academic tutoring and student services.

The handout included with our written testimony called *Keep Albany's Promise* shows the mandatory costs that have been funded with tuition over the last five years.

The Executive Budget for FY 2016 does not fund \$62.9 million in mandatory costs detailed in the CUNY budget request. The Legislature should fully fund CUNY's mandatory costs, providing CUNY with \$62.9 million in additional General Fund support so students' hard-earned tuition dollars are used to improve learning and teaching conditions at CUNY.

Increase Community College Base Aid by \$250 per FTE

\$19.5 million

CUNY's community colleges are among the most critical educational institutions in New York, but they are dramatically under-resourced. The Executive Budget provides no increase to the Base Aid rate, leaving it at \$2,497 per FTE student. The Legislature has fought to restore \$375 per FTE student to Base Aid over the last three years, but even so, Base Aid remains \$178 per FTE student less than it was in the 2008-09 academic year (\$2,675). We request an increase of \$250/FTE for FY 2015/16 (\$17.2 million). Also, the Executive Budget reduces the FTE enrollment targets from last year, even as enrollments have increased. The enrollments need to be adjusted to reflect real growth (\$2.3 million). That's a problem, as the demands on community colleges have grown significantly since then.

CUNY's community colleges enroll 23% more students per FTE than in 2008-09. And, they now offer over 250 associate degree programs for students seeking education and skills needed for specific jobs. They provide developmental and remedial courses to students with poor high school preparation, learning disabilities or English-language deficits; and they provide a low-cost entry to college for students who intend to transfer to a four-year baccalaureate program.

Students at the CUNY community colleges tend to have lower incomes and are more likely to be people of color than students at CUNY senior colleges. They are more likely to work and to be raising children while enrolled at CUNY. They also tend to be less academically prepared. For these and other reasons, community college students often take longer to complete their studies and they are in particular need of

smaller classes, more time with faculty mentors, more advisement, academic tutoring and holistic student services.

CUNY's incredible success with ASAP shows what CUNY can do with adequate investment for community college students. Its 56% three-year graduation rate was more than twice the rate for a comparison group in a recent study. Increasing the Base Aid rate would help CUNY extend the benefits of ASAP to more students; establishing performance-based funding would only put community college funding at risk.

- The Legislature should increase the Base Aid rate by \$250 per FTE student and increase the FTEs to reflect the reality of enrollment growth so CUNY can provide community college students the support they need.

Restore FY 2014/15 Legislative Investments in CUNY

\$4.3 million

Unfortunately, the Legislature's 2015 investments in ASAP (\$1.7 million), the Murphy Institute (\$1 million) and campus childcare (\$.5 million) were left out of the Executive Budget. The Governor would also cut funding for SEEK by \$1.2 million and for College Discovery by \$26,900. We urge you to fully fund these critical programs.

The White House is pressing for free community college tuition and cites CUNY's Accelerated Study in Associates Programs (ASAP) as a shining example of how increased investment in community colleges (money for smaller classes, more focused advisement, free books and free tuition) can dramatically increase retention and graduation rates. The Governor's Executive Budget eliminates State funding for ASAP—a program with real results and proposes in its place performance measures which have a bad track record.

The Murphy Institute is an important CUNY program that educates working adults and provides them with real career opportunities and deserves to be fully funded.

For fifty years, the SEEK (Search for Education, Elevation, and Knowledge) program and College Discovery have made a CUNY education possible for capable students whose high schools have not prepared them for the rigors of college. SEEK at the senior colleges and College Discovery at the community colleges provide financial and academic support as well as counseling and a critical support structure that keeps students engaged and help them graduate. Funding added by the Legislature for these programs in the current-year budget was cut in the Governor's Executive Budget for 2016.

Fund CUNY's Planned Programmatic Increases

\$23.3 million

CUNY's Budget Request included a \$23.3 million investment from the State to help fund programmatic increases aimed at enhancing academic excellence and student success. If CUNY's mandatory costs are fully funded, CUNY would use the new revenue from the tuition hike and this \$23.3 million from the State to support a series of critical investments including the hiring of 500 new full-time faculty, enhancements to academic advisement, expansions of the CUNY Career Centers to offer more access to experiential learning and wider pipelines to employment students, expansion of CUNY Start, a pre-

matriculation program for students with remedial needs, and Single Stop, a program that connects low-income students to the benefits and services they are eligible for.

The 500 additional full-time faculty at CUNY are needed to address the decades of underinvestment in full-time faculty, which undermined academic departments, research and teaching capacity at CUNY. The past 15 years has seen rapid enrollment growth, but full-time faculty hiring has not kept pace. Today enrollments have risen to almost 275,000 students and CUNY has 7,500 full-time faculty and 10,250 teaching adjuncts. In 1975, the last time enrollment approached the current number, CUNY employed 11,500 full-time faculty.

- The Legislature should provide \$23.3 million to fully fund CUNY's requested State investment in programmatic enhancements so the University can begin to rebuild its ranks of full-time faculty, improve the treatment of adjunct faculty and expand its proven student-success initiatives.

Fund TAP Waivers

\$8.4 million

SUNY 2020 requires that CUNY discount its tuition by the amount which it exceeds the maximum TAP award (currently \$5,165). Requiring CUNY to absorb the difference between the maximum TAP award and tuition for low-income students helps protect access for some (not all) students, but it does so at a price. CUNY loses out on revenue that the University would have received if the maximum TAP award had covered the whole cost of tuition. The Executive Budget requires that CUNY forgo \$8.4 million in tuition revenue for this purpose. CUNY's student body relies more heavily on TAP than SUNY's, so CUNY is disproportionately affected by the tuition discounting policy. The Coalition to Reform TAP is urging the State to increase the Maximum TAP award to \$6,500, a change that would eliminate the rationale for the TAP waivers. Until that reform is possible, the Legislature should restore the funding for the waivers.

- The Legislature should increase funding for CUNY by \$8.4 million to offset the lost revenue for academics and student services resultant of the TAP Waivers.

Pass the NYS Dream Act and Reform the Tuition Assistance Program (TAP)

PSC is a strong supporter of the NYS DREAM Act and of the other TAP reforms put forward by the Coalition to Reform the New York State Tuition Assistance Program. The DREAMERs are our students. As college faculty and staff, we see daily their courage, their passion for education, their determination to open doors for the next generation that were closed to them.

This is the year to get the DREAM Act passed. But DREAM should not be linked the Education Income Tax Credit, an unjust use of public dollars for private schools. There is no logical reason to link the two—the DREAM Act should stand on its own and not be held hostage to a regressive tax proposal.

Get on Your Feet Loan Forgiveness Program

The PSC opposes the Get on Your Feet Loan Forgiveness program because it will have minimal impact. Essentially, this is two year buffer period for students with loans. This is not a bad thing, but it will not solve the real problem of student debt. There is too much student loan debt in New York State already. Affordable tuition at SUNY and CUNY and reforming TAP will help students avoid debt in the first place. That is the way to help students get on their feet after graduation.

- Instead of creating a two-year loan-forgiveness Band Aid that does nothing to reduce the growth of student loan debt, the Legislature should increase funding for public colleges and universities to relieve the upward pressure to raise tuition. Also, reform the Tuition Assistance Program (TAP) to realign the program with the needs of today's students and families.

Protect Teacher Education

The Executive Budget includes language regarding teacher preparation programs and teacher certification that would effectively reduce teacher education to preparing for high-stakes tests. An Executive Budget proposal would deregister teacher preparation programs if 50% of students fail the teacher certification exams for three years. There is no research that supports the efficacy of the testing regime that is currently required for initial teacher certification in New York State. There are substantial content problems and computer-based administration problems with these exams. Several of the exams have not been field-tested and their validity has not been established. Furthermore, the New York State Education Department recently released institutional pass-rate data that was deeply flawed. To tie the registration of teacher preparation programs to unproven high-stakes tests would not only damage schools of education, but would do nothing to educate better teachers. Professional teacher educators represented by the PSC have been highly critical of the current testing regime for teacher certification.

The Executive Budget would also set admissions criteria for schools of education. This is an infringement on the professional judgment and academic freedom of CUNY faculty. The goal of these proposals is to close down teacher preparation programs and change the composition of the student body to make it whiter and more affluent. This is the demographic that does better on high-stakes tests. Again it must be emphasized, that these testing requirements have nothing to do with increasing standards, because no one knows if passing these tests makes one a better teacher.

A New Direction

The PSC is here to ask you, and every member of the Legislature, to take a public stand to redeem Albany's promise to the students and families of this state, and to work with us to set a course for New York's higher education system that does not lead to more broken promises. Doing so would be a vital first step toward a new direction.

President Obama has opened up a discussion on the future of higher education by calling for free community college. New York should engage this idea and remember that the promise of the 1847 Free

Academy still remains to be fulfilled. To engage this idea means to make the needed investments now and in the future.